

# Memo

To: City Commission  
From: Toby Dougherty, City Manager  
Date: 1-4-16  
Re: January 7, 2016 Work Session

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Please find the attached agenda and supporting documentation for the January 7, 2016 Work Session.

## Item 2 – Request by USD 489 for Sales Tax Issue

Please refer to my attached memorandum and supporting documentation regarding the USD 489 sales tax issue. City staff is in receipt of the attached financial information from USD 489's Financial Advisor, Piper Jaffray, regarding the possible use of sales taxes to supplement bond payments for the planned facility improvements. USD 489 Superintendent Dean Katt, as well as Dustin Avey, Managing Director for Piper Jaffray, will be at the work session on Thursday evening to make a presentation to the City Commission.

## Item 3 – Update on Activities of the Ellis County Coalition for Economic Development

Aaron White, Ellis County Coalition for Economic Development Executive Director, will be updating the City Commission on various activities of the Ellis County Coalition for Economic Development. As you may recall, the 2016 Budget for the City of Hays does not contain a direct allocation for the Ellis County Coalition for Economic Development. The allocation is for "Economic Development". Therefore, City staff will not release any 2016 funds to the Coalition until directed by the City Commission.

## Item 4 – Discussion on Modifications to the Economic Development Policy

Please refer to my attached memorandum regarding the changes to the Economic Development Policy.

## Item 5 – City Commission Reorganization/Rules of Procedure

Please refer to my memorandum regarding the City Commission reorganization and Rules of Procedure. The current City Commission Rules of Procedure refers to an April reorganization. The City Commission recently adopted several ordinances that brought us into compliance with the recently-passed State laws regarding municipal elections. Most notably, the next municipal election

will now take place in November of 2017 with the new Commission taking seat in January of 2018. In adopting the ordinances, the City Commission changed the reorganization meeting from April to January of each year. City staff is asking the City Commission to discuss the reorganization as well as a possible modification to the Rules of Procedure.

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**CITY OF HAYS  
CITY COMMISSION WORK SESSION  
THURSDAY, JANUARY 7, 2016 – 6:30 P.M.  
AGENDA**

1. **ITEM FOR REVIEW: [December 17, 2015 Work Session Notes \(PAGE 1\)](#)**  
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
2. **ITEM FOR REVIEW: [Request by USD 489 for Sales Tax Issue \(PAGE 7\)](#)**  
PERSON RESPONSIBLE: Dean Katt, USD 489 Superintendent
3. **ITEM FOR REVIEW: [Update on Activities of the Ellis County Coalition for Economic Development \(PAGE 43\)](#)**  
PERSON RESPONSIBLE: Aaron White, Ellis County Coalition for Economic Development
4. **ITEM FOR REVIEW: [Discussion on Modifications to the Economic Development Policy \(PAGE 47\)](#)**  
PERSON RESPONSIBLE: Toby Dougherty, City Manager
5. **ITEM FOR REVIEW: [City Commission Reorganization/Rules of Procedure \(PAGE 69\)](#)**  
PERSONS RESPONSIBLE: City Commission
6. **OTHER ITEMS FOR DISCUSSION**
7. **EXECUTIVE SESSION (IF REQUIRED)**
8. **ADJOURNMENT**

**ANY PERSON WITH A DISABILITY NEEDING SPECIAL ACCOMMODATIONS TO ATTEND THIS MEETING SHOULD CONTACT THE CITY MANAGER'S OFFICE 48 HOURS PRIOR TO THE SCHEDULED MEETING TIME. EVERY ATTEMPT WILL BE MADE TO ACCOMMODATE ANY REQUESTS FOR ASSISTANCE.**



City of Hays  
City Commission  
Work Session Notes  
Thursday, December 17, 2015 – 6:30 p.m.

Present: Eber Phelps, Shaun Musil, James Meier, Henry Schwaller IV, Lance Jones, John Bird, Toby Dougherty and Kim Rupp

**December 3, 2015 Work Session Notes**

There were no corrections or additions to the minutes of the work session held on December 3, 2015; the minutes stand approved as presented.

**Joint Meeting – City of Hays/Hays Recreation Commission**

The City of Hays contracts with the Hays Recreation Commission (HRC) to manage area pools and for all scheduling needs of the various recreational areas in Hays such as ball fields, soccer fields and the Bickle-Schmidt Sports Complex. Each year the HRC and the City of Hays conduct a joint meeting to discuss general operations, financial reports and/or any other facility needs or expectations that may need to be addressed.

Jeff Boyle, Director of Parks, reported that Wilson Pool and Hays Aquatic Park (HAP) reported operational losses totaling \$31,402.12 for 2015. HRC is requesting a 50% reimbursement, as outlined in the Pool Services Agreement, of 15,701.06. He stated attendance is down this year; the facility is 15 years old and the newness has worn off. They may consider the addition of a spray park to increase attendance.

Roger Bixenman, HRC Superintendent, commented that some of the communities around Hays, that HAP drew from, have built new or enhanced their swimming pools. He stated another factor is the weather, this year they closed or opened late 13 times.

Commissioner Musil suggested additional advertising venues.

Commissioner Schwaller asked for a pricing study and also asked for ways to market the aquatic park to make it a destination for families.

Commissioner Meier complimented the staff at the HAP in how helpful and patient they are and stated that they provide excellent customer service.

At the December 22, 2015 Commission meeting, Commissioners will be asked for approval to proceed with the pool reimbursement request from the Hays Recreation Commission for one-half of the total contractual revenue/expenditure loss for an amount of \$15,701.06 with funding from the Contractual Services line item of the 2015 General Fund Pool Budget.

The 2015 financial report of the Bickle-Schmidt Sports Complex was reviewed. The City's year-to-date expenditures for the City's portion of the 2015 routine maintenance from the Bickle-Schmidt Sports Complex total \$148,470.

In 2015, the Hays Recreation Commission realized a profit of \$18,297.38. HRC intends to reinvest the profit into capital needs at the complex.

### **Fort Hays Municipal Golf Course Pro-shop Restroom Upgrades – Award of Design-build Proposal**

The current restroom facilities at the Fort Hays Municipal Golf Course Pro-shop need to be updated and be made ADA compliant. An amount of \$70,000 is budgeted in the 2015 Golf Course Budget for this purpose. The lowest priced and most suitable proposal was submitted by Commercial Builders, Inc. City staff recommends approval of the design-build proposal from Commercial Builders, Inc. in the amount of \$62,700.

At the December 22, 2015 Commission meeting, Commissioners will be asked to authorize the City Manager to enter into a contract with Commercial Builders, Inc. for an amount of \$62,700 from the Golf Course General Fund Budget for the restroom remodel at the Fort Hays Municipal Golf Course.

### **Fort Hays Municipal Golf Course Cart Storage Shed – Award of Bid**

Jeff Boyle, Director of Parks, recommended replacement of a cart storage shed that caught on fire on September 13, 2015 at the Fort Hays Municipal Golf

Course. Total project cost for removal of the old shed and replacement of the new shed is \$43,126. The removal portion has already been completed. Funding for this project is available from the insurance payment received as well as the Golf Course General Fund Budget. The City has received \$29,808.20 from the insurance company after deductible. City staff recommends approval of the bid from Commercial Builders, Inc. to rebuild the cart storage shed in the amount of \$39,326 with funds from the Park Improvement Fund and the Golf Course General Fund Budget.

At the December 22, 2015 Commission meeting, Commissioners will be asked to approve the bid from Commercial Builders, Inc. to rebuild the cart storage shed.

### **Airport Capital Improvement Plan Update**

Greg Sund, Director of Public Works, explained that each year the Federal Aviation Administration (FAA) requires the Hays Regional Airport to update the Airport Capital Improvement Program (ACIP) by December 31<sup>st</sup>. This will provide the FAA with the City's desired priority list for the federal fiscal year (FFY) 2017-2021 planning period. These projects will be included in the City's Capital Improvement Plan (CIP) as part of the 2017 budget.

Mr. Sund discussed with the Commissioners the proposed projects which include; snow removal equipment (loader), wildlife fencing improvements, reconstruction of taxiway I, apron drainage improvements, parking lot improvements, and rehabilitation of taxiway M (design only).

If approved by the FAA, projects are typically funded at 90%, leaving 10% to be funded by the City. Local funding usually comes from the Airport Improvement Fund and the Passenger Facility Charge (PFC). Recent projects have included: rehabilitation of the Crosswind Runway, the airport terminal remodel, reconstruction of the main runway, acquisition of a snow blower, taxiway lighting, the new airport fire station, and a new Airport Rescue and Firefighting (ARFF) truck. The FFY 2016 Project is the purchase of a pull behind snow broom.

### **2015 Boundary Resolution**

Kansas statutes require cities to pass a resolution re-defining the entire boundary line of the City whenever property is annexed into the city limits during a calendar year. A certified copy of the resolution is filed with the county clerk, the register of deeds, and the state transportation engineer.

The following ordinances annexed property into the city limits since the last boundary resolution was passed on December 23, 2014:

Ordinance No. 3892 - General Hays Rd and 48<sup>th</sup> Street

Ordinance No. 3901 - 2225 West 41<sup>st</sup> Street

Ordinance No. 3912 - 1517 Commerce Parkway

City Attorney John Bird has prepared a new resolution re-defining the city limits and it will be presented to the Commission for approval at the December 22, 2015 Commission meeting.

### **City of Hays Representative on Ellis County Coalition Board of Directors for 2016**

Commissioner Schwaller currently holds the position of the City of Hays representative on the Ellis County Coalition Board of Directors. Commissioner Musil has expressed interest in serving on that board.

Commissioner Schwaller stated he supports Commissioner Musil and knows he will bring a fresh set of eyes and new enthusiasm to the Board. Commissioner Schwaller has had concerns with the Coalition not keeping the City Commission informed, and encourages the Commission to hold this entity accountable for its actions.

It was the consensus of the Commission for Shaun Musil to serve as the City of Hays representative on the Ellis County Coalition Board of Directors.

### **Other Items for Discussion**

Commissioner Schwaller suggested calling for a special meeting of the Ellis County Commission, the Hays City Commission, and the Board of

Education of USD 489 to discuss development of a new alliance to start sharing resources and cutting costs. He stated we face difficult financial challenges, both locally and statewide and it is critical that all elected officials in Ellis County work together.

Commissioner Schwaller asked for the support of the Commissioners in calling for a joint meeting in early 2016, and holding regularly scheduled meetings at least four times a year, and envisions the group expanding to include Ellis and Victoria.

It was the consensus of the Commission for City Manager Toby Dougherty to pursue the scheduling of a joint meeting.

Chairperson Phelps recognized the Fort Hays State University Women's Basketball Team for being ranked number one in the nation in Division II.

The work session was adjourned at 7:57 p.m.

Submitted by: \_\_\_\_\_

Brenda Kitchen – City Clerk



# Commission Work Session Agenda

## Memo

**From:** Toby Dougherty, City Manager

**Work Session:** January 7, 2016

**Subject:** Request by USD 489 for Sales Tax Issue

**Person(s) Responsible:** Dean Katt, USD 489 Superintendent  
Dustin Avey, Piper Jaffray  
Toby Dougherty, City Manager

### Summary

USD 489 Board and administration would like to open a dialogue about using a combination of sales and property taxes to help fund USD 489's \$94M in planned capital improvements. School districts do not have the ability to place sales tax questions on local ballots, and therefore need a city or county to facilitate.

### Background

USD 489 is planning a Capital Improvement Program that could cost in upwards of \$94 million. The USD 489 School Board and staff are in the process of determining how to fund these improvements. School districts, by State law, have the ability to place questions on the ballot regarding property tax levies to fund capital improvements. By State law, school districts do not have the ability to place questions on the ballot regarding sales tax increases to fund the same type of improvements. Only cities and counties have the ability to do this.

A sales tax question may be taken to the voters of Hays in two different ways. First, the City Commission can authorize, by ordinance, that a sales tax question be placed on a ballot to be voted on by the residents of Hays. The second, a petition signed by at least 10% of the registered voters in the city of Hays, can be presented to the Ellis County Clerk. If the petition is deemed valid, the question will then be placed on a ballot at the next available election. An example of the latter is the sales tax that funded the creation of the Bickle-Schmidt Sports Complex. An example of the former is the sales tax question that funded the building of the Hays Aquatic Park.

There are two forms of sales taxes that cities are able to adopt – general purpose and special purpose. Cities are allowed to impose up to a two-cent general purpose sales tax and up to a one-cent special purpose sales tax. Currently, the City of Hays has enacted 1¾ cents of general purpose sales taxes, 1¼ cents for the General Fund and ½ cent for water exploration and new source development. The City has no special purpose sales tax in place. A general purpose sales tax can be levied in perpetuity while a special

purpose sales tax can be levied for a maximum of 10 years and typically has a defined sunset prior to 10 years.

## **Discussion**

USD 489 is asking the City Commission to consider placing a sales tax question on an upcoming ballot. The sales tax question would ask voters to approve a sales tax increase to help fund USD 489's capital improvements. USD 489 presents several funding scenarios and does not state a desired option. In conjunction with the sales tax question, USD 489 plans to place a property tax question on the same ballot.

According to State law, all special purpose sales taxes collected to fund USD 489's capital improvements are to be spent on those improvements. If general purpose sales taxes are involved, a portion of those sales taxes need to be used for a project, or projects, that benefit the City as a whole. City staff has a few ideas of what these projects could be but is awaiting more specifics on the amount of general and special purpose sales tax proceeds.

### **Pros and Cons of USD 489's Request**

The City Commission is being asked to allow the voters to decide whether or not they would like to authorize a sales tax increase to help fund USD 489's capital improvements. Below is a short list of pros and cons related to the request.

#### **Pros**

- Can help keep property taxes lower in Hays.
- Can allow the debt to be paid off faster.
- Gives Hays residents the choice of how to fund USD 489's improvements.
- Allows City to control the ballot language.

#### **Cons**

- Could limit City's future ability to utilize a special sales tax.
- If overall tax rate is too high, shoppers could pursue other outlets.
- The State of Kansas has leaned heavily on sales tax in the recent past. Given the current revenue issues the State is facing, sales taxes may be increased in the future.
- Blame. Because the City Commission is required to take action to place the issue on the ballot for consideration, some residents are likely to accuse the City of wanting to raise taxes.

One of the items mentioned in the Pros and Cons section is the potential limiting of the City's ability to utilize special purpose sales taxes in the future. Having a special purpose sales tax in place limits the City of Hays' ability to utilize a similar financing method in future years. At this time, City staff does not have plans to recommend any sort of special purpose sales tax to the City Commission, but the planning horizon is relatively short, and most likely shorter than the period the USD 489's special purpose tax would be in place.

If the City Commission is interested in placing a sales tax question on a future ballot, it is imperative that City staff work with its bond and legal counsel, as well as the USD 489

bond counsel and financial advisor, to make sure the sales tax question is crafted properly. If general purpose sales taxes are to be used, the project(s) need to be identified in the question to be eligible for funding. City staff also suggests that language be inserted in any sort of a sales tax question that ties the enactment of a sales tax to the property tax question. This means the sales tax could only be imposed if the property tax question passes as well.

### **Legal Consideration**

This item is for discussion between the Commission and representatives of the School Board and requires no formal action at this time. The memo describes the various options of the Commission and there are no known legal obstacles to pursuing any of those discussed and described. If the Commission decides at a later date to pursue any option involving levying a sales tax, legal guidance will be provided by the City Attorney and Bond Counsel.

### **Financial Consideration**

There is no immediate financial consideration as USD 489 is simply asking the City Commission to place the sales tax question on a future ballot. There are potential financial issues if the sales tax is adopted.

### **Supporting Documentation**

Piper Jaffray Financing Information  
USD #489 Facility Improvement Plan

Preliminary Financing Information  
Presented to the:

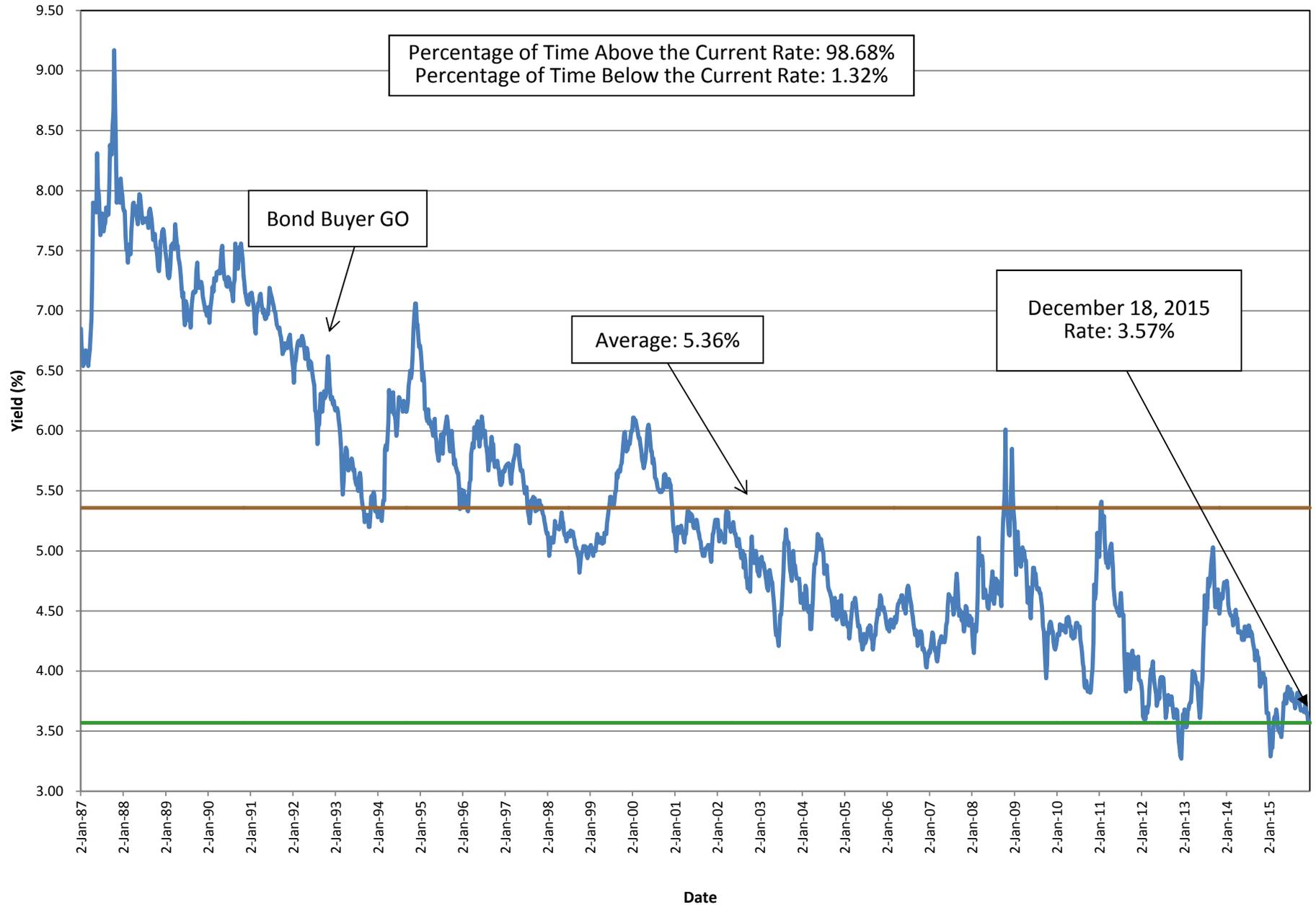
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UNIFIED SCHOOL DISTRICT No. 489  
ELLIS COUNTY, KANSAS  
(HAYS)  
AND  
CITY OF HAYS, KANSAS

**IMPORTANT DISCLAIMERS:** *The information contained herein includes hypothetical interest rate savings for a potential refunding if interest rates in today's market were applied to your existing debt structure. Interest rates used herein are hypothetical and take into consideration conditions in today's market and other factual information such as your credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Jaffray expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Jaffray could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Jaffray as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.*

*Piper Jaffray is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent. Piper Jaffray seeks to serve as an underwriter or a placement agent and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Jaffray is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a "recommendation" or "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Jaffray is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Jaffray's primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm's-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.*

### Bond Buyer 20 G.O. Bond Index (1987 to Present)



Source: The Bond Buyer

## Assessed Valuation & State Aid

YEAR	ASSESSED VALUATION (\$)	PERCENTAGE CHANGE	BONDS AUTHORIZED PRIOR 7-1-2015 STATE AID PERCENTAGE	BONDS AUTHORIZED AFTER 7-1-2015 (BLOCK GRANT) STATE AID PERCENTAGE
2015	300,052,637	-3.44%	0%	0%
2014	310,726,148	1.68%	0%	
2013	305,578,791	10.62%	0%	
2012	276,238,594	4.20%	0%	
2011	265,108,300	5.42%	0%	
2010	251,481,434	3.97%	0%	
2009	241,870,289	-0.99%	0%	
2008	244,284,848	6.57%	1%	
2007	229,231,330	3.95%	1%	
2006	220,520,534	7.54%	4%	
2005	205,061,662	10.81%	9%	
2004	185,065,088	4.13%	12%	

### ASSESSED VALUATION ANNUAL AVERAGE GROWTH RATE

Last 10 Years =	3.95%
Last 5 Years =	3.70%
Last 3 Years =	2.96%

# SALES TAX FOR KANSAS SCHOOL DISTRICTS

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- ❖ School districts do not have the statutory authority to impose a sales tax
- ❖ Cities have the statutory authority to impose a sales tax for a variety of purposes subject to voter approval
- ❖ A city in Kansas has the statutory authority to impose up to a 2% general sales tax and a 1% special sales tax. Cities can also impose a sales tax for development districts (Ex. transportation development district, community improvement district)
- ❖ A city general sales tax is not required to have a sunset provision and can be used for general purposes (capital improvement projects, mill levy relief, infrastructure needs, etc)
- ❖ A city special sales tax is limited to 10 years and is must be used for a specific project (swimming pool, main street renovation, city hall improvements, etc)
- ❖ A city can use its general or special sales tax authority for educational purposes. With the general sales tax authority, a portion of the sales tax must be used for City projects related or not related to a school district project (i.e. road improvements, sidewalks, water/sewer improvements). With special sales tax authority, the sales tax is limited to 10 years and all of the sales tax can be used for educational purposes.
- ❖ School districts in Kansas have used an educational sales tax to help with the repayment of bonds related to a capital project. A district would be required to submit to the electors a proposition to issue bonds for a particular project and a city would be required to submit to the electors a proposition to impose an educational sales tax. Each respective proposition can be proposed on the same election date.
- ❖ The ability of a city to impose a sales tax for any purpose is subject to voter approval.

# Unified School District No. 489

Ellis County, Kansas (Hays)

Summary of Scenarios December 7, 2015 - Preliminary, Subject to Change

\$94.035 Million Bond Amount

Scenario	City General Sales Tax	City Special Sales Tax	Estimated Total Cost	Projected Mill Levy	Monthly Cost to \$150,000 Homeowner
Mill Levy Only 20 Years	None	None	\$150,360,050	21.00	30.19
Mill Levy Only 25 Years	None	None	\$166,371,500	18.75	26.95
Scenario 1: 20 Years	.25% (7/1/2018)	None	\$150,360,050	18.00	25.88
Scenario 1: 25 Years	.25% (7/1/2018)	None	\$166,371,500	15.75	22.64
Scenario 2: 20 Years	.25% (7/1/2018)	.25% (7/1/2018)	\$150,360,050	14.50	20.84
Scenario 2: 25 Years	.25% (7/1/2018)	.25% (7/1/2018)	\$166,371,500	12.25	17.61
Scenario 3: 20 Years	.25% (7/1/2018)	.50% (7/1/2018)	\$153,966,450	9.75	14.02
Scenario 3: 25 Years	.25% (7/1/2018)	.50% (7/1/2018)	\$169,577,100	7.75	11.14
Scenario 4: 20 Years	.25% (7/1/2016)	.50% (7/1/2018)	\$150,360,050	9.75	14.02
Scenario 4: 25 Years	.25% (7/1/2016)	.50% (7/1/2018)	\$166,371,500	7.75	11.14

**Notes**

\* 1 Mill = \$1 per 1000 Assessed Valuation

\* 1 Mill = \$300,187 in revenues to the District annually on \$300,187,073 Assessed Valuation

# Unified School District No. 489

Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Mill Levy Only Scenario 20 Years (\$94.035MM Bond Issue 9/1/2016)

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	Debt Service After State Aid and MV Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397								
2014	305,578,791								
2015	310,509,578								
2016	300,187,073						8,107,733	8,107,733	
2017	300,187,073	7,516,250	7,516,250	-	-	7,516,250		6,769,333	21.000
2018	300,187,073	7,516,250	7,516,250	-	291,491	7,224,759		5,722,424	21.000
2019	300,187,073	7,518,550	7,518,550	-	582,982	6,935,568		4,964,706	21.000
2020	303,188,944	7,518,000	7,518,000	-	588,812	6,929,188		4,275,146	21.000
2021	306,220,833	7,519,000	7,519,000	-	594,700	6,924,300		3,652,871	21.000
2022	309,283,041	7,516,750	7,516,750	-	600,647	6,916,103		3,101,813	21.000
2023	312,375,872	7,521,000	7,521,000	-	606,653	6,914,347		2,616,162	21.000
2024	315,499,631	7,516,000	7,516,000	-	612,720	6,903,280		2,205,864	21.000
2025	318,654,627	7,516,750	7,516,750	-	618,847	6,897,903		1,865,873	21.000
2026	321,841,173	7,517,500	7,517,500	-	625,036	6,892,464		1,596,900	21.000
2027	325,059,585	7,517,750	7,517,750	-	631,286	6,886,464		1,400,163	21.000
2028	328,310,181	7,517,000	7,517,000	-	637,599	6,879,401		1,277,385	21.000
2029	331,593,283	7,519,750	7,519,750	-	643,975	6,875,775		1,225,799	21.000
2030	334,909,215	7,520,250	7,520,250	-	650,415	6,869,835		1,248,396	21.000
2031	338,258,308	7,518,000	7,518,000	-	656,919	6,861,081		1,348,670	21.000
2032	341,640,891	7,517,500	7,517,500	-	663,488	6,854,012		1,525,628	21.000
2033	345,057,300	7,518,000	7,518,000	-	670,123	6,847,877		1,779,030	21.000
2034	348,507,873	7,518,750	7,518,750	-	676,824	6,841,926		2,109,396	21.000
2035	351,992,951	7,519,000	7,519,000	-	683,592	6,835,408		2,518,003	21.000
2036	355,512,881	7,518,000	7,518,000	-	690,428	6,827,572		3,006,886	21.000
Totals		150,360,050	150,360,050	-	11,726,536	138,633,514	8,107,733		

## Assumptions

<sup>1</sup> Annual AV and Sales Tax growth:	2016-2019	0%	2020-on	1%
<sup>2</sup> State Aid:		0%		
<sup>3</sup> Tax collection rate:		98%		
<sup>4</sup> Motor vehicle growth equals AV growth.				

## Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 3.95% Funding a \$94,035,000 Project Amount

**Unified School District No. 489**

Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Mill Levy Only Scenario 25 Years (\$94.035MM Bond Issue 9/1/2016)

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	Debt Service After State Aid and MV Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397								
2014	305,578,791								
2015	310,509,578								
2016	300,187,073						6,686,172	6,686,172	
2017	300,187,073	6,653,050	6,653,050	-	-	6,653,050		5,549,059	18.750
2018	300,187,073	6,655,650	6,655,650	-	260,260	6,395,390		4,669,607	18.750
2019	300,187,073	6,656,300	6,656,300	-	520,520	6,135,780		4,049,764	18.750
2020	303,188,944	6,655,000	6,655,000	-	525,725	6,129,275		3,491,586	18.750
2021	306,220,833	6,656,250	6,656,250	-	530,982	6,125,268		2,993,125	18.750
2022	309,283,041	6,656,750	6,656,750	-	536,292	6,120,458		2,555,743	18.750
2023	312,375,872	6,656,250	6,656,250	-	541,655	6,114,595		2,181,055	18.750
2024	315,499,631	6,654,500	6,654,500	-	547,071	6,107,429		1,870,932	18.750
2025	318,654,627	6,656,250	6,656,250	-	552,542	6,103,708		1,622,503	18.750
2026	321,841,173	6,656,000	6,656,000	-	558,067	6,097,933		1,438,402	18.750
2027	325,059,585	6,653,500	6,653,500	-	563,648	6,089,852		1,321,520	18.750
2028	328,310,181	6,653,500	6,653,500	-	569,285	6,084,215		1,270,004	18.750
2029	331,593,283	6,655,500	6,655,500	-	574,978	6,080,522		1,282,508	18.750
2030	334,909,215	6,654,000	6,654,000	-	580,727	6,073,273		1,363,192	18.750
2031	338,258,308	6,653,750	6,653,750	-	586,535	6,067,215		1,511,473	18.750
2032	341,640,891	6,654,250	6,654,250	-	592,400	6,061,850		1,727,274	18.750
2033	345,057,300	6,655,000	6,655,000	-	598,324	6,056,676		2,011,026	18.750
2034	348,507,873	6,655,500	6,655,500	-	604,307	6,051,193		2,363,665	18.750
2035	351,992,951	6,655,250	6,655,250	-	610,350	6,044,900		2,786,636	18.750
2036	355,512,881	6,653,750	6,653,750	-	616,454	6,037,296		3,281,889	18.750
2037	359,068,010	6,655,500	6,655,500	-	622,618	6,032,882		3,846,882	18.750
2038	362,658,690	6,654,750	6,654,750	-	628,844	6,025,906		4,484,830	18.750
2039	366,285,277	6,656,000	6,656,000	-	635,133	6,020,867		5,194,455	18.750
2040	369,948,129	6,653,500	6,653,500	-	641,484	6,012,016		5,980,236	18.750
2041	373,647,611	6,651,750	6,651,750	-	647,899	6,003,851		6,842,159	18.750
Totals		166,371,500	166,371,500	-	13,646,100	152,725,400	6,686,172		

Assumptions

<sup>1</sup> Annual AV and Sales Tax growth:	2016-2019	0%	2020-on	1%
<sup>2</sup> State Aid:		0%		
<sup>3</sup> Tax collection rate:		98%		
<sup>4</sup> Motor vehicle growth equals AV growth.				

Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 4.26% Funding a \$94,035,000 Project Amount

# Unified School District No. 489

Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Scenario 1: 20 Years (\$94.035MM Bond Issue 9/1/2016 with .25% City General Sales Tax)

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	0.25% General Sales Tax Revenue <sup>5</sup>	City Projects Sales Tax <sup>6</sup>	Debt Service After State Aid MV & Sales Tax Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397										
2014	305,578,791										
2015	310,509,578										
2016	300,187,073								8,107,733	8,107,733	
2017	300,187,073	7,516,250	7,516,250	-	-			7,516,250		5,886,783	18.000
2018	300,187,073	7,516,250	7,516,250	-	249,849			7,266,401		3,915,683	18.000
2019	300,187,073	7,518,550	7,518,550	-	499,699	1,508,571	357,475	5,867,755		3,343,228	18.000
2020	303,188,944	7,518,000	7,518,000	-	504,696	1,523,657	359,675	5,849,322		2,842,159	18.000
2021	306,220,833	7,519,000	7,519,000	-	509,743	1,538,894	356,575	5,826,939		2,416,956	18.000
2022	309,283,041	7,516,750	7,516,750	-	514,840	1,554,283	358,325	5,805,952		2,066,756	18.000
2023	312,375,872	7,521,000	7,521,000	-	519,989	1,569,825	359,775	5,790,961		1,786,106	18.000
2024	315,499,631	7,516,000	7,516,000	-	525,189	1,585,524	360,925	5,766,213		1,585,306	18.000
2025	318,654,627	7,516,750	7,516,750	-	530,440	1,601,379	356,775	5,741,706		1,464,668	18.000
2026	321,841,173	7,517,500	7,517,500	-	535,745	1,617,393	356,700	5,721,063		1,420,884	18.000
2027	325,059,585	7,517,750	7,517,750	-	541,102	1,633,567	360,500	5,703,581		1,451,354	18.000
2028	328,310,181	7,517,000	7,517,000	-	546,513	1,649,902	357,938	5,678,522		1,564,223	18.000
2029	331,593,283	7,519,750	7,519,750	-	498,314	1,666,401		5,355,035		1,489,812	16.250
2030	334,909,215	7,520,250	7,520,250	-	503,297	1,683,065		5,333,888		1,489,353	16.250
2031	338,258,308	7,518,000	7,518,000	-	508,330	1,699,896		5,309,774		1,566,343	16.250
2032	341,640,891	7,517,500	7,517,500	-	513,413	1,716,895		5,287,192		1,719,782	16.250
2033	345,057,300	7,518,000	7,518,000	-	518,547	1,734,064		5,265,389		1,949,431	16.250
2034	348,507,873	7,518,750	7,518,750	-	523,733	1,751,405		5,243,613		2,255,806	16.250
2035	351,992,951	7,519,000	7,519,000	-	528,970	1,768,919		5,221,111		2,640,182	16.250
2036	355,512,881	7,518,000	7,518,000	-	534,260	1,786,608		5,197,132		3,104,593	16.250
Totals		150,360,050	150,360,050	-	9,606,669	29,590,246	3,584,663	114,747,797	8,107,733		

## Assumptions

<sup>1</sup> Annual AV and Sales Tax growth: 2016-2019 0% 2020-on 1%

<sup>2</sup> State Aid: 0%

<sup>3</sup> Tax collection rate: 98%

<sup>4</sup> Motor vehicle growth equals AV growth.

<sup>5</sup> .25% Sales Tax Revenues collected from the City of Hays (.25% General Tax commencing 7/1/2018 or upon expiration of Ellis County .50% Sales Tax)

<sup>6</sup> \$3,000,000 City Project paid from the City Sales Tax Revenues over 10 years

## Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 3.95% Funding a \$94,035,000 Project Amount

\* Series 2018 \$3,000,000 City Bond Issuance 9/1/2018 @ 2.99% Funding a \$3,000,000 Project Amount over 10 years

# Unified School District No. 489

## Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Scenario 1: 25 Years (\$94.035MM Bond Issue 9/1/2016 with .25% City General Sales Tax)

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	0.25% General Sales Tax Revenue <sup>5</sup>	City Projects Sales Tax <sup>6</sup>	Debt Service After State Aid MV & Sales Tax Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397										
2014	305,578,791										
2015	310,509,578										
2016	300,187,073								6,686,172	6,686,172	
2017	300,187,073	6,653,050	6,653,050	-	-			6,653,050		4,666,509	15.750
2018	300,187,073	6,655,650	6,655,650	-	218,618			6,437,032		2,862,865	15.750
2019	300,187,073	6,656,300	6,656,300	-	437,236	1,508,571	357,475	5,067,967		2,428,286	15.750
2020	303,188,944	6,655,000	6,655,000	-	441,609	1,523,657	359,675	5,049,409		2,058,598	15.750
2021	306,220,833	6,656,250	6,656,250	-	446,025	1,538,894	356,575	5,027,906		1,757,210	15.750
2022	309,283,041	6,656,750	6,656,750	-	450,485	1,554,283	358,325	5,010,307		1,520,686	15.750
2023	312,375,872	6,656,250	6,656,250	-	454,990	1,569,825	359,775	4,991,210		1,350,998	15.750
2024	315,499,631	6,654,500	6,654,500	-	459,540	1,585,524	360,925	4,970,361		1,250,374	15.750
2025	318,654,627	6,656,250	6,656,250	-	464,135	1,601,379	356,775	4,947,511		1,221,297	15.750
2026	321,841,173	6,656,000	6,656,000	-	468,777	1,617,393	356,700	4,926,531		1,262,385	15.750
2027	325,059,585	6,653,500	6,653,500	-	473,464	1,633,567	360,500	4,906,969		1,372,711	15.750
2028	328,310,181	6,653,500	6,653,500	-	478,199	1,649,902	357,938	4,883,336		1,556,842	15.750
2029	331,593,283	6,655,500	6,655,500	-	413,984	1,666,401		4,575,115		1,368,707	13.500
2030	334,909,215	6,654,000	6,654,000	-	418,124	1,683,065		4,552,811		1,246,745	13.500
2031	338,258,308	6,653,750	6,653,750	-	422,305	1,699,896		4,531,549		1,190,353	13.500
2032	341,640,891	6,654,250	6,654,250	-	426,528	1,716,895		4,510,827		1,199,435	13.500
2033	345,057,300	6,655,000	6,655,000	-	430,793	1,734,064		4,490,143		1,274,400	13.500
2034	348,507,873	6,655,500	6,655,500	-	435,101	1,751,405		4,468,994		1,416,165	13.500
2035	351,992,951	6,655,250	6,655,250	-	439,452	1,768,919		4,446,879		1,626,152	13.500
2036	355,512,881	6,653,750	6,653,750	-	443,847	1,786,608		4,423,296		1,906,292	13.500
2037	359,068,010	6,655,500	6,655,500	-	448,285	1,804,474		4,402,741		2,254,021	13.500
2038	362,658,690	6,654,750	6,654,750	-	452,768	1,822,519		4,379,463		2,672,532	13.500
2039	366,285,277	6,656,000	6,656,000	-	457,296	1,840,744		4,357,961		3,160,525	13.500
2040	369,948,129	6,653,500	6,653,500	-	461,869	1,859,151		4,332,480		3,722,459	13.500
2041	373,647,611	6,651,750	6,651,750	-	466,487	1,877,743		4,307,520		4,358,297	13.500
<b>Totals</b>		<b>166,371,500</b>	<b>166,371,500</b>	<b>-</b>	<b>10,509,917</b>	<b>38,794,876</b>	<b>3,584,663</b>	<b>120,651,369</b>	<b>6,686,172</b>		

### Assumptions

<sup>1</sup> Annual AV and Sales Tax growth: 2016-2019  2020-on

<sup>2</sup> State Aid:

<sup>3</sup> Tax collection rate:

<sup>4</sup> Motor vehicle growth equals AV growth.

<sup>5</sup> .25% Sales Tax Revenues collected from the City of Hays (.25% General Tax commencing 7/1/2018 or upon expiration of Ellis County .50% Sales Tax

<sup>6</sup> \$3,000,000 City Project paid from the City Sales Tax Revenues over 10 years

### Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 4.26% Funding a \$94,035,000 Project Amount

\* Series 2018 \$3,000,000 City Bond Issuance 9/1/2018 @ 2.99% Funding a \$3,000,000 Project Amount over 10 years

# Unified School District No. 489

Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Scenario 2: 20 Years (\$94.035MM Bond Issue 9/1/2016 with .50% City Sales Tax (.25% General; .25% Special 10 years))

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	0.25% General Sales Tax Revenue <sup>5</sup>	0.25% Special Sales Tax Revenue <sup>5</sup>	City Projects Sales Tax <sup>6</sup>	Debt Service After State Aid MV & Sales Tax Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397											
2014	305,578,791											
2015	310,509,578											
2016	300,187,073									8,107,733	8,107,733	
2017	300,187,073	7,516,250	7,516,250	-	-				7,516,250		4,857,142	14.500
2018	300,187,073	7,516,250	7,516,250	-	201,268				7,314,982		1,807,817	14.500
2019	300,187,073	7,518,550	7,518,550	-	402,535	1,508,571	1,508,571	357,475	4,456,347		1,617,129	14.500
2020	303,188,944	7,518,000	7,518,000	-	406,561	1,523,657	1,523,657	359,675	4,423,800		1,501,643	14.500
2021	306,220,833	7,519,000	7,519,000	-	410,626	1,538,894	1,538,894	356,575	4,387,162		1,465,880	14.500
2022	309,283,041	7,516,750	7,516,750	-	414,732	1,554,283	1,554,283	358,325	4,351,777		1,509,014	14.500
2023	312,375,872	7,521,000	7,521,000	-	418,880	1,569,825	1,569,825	359,775	4,322,244		1,625,631	14.500
2024	315,499,631	7,516,000	7,516,000	-	423,069	1,585,524	1,585,524	360,925	4,282,809		1,826,071	14.500
2025	318,654,627	7,516,750	7,516,750	-	427,299	1,601,379	1,601,379	356,775	4,243,468		2,110,686	14.500
2026	321,841,173	7,517,500	7,517,500	-	431,572	1,617,393	1,617,393	356,700	4,207,842		2,476,206	14.500
2027	325,059,585	7,517,750	7,517,750	-	435,888	1,633,567	1,633,567	360,500	4,175,229		2,920,074	14.500
2028	328,310,181	7,517,000	7,517,000	-	440,247	1,649,902	1,649,902	357,938	4,134,886		3,450,476	14.500
2029	331,593,283	7,519,750	7,519,750	-	459,982	1,666,401	1,666,401		5,393,367		2,931,530	15.000
2030	334,909,215	7,520,250	7,520,250	-	464,582	1,683,065	1,683,065		5,372,603		2,482,093	15.000
2031	338,258,308	7,518,000	7,518,000	-	469,228	1,699,896	1,699,896		5,348,876		2,105,614	15.000
2032	341,640,891	7,517,500	7,517,500	-	473,920	1,716,895	1,716,895		5,326,685		1,801,049	15.000
2033	345,057,300	7,518,000	7,518,000	-	478,659	1,734,064	1,734,064		5,305,277		1,568,115	15.000
2034	348,507,873	7,518,750	7,518,750	-	483,446	1,751,405	1,751,405		5,283,900		1,407,281	15.000
2035	351,992,951	7,519,000	7,519,000	-	488,280	1,768,919	1,768,919		5,261,801		1,319,776	15.000
2036	355,512,881	7,518,000	7,518,000	-	493,163	1,786,608	1,786,608		5,238,229		1,307,586	15.000
Totals		150,360,050	150,360,050	-	8,223,936	29,590,246	15,782,994	3,584,663	100,347,536	8,107,733		

## Assumptions

<sup>1</sup> Annual AV and Sales Tax growth: 2016-2019 0% 2020-on 1%

<sup>2</sup> State Aid: 0%

<sup>3</sup> Tax collection rate: 98%

<sup>4</sup> Motor vehicle growth equals AV growth.

<sup>5</sup> .50% Sales Tax Revenues collected from the City of Hays (.25% General and .25% Special Tax commencing 7/1/2018 or upon expiration of Ellis County .50% Sales Tax)

<sup>6</sup> \$3,000,000 City Project paid from the City Sales Tax Revenues over 10 years

## Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 3.95% Funding a \$94,035,000 Project Amount

\* Series 2018 \$3,000,000 City Bond Issuance 9/1/2018 @ 2.99% Funding a \$3,000,000 Project Amount over 10 years

**Unified School District No. 489**

Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Scenario 2: 25 Years (\$94.035MM Bond Issue 9/1/2016 with .50% City Sales Tax (.25% General; .25% Special 10 years))

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	0.25% General Sales Tax Revenue <sup>5</sup>	0.25% Special Sales Tax Revenue <sup>5</sup>	City Projects Sales Tax <sup>6</sup>	Debt Service After State Aid MV & Sales Tax Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397											
2014	305,578,791											
2015	310,509,578											
2016	300,187,073									7,130,304	7,130,304	
2017	300,187,073	6,653,050	6,653,050	-	-				6,653,050		4,081,000	12.250
2018	300,187,073	6,655,650	6,655,650	-	170,036				6,485,614		1,199,132	12.250
2019	300,187,073	6,656,300	6,656,300	-	340,073	1,508,571	1,508,571	357,475	3,656,559		1,146,319	12.250
2020	303,188,944	6,655,000	6,655,000	-	343,474	1,523,657	1,523,657	359,675	3,623,887		1,162,214	12.250
2021	306,220,833	6,656,250	6,656,250	-	346,908	1,538,894	1,538,894	356,575	3,588,129		1,250,266	12.250
2022	309,283,041	6,656,750	6,656,750	-	350,377	1,554,283	1,554,283	358,325	3,556,132		1,407,077	12.250
2023	312,375,872	6,656,250	6,656,250	-	353,881	1,569,825	1,569,825	359,775	3,522,493		1,634,656	12.250
2024	315,499,631	6,654,500	6,654,500	-	357,420	1,585,524	1,585,524	360,925	3,486,958		1,935,271	12.250
2025	318,654,627	6,656,250	6,656,250	-	360,994	1,601,379	1,601,379	356,775	3,449,273		2,311,447	12.250
2026	321,841,173	6,656,000	6,656,000	-	364,604	1,617,393	1,617,393	356,700	3,413,311		2,761,840	12.250
2027	325,059,585	6,653,500	6,653,500	-	368,250	1,633,567	1,633,567	360,500	3,378,617		3,285,563	12.250
2028	328,310,181	6,653,500	6,653,500	-	371,933	1,649,902	1,649,902	357,938	3,339,700		3,887,227	12.250
2029	331,593,283	6,655,500	6,655,500	-	383,318	1,666,401	1,666,401		4,605,780		3,343,464	12.500
2030	334,909,215	6,654,000	6,654,000	-	387,152	1,683,065	1,683,065		4,583,783		2,862,319	12.500
2031	338,258,308	6,653,750	6,653,750	-	391,023	1,699,896	1,699,896		4,562,831		2,443,152	12.500
2032	341,640,891	6,654,250	6,654,250	-	394,933	1,716,895	1,716,895		4,542,422		2,085,831	12.500
2033	345,057,300	6,655,000	6,655,000	-	398,883	1,734,064	1,734,064		4,522,054		1,790,730	12.500
2034	348,507,873	6,655,500	6,655,500	-	402,871	1,751,405	1,751,405		4,501,224		1,558,727	12.500
2035	351,992,951	6,655,250	6,655,250	-	406,900	1,768,919	1,768,919		4,479,431		1,391,209	12.500
2036	355,512,881	6,653,750	6,653,750	-	410,969	1,786,608	1,786,608		4,456,173		1,290,069	12.500
2037	359,068,010	6,655,500	6,655,500	-	415,079	1,804,474	1,804,474		4,435,947		1,252,705	12.500
2038	362,658,690	6,654,750	6,654,750	-	419,230	1,822,519	1,822,519		4,413,002		1,282,272	12.500
2039	366,285,277	6,656,000	6,656,000	-	423,422	1,840,744	1,840,744		4,391,834		1,377,432	12.500
2040	369,948,129	6,653,500	6,653,500	-	427,656	1,859,151	1,859,151		4,366,693		1,542,604	12.500
2041	373,647,611	6,651,750	6,651,750	-	431,933	1,877,743	1,877,743		4,342,075		1,777,713	12.500
<b>Totals</b>		<b>166,371,500</b>	<b>166,371,500</b>	<b>-</b>	<b>9,021,319</b>	<b>38,794,876</b>	<b>15,782,994</b>	<b>3,584,663</b>	<b>106,356,973</b>	<b>7,130,304</b>		

Assumptions

<sup>1</sup> Annual AV and Sales Tax growth:	2016-2019	0%	2020-on	1%
<sup>2</sup> State Aid:		0%		
<sup>3</sup> Tax collection rate:		98%		

<sup>4</sup> Motor vehicle growth equals AV growth.

<sup>5</sup> .50% Sales Tax Revenues collected from the City of Hays (.25% General and .25% Special Tax commencing 7/1/2018 or upon expiration of Ellis County .50% Sales Tax

<sup>6</sup> \$3,000,000 City Project paid from the City Sales Tax Revenues over 10 years

Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 4.26% Funding a \$94,035,000 Project Amount

\* Series 2018 \$3,000,000 City Bond Issuance 9/1/2018 @ 2.99% Funding a \$3,000,000 Project Amount over 10 years

# Unified School District No. 489

Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Scenario 3: 20 Years (\$94.035MM Bond Issue 9/1/2016 with .75% City Sales Tax (.25% General; .50% Special 10 years))

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	0.25% General Sales Tax Revenue <sup>5</sup>	0.50% Special Sales Tax Revenue <sup>5</sup>	City Projects Sales Tax <sup>6</sup>	Debt Service After State Aid MV & Sales Tax Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397											
2014	305,578,791											
2015	310,509,578											
2016	300,187,073									8,609,240	8,609,240	
2017	300,187,073	4,633,650	4,633,650	-	-				4,633,650		6,843,877	9.750
2018	300,187,073	4,633,650	4,633,650	-	135,335				4,498,315		5,213,850	9.750
2019	300,187,073	8,038,650	8,038,650	-	270,670	1,508,571	3,017,143	357,475	3,599,741		4,482,397	9.750
2020	303,188,944	8,036,500	8,036,500	-	273,377	1,523,657	3,047,314	359,675	3,551,827		3,827,540	9.750
2021	306,220,833	8,041,250	8,041,250	-	276,111	1,538,894	3,077,787	356,575	3,505,033		3,248,447	9.750
2022	309,283,041	8,037,000	8,037,000	-	278,872	1,554,283	3,108,565	358,325	3,453,605		2,750,041	9.750
2023	312,375,872	8,038,750	8,038,750	-	281,661	1,569,825	3,139,651	359,775	3,407,388		2,327,404	9.750
2024	315,499,631	8,040,750	8,040,750	-	284,477	1,585,524	3,171,047	360,925	3,360,627		1,981,376	9.750
2025	318,654,627	8,037,500	8,037,500	-	287,322	1,601,379	3,202,758	356,775	3,302,816		1,723,305	9.750
2026	321,841,173	8,038,750	8,038,750	-	290,195	1,617,393	3,234,785	356,700	3,253,077		1,545,420	9.750
2027	325,059,585	8,038,750	8,038,750	-	293,097	1,633,567	3,267,133	360,500	3,205,453		1,445,911	9.750
2028	328,310,181	8,037,000	8,037,000	-	296,028	1,649,902	3,299,805	357,938	3,149,203		1,433,713	9.750
2029	331,593,283	8,038,000	8,038,000	-	544,312	1,666,401			5,827,287		1,374,491	17.750
2030	334,909,215	8,041,000	8,041,000	-	549,755	1,683,065			5,808,180		1,392,057	17.750
2031	338,258,308	8,040,250	8,040,250	-	555,253	1,699,896			5,785,101		1,490,959	17.750
2032	341,640,891	8,040,250	8,040,250	-	560,805	1,716,895			5,762,550		1,671,253	17.750
2033	345,057,300	8,040,250	8,040,250	-	566,413	1,734,064			5,739,773		1,933,752	17.750
2034	348,507,873	8,039,500	8,039,500	-	572,077	1,751,405			5,716,018		2,280,028	17.750
2035	351,992,951	8,037,250	8,037,250	-	577,798	1,768,919			5,690,533		2,712,412	17.750
2036	355,512,881	8,037,750	8,037,750	-	583,576	1,786,608			5,667,566		3,228,993	17.750
Totals		153,966,450	153,966,450	-	7,477,135	29,590,246	31,565,988	3,584,663	88,917,743	8,609,240		

## Assumptions

<sup>1</sup> Annual AV and Sales Tax growth: 2016-2019 0% 2020-on 1%

<sup>2</sup> State Aid: 0%

<sup>3</sup> Tax collection rate: 98%

<sup>4</sup> Motor vehicle growth equals AV growth.

<sup>5</sup> .75% Sales Tax Revenues collected from the City of Hays (.25% General and .50% Special Tax commencing 7/1/2018 or upon expiration of Ellis County .50% Sales Tax)

<sup>6</sup> \$3,000,000 City Project paid from the City Sales Tax Revenues over 10 years

## Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 3.98% Funding a \$94,035,000 Project Amount

\* Series 2018 \$3,000,000 City Bond Issuance 9/1/2018 @ 2.99% Funding a \$3,000,000 Project Amount over 10 years

**Unified School District No. 489**

Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Scenario 3: 25 Years (\$94.035MM Bond Issue 9/1/2016 with .75% City Sales Tax (.25% General; .50% Special 10 years))

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	0.25% General Sales Tax Revenue <sup>5</sup>	0.50% Special Sales Tax Revenue <sup>5</sup>	City Projects Sales Tax <sup>6</sup>	Debt Service After State Aid MV & Sales Tax Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397											
2014	305,578,791											
2015	310,509,578											
2016	300,187,073									6,959,269	6,959,269	
2017	300,187,073	4,655,450	4,655,450	-	-				4,655,450		4,583,740	7.750
2018	300,187,073	4,655,450	4,655,450	-	107,574				4,547,876		2,315,785	7.750
2019	300,187,073	6,970,450	6,970,450	-	215,148	1,508,571	3,017,143	357,475	2,587,063		2,008,643	7.750
2020	303,188,944	6,971,000	6,971,000	-	217,300	1,523,657	3,047,314	359,675	2,542,404		1,768,959	7.750
2021	306,220,833	6,966,750	6,966,750	-	219,473	1,538,894	3,077,787	356,575	2,487,171		1,607,534	7.750
2022	309,283,041	6,966,750	6,966,750	-	221,667	1,554,283	3,108,565	358,325	2,440,560		1,515,979	7.750
2023	312,375,872	6,970,500	6,970,500	-	223,884	1,569,825	3,139,651	359,775	2,396,915		1,491,559	7.750
2024	315,499,631	6,967,500	6,967,500	-	226,123	1,585,524	3,171,047	360,925	2,345,731		1,542,048	7.750
2025	318,654,627	6,967,750	6,967,750	-	228,384	1,601,379	3,202,758	356,775	2,292,004		1,670,225	7.750
2026	321,841,173	6,965,750	6,965,750	-	230,668	1,617,393	3,234,785	356,700	2,239,604		1,875,005	7.750
2027	325,059,585	6,966,250	6,966,250	-	232,975	1,633,567	3,267,133	360,500	2,193,076		2,150,757	7.750
2028	328,310,181	6,968,750	6,968,750	-	235,304	1,649,902	3,299,805	357,938	2,141,676		2,502,596	7.750
2029	331,593,283	6,967,750	6,967,750	-	421,650	1,666,401			4,879,699		2,091,117	13.750
2030	334,909,215	6,968,000	6,968,000	-	425,867	1,683,065			4,859,068		1,744,951	13.750
2031	338,258,308	6,969,000	6,969,000	-	430,125	1,699,896			4,838,979		1,464,003	13.750
2032	341,640,891	6,970,250	6,970,250	-	434,427	1,716,895			4,818,928		1,248,685	13.750
2033	345,057,300	6,966,250	6,966,250	-	438,771	1,734,064			4,793,415		1,104,917	13.750
2034	348,507,873	6,966,750	6,966,750	-	443,159	1,751,405			4,772,187		1,028,874	13.750
2035	351,992,951	6,966,000	6,966,000	-	447,590	1,768,919			4,749,491		1,022,488	13.750
2036	355,512,881	6,968,500	6,968,500	-	452,066	1,786,608			4,729,826		1,083,197	13.750
2037	359,068,010	6,968,500	6,968,500	-	456,587	1,804,474			4,707,439		1,214,199	13.750
2038	362,658,690	6,970,500	6,970,500	-	461,153	1,822,519			4,686,829		1,414,196	13.750
2039	366,285,277	6,968,750	6,968,750	-	465,764	1,840,744			4,662,242		1,687,648	13.750
2040	369,948,129	6,967,750	6,967,750	-	470,422	1,859,151			4,638,177		2,034,522	13.750
2041	373,647,611	6,966,750	6,966,750	-	475,126	1,877,743			4,613,881		2,455,543	13.750
<b>Totals</b>		169,577,100	169,577,100	-	8,181,205	38,794,876	31,565,988	3,584,663	94,619,693	6,959,269		

Assumptions

<sup>1</sup> Annual AV and Sales Tax growth:	2016-2019	0%	2020-on	1%
<sup>2</sup> State Aid:		0%		
<sup>3</sup> Tax collection rate:		98%		

<sup>4</sup> Motor vehicle growth equals AV growth.

<sup>5</sup> .75% Sales Tax Revenues collected from the City of Hays (.25% General and .50% Special Tax commencing 7/1/2018 or upon expiration of Ellis County .50% Sales Tax

<sup>6</sup> \$3,000,000 City Project paid from the City Sales Tax Revenues over 10 years

Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 4.27% Funding a \$94,035,000 Project Amount

\* Series 2018 \$3,000,000 City Bond Issuance 9/1/2018 @ 2.99% Funding a \$3,000,000 Project Amount over 10 years

# Unified School District No. 489

Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Scenario 4: 20 Years (\$94.035MM Bond Issue 9/1/2016 with .75% City Sales Tax (.25% General; .50% Special 10 years))

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	0.25% General Sales Tax Revenue <sup>5</sup>	0.50% Special Sales Tax Revenue <sup>5</sup>	City Projects Sales Tax <sup>6</sup>	Debt Service After State Aid MV & Sales Tax Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397											
2014	305,578,791											
2015	310,509,578											
2016	300,187,073									8,107,733	8,107,733	
2017	300,187,073	7,516,250	7,516,250	-	-	1,508,571			6,007,679		4,968,342	9.750
2018	300,187,073	7,516,250	7,516,250	-	135,335	1,508,571			5,872,344		1,964,286	9.750
2019	300,187,073	7,518,550	7,518,550	-	270,670	1,508,571	3,017,143	357,475	3,079,641		1,752,933	9.750
2020	303,188,944	7,518,000	7,518,000	-	273,377	1,523,657	3,047,314	359,675	3,033,327		1,616,576	9.750
2021	306,220,833	7,519,000	7,519,000	-	276,111	1,538,894	3,077,787	356,575	2,982,783		1,559,733	9.750
2022	309,283,041	7,516,750	7,516,750	-	278,872	1,554,283	3,108,565	358,325	2,933,355		1,581,577	9.750
2023	312,375,872	7,521,000	7,521,000	-	281,661	1,569,825	3,139,651	359,775	2,889,638		1,676,690	9.750
2024	315,499,631	7,516,000	7,516,000	-	284,477	1,585,524	3,171,047	360,925	2,835,877		1,855,412	9.750
2025	318,654,627	7,516,750	7,516,750	-	287,322	1,601,379	3,202,758	356,775	2,782,066		2,118,091	9.750
2026	321,841,173	7,517,500	7,517,500	-	290,195	1,617,393	3,234,785	356,700	2,731,827		2,461,456	9.750
2027	325,059,585	7,517,750	7,517,750	-	293,097	1,633,567	3,267,133	360,500	2,684,453		2,882,947	9.750
2028	328,310,181	7,517,000	7,517,000	-	296,028	1,649,902	3,299,805	357,938	2,629,203		3,390,748	9.750
2029	331,593,283	7,519,750	7,519,750	-	459,982	1,666,401			5,393,367		2,871,803	15.000
2030	334,909,215	7,520,250	7,520,250	-	464,582	1,683,065			5,372,603		2,422,366	15.000
2031	338,258,308	7,518,000	7,518,000	-	469,228	1,699,896			5,348,876		2,045,886	15.000
2032	341,640,891	7,517,500	7,517,500	-	473,920	1,716,895			5,326,685		1,741,322	15.000
2033	345,057,300	7,518,000	7,518,000	-	478,659	1,734,064			5,305,277		1,508,388	15.000
2034	348,507,873	7,518,750	7,518,750	-	483,446	1,751,405			5,283,900		1,347,553	15.000
2035	351,992,951	7,519,000	7,519,000	-	488,280	1,768,919			5,261,801		1,260,049	15.000
2036	355,512,881	7,518,000	7,518,000	-	493,163	1,786,608			5,238,229		1,247,859	15.000
Totals		150,360,050	150,360,050	-	6,778,404	32,607,389	31,565,988	3,584,663	82,992,931	8,107,733		

## Assumptions

<sup>1</sup> Annual AV and Sales Tax growth: 2016-2019 0% 2020-on 1%

<sup>2</sup> State Aid: 0%

<sup>3</sup> Tax collection rate: 98%

<sup>4</sup> Motor vehicle growth equals AV growth.

<sup>5</sup> .75% Sales Tax Revenues collected from the City of Hays (.25% General Tax commencing 7/1/2016; .50% Special Tax commencing 7/1/2018 or upon expiration of Ellis County .50% Sales Tax)

<sup>6</sup> \$3,000,000 City Project paid from the City Sales Tax Revenues over 10 years

## Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 3.95% Funding a \$94,035,000 Project Amount

\* Series 2018 \$3,000,000 City Bond Issuance 9/1/2018 @ 2.99% Funding a \$3,000,000 Project Amount over 10 years

# Unified School District No. 489

## Ellis County, Kansas (Hays)

Mill Levy Impact Analysis - Scenario 4: 25 Years (\$94.035MM Bond Issue 9/1/2016 with .75% City Sales Tax (.25% General; .50% Special 10 years))

December 7, 2015

Year	Assessed Valuation <sup>1</sup>	Projected Series 2016 Debt Service	Total Debt Service	State Aid <sup>2</sup>	Motor Vehicle Revenue <sup>4</sup>	0.25% General Sales Tax Revenue <sup>5</sup>	0.50% Special Sales Tax Revenue <sup>5</sup>	City Projects Sales Tax <sup>6</sup>	Debt Service After State Aid MV & Sales Tax Revenue	Projected Capitalized Interest from Premium	Fund Balance	Total Mill Levy <sup>3</sup>
2013	276,144,397											
2014	305,578,791											
2015	310,509,578											
2016	300,187,073									6,686,172	6,686,172	
2017	300,187,073	6,653,050	6,653,050	-	-	1,508,571			5,144,479		3,821,614	7.750
2018	300,187,073	6,655,650	6,655,650	-	107,574	1,508,571			5,039,505		1,062,030	7.750
2019	300,187,073	6,656,300	6,656,300	-	215,148	1,508,571	3,017,143	357,475	2,272,913		1,069,038	7.750
2020	303,188,944	6,655,000	6,655,000	-	217,300	1,523,657	3,047,314	359,675	2,226,404		1,145,354	7.750
2021	306,220,833	6,656,250	6,656,250	-	219,473	1,538,894	3,077,787	356,575	2,176,671		1,294,430	7.750
2022	309,283,041	6,656,750	6,656,750	-	221,667	1,554,283	3,108,565	358,325	2,130,560		1,512,875	7.750
2023	312,375,872	6,656,250	6,656,250	-	223,884	1,569,825	3,139,651	359,775	2,082,665		1,802,705	7.750
2024	315,499,631	6,654,500	6,654,500	-	226,123	1,585,524	3,171,047	360,925	2,032,731		2,166,193	7.750
2025	318,654,627	6,656,250	6,656,250	-	228,384	1,601,379	3,202,758	356,775	1,980,504		2,605,871	7.750
2026	321,841,173	6,656,000	6,656,000	-	230,668	1,617,393	3,234,785	356,700	1,929,854		3,120,400	7.750
2027	325,059,585	6,653,500	6,653,500	-	232,975	1,633,567	3,267,133	360,500	1,880,326		3,708,902	7.750
2028	328,310,181	6,653,500	6,653,500	-	235,304	1,649,902	3,299,805	357,938	1,826,426		4,375,992	7.750
2029	331,593,283	6,655,500	6,655,500	-	383,318	1,666,401			4,605,780		3,832,229	12.500
2030	334,909,215	6,654,000	6,654,000	-	387,152	1,683,065			4,583,783		3,351,084	12.500
2031	338,258,308	6,653,750	6,653,750	-	391,023	1,699,896			4,562,831		2,931,917	12.500
2032	341,640,891	6,654,250	6,654,250	-	394,933	1,716,895			4,542,422		2,574,596	12.500
2033	345,057,300	6,655,000	6,655,000	-	398,883	1,734,064			4,522,054		2,279,495	12.500
2034	348,507,873	6,655,500	6,655,500	-	402,871	1,751,405			4,501,224		2,047,492	12.500
2035	351,992,951	6,655,250	6,655,250	-	406,900	1,768,919			4,479,431		1,879,974	12.500
2036	355,512,881	6,653,750	6,653,750	-	410,969	1,786,608			4,456,173		1,778,834	12.500
2037	359,068,010	6,655,500	6,655,500	-	415,079	1,804,474			4,435,947		1,741,470	12.500
2038	362,658,690	6,654,750	6,654,750	-	419,230	1,822,519			4,413,002		1,771,037	12.500
2039	366,285,277	6,656,000	6,656,000	-	423,422	1,840,744			4,391,834		1,866,197	12.500
2040	369,948,129	6,653,500	6,653,500	-	427,656	1,859,151			4,366,693		2,031,369	12.500
2041	373,647,611	6,651,750	6,651,750	-	431,933	1,877,743			4,342,075		2,266,478	12.500
<b>Totals</b>		<b>166,371,500</b>	<b>166,371,500</b>	<b>-</b>	<b>7,651,868</b>	<b>41,812,019</b>	<b>31,565,988</b>	<b>3,584,663</b>	<b>88,926,287</b>	<b>6,686,172</b>		

### Assumptions

<sup>1</sup> Annual AV and Sales Tax growth:	2016-2019	0%	2020-on	1%
<sup>2</sup> State Aid:		0%		
<sup>3</sup> Tax collection rate:		98%		

<sup>4</sup> Motor vehicle growth equals AV growth.

<sup>5</sup> .75% Sales Tax Revenues collected from the City of Hays (.25% General Tax commencing 7/1/2016; .50% Special Tax commencing 7/1/2018 or upon expiration of Ellis County .50% Sales Tax)

<sup>6</sup> \$3,000,000 City Project paid from the City Sales Tax Revenues over 10 years

### Scenario

\* Series 2016 \$94,035,000 Bond Issuance 9/1/2016 @ 4.26% Funding a \$94,035,000 Project Amount

\* Series 2018 \$3,000,000 City Bond Issuance 9/1/2018 @ 2.99% Funding a \$3,000,000 Project Amount over 10 years

# TAXPAYER COST ANALYSIS

**Unified School District No. 489**

Ellis County, Kansas (Hays)

Home Owner Property Tax Increase - \$94,035,000 Bond Amount

Mill Levy Increase			Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	20 Years ML Only	25 Years ML Only	20 Years	25 Years						
	21.00	18.75	18.00	15.75	14.50	12.25	9.75	7.75	9.75	7.75

**Cost to Homeowner of Projected Mill Levy Increase**

**Annual Property Tax**

\$50,000 Home	120.75	107.81	103.50	90.56	83.38	70.44	56.06	44.56	56.06	44.56
\$75,000 Home	181.13	161.72	155.25	136	125.06	105.66	84.09	66.84	84.09	66.84
\$100,000 Home	241.50	215.63	207.00	181.13	166.75	140.88	112.13	89.13	112.13	89.13
\$125,000 Home	301.88	269.53	258.75	226.41	208.44	176.09	140.16	111.41	140.16	111.41
\$150,000 Home	362.25	323.44	310.50	271.69	250.13	211.31	168.19	133.69	168.19	133.69
\$200,000 Home	483.00	431.25	414.00	362.25	333.50	281.75	224.25	178.25	224.25	178.25

**Monthly Property Tax**

\$50,000 Home	10.06	8.98	8.63	7.55	6.95	5.87	4.67	3.71	4.67	3.71
\$75,000 Home	15.09	13.48	12.94	11.32	10.42	8.80	7.01	5.57	7.01	5.57
\$100,000 Home	20.13	17.97	17.25	15.09	13.90	11.74	9.34	7.43	9.34	7.43
\$125,000 Home	25.16	22.46	21.56	18.87	17.37	14.67	11.68	9.28	11.68	9.28
\$150,000 Home	30.19	26.95	25.88	22.64	20.84	17.61	14.02	11.14	14.02	11.14
\$200,000 Home	40.25	35.94	34.50	30.19	27.79	23.48	18.69	14.85	18.69	14.85

**Daily Property Tax**

\$50,000 Home	0.33	0.30	0.28	0.25	0.23	0.19	0.15	0.12	0.15	0.12
\$75,000 Home	0.50	0.44	0.43	0.37	0.34	0.29	0.23	0.18	0.23	0.18
\$100,000 Home	0.66	0.59	0.57	0.50	0.46	0.39	0.31	0.24	0.31	0.24
\$125,000 Home	0.83	0.74	0.71	0.62	0.57	0.48	0.38	0.31	0.38	0.31
\$150,000 Home	0.99	0.89	0.85	0.74	0.69	0.58	0.46	0.37	0.46	0.37
\$200,000 Home	1.32	1.18	1.13	0.99	0.91	0.77	0.61	0.49	0.61	0.49

US Census Median Home Value (Ellis County): \$138,400

**Unified School District No. 489**

Ellis County, Kansas (Hays)

Commercial Property Tax Increase - \$94,035,000 Bond Amount

Mill Levy Increase			Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	20 Years ML Only	25 Years ML Only	20 Years	25 Years						
	21.00	18.75	18.00	15.75	14.50	12.25	9.75	7.75	9.75	7.75

**Cost to Commercial Businesses of Projected Mill Levy Increase**

**Annual Property Tax**

\$50,000 Property	262.50	234.38	225.00	196.88	181.25	153.13	121.88	96.88	121.88	96.88
\$75,000 Property	393.75	351.56	337.50	295	271.88	230	182.81	145	182.81	145
\$100,000 Property	525.00	468.75	450.00	393.75	362.50	306.25	243.75	193.75	243.75	193.75
\$150,000 Property	787.50	703.13	675.00	590.63	543.75	459.38	365.63	290.63	365.63	290.63
\$200,000 Property	1,050.00	937.50	900.00	787.50	725.00	612.50	487.50	387.50	487.50	387.50

**Monthly Property Tax**

\$50,000 Property	21.88	19.53	18.75	16.41	15.10	12.76	10.16	8.07	10.16	8.07
\$75,000 Property	32.81	29.30	28.13	24.61	22.66	19.14	15.23	12.11	15.23	12.11
\$100,000 Property	43.75	39.06	37.50	32.81	30.21	25.52	20.31	16.15	20.31	16.15
\$150,000 Property	65.63	58.59	56.25	49.22	45.31	38.28	30.47	24.22	30.47	24.22
\$200,000 Property	87.50	78.13	75.00	65.63	60.42	51.04	40.63	32.29	40.63	32.29

**Daily Property Tax**

\$50,000 Property	0.72	0.64	0.62	0.54	0.50	0.42	0.33	0.27	0.33	0.27
\$75,000 Property	1.08	0.96	0.92	0.81	0.74	0.63	0.50	0.40	0.50	0.40
\$100,000 Property	1.44	1.28	1.23	1.08	0.99	0.84	0.67	0.53	0.67	0.53
\$150,000 Property	2.16	1.93	1.85	1.62	1.49	1.26	1.00	0.80	1.00	0.80
\$200,000 Property	2.88	2.57	2.47	2.16	1.99	1.68	1.34	1.06	1.34	1.06

**Unified School District No. 489**

Ellis County, Kansas (Hays)

Agricultural Property Tax Increase - \$94,035,000 Bond Amount

Mill Levy Increase			Scenario 1		Scenario 2		Scenario 3		Scenario 4	
	20 Years ML Only	25 Years ML Only	20 Years	25 Years						
	21.00	18.75	18.00	15.75	14.50	12.25	9.75	7.75	9.75	7.75

**Cost to Agricultural Property Owners of Projected Mill Levy Increase**

**Annual Property Tax**

Dry Crop Land (Median Use Value = \$87/acre) 160 Acres	87.70	78.30	75.17	65.77	60.55	51.16	40.72	32.36	40.72	32.36
Irrigated Land (Median Use Value = \$234/acre) 160 Acres	235.87	210.60	202.18	176.90	162.86	137.59	109.51	87.05	109.51	87.05
Grass Land (Median Use Value = \$19/acre) 160 Acres	19.15	17.10	16.42	14.36	13.22	11.17	8.89	7.07	8.89	7.07

**Annual Cost per Acre**

Dry Crop Land	0.55	0.49	0.47	0.41	0.38	0.32	0.25	0.20	0.25	0.20
Irrigated Land	1.47	1.32	1.26	1.11	1.02	0.86	0.68	0.54	0.68	0.54
Grass Land	0.12	0.11	0.10	0.09	0.08	0.07	0.06	0.04	0.06	0.04

**Monthly Property Tax**

Dry Crop Land 160 Acres	7.31	6.53	6.26	5.48	5.05	4.26	3.39	2.70	3.39	2.70
Irrigated Land 160 Acres	19.66	17.55	16.85	14.74	13.57	11.47	9.13	7.25	9.13	7.25
Grass Land 160 Acres	1.60	1.43	1.37	1.20	1.10	0.93	0.74	0.59	0.74	0.59

Estimated Median Use Value of 160 Acres Dry Crop Land is \$13,920

Estimated Median Use Value of 160 Acres Irrigated Land is \$37,440

Estimated Median Use Value of 160 Acres Grass Land is \$3,040

**UNIFIED SCHOOL DISTRICT No. 489  
ELLIS COUNTY, KANSAS (HAYS)**

**MILL LEVY COMPARISONS  
RANKED BY BOND & INTEREST MILL LEVY**

5A School District	Bond & Interest	Total Mill Levy
USD 265 Sedgwick County (Goddard)	24.804	66.519
USD 385 Butler County (Andover)	24.406	63.918
USD 262 Sedgwick County (Valley Center)	20.768	59.894
USD 453 Leavenworth County (Leavenworth)	19.778	63.347
USD 266 Sedgwick County (Maize)	19.740	59.965
USD 469 Leavenworth County (Lansing)	18.211	58.367
USD 305 Saline County (Salina)	13.842	55.605
USD 202 Wyandotte County (Turner)	13.449	54.707
USD 253 Lyon County (Emporia)	13.409	53.607
USD 480 Seward County (Liberal)	13.030	51.497
USD 373 Harvey County (Newton)	12.039	52.232
USD 470 Cowley County (Arkansas City)	11.982	52.811
USD 250 Crawford County (Pittsburg)	9.966	49.604
USD 259 Sedgwick County (Wichita)	9.523	53.735
USD 501 Shawnee County (Topeka)	6.905	52.536
USD 428 Barton County (Great Bend)	5.549	45.280
USD 489 Ellis County (Hays)	0.000	46.241

\* BASED ON 2014-15 MILL LEVY FROM KSDE.

**UNIFIED SCHOOL DISTRICT No. 489  
ELLIS COUNTY, KANSAS (HAYS)**

**MILL LEVY COMPARISONS  
RANKED BY TOTAL MILL LEVY**

5A School District	Bond & Interest	Total Mill Levy
USD 265 Sedgwick County (Goddard)	24.804	66.519
USD 385 Butler County (Andover)	24.406	63.918
USD 453 Leavenworth County (Leavenworth)	19.778	63.347
USD 266 Sedgwick County (Maize)	19.740	59.965
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USD 489 Ellis County (Hays)	0.000	46.241
USD 428 Barton County (Great Bend)	5.549	45.280

\* BASED ON 2014-15 MILL LEVY FROM KSDE.

## **USD 489 Draft Ballot Proposition**

Shall Unified School District No. 489, Ellis County, Kansas (Hays) (the “District”) be authorized to issue general obligation bonds in an amount not to exceed \$94,035,000 to pay the costs to: (a) construct, furnish, and equip improvements, renovations and additions, including storm shelters, deferred maintenance and technology, to District facilities, including Hays High School, Hays Middle School, Lincoln Elementary School, O’Loughlin Elementary School, Roosevelt Elementary School, Wilson Elementary School and Early Childhood Connections – Washington Site (collectively, the “Improvements”); (b) make related infrastructure and all other necessary improvements appurtenant thereto; and (c) pay costs of issuance and interest on said general obligation bonds during construction of the Improvements, all pursuant to the provisions of K.S.A. 10-101 *et seq.*; K.S.A. 25-431 *et seq.*, K.S.A. 25-2018(f); K.S.A. 72-6761; and K.S.A. 75-2315 *et seq.*?

USD 480 ELECTION QUESTION:

Shall Unified School District No. 480, Seward County, Kansas (Liberal) (the “District”) be authorized to issue general obligation bonds in an amount not to exceed \$127,865,000 (the “Bonds”), to pay the costs to: (a) construct, furnish, equip, demolish, repurpose, renovate, and make additions to existing District facilities, including: (1) repurpose the existing Cottonwood Intermediate School to a new K-5 Elementary School, (2) repurpose the existing Sunflower Intermediate School to a new K-5 Elementary School, (3) repurpose the existing High School and West Middle School to a 9-12 High School, (4) demolish the existing MacArthur Elementary School and construct, furnish and equip a new K-5 Elementary School at the site; (b) acquire sites for and construct, furnish, and equip new District facilities, including: (1) a new north K-5 Elementary School and a new south K-5 Elementary School, and (2) a new north Middle School and a new south Middle School; (c) construct, furnish and equip other necessary improvements in the District; and (d) make all other necessary improvements appurtenant thereto (collectively the “District Projects”), all pursuant to the provisions of K.S.A. 10-101 *et seq.*; K.S.A. 25-2018(f); K.S.A. 72-6761; and K.S.A. 75-2315 *et seq.*, **provided** that the issuance of such Bonds to finance the District Projects shall be subject to the following conditions: (A) approval by the electors of the City of Liberal, Kansas (the “City”) at an election held on April 8, 2014, of the imposition of a one-half percent (1/2%) Citywide retailers' sales tax (the “Educational Sales Tax”), the collection of which shall commence on July 1, 2014, or as soon thereafter as permitted by law, and shall expire upon the earlier of twenty-five (25) years after its commencement or when all costs associated with the District Projects, including the repayment of the Bonds issued to finance or refinance such costs, shall have been paid; and (B) the execution of a cooperation agreement between the District and the City regarding the application of the Educational Sales Tax to assist in the repayment of the Bonds?

CITY OF LIBERAL ELECTION QUESTION:

Shall the City of Liberal, Kansas, be authorized, pursuant to the authority of K.S.A. 12-187 *et seq.*, to impose a one-half percent (1/2%) Citywide retailers' sales tax (the “Educational Sales Tax”), the revenues to be derived therefrom to be used for the purpose of: (a) assisting Unified School District No. 480, Seward County, Kansas (Liberal) (the “District”) in the repayment of a portion of the principal of and interest on general obligation bonds to be issued by the District in an amount not to exceed \$127,865,000 (the “District Bonds”) to pay the costs to construct, furnish and equip educational facilities in the District (the “District Projects”); and (b) providing for the payment of certain City infrastructure improvements to facilitate the use of the District Projects; **provided** that the collection of the Educational Sales tax shall commence on July 1, 2014, or as soon thereafter as permitted by law, and shall expire upon the earlier of twenty-five (25) years after its commencement or when all costs associated with the District Projects, including the repayment of the District Bonds issued to finance or refinance such costs, shall have been paid; **provided further** that the imposition of such Educational Sales Tax shall be subject to the following conditions: (i) approval by the electors of the City of this proposition; (ii) approval by the electors of the District at an election held on April 8, 2014, of a proposition authorizing the issuance of the District Bonds; and (iii) the execution of a cooperation agreement between the City and the District regarding the application of the Educational Sales Tax to assist in the repayment of the District Bonds?

# Board Requirements

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- ❖ Scope of Project / Bond Amount
- ❖ Date of Election
- ❖ Type of Election
- ❖ Financing Plan
- ❖ Construction Delivery Method
- ❖ Sales Tax Request to the City of Hays

**UNIFIED SCHOOL DISTRICT No. 489**  
**Ellis County, Kansas (Hays)**  
**Bond Election April 2016**  
**General Obligation Bonds**

**DRAFT CALENDAR OF EVENTS**



**ELECTION PROCESS**



DATE	EVENT
<b>October 2015 – January 2016</b>	Facility Review Determine Scope of Project Finalize Bond Amount Approve Plan of Finance Select Election Date and Type of Election Review Construction Delivery Method
<b>January 11, 2016</b>	Board Work Study Session Board Finalizes Scope of Project, Bond Amount, Plan of Finance, Election Date and Type of Election
<b>January 18, 2016</b>	Board of Education Meeting Board adopts Resolution Calling for Bond Election and Authorizing the Filing of an Application with the State Board of Education
<b>January 21, 2016</b>	Publish Notice of Intent to Submit Application to the State Board of Education
<b>January 21, 2016</b>	Submit Application to the State Dept. of Education for review
<b>January 22, 2016</b>	Submit Election Documents to the County Clerk
<b>February 10, 2016</b>	State Board of Education Meeting State Board of Education Approval to Exceed Debt Limit State Board of Education provides Order to Call a Bond Election
<b>March 3, 2016</b>	First Publication of Notice of Bond Election (Not Less Than 21 Days Prior to Election Date)
<b>March 10, 2016</b>	Second Publication of Notice of Bond Election
<b>April 5, 2016</b>	Bond Election

**UNIFIED SCHOOL DISTRICT No. 489**  
**Ellis County, Kansas (Hays)**  
**Bond Election May 2016**  
**General Obligation Bonds**

**DRAFT CALENDAR OF EVENTS**



**ELECTION PROCESS**



DATE	EVENT
<b>October 2015 – February 2016</b>	Facility Review Determine Scope of Project Finalize Bond Amount Approve Plan of Finance Select Election Date and Type of Election Review Construction Delivery Method
<b>February 1, 2016</b>	Board Work Study Session Board Finalizes Scope of Project, Bond Amount, Plan of Finance, Election Date and Type of Election
<b>February 15, 2016</b>	Board of Education Meeting Board adopts Resolution Calling for Bond Election and Authorizing the Filing of an Application with the State Board of Education
<b>February 18, 2016</b>	Publish Notice of Intent to Submit Application to the State Board of Education
<b>February 18, 2016</b>	Submit Application to the State Dept. of Education for review
<b>February 19, 2016</b>	Submit Election Documents to the County Clerk
<b>March 9, 2016</b>	State Board of Education Meeting State Board of Education Approval to Exceed Debt Limit State Board of Education provides Order to Call a Bond Election
<b>March 31, 2016</b>	First Publication of Notice of Bond Election (Not Less Than 21 Days Prior to Election Date)
<b>April 7, 2016</b>	Second Publication of Notice of Bond Election
<b>May 3, 2016</b>	Bond Election

# Hays USD 489 - 2016 Bond Issue



## Wilson Elementary School Proposed Improvements 2016 - 2018



### Safety & Security:

- Secure front entrance
- Exterior door access control
- Security cameras
- Storm shelter
- ADA improvements (Gym)
- New fire alarm

### Building Expansions:

- Gymnasium
- Special Education Center
- North Parking and drop off

### Building Renovations:

- Admin office expansion & entry
- Renovate kitchen & cafeteria
- Expand art & music rooms
- Repair exterior walls
- Interior deferred maintenance

### Building Systems:

- Hot water boiler
- New chillers
- HVAC upgrades
- New HVAC control systems
- Electrical system upgrades
- Finish lighting upgrades
- Replace steel water piping

# Hays USD 489 - 2016 Bond Issue



## Roosevelt Elementary School Proposed Improvements 2016 - 2018



- Safety & Security:**
- Secure front entrance
  - Exterior door access control
  - Security cameras
  - Storm shelter (New Classrooms)
  - ADA improvements
  - New fire alarm

- Building Expansions:**
- Gymnasium with activity entry
  - Classroom expansion (5 sections total)
  - Special education expansion
  - Additional parking & south drive

- Building Renovations:**
- Admin office & entry
  - Cafeteria & kitchen
  - Expand music
  - Restrooms near cafeteria
  - Exterior wall repair
  - Select window replacement
  - Interior deferred maintenance

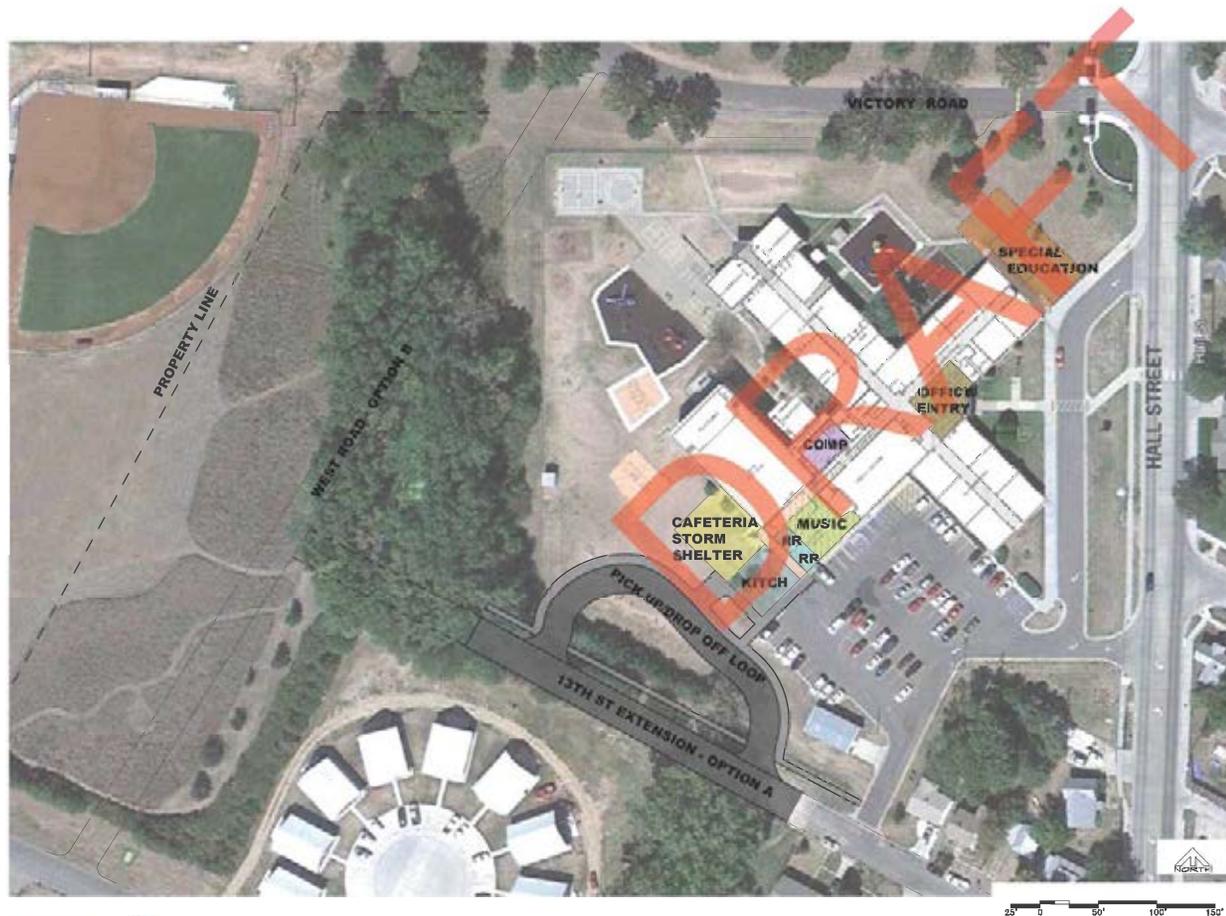
- Building Systems:**
- New air handling units: office, cafeteria, media center, classrooms,
  - New chillers
  - New hot water boiler plant
  - New HW/CW pumps
  - New HVAC control systems
  - Electrical system upgrades
  - Finish lighting upgrades
  - Upgrade electrical service



# Hays USD 489 - 2016 Bond Issue



## O'Loughlin Elementary School Proposed Improvements 2016 - 2018



### Safety & Security:

- Secure front entrance
- Exterior door access control
- Security cameras
- Storm shelter (Cafeteria)
- ADA improvements
- New fire sprinkler system

### Building Expansions:

- Special education center with separate entry
- New cafeteria & kitchen
- Add restrooms
- Loop road
  - Option A - South 13th St. Extension
  - Option B - West/North - Victory Road

### Building Renovations:

- Admin offices & entry
- Convert old cafeteria to music room
- Convert old music room to computer room
- Replace window systems
- Interior deferred maintenance

### Building Systems:

- New hot water boiler plant
- New chillers
- Redundant HW/CW pumps
- New HVAC control systems
- New electrical distribution equipment
- Electrical system upgrades
- Finish lighting upgrades
- New clock system

# Hays USD 489 - 2016 Bond Issue



## Lincoln Elementary School Proposed Improvements 2016 - 2018



### Safety & Security:

- Secure front entrance
- Exterior door access control
- Security cameras
- Storm shelter (Gym)
- ADA improvements
- New elevator
- Upgrade fire alarm

### Building Expansions:

- Gymnasium
- Bus lane

### Building Renovations:

- Relocate cafeteria & kitchen to main level (old gym)
- Convert portion of old gym to music
- Admin office & entry
- Exterior wall masonry repair
- Replace select windows
- Interior deferred maintenance

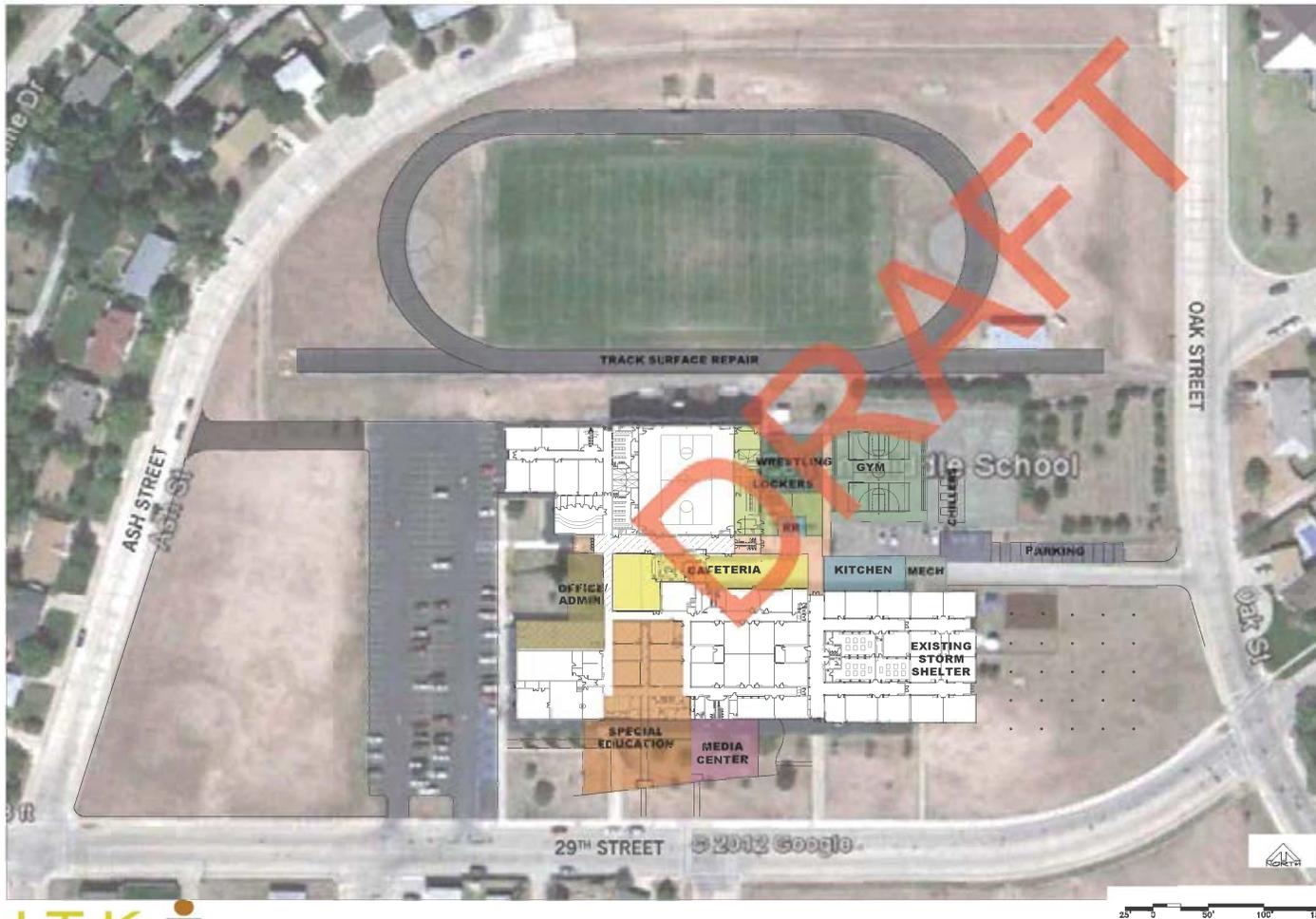
### Building Systems:

- Replace obsolete split systems
- New HVAC control systems
- New unit ventilators (south add)
- Finish lighting upgrades
- Electrical system upgrades
- New clock system

# Hays USD 489 - 2016 Bond Issue



## Hays Middle School Proposed Improvements 2016 - 2018



### Safety & Security:

- Secure front entrance
- Exterior door access control
- Security cameras
- ADA improvements

### Building Expansions:

- New gymnasium
- New kitchen & expanded cafeteria
- Expand Special Education Center
- New media center (displaced by SPED expansion)
- Relocate front entrance to west side
- New wrestling & lockerrooms
- East parking expansion

### Building Renovations:

- Admin office & entry
- Renovate & expand special education
- Expand cafeteria
- Exterior wall masonry repair
- Interior deferred maintenance
- Track surface repair

### Building Systems:

- New chillers (east)
- New unit ventilators
- New dedicated HVAC units: lockerrooms, office, media center, cafeteria, gym
- New hot water boiler plant
- New redundant HW/CW pumps
- New HVAC control systems
- New electrical service
- Electrical system upgrades



# Hays USD 489 - 2016 Bond Issue



## Hays High School Proposed Improvements 2016 - 2018



### Safety & Security:

- Secure front entrance
- Exterior door access control
- Security cameras
- Storm shelter (Auditorium)

### Building Expansions:

- 800 - 900 seat auditorium
- 2000 (approx) seat gymnasium & lockerrooms
- Expand commons areas
- Relocate admin office to front door
- Expand tech building

### Building Renovations:

- Convert former offices to classrooms
- Renovate tech building
- Floor repairs
- Interior deferred maintenance

### Building Systems:

- New heat pumps
- Retrofit interior rooms with DX fan coils
- New HVAC units: lockerrooms, wrestling, office, media center, kitchen & serving
- New HVAC control systems
- New hot water boiler plant
- New chiller for gym
- Electrical service upgrades
- Finish lighting upgrades





**Vision 2020:**

Ellis County is the catalyst for growing, vibrant and diversified communities in northwest and north central Kansas.

**Mission:**

The mission of the Ellis County Coalition for Economic Development is to promote a robust local economy through business creation, retention/expansion, and recruitment.

**Challenges:**

As with any path to success, Ellis County is not without challenges as it moves into the future. Concerns identified by the Coalition Board, local businesses, organizations, and community leaders include:

- Complacency about growth/overcoming resistance to growth
- Access to quality jobs and services
- Sustainability of rural towns in NW Kansas: survival of small communities, community/county rivalry, local government infighting
- Cost of maintaining/improving/creating infrastructure to support growth
- Population: attracting and retaining youth, attracting and retaining workers—"brain drain"
- Available land: cost of existing sites, limited expansion opportunities
- Capital to develop growth
- Engaging smart, capable youth in the community
- Housing: need for starter homes, need for affordable workforce housing as this directly affect local employers ability to hire and retain employees
- Lack of skilled trades and technically educated workers
- Created and support entrepreneurs and small business
- Aging businesses and succession planning
- Capitalize on fiber network and internet speeds available to business

**Strategy:**

Recognizing these challenges and concerns of the Coalition members, local businesses, and the community in general, the Ellis County Coalition seeks to identify areas it can influence for positive change in the community and place its focus on actions to address these areas. The Coalition will direct the majority of its efforts to these 3 key areas:



## Goal—BUSINESS CREATION

**Objective**—Collaborate with educational institutions, governmental agencies and business partners to identify and support entrepreneurial efforts that create sustainable jobs and businesses.

- **Action Item**—Assist prospective entrepreneurs in identifying market potential for new businesses, finding suitable locations to operate their business, identifying and overcoming obstacles to starting their business, and identifying additional resources to help establish/grow their business.
- **Action Item**— Market Ellis County as the preferred location for business startups.
- **Action Item**—Identify requirements of technology driven startups seeking to launch their businesses in Ellis County.
- **Action Item**—Collaborate with other entities to develop programs and facilities to meet the needs of entrepreneurs.
- **Action Item**—Encourage entrepreneurship in the community through education of our eCommunity program and other partner organization services.
- **Action Item**—Market Ellis County as a gigabyte community to startups that require high speed connectivity to succeed in their industry.
- **Action Item**—Meet monthly, and as needed, with Hays Chamber of Commerce, Hays Convention and Visitor Bureau and Downtown Hays Development Corporation, to discuss best practices, partnering opportunities and to ensure a common brand for Ellis County.

## Goal—EXISTING BUSINESS RETENTION/EXPANSION

**Objective**—Link existing businesses in our region to resources needed to thrive.

- **Action Item**—Identify strategies and partnerships to grow the availability of affordable housing for rent or ownership in Ellis County.
  - Housing Renovation Program
  - Outside developer interest
- **Action Item**—Market and educate the existing local businesses on services offered by the Coalition as well as state and local programs.
- **Action Item**—Identify the needs of local employers relating to workforce development and training.
  - Welding Employment Training program and other skilled trades variations to be developed
  - Leadership training for management/supervisor level employees
  - Basic customer service training for non-specific industries
- **Action Item**—Educate local partners about the Ellis County eCommunity program to grow participation.
  - Expand promotion efforts to FHSU and area high entrepreneurs



## Goal—BUSINESS RECRUITMENT

**Objective**—Recruit new employers whose site/facility/infrastructure requirements are compatible with the region.

- **Action Item**—Continue to work with local property owners/realtors/developers to identify and market development ready sites. Focus on sites with the following criteria:
  - Public infrastructure already in place
  - Asking price that is realistic for the industry market
  - Site is ready to develop
- **Action Item**—Identify prospective industries that are compatible with Ellis County to target for recruitment, then develop a recruitment strategy.
- **Action Item**—Identify the parameters of possible industries being recruited to Ellis County, to determine their fit:
  - Low water use
  - Utilities requirements within the capacity of available sites
  - Technology driven industry
  - Higher paying wages/higher tech skills
- **Action Item**—Identify existing industry clusters in order to market community to like industries. Clusters can be leveraged for industry growth, with a focus towards diversification of our employers.
- **Action Item**—Market Ellis County as a gigabyte community to existing businesses that are relocating for access to high speed internet.



# Commission Work Session Agenda

## Memo

**From:** Toby Dougherty, City Manager

**Work Session:** January 7, 2016

**Subject:** Revisions to the City of Hays Economic Development Policy

**Person(s) Responsible:** Toby Dougherty, City Manager  
Aaron White, Ellis County Coalition for Economic Development Executive Director

### Summary

During consideration of a development proposal, and subsequent economic development request by NWK Investments, the City Commission suggested that the Economic Development Policy be revised to more clearly define the role of the Ellis County Coalition for Economic Development. City staff met with Aaron White, Director of the Ellis County Coalition for Economic Development, as well as the City's Bond Counsel to develop the suggested revisions to the Economic Development Policy. In performing a review of the entire Economic Development Policy, City staff poses a few questions and comments for consideration by the City Commission as more specific direction is needed to further tighten the policy.

### Background

The City of Hays Economic Development Policy spells out the available programs and incentives that a potential applicant could utilize as well as the criteria for consideration that would be applied for any request for economic incentives. The policy has been periodically updated over the years to reflect the attitudes of the City Commission. In 2015, NWK Investments submitted a rather comprehensive request for economic development incentives for a proposed travel plaza development at the intersection of the US 183 Bypass and Interstate 70. The request by NWK Investments was not very organized and changed in substance several times from its submission until it was formally heard by the City Commission. On the heels of this discussion, the City Commission asked that the Economic Development Policy be modified to more clearly define the process and the Coalition for Economic Development's role in vetting Economic Development applications before they are brought to the City Commission for consideration.

### Discussion

City staff held a series of meetings with Aaron White, Ellis County Coalition for Economic Development Executive Director, as well as Gina Riekof, the City's Bond Counsel with Gilmore and Bell. The goal of these meetings was to prepare revisions to the Economic Development Policy that standardized the process any applicant or

potential grantee of economic incentives would follow as well as defining the role and expectations of the City, the Coalition for Economic Development, Bond Counsel, and any potential applicant early in the process. The result of those meetings is the addition of a new Section 2 “Statement of Process”. This section spells out what is going to be required by an applicant before the City will consider any request for economic incentives. It also defines the facilitative role that the City of Hays expects the Coalition for Economic Development to take in the process. The result of the new section is that City staff, the Executive Director of the Ellis County Coalition for Economic Development, and the City’s Bond Counsel will work with any applicant, on the applicant’s dime, to develop a term sheet that can be brought forward to the Commission when the applicant submits its initial idea for Commission input.

City staff, as well as Aaron White, also reviewed the Economic Development Policy in its entirety and have made a few changes for Commission consideration. The changes are highlighted in the redline version that is being provided to the City Commission. City staff and Aaron White also have several questions on matters we feel need clarification. For example, we have questions about the threshold to qualify for retail development incentives as well as the viability of the current Job Bounty Program.

### **Legal Consideration**

There is no action recommended other than discussion and consultation and there are no legal obstacles to proceeding as recommended by City Staff.

### **Financial Consideration**

There are no direct financial considerations with revising the policy. The financial implications will be based off of utilization and application of the policy.

### **Options**

The City Commission has the following options:

- Do nothing.
- Suggest City staff’s recommended modifications to the policy.
- Provide further direction to City staff regarding the policy.

### **Recommendation**

City staff recommends that the City Commission review the proposed modifications to the Economic Development Policy and hold discussion regarding the questions and topics brought up in the redline draft.

### **Supporting Documentation**

Redlined Version of the Economic Development Policy

SUBJECT	ISSUED BY	LAST REVISION DATE	CURRENT EFFECTIVE DATE
ECONOMIC DEVELOPMENT POLICY	City Commission	7-11-13	2-26-15

**SECTION 1. INTRODUCTION**

**Comment [TD1]:** Commission question: Do you want to target any of these incentives for infill/redevelopment or development along existing infrastructure? Mixed use? Do you want to have a different standards/criteria for greenfield vs infill?

The City of Hays is interested in encouraging economic activity and the creation of jobs, thereby broadening its [sales and property](#) tax base and improving the quality of life for its citizens. Further, the use of public funds to stimulate business growth may be necessary or desirable in certain cases. The decision to provide incentives to a business is guided by the expectation that the financial benefits to the City will produce a sufficient return on the City's investment and that the business will be a good fit for the community. All proposed incentives are subject to a public hearing. Governmental agencies are not eligible for financial incentives under this policy. No elected or appointed officer, employee or committee of the City, Hays Area Chamber of Commerce or Ellis County Coalition for Economic Development employee, board, or other public or private body or individual, shall be authorized to speak for and/or commit the City Commission to the granting of an incentive. This policy is meant to encourage the following:

- A. Research and development-based businesses
- B. High-tech businesses
- C. Environmentally friendly businesses
- D. Expansion of existing industry
- E. Business start-ups
- ~~E~~.F. [Businesses that will provide additional sales tax revenues to the City of Hays](#)
- ~~F~~.G. Recruitment of new companies from out-of-state
- ~~G~~.H. The retention of businesses which are good corporate citizens that will add to the quality of life in Hays through their leadership and support of local civic and philanthropic organizations.
- ~~H~~.I. Training and development of Hays area employees
- ~~I~~.J. The establishment of businesses that will be good stewards of the City of Hays' water sources.

The City Commission reserves the right to deviate from this policy when, in the opinion of the Commission, it is in the best interests of the City to do so.

**Comment [TD2]:** Redundant with section 19?

**New Section 2. STATEMENT OF PROCESS**

**Review by the Ellis County Coalition for Economic Development**

[With the exception of Job Bounty applications and applications for incentives involving non mixed-use housing developments, it is the expectation of the Hays Commission that all applications under this policy are to be vetted for accuracy, clarity, and compliance to the City of Hays Economic Development policy requirements by the Ellis County Coalition for Economic Development.](#)

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**Term Sheet to be prepared before Commission considers a proposal**

For applications wishing to utilize a TIF, TDD, CID, IRB or STAR bonds, as allowed under this policy, it is necessary that the applicant work with the Ellis County Coalition for Economic Development prior to formally approaching the Commission. The Ellis County Coalition for Economic Development will enter into a funding agreement with the applicant in order to ensure all requests for incentives are clarified and reviewed by the City's bond counsel. The City's bond counsel will then draft a Term Sheet that will be presented to the Commission in conjunction with the applicant's proposal. The Term Sheet will contain a concise summary of the incentives being proposed, a detailed outline of the process involved to enact the incentives, and the obligations of the applicant and City in the matter. A sample Term Sheet is included in the Application for Economic Incentives.

#### Applicant requirements for Term Sheet Development

- Clear request of desired incentives
- Preliminary site plan
- Infrastructure needs/requirement estimate
- Total project costs
- Estimated annual revenues
- Estimated property values pre/post development
- Estimated number of jobs created by development and average wage per job

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Unless the Commission directs otherwise, any applicant under this section will be granted one work session to present their concept and term sheet to the Commission for feedback. Any further request will need to be formalized and in complete compliance and conformity with this policy and all applicable state statutes.

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## **SECTION 2. DEFINITIONS**

"City" means the City of Hays, Kansas.

"Economic development purposes" shall mean the establishment of a new business or the expansion of an existing business, which:

- A. is or will be primarily engaged in any one or more of the Kansas basic industries; or
- B. is or will be primarily engaged in the development or production of goods or the provision of services for out-of-state sale; or
- C. is or will be primarily engaged in the production of raw materials, ingredients or components for other enterprises which export the majority of their products; or
- D. is a national or regional enterprise which is primarily engaged in interstate commerce; or
- E. is or will be primarily engaged in the production of goods or the provision of services which will supplant goods or services which would be imported into the city; or
- F. is the corporate or regional headquarters of an enterprise, which is primarily engaged in out-of-state business activities.

"Environmentally friendly businesses" shall mean:

- Firms with programs or activities that reduce the impact of activities on the environment.
- Businesses that are not damaging to the environment, or directed at preventing environmental damage.

“High-Tech Businesses” shall mean both manufacturing and non-manufacturing businesses that have a great dependence on science and technology innovation that leads to new or improved products or services. High-Tech Business involves intensive use of new scientific and technical knowledge. It is often characterized by reliance on significant inputs of knowledge, depending more on having access to the knowledge produced in universities and other educational institutions. It tends to hire and keep personnel who have advanced skills. High-Tech Businesses are more sensitive to the quality of local universities and other educational institutions as providers of knowledge and education of high-skilled workers and may be more sensitive to local quality of life, encouraging high-skilled workers from elsewhere to be hired. High-Tech Business often has special infrastructure needs, such as broadband communications. Goods and services produced by High-Tech Businesses frequently require a longer development time than ordinary goods and services, requiring some ability to generate equity capital or other “maturing” capital.

“Kansas basic industry” shall mean:

- Agriculture;
- Mining;
- Manufacturing;
- Interstate transportation;
- Wholesale trade which is primarily engaged in multi-state activity or which has a major import supplanting effect within the state;
- Financial services which are primarily engaged in providing such services for interstate or international transactions;
- Business services which are primarily engaged in providing such services to out-of-town markets;
- Research and development of new products, processes or technologies;
- Tourism activities, which are primarily engaged in for the purpose of attracting out-of-state tourists.

As used in these subsections, “primarily engaged” means engagement in an activity by an enterprise to the extent that not less than 51% of the gross income of the enterprise is derived from such engagement.

### **SECTION 3. INDUSTRIAL ECONOMIC DEVELOPMENT**

**Comment [TD3]:** The Commission will need to determine whether to leave the TIF, TDD, and STAR Bond parameters to what is allowed by the State, or restrict usage to public infrastructure only.

The City will be selective as to the kinds of industrial businesses (i.e., businesses that are not retail businesses) that are recruited and assisted. In general, the primary objective of the City’s industrial Economic Development Policy is to target new and expanding businesses that are environmentally sound, strengthen our local economy, and demonstrate a need for public financial support in order to locate or expand in Hays. Additionally, the City favors industry that creates high-caliber employment, such as high-skill, high-wage jobs with increased employee benefits and superior working conditions.

When considering proposals brought before the City, City staff and the City commission shall be cognizant of the investment being made by the business, the risk involved in doing business, and the reputation of the City which is created by decisions that are made.

**Examples of available-incentives that may be available to industrial businesses may include; Property Tax Abatement, Industrial Revenue Bonds, Job Bounty Program, Tax Increment Financing (TIF), Transportation Development Districts (TDD), Community Improvement District (CID), or other available programs as approved by the Kansas Legislature.**

## SECTION 4. RETAIL DEVELOPMENT

~~The purpose of this section is to establish the official policy and procedures of the City for the granting of incentives for new and expanding retail businesses not otherwise addressed within this policy.~~

The City of Hays relies heavily on sales taxes to support the provision of general services to its residents and visitors. The primary objectives of the City in granting incentives to retail businesses for development include the expansion of the sales tax base, general enhancement of quality of life, development as the regional hub for goods and services in northwestern Kansas, and the expansion of the property tax base.

The City encourages the creation of mixed use developments that contain commercial/retail uses as well as living units as this is a way to maximize available space and is a more efficient use of existing and future infrastructure.

**Examples of ~~available~~ incentives that may be available to retail businesses may include; Job Bounty Program, Tax Increment Financing (TIF), Transportation Development Districts (TDD), Community Improvement District (CID), Sales Tax and Revenue Bonds (STAR Bonds), or other available programs as approved by the Kansas Legislature.**

A single development requesting additional assistance must also meet all of the following criteria:

- A. The development must be at least 50,000 square feet
- B. Generate \$10,000,000/yr. in retail sales
- C. Employ twenty five (25) or more employees

**Comment [TD4]:** Commission Question: Is this still the threshold you want in place? If considering the mixed use language above, or smaller infill/redevelopment projects, these numbers may be difficult to achieve, but the proposed development may be very beneficial.

## SECTION 5. ECONOMIC DEVELOPMENT APPLICATION

New or existing businesses that seek financial incentives from the City must file an *Application for Economic Incentives* before their request can be considered. The application shall contain the following information:

- A. Specific information on incentives being requested
- B. Company profile including longevity of company, principal officers, stockholders and clients
- C. Audited financial statements – last five (5) years or since date of incorporation if company has not been in existence for five (5) years
- D. Completed (attached) *Application for Economic Incentives* and *Supplemental Questionnaire*
- E. Business Plan as it relates to the proposed business to be located in Hays. Business Plan to include:
  - a. Number of employees along with a detailed breakdown of the classification and salary for each employee
  - b. Projected annual operating costs for the proposed development
  - a-c. Projected annual revenues for the first 10 years.
- F. Cost Benefit Analysis (See Section 15)
- G. For applicants wishing to develop a greenfield site, or redevelop property along existing infrastructure, the following items are required:
  - a. A detailed site development plan

**Comment [TD5]:** Commission question: How detailed do you want the business plan? Bank application? Prospectus?

**Comment [TD6]:** Commission question from Aaron White: Are there conditions under which the Commission would waive the business plan requirement? Large national retailers, such as Target, do not utilize business plans for individual locations, preferring market/demographic analysis, revenue projections based on similar markets, and construction estimates based regional costs and pre-approved floor plans to guide site development.

b. Construction estimates for all improvements. If asking for a TIF, TDD, or CID, applicant must provide an itemized breakdown of eligible costs for the incentive program being requested.

c. Estimated water usage and composition of wastewater produced by the site

d. Detailed information regarding traffic patterns to and from the site being developed, including the number of vehicles per day (average and peak times) as well as size and type of vehicle.

e. If the proposed development requires the extension/creation/reconstruction of City of Hays water, sewer, road, or stormwater infrastructure, the applicant must provide detailed cost estimates. City of Hays staff will not provide cost estimates. The applicant will be required to retain the services of a qualified engineer for this purpose.

b.f.

The City will not consider the granting of any incentive unless the business submits a full and complete application, and provides additional information as may be requested by the City Commission. The accuracy of the information provided in the application shall be verifiable by the applicant. Any misstatement of or error in fact may render the application null and void and may be cause for the repeal of any resolution adopted in reliance on said information. Applications will not be considered after the issuance of building permits. Refer to Section 6 for application and renewal fee information.

## SECTION 6. FEE SCHEDULE

Any individual business requesting any incentive shall pay to the City a nonrefundable application fee of \$1000 plus a deposit of \$5,000.00 to be retained by the City to pay for the City's out of pocket costs associated with the City's review of the application and other actions and agreements associated with the proposed incentive, including but not limited to the City's cost of legal counsel, financial advisors and consultants necessary to evaluate the application and administer the incentive. In the event that costs for third-party services incurred by the City exceed the fee collected, the applicant shall reimburse the City for such additional cost, immediately upon request, but no later than prior to final consideration of the incentive by the Governing Body. The application fee and deposit shall be submitted at the same time the *Application for Economic Incentives* is submitted. At its discretion, the City Commission may consider waiving a portion of the fee or deposit upon request, based upon need. In addition, any business which has been granted an incentive shall pay an annual nonrefundable renewal fee in the amount of \$100.00.

The City requires the use of its designated Bond Counsel and its designated Financial Advisor. The City reserves the right to approve the selection of other necessary participants in the administration of an incentive, including but not limited to, the underwriter and trustee/fiscal agent. The City, at its discretion, may retain additional independent advisors to assist the City in analyzing the merits of the application and in making a determination of its approval at the applicant's expense. Examples of additional advisors include economic or environmental specialists, or a certified public accountant.

## SECTION 7. PROPERTY TAX ABATEMENT POLICY

### A. Policy.

The grant of property tax abatement will be considered for real and personal property being added to the tax rolls by "Kansas basic industry," in accordance with the provisions set by

**Comment [TD7]:** Though most of this is based on state law, I left it included in what the Coalition vets before bringing forward. It is probably a good idea to have the coalition look at it prior to the Commission in order to validate the need of the requested abatement.

Article 11, Section 13 of the Constitution of the State of Kansas and the provisions of K.S.A. 12-1740 *et seq.* and K.S.A. 79-201a.

The City may approve for economic development purposes a property tax abatement on real and personal property used exclusively in the following business activities:

- Conducting research and development;
- Manufacturing articles of commerce;
- Storing goods that are sold or traded in interstate commerce;
- Corporate or regional headquarters of a multi-state enterprise which is primarily engaged in activities that take place outside of Kansas;
- High-tech businesses.

**B. Abatement Amount and Term.**

While Kansas law permits an exemption up to 100 percent of the qualified investment for up to 10 years, it shall be the policy of the City to normally provide property tax abatement and require payments in lieu of taxes (PILOTs) as set forth in the following schedule for portions of a project that meet the economic development goals of the City set forth in Sections 1 and 3 and that qualify for abatement under Kansas law. The abatement level is based on the **higher of the capital investment AND job creation.**

<u>Abatement Level</u>	<u>Capital Investment<sup>1</sup></u>	<u>Job Creation<sup>2</sup></u>
<b><u>Matrix for High-Tech Businesses and Research and Development-Based Businesses</u></b>		
50% abatement for 10 years	Minimum: \$500,000 Maximum: \$3,750,000	Minimum: 25 Eligible Net New Jobs Maximum: 50 Eligible Net New Jobs
100% abatement for 10 years	>\$3,750,000	>50 Eligible Net New Jobs
<b><u>Matrix for All Other Business Types</u></b>		
25% abatement for 10 years	Minimum: \$500,000 Maximum: \$2,500,000	Minimum: 25 Eligible Net New Jobs Maximum: 50 Eligible Net New Jobs
50% abatement for 10 years	Minimum: \$2,500,001 Maximum: \$10,000,000	Minimum: 51 Eligible Net New Jobs Maximum: 125 Eligible Net New Jobs
75% abatement for 10 years	Minimum: \$10,000,001 Maximum: \$30,000,000	Minimum: 126 Eligible Net New Jobs Maximum: 250 Eligible Net New Jobs
100% abatement for 10 years	>\$30,000,000	>250 Eligible Net New Jobs

<sup>1</sup> Capital Investment will be determined by increase in appraised value from the appraised value of the property on the date of the application compared to the appraised value on the January 1 after completion of improvements, all as determined by tax appraisal from the Ellis County Appraiser's office.

<sup>2</sup> "Eligible Net New Jobs" means each full-time equivalent job created above the monthly average full-time equivalent employee count for the 12-month period preceding the date of application. In order for a job to qualify as a "Eligible Net New Job," each job must pay wages greater than 100% of the Region 1 wage average based on the applicant's 4-digit NAICS code. The number of Eligible Net New Jobs must be reported annually pursuant to Section 15, and if the actual number of Eligible Net New Jobs in any year during the abatement term is less than the Eligible Net New Jobs set forth in the application, the abatement level for the remaining abatement term will be reduced in accordance with the table above.

The abatement term for projects considered under the authority of Article 11, Section 13 of the Constitution of the State of Kansas shall begin in the calendar year after the calendar year in which the business commences its operations locally. The abatement term for projects considered under the authority of K.S.A. 12-1740 *et seq.* and K.S.A. 79-201a shall begin in the calendar year after the calendar year in which industrial revenue bonds are issued.

**C. Procedure.**

**1. Action by the City.** The City shall consider granting a tax exemption pursuant to this Policy after receipt of a complete application from the applicant in a form prescribed by the City together with the application fee and deposit. The application shall be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the project's preliminary site plans and building elevations, to prepare a cost benefit analysis, and to contact the county and the unified school district within which the property proposed for exemption is located. The project's site plans and building elevations are subject to final approval to ensure that they are similar to the preliminary plans and elevations submitted.

Based on each application and such additional information as may be requested by the City, the City shall prepare or cause to be prepared a cost benefit analysis of the proposed exemption on the city and state of Kansas, which analysis shall be used by the Governing Body in considering the request for abatement, and shall be sufficient to meet statutory requirements for obtaining property tax abatement. In making its decision, the Governing Body may also consider any fiscal and/or economic impact analyses performed by the county and the unified school district within which the property proposed for exemption is located.

Prior to formal action on each resolution of intent, the Governing Body shall conduct a public hearing thereon, to be scheduled at least seven days after publication of notice. Notice of the hearing shall also be sent to the Ellis County Clerk's Office and the unified school district within which the property proposed for exemption is located.

Any grant of property tax abatement shall be accompanied by Performance Agreement as set forth in Section 13 of this Policy, and continuing abatement shall be subject to annual review as set forth in Section 15 of this Policy.

All documents necessary to consider granting a tax exemption, including the cost benefit analysis, notice of hearing, and any resolutions or ordinances, shall be prepared or reviewed by the City's Bond Counsel.

**2. Action by the State Court of Tax Appeals.** If the abatement request is granted, the applicant shall prepare and submit to the City by each February 1, a copy of the abatement application required by K.S.A. 79-213 and 79-210, and the statement required by K.S.A. 79-214 for the cessation of an exempt use of property. The City Clerk shall submit such application and statement to the County Appraiser, who will forward to the Court of Tax Appeals. The City Clerk shall provide a copy of the ordinance, as published in the official city newspaper, granting an abatement from taxation to the applicant for use in filing an initial request for tax abatement as required by K.S.A. 79-213, and by K.S.A. 79-210 for subsequent years. The City expressly notes to applicants that no abatement can be provided without the approval of the State Court of Tax Appeals.

**D. Payment of PILOTs.**

Any payment in lieu of taxes, which shall be required of a business granted a property tax abatement of less than 100% for 10 years, shall be paid to the County Treasurer, with notice of the amount and date paid provided to the City. The County Treasurer is directed to apportion the payment, under the provisions of subsection (3) of K.S.A. 12-148, to the general fund of all taxing subdivisions, excluding the state, which levy taxes on property where the business is situated. The apportionment shall be based on the relative amount of taxes levied, for any and all purposes by each of the applicable taxing subdivisions. The specific provisions for payment of PILOTs shall be set forth in the Performance Agreement between the City and the applicant.

## **SECTION 8. INDUSTRIAL REVENUE BOND POLICY**

### **A. Policy.**

It shall be the policy of the City to consider the issuance of industrial revenue bonds pursuant to K.S.A. 12-1740 *et seq.* (the "IRB Act") for the purposes set out in Section 1 of this Policy, and the IRB Act. Industrial revenue bonds may also be issued for the purpose of property tax abatement, as set forth in Section 7 of this Policy.

### **B. Sales Tax Exemption for Construction Materials.**

Labor and materials, as well as equipment purchased with IRB proceeds may be exempt from State and local sales tax. The City reserves the right to grant or deny such sales tax exemption in connection with the issuance of IRBs, to be determined on a case-by-case basis.

### **C. Cost Reimbursement/Issuance Fee.**

The applicant shall reimburse the City for all costs associated with the issuance of bonds, including but not limited to, the cost-benefit analysis, all legal publication notices, application fees to the Court of Tax Appeals, the City's bond counsel fees and all other miscellaneous costs.

For projects requesting tax abatement in connection with the issuance of industrial revenue bonds, the City shall receive an issuance fee of (i) 25 basis points (.0025) of the first \$10 million par amount of bonds being issued or the amount of constitutional tax abatement being requested, plus (ii) 20 basis points (.002) of the par amount of the second \$10 million of bonds being issued or the amount of constitutional tax abatement being requested, plus (iii) 10 basis points (.001) of the par amount in excess of \$20 million of bonds being issued or the amount of constitutional tax abatement being requested. In no event shall the issuance fee be less than \$1,500 or more than \$100,000. The fee shall be due and payable at the time the bonds are issued.

## **SECTION 9. COMMUNITY IMPROVEMENT DISTRICT POLICY**

### **A: POLICY STATEMENT**

It is the policy of the City to consider the establishment of CIDs for reimbursable expenses in the amount of \$250,000 or greater in order to promote economic development and tourism within the City. An applicant may petition the City to utilize special assessments or a special sales tax to fund projects eligible under the CID statutes. In considering the establishment of a CID, the Governing

Body shall consider whether the proposed CID will achieve the economic development purposes outlined in Section 1 of this Policy.

It is the further policy of the City that a CID shall only be established for projects where the applicant/developer pays for the cost of eligible CID improvements (at no cost to the City) and agrees to be reimbursed on a pay-as-you-go basis for such costs from the City's receipt of CID sales tax revenues or CID special assessment revenues.

The use of CIDs should not alter the requirements of the City's Economic Development Policy in regard to the development paying for public infrastructure or meeting building codes. When establishing a CID, special consideration will be given to public benefits. These benefits may include, but are not limited to, strengthening economic development and employment opportunities, reducing blight, enhancing tourism and cultural amenities, upgrading older retail real estate and commercial neighborhoods, and promoting sustainability and energy efficiency.

#### B: CRITERIA

It shall be the policy of the City to create a CID, if, in the opinion of the Governing Body, it is in the best interest of the City to do so. The Governing Body shall consider the following factors when creating a CID:

1. The project meets the City's economic development goals by expanding existing businesses or develops new businesses described in Section 1 of this Policy, and/or strengthens economic development and employment opportunities, reduces blight, enhances tourism and cultural amenities, upgrades older retail real estate and commercial neighborhoods, and promotes sustainability and energy efficiency.
2. The project uses higher standards for the design of improvements and materials used in making improvements within the CID, compared to the minimum requirements set forth in the City's current design guidelines.
3. The project extends public infrastructure to parts of the City that are not currently served by such infrastructure.

#### C: PROJECT ELIGIBILITY

1. It is the intent of the City to allow only projects involving capital investment and improvements to qualify for reimbursement. Purchase of consumables, and items or property considered to be operating expenses shall not qualify for reimbursement.

The following projects within the district to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, equip or extend shall be eligible for reimbursement out of the proceeds of the community improvement district sales tax:

- a. Public buildings, structures and facilities, and private not-for-profit museums;
- b. Sidewalks, streets, roads, interchanges, highway access roads, intersections, alleys, parking lots, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, pedestrian amenities, abandoned cemeteries, drainage systems, water systems, storm systems, sewer systems, lift stations, underground gas, heating and electrical services and connections located within or without the public right-of-way, water mains and extensions and other site improvements;
- c. Parking garages;

- d. Streetscape, lighting, street light fixtures, street light connections, street light facilities, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers;
  - e. Parks, lawns, trees and other landscape;
  - f. Communication and information booths, bus stops and other shelters, stations, terminals, hangers, rest rooms and kiosks;
  - g. Outdoor cultural amenities, including but not limited to, sculptures and fountains;
  - h. Private buildings, structures and facilities;
- i. To produce and promote any tourism, recreational or cultural activity or special event, including, but not limited to, decoration of any public place in the district, promotion of such activity and special events;
  - j. To support business activity and economic development, including, but not limited to, development, retention, and the recruitment of developers and businesses;
  - k. To provide or support training programs for employees of businesses.
2. Generally, projects not listed in the foregoing eligibility section shall not be eligible for reimbursement out of the proceeds of a Community Improvement District sales tax. Additionally, the following projects within the district to acquire, improve, construct, demolish, remove, renovate, reconstruct, rehabilitate, maintain, restore, replace, renew, repair, install, relocate, furnish, equip or extend shall be ineligible for reimbursement out of the proceeds of a community improvement district sales tax:
- a. Airports, railroads, light rail and other mass transit facilities;
  - b. Lakes, dams, docks, wharfs, lakes or river ports, channels and levies, waterways and drainage conduits.
  - c. To provide or contract for the provision of security personnel, equipment or facilities for the protection of property and persons for public property, buildings and outdoor spaces.
  - d. To provide or contract for cleaning, maintenance and other services to public property, buildings and outdoor spaces;
  - e. To contract for or conduct economic impact, planning, marketing or other studies related to the district.
  - f. Indoor cultural amenities, including but not limited to, paintings, murals and display cases, which are not located in a private not-for-profit museum;
  - g. To operate or to contract for the provision of music, news, child-care, or parking lots or garages, and buses, minibuses or other modes of transportation;
  - h. To provide or contract for the provision of security personnel, equipment or facilities for the protection of property and persons inside private buildings;
  - i. To provide or contract for cleaning, maintenance and other services to private property;
  - j. The purchase of inventory and/or supplies for use or resale.
  - k. To purchase interior furnishings.
  - l. To purchase advertising or participation and any promotional expenses.
  - m. Any other projects not permitted by state statute, as amended from time to time.

#### D: METHOD OF FINANCING

The governing body will consider creation of a CID where (1) the costs of CID improvements will be financed on a pay-as-you-go basis from CID sales tax revenues or (2) the costs of CID improvements consisting only of public infrastructure improvements will be financed from CID special assessments. In the instance where public infrastructure CID improvements will be financed from CID special assessments, the City will consider the issuance of special obligation

CID special assessment bonds. The City will not issue special obligation or general obligation bonds for CID improvements, other than the limited circumstances set forth in this section. The proposed method of financing will be clearly shown in the petition.

#### E: PROCESS

The process for creation of a CID shall be as follows:

1. *Petition and Supplemental Information.* An applicant requesting that the City create a CID shall first submit a petition to the City. Such petition shall contain all of the information required by K.S.A. 12-6a26 *et seq.* and shall contain all of the required signatures of property owners as set forth in the Community Improvement District Act. Such petition shall also contain an agreement by the applicant to pay all out of pocket costs incurred by the City related to the City's review of the petition, including but not limited to the City's cost of legal counsel and financial advisors necessary to evaluate the petition. In addition to the information required by K.S.A. 12-6a26 *et seq.*, applicants must file (a) an Application for Economic Incentives and Supplemental Questionnaire, as provided by the City's Economic Development Policy, (b) a site plan for all public and private improvements to be located within the proposed CID, and (c) a business plan evidencing that the applicant has the financial ability to complete the proposed project in a timely manner and operate the project for the term of the proposed CID. The applicant shall furnish such additional information as requested by the City in order to clarify the petition or to assist staff or the Governing Body with the evaluation of the petition.
2. *Application Fee and Deposit.* The application fee and deposit, as well as any costs and expenses required to be paid by the applicant pursuant to Section 6 may be deemed costs of the improvements, and may be reimbursable to the extent permitted by the Community Improvement District Act and as authorized by the Governing Body.
3. *Timing of Submissions.* The petition and all additional information required by this Policy must be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the project's site plans, and to analyze the merits of the proposed CID in the context of existing economic development and infrastructure projects.
4. *Public Hearing.* Upon receipt of the petition and all additional information required by this Policy, the Governing Body may order a public hearing on the creation of a CID and the imposition of a CID sales tax. The Governing Body shall give public notice and hold such hearing in the manner required by the Community Improvement District Act.
5. *Governing Body Findings; Development Agreement Required.* After the public hearing is conducted, the Governing Body shall determine the advisability of creating a CID pursuant to the Community Improvement District Act. If advisable, the Governing Body may create a CID by adopting an ordinance. Contemporaneously with the adoption of an ordinance creating a CID, the Governing Body shall consider a Development Agreement between the City and the applicant setting forth the specific terms and conditions under which the City will reimburse the applicant on a pay-as-you-go basis for the costs of certain CID Improvements.

#### F: APPLICANT REQUIREMENTS

1. The applicant shall provide a tax clearance letter from the State of Kansas Department of Revenue to determine and ensure the applicant is compliant with all primary Kansas Tax Laws. An annual submission of the tax clearance from the State of Kansas Department of Revenue is required.
2. If a CID is created, the applicant must complete an annual report by March 1 of each year covering the previous calendar year.
3. If a CID is created, the applicant must agree in the Development Agreement to pay to the City an annual administrative fee equal to 0.5% of the annual CID revenue generated within the CID, to cover the administration and other City costs related to the CID. This fee is in lieu of the annual renewal fee of \$100.00 set forth in the City's Economic Development Policy for other economic development incentives.

#### G: PAYMENT OF CERTAIN COSTS

The City shall require the applicant to enter into a funding agreement or other evidence of the applicant's agreement to pay costs incurred by the City for additional legal, financial and/or planning consultants, or for direct out-of pocket expenses and other costs relating from services rendered to the City to review, evaluate, process and consider the petition for a CID, as well as the continued maintenance of the escrow account for CID revenues and for the processing of payments of CID eligible costs. Such costs and expenses may be deemed costs of the project, to the extent permitted by the Community Improvement District Act.

#### H: FINANCIAL AND FISCAL IMPACT

The applicant must detail the proposed method and amount of financing, including any public financial participation requested. The applicant must financially participate in the project in an amount that is at least 25 percent of the total project cost.

#### I: AUTHORITY OF GOVERNING BODY

The Governing Body reserves the right to deviate from any policy when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that is in the best interests of the City. Additionally, the Governing Body, by its inherent authority, reserves the right to reject any proposal or petition for creation of a CID at any time in the review process when it considers such action to be in the best interests of the City.

### **SECTION 10. RURAL HOUSING IMPROVEMENT DISTRICT POLICY**

#### A: POLICY STATEMENT

It is the policy of the City to consider the establishment of a RHID for a development containing a minimum of ten renter occupied low-income or income-qualified units. It is the further policy of the City that a RHID shall only be established for projects where the applicant/developer pays for the cost of eligible RHID improvements (at no cost to the City) and agrees to be reimbursed on a pay-as-you-go basis for such costs from the City's receipt of RHID revenues.

#### B. CRITERIA

It shall be the policy of the City to create a RHID, if, in the opinion of the Governing Body, it is in the best interest of the City to do so. The Governing Body shall consider the following factors when creating a RHID:

1. Assure taxpayers that the City is not financing an already viable project.
2. Assure taxpayers that the City is not financing an unreasonably high profit margin for developers. Each developer will be required to submit a detail of development costs and net operating income including an Internal Rate of Return to be compared to the market for reasonableness.
3. Assure taxpayers that the development provides the City safeguards committing the developer to complete the project.

The Development Plan required by statute for each project must determine that the incremental ad valorem property tax revenues generated by the RHID, together with other funds committed by the Developer, will cover the estimated eligible costs of the project. All Development Plans must assume that the initial estimated incremental property tax revenues will remain flat over the term of the RHID (i.e., no plan may assume increasing incremental property tax revenues will be available to cover project costs).

All development requests must utilize drought tolerant landscaping and water efficient fixtures in order to minimize impact on water resources. City staff will provide the necessary guidance.

#### C: ELIGIBLE COSTS

It is the intent of the City to allow only the following development expenditures within a RHID to qualify for reimbursement out of RHID revenues:

1. Acquisition of property within the RHID
2. Payment of relocation assistance
3. Site Preparation
4. Sanitary and storm sewers and lift stations
5. Drainage conduits, channels and levees
6. Street grading, paving, curbs and gutters
7. Street lighting
8. Underground public and limited private utilities, all located within the public right-of-way
9. Sidewalks
10. Water mains and extensions

#### D: METHOD OF FINANCING

The governing body will consider creation of a RHID where eligible costs will be financed on a pay-as-you-go basis from incremental ad valorem tax revenues generated within the RHID. The City will not issue special obligation bonds for RHID improvements.

#### E: PROCESS

The process for the creation of an RHID District shall be as follows:

1. *Application and Supplemental Information.* An applicant requesting that the City create a RHID must file:
  - a. an Application for Economic Incentives and Supplemental Questionnaire, as provided by the City's Economic Development Policy,
  - b. a Housing Needs Analysis meeting the requirements of K.S.A. 12-5244(a) and the guidelines of the Kansas Department of Commerce, and incorporating the findings contained in the Current Hays Housing Assessment.
  - c. a Development Plan meeting the requirements of K.S.A. 12-5245, and
  - d. a business plan evidencing that the applicant has the financial ability to complete the proposed project in a timely manner and that the project meets the criteria for establishment of a RHID, as set forth in this Policy.

The applicant shall furnish such additional information as requested by the City in order to clarify the application or to assist staff or the Governing Body with the evaluation of the application.

2. *Application Fee and Deposit.* The application fee and deposit as well as any costs and expenses required to be paid by the applicant pursuant to Section 6 of the Economic Development Policy are not reimbursable pursuant to the Rural Housing Incentive District Act. The applicant will pay all out of pocket costs incurred by the City related to the City's review of the application, all documents related to consideration of a RHID and the development agreement, including but not limited to the City's cost of legal counsel and financial advisors necessary to evaluate and create the proposed RHID.
3. *Timing of Submissions.* The application and other information required by this Policy must be submitted in sufficient time for staff to follow established procedures for publication of notice, to review the submitted documents and analyze the merits of the proposed RHID in the context of existing economic development policy.
4. *Secretary of Commerce Approval.* If the Governing Body determines that it is in the best interest of the City to approve the the Housing Needs Analysis and move forward with the proposed Development Plan, the Governing Body shall adopt a resolution approving the Housing Needs Analysis and submit such analysis to the Kansas Secretary of Commerce for approval. If the Secretary of Commerce agrees within the findings of the Governing Body set forth in such resolution, the Governing Body may proceed with the establishment of an RHID.
5. *Development Agreement.* Upon receipt of approval from the Secretary of Commerce, but before the Governing Body takes further action with respect to the creation of the RHID, the City and the Developer shall negotiate a development/performance agreement to implement the proposed Development Plan and including the requirements of this Policy, including particularly the requirements of Section 14 of this Policy related to Performance Agreements.
6. *Public Hearing.* When the Development Plan, a draft Development Agreement, and all additional information required by the RHID Act and this Policy are ready to be presented to the Governing Body the Governing Body will consider adopting a resolution ordering a public hearing on creation of the RHID and adoption of the plan. The

Governing Body shall give such notice and hold such hearing in the manner required by the RHID Act.

7. *Governing Body Findings.* After the public hearing is conducted, if advisable, the Governing body may create an RHID district by adopting an ordinance creating the district, adopting the Development Plan, and approving the Development Agreement.

#### F: PAYMENT OF CERTAIN COSTS

The City shall require the applicant to enter into a funding agreement or other evidence of the applicant's agreement to pay costs incurred by the City for additional legal, financial and/or planning consultants, or for direct out-of pocket expenses and other costs relating from services rendered to the City to review, evaluate, process and consider the request for RHID. Such costs and expenses are the applicant's sole responsibility, and are not generally reimbursable pursuant to the RHID Act.

#### G: AUTHORITY OF THE GOVERNING BODY

The Governing Body reserves the right to deviate from any policy when it considers such action to be of exceptional benefit to the City or extraordinary circumstances prevail that is in the best interests of the City. Additionally, the Governing Body, by its inherent authority, reserves the right to reject any proposal or request for the creation of an RHID at any time in the review process when it considers such action to be in the best interest of the City or whenever, in the opinion of the City Commission sufficient properties are already available for the type of development being considered.

#### I: REVIEW

The RHID policy will be in place as long as there is a need for low-income and income-qualified housing. The City expects the Housing Needs Assessment will be updated every three to five years.

## SECTION 11. JOB BOUNTY PROGRAM

The Job Bounty Program of the City is to encourage new and/or existing businesses to hire employees. To participate in the Job Bounty Program, a prospective employer must agree to hire at least ten (10) full-time employees at an hourly wage of no less than \$10.00/hr. For the purpose of this program, a full-time employee is one that works forty (40) hours per week or two thousand eighty (2080) hours per year. Anything below these levels will be considered part-time and will not be eligible for benefits under this program.

For those employers creating ten (10) or more full-time jobs paying no less than \$10.00/hr., the Job Bounty Program, subject to the City's budgetary limitations, shall receive the following:

**Comment [TD8]:** Commission question: Is this still worthy of a bounty?

1. For each full-time position created paying no less than \$10.00/hr. base salary, not including employee benefits, tips, commissions, bonuses, or other incentives, the City will pay to the employer \$1,000 per job provided that funds shall be paid in 20% increments over a five (5) year period. The employer will be required to provide, at the

end of each year, in order to receive Job Bounty funds for that year, an audited payroll showing those ten (10) or more jobs were filled throughout the one year period.

2. For full-time jobs exceeding \$15.00/hr base salary, not including employee benefits, tips, commissions, or other incentives, the City will pay \$1500 per job on the same basis as noted previously including creation of a minimum of ten (10) jobs per company per agreement.

No Job Bounty proceeds will be paid for the creation of jobs that do not meet established hour and wage requirements as outlined above. It is specifically noted that an employer will apply for a specified number of jobs with the initial application. If the employer creates less than the number of jobs included in the application, no Job Bounty funds will be distributed. Job Bounty funding is allocated on a one-time occurrence per company. Retroactive funding activities, as stated in Section 17 of this policy, are not allowed under this policy.

No jobs may be created, or employees hired, under Job Bounty application until formal review by the City Manager's Office and formal approval has been given by the City Commission subject to all of the activities contained in this policy.

## **SECTION 12. MEMORANDUM OF UNDERSTANDING**

Authority to issue memorandums of understanding to consider requests for economic development incentives shall lie only with the City Commission. Such memorandums of understanding shall only be issued by the City Commission, and as an expression of good faith intent, but shall not in any way bind the City to the granting of an incentive. Such memorandums of understanding shall expire six months after issuance, but may be renewed. A public hearing shall not be required prior to the issuance of memorandums of understanding.

## **SECTION 13. NOTICE AND HEARING**

No incentive shall be granted by the City prior to a public hearing thereon. Notice of the public hearing shall be published at least seven days prior to the hearing in the official city newspaper, giving the time and place, and the hearing may be held at a regular or special meeting of the City Commission. The City Manager shall thereupon notify the Ellis County Commissioners, the superintendent of the appropriate school district, and the clerk of any taxing jurisdiction, excluding the state, which derives or could derive property taxes from the affected business advising them of the scheduled public hearing and inviting their review and comment. Upon request, the City Manager shall provide any such public agency with a copy of the application, which shall remain confidential unless released by the City Commission. The applicant business shall be invited, but not required, to attend the public hearings.

## **SECTION 14. PERFORMANCE AGREEMENT**

Any incentive granted pursuant to this policy shall be accompanied by a Performance Agreement between the applicant and the City, which shall include provisions governing the situation if an applicant fails to meet the wage, number of jobs, and/or capital investment projections set forth in the original application. Each incentive shall be reviewed annually. The City Commission shall receive the annual review report, and if the City Commission determines that a business or project is not in compliance with the provisions of the Performance Agreement, then the incentive may be

modified pursuant to the Performance Agreement as the City Commission deems appropriate. Modifications to the incentive may include, but are not limited to, termination of the incentive, reduction of any incentive (including but not limited to reductions in tax abatement due to failure to meet requirements as set forth in Section 7) and claw-back of any existing incentive. To the extent necessary, the County Appraiser and the State Court of Tax Appeals shall be notified of appropriate actions to modify any incentive.

## **SECTION 15. COST BENEFIT ANALYSIS**

The Cost Benefit Analysis will offer a wide spectrum of information as it pertains to development, the adequacy, or inadequacy of, financial incentives, and finally, the net gain, current and future, of entering into these types of endeavors on behalf of the citizens of the City. The Cost Benefit Analysis should address the following items:

1. **DIRECT COSTS TO THE CITY.** Any identified direct cost should be included in the analysis. Examples of these types of costs include [installation and assumed annual liability of](#) municipal infrastructure to the business site, and costs of providing city [General emergency](#) services such as [public works](#), fire, and police protection. [Potential applicants can obtain a per-acre cost to provide general services from city staff.](#)
2. **BENEFIT TO THE CITY.** Direct benefits include wages/salaries/benefits paid to employees, any taxes collected (property, sales, franchise fees), purchases of products/services from local vendors.
3. **COST VERSUS BENEFIT.** From a community perspective, incentives are used because a net benefit is expected. A desired benefit to cost ratio must be at least in the 1.25:1 ratio. Proposed economic development projects that achieve this benchmark traditionally employ a higher proportion of local labor, including managers, at an above-average hourly wage.

This analysis should identify the particulars involving the developer's proposal. This should include confirmation of the size of the store, financial information, number of employees, pay scale, tax collections, and other areas involving development. —The developer is responsible for the development of this analysis including any cost incurred.

[If asking for any financial incentives, such as a TIF, TDD, or tax abatements, the applicant shall be required to provide a detailed monetary breakdown of the program\(s\) being requested, including but not limited to: the determination of any revenues generated from sales taxes or an incremental increase in property taxes, the direct cost to the city in lost sales or property tax revenue, the number of years required to retire any debt being financed with the above-mentioned programs.](#)

## **SECTION 16. ANNUAL REVIEW FOR COMPLIANCE**

All incentives granted shall be subject to an annual review to ensure that the ownership, use of property, and the economic performance of the business, including the capital investment, employment, and wages, are pursuant to requirements and criteria of this policy, the application, and the conditions of the granting of incentives. The review shall also include a comprehensive review of the entire incentive period for the business (if applicable), including milestones and project phases for the business. The annual review shall provide an opportunity for the company receiving

the incentive to describe their achievements, especially in the areas of environmentally sound practice, community engagement and services, and job training. If the business:

- A. no longer qualifies for the incentive pursuant to law or this policy;
- B. substantially fails to meet the expectations set forth in the application for an incentive, including failure to meet employment, wage, or capital investment plans in the application; or
- C. substantially fails to meet the criteria or objectives of this policy;

the City Commission, after notice and a public hearing, may modify any incentive by ordinance or resolution.

The City reserves the right to issue any level of penalties that it deems necessary. These may include; 1) rescissions, which is a complete cancellation of the incentive, 2) penalties, which are fines charged when the business does not meet a certain level of performance or relocates, and finally, 3) recalibrations, which are the provisions for changing the incentive in some manner in order to accommodate an evolving economic climate. The use of these tools will provide a safety net to the community, ensuring that its investment in the business will result in the positive benefits it expects.

Each business receiving an incentive shall be required to complete an annual report by March 1. The information in the report will cover the time period of January 1 through December 31 of the previous year. The annual report will be reviewed by May 1.

By May 1 of each year, an annual report listing all financial incentives that remain in effect will be presented to the City Commission. The annual report shall include information regarding when the incentive was granted, when the incentive expires, current property taxes paid for the property, in lieu of tax payments, amount of any industrial revenue bonds issued, the assessed value of the property, number of employees, salary and payroll of employees, and any additional information concerning the operation of the business receiving the incentive, and other information as requested by the City Commission.

The failure of a business (a) to provide accurate and timely information to the City in the preparation of the annual report or (b) to comply with the performance standards set forth in the Performance Agreement, shall be grounds for the modification or revocation of the incentive granted.

The City may require an annual renewal application to be filed or other information necessary to assure the continued qualification of the exempt business. Any material omission or misstatement of fact in information provided to the City in any such statement or renewal application may be cause for repeal of any incentive ordinance adopted, renewed or extended in reliance thereon.

## **SECTION 17. TRANSFER OF OWNERSHIP OR USE**

Incentives granted by the City may be transferred as a result of a change in the majority ownership of the business. Any new owner shall file a new application, along with the renewal fee, for an incentive. The City shall be notified by the business of any change in ownership and any substantive change in the use of a tax exempt property.

## **SECTION 18. RETROACTIVE GRANTING OF INCENTIVES; “BUT FOR” PRINCIPLE**

**Comment [TD9]:** Commission question: Do you want to place a financial requirement for the satisfaction of the but-for clause? It could open up a whole new can of worms, but is what I am hearing from you. If yes, please see the suggested language below.

No incentives, including the granting of Job Bounty funding, will be distributed on a retroactive funding basis. Incentives will be granted pursuant to the guidelines of this policy and effective on the date indicated and approved by the City Commission.

Each application for incentive shall demonstrate that the incentive will make such a difference in determining the decision of the business to locate, expand or remain in the City that the business would not otherwise be established, expanded or retained without the availability of the abatement.

Applicants wishing to utilize a TIF, TDD, CID, or STAR Bond must submit a detailed business plan and financial statement. The City will have this information analyzed by an independent 3<sup>rd</sup> party to determine that the requested incentives are truly needed to make a project viable and not simply add to the return on investment for an already viable project. Any report submitted to the Commission as part of this process will ensure proprietary and confidential information is protected.

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## **SECTION 19. WAIVER OF STATEMENT REQUIREMENTS**

The City Commission reserves the right to grant or not to grant an incentive under circumstances beyond the scope of this Statement, or to waive any procedural requirement. However, no such action or waiver shall be taken or made except upon a finding by the City Commission that a compelling or imperative reason or emergency exists, and that such action or waiver is found and declared to be in the public interest.

The Commission will not entertain requests for incentives outside of what is allowed by, or in accordance with, this policy. If any interested party would like the Commission to include an additional incentive to this policy, or modify the criteria for an existing incentive, that party must formally address the Commission and request that this policy be amended.

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## **SECTION 20. AMENDMENTS**

The City Commission of the City retains the right to amend any portion of this policy as needed.

## **SECTION 21. TAX CLEARANCE CERTIFICATION**

Any person, company, or entity receiving economic incentives under this policy must provide a Tax Clearance Certificate from the State of Kansas Department of Revenue on an annual basis prior to December 31. The Tax Clearance Certificate requirement will be in effect until such time that incentives are no longer being utilized.

## **SECTION 22. MANDATORY REVIEW**

This policy will be subject to a mandatory review by the City Commission every three years.



# **Commission Work Session Agenda**

## **Memo**

**From:** Toby Dougherty, City Manager

**Work Session:** January 7, 2016

**Subject:** Commission Reorganization/Rules of Procedure

**Person(s) Responsible:** Toby Dougherty, City Manager

### **Summary**

Due to changes enacted by the Kansas State Legislature, the City Commission recently adopted an ordinance changing the date of Commission reorganization to the second Regular Meeting in January of each year. The Commission's Rules of Procedure still refer to an April reorganization. Staff is placing this item on the agenda in order for the Commission to discuss the reorganization as it relates to the transition to the November 2017 election, and suggests the Commission modify its Rules of Procedure.

### **Background**

During the 2015 legislative session, the Kansas Legislature modified the state laws governing municipal elections. Municipal elections were moved to November with the newly-elected officials taking office in January. Elected officials that were scheduled to be up for election in April of 2017 will now face election in November of 2017 and take office January of 2018.

In order to remain compliant with the State statutes, the Commission adopted a series of ordinances at the October 22<sup>nd</sup> regular meeting. One of these ordinances, #3307, changes the date of the meeting where the Commission is reorganized and a new Mayor/Vice Mayor are elected, moving the date from April to January. The Commission's Rules of Procedure also refer to an April reorganization.

### **Discussion**

There are two issues to be discussed at the meeting. First, the current Rules of Procedure state that the Commission will reorganize in April after the Ellis County Commission has certified the election results. City Staff suggests the Commission modify the Rules of Procedure to reflect the January reorganization. Second, moving the reorganization to January is going to create a situation where a Commissioner will serve a long or short term as mayor. The current Mayor was elected in April of 2015. Reorganization at the January 28<sup>th</sup> Regular Meeting would result in a nine month term. Staff suggests the Commission discuss the transition.

### **Legal Consideration**

There are no legal obstacles to proceeding as recommended by City Staff.

### **Action Requested**

Staff requests the Commission modify its Rules of Procedure to reflect the January reorganization and discuss the term of the Mayor/Vice Mayor.

### **Supporting Documentation**

Rules of Procedure (redline)

Agenda packet from the October 22, 2015 Regular Meeting

RESOLUTION NO. 2015-010

A RESOLUTION ADOPTING BY REFERENCE THE CITY OF HAYS CITY COMMISSION RULES OF PROCEDURE AND REPEALING ALL PREVIOUS RESOLUTIONS, MOTIONS OR ACTIONS IN CONFLICT THEREWITH.

WHEREAS, the *City of Hays City Commission Rules of Procedure* contains a full and complete set of rules, regulations, standards, and procedures which govern the proceedings of the Commission; and,

WHEREAS, it is the desire of the governing body of the City of Hays to adopt the provisions of the *City of Hays City Commission Rules of Procedure*, to apply in all of its affairs;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS:

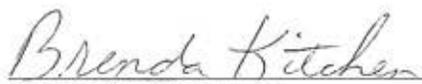
- A. That the *City of Hays City Commission Rules of Procedure*, as attached hereto and as may be amended from time to time, is hereby adopted by the City of Hays, Kansas.
- B. That it shall be the policy of the City of Hays, Kansas, to abide by and conform to in all respects the provisions of the aforesaid *City of Hays City Commission Rules of Procedure*.
- C. That the City Clerk of the City of Hays, Kansas, shall maintain a copy of the *City of Hays City Commission Rules of Procedure*, and of this Resolution in the Office of the City Clerk, and shall make same available to any interested citizen.
- D. That all previous resolutions, motions or actions in conflict with the *City of Hays City Commission Rules of Procedure* are hereby repealed.

This resolution shall be effective upon its approval by the City Commission of the City of Hays, Kansas.

Adopted by the Commission on the 14<sup>th</sup> day of May, 2015.

  
EBER PHELPS  
Mayor

ATTEST:

  
BRENDA KITCHEN  
City Clerk

(SEAL)



**CITY OF HAYS**  
**CITY COMMISSION**  
**RULES OF PROCEDURE**

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Adopted this 14<sup>th</sup> day of May, 2015, by the City Commission at a regular meeting, by a majority vote of the members attending.

1. Rules of Procedure - Generally

1.1. Authority: The Code of Ordinances of the City of Hays provides that the City Commission shall determine its own rules of procedure.

1.2. Adoption of Rules: The following set of Rules of Procedure shall be in effect upon their adoption by the Commission.

1.3. Rules - New Commission: ~~Each year, at the first regular meeting of the City Commission in April, or at the first meeting following the canvassing and certification of the election votes by the Ellis County Clerk and Ellis County Commission~~ At a special meeting called on the second Monday in January of each year, or at the first regular meeting following the second Monday in January of each year, the Commission shall immediately, following the election of the Chairperson and Vice-Chairperson of Commission, as provided in Sec. 4.1, adopt Rules of Procedure, either by adopting the prior Commission's Rules (with or without amendments) or by adopting new rules.

1.4. Rules of Order: These Rules of Procedure shall govern the proceedings of the Commission, and "Robert's Rules of Order Revised" shall govern those matters that these Rules of Procedure do not govern.

2. Meetings, Quorum, Attendance, Rules of Order:

2.1. Meetings to be Public: All meetings of the Commission shall be open to the public as per the Kansas Open Records Act, subject to the exemptions therein.

2.2. Quorum: A majority of the members of Commission, three (3), shall constitute a quorum. If a quorum is not present, those in attendance shall be listed

and they shall adjourn to a later time.

2.3. Business Vote: All ordinances shall require the affirmative vote of the majority of the five (5) commission members.

2.4. Compelling Attendance: The Commission may adjourn from day to day to compel the attendance of absent members.

2.5. Right of Floor: Any member desiring to speak shall be recognized by the chair, and shall confine his/her remarks to one subject under consideration or to be considered.

### 3. Types of Meetings

3.1. Regular Meetings: The Commission shall meet in the Commission Chambers of City Hall on the second and fourth Thursdays of each month at a time specified by resolution. Should the regular meeting date be a holiday, the Board of Commissioners shall meet on the Tuesday preceding the holiday at the regular hour. Calls for regular meetings other than as provided above herein shall be in accord with Hays City Code Sec. 2.04.120.

3.2. Special Meetings: Special meetings shall be called and held pursuant to Hays City Code Sec. 2.04.130.

3.3. Work Sessions: The Commission may meet informally in work sessions (open to the public), generally to be held on the first and third Thursday at a time to be announced at the meeting preceding each meeting in the Commission Chambers to review forthcoming programs of the City, receive progress reports on current programs or projects, or receive other similar information from the City

Manager and staff, provided that all discussions thereon shall be informal and no formal action shall be taken at any such session.

3.4. Regular and Special Meetings and Work Sessions: Notices of all meetings and work sessions shall be posted at City Hall, showing place, date and time of meeting or session, as well as an agenda for such meeting or session, and further disseminated according to the requirements of the Kansas Open Meetings Act.

3.5. Executive Sessions: Executive Sessions or closed meetings may be held in accordance with the provisions of the Kansas Open Meetings Act.

3.6. Adjourned Meetings: Any meeting of the Commission may be adjourned to a later date and time, provided that no adjournment shall be for a longer period than until the next regular meeting.

3.7. Emergency Meetings: Emergency meetings, necessitated by national, statewide or local catastrophe, riot, or insurrection, requiring immediate action for which the Commission may need to act immediately, shall be called by available Commission members, who may act by emergency declaration, with or without a quorum, and by the majority of as many Commission members as are present, to take only such actions as are necessary to restore the public welfare and peace to its more normal state. This rule shall prevail only until such time as Commission passes an ordinance to deal with such extraordinary circumstances. As a part of the emergency declaration, such Commission members as are present may by majority vote of those present suspend all or any portion of the within rules for such emergency meeting.

4. Mayor and Duties

4.1. Election of Mayor and Mayor Pro Tem: ~~At a special meeting called on the second Monday in January of each year, or at the first regular meeting following the second Monday in January of each year, At the first regular meeting of the City Commission in April of each year, or at the first meeting following the canvassing and certification of the election votes by the Ellis County Clerk and Ellis County Commission,~~ a Chairperson and Vice-Chairperson shall be elected. The Chairperson shall have the title of Mayor. The Vice-Chairperson shall have the title of Vice-Mayor. The meeting shall be called to order by the Mayor who shall accept nominations for the offices of Mayor and Vice-Mayor. The election shall be by roll call vote or by open ballot in a contested election and it shall require a majority vote by the members of the Commission.

4.2. Chairperson / Mayor: The Chairperson shall preside at all meetings of the Commission. In the absence of the Chairperson, the Vice-Chairperson shall preside. In the absence of both the Chairperson and Vice-Chairperson, the City Manager shall call the Commission to order, whereupon the members of the Commission present shall elect a temporary chairman.

4.3. Call to Order: The person presiding shall take the chair precisely at the hour appointed for the meeting and shall immediately call the Commission to order. A temporary chairman shall serve as presiding officer of the Commission until the arrival of the Chairperson or Vice-Chairperson, at which time the temporary chairman shall immediately relinquish the chair upon the conclusion of the business

immediately before the Commission.

4.4. Preservation of Order: While the Commission is in session, the members must preserve order and decorum. A member shall neither, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission nor disturb any member while speaking or refuse to obey the orders of the Commission or its presiding officer. Media coverage may be provided so long as said coverage does not interfere with the orderly conduct of Commission meetings. Any person making personal, impertinent or slanderous remarks, or who shall become boisterous, while addressing the Commission may be requested to leave the meeting and may be forthwith, by the presiding officer, barred from further audience before the Commission.

4.5. Points of Order: The person presiding shall determine all points of order, subject to the right of any member to appeal to the Commission. If any appeal is taken, the question shall be, "Shall the decision of the presiding officer be sustained?"

4.6. Questions to be Stated: The person presiding shall cause all questions to be stated, submitted to vote and announce all results. A roll call vote shall be taken upon the request of any member in the manner provided in these rules.

4.7. Appointment of Board, Commission, Committee and Authority Positions: Prior to appointment of any board member, commission or committee member or authority member, the term for which or vacancy of which will occur before the expiration of the then-Mayor's term, copies of any applications, letters of intent, or other indication of interest shall be provided to the Commission for review.

At the regular meeting of the Commission preceding the meeting at which the appointment will be made, the Mayor shall make a recommendation for the Commission's consideration. At the next regular meeting, the Mayor shall make the appointment, subject to formal approval by the Commission. If the appointee does not receive a majority vote of Commission, then any member of Commission may make a nomination for the position, subject to formal approval by the Commission. Such nomination shall be made from the applications, letters of intent or other indication of interest previously provided to the Commission. The Commission by unanimous consent may waive the time limits for this procedure.

5. Order of Business and Agenda:

5.1. Order of Business: All meetings of Commission, except executive sessions as outlined, shall be open to the public. At the hour appointed for meeting, the Commission shall be called together by the Chairperson, and in his/her absence by the Vice-chairperson. It shall be determined whether a quorum is present. Upon the appearance of a quorum the board of commissioners shall proceed to business, which shall be conducted in the following order:

1. Reading of the minutes of the last regular meeting and intervening special meetings, which, if no corrections are offered, shall stand approved;
2. Presentation of financial statements;
3. Citizen comments;
4. Consent agenda;
5. Unfinished business;

6. New business;
7. Report of city manager;
8. Commission inquiries and comments;
  
9. Executive session (if required);
10. Adjournment.

The foregoing order of business shall not, however, prohibit the introduction of any germane material or resolution by any member of the Commission under any appropriate heading of business hereinabove stated. For good reason, the person presiding may alter the order of the agenda unless decided otherwise by majority vote of Commission quorum present.

5.2. Presentation by Members of Commission: The agenda shall provide a time when the Chairperson or any Commission member may bring before the Commission any business that he/she feels should be deliberated upon by the Commission. These matters need not be specifically listed on the agenda, but formal action on such matters shall be deferred until a subsequent Commission meeting, when they can appear on the agenda, except that immediate action may be taken upon a vote of two-thirds of all members of the Commission.

5.3. Reading of Minutes: Unless a reading of the minutes of a Commission meeting is requested by a member of the Commission, such minutes may be approved without reading, if each member has been previously furnished with a copy of the minutes.

5.4. Rules of Debate:

(a) Presiding officer. The person presiding may move, second and debate from the chair, subject only to such limitations of debate as are by these rules imposed on all members, and shall not be deprived of any of the rights and privileges of a Commission member by reason of his/her acting as the person presiding.

(b) Getting the floor. Every member desiring to speak shall address the chair, and upon recognition by the presiding officer, shall confine himself/herself to the question under debate, avoiding all personalities and indecorous language.

(c) Interruptions. A member, once recognized, shall not be interrupted when speaking unless it be to call him/her to order, or as herein otherwise provided. If a member, while speaking, be called to order, he/she shall cease speaking until the question of order be determined, and if in order, he/she shall be permitted to proceed.

(d) Introduction of ordinances and resolutions. Each ordinance or resolution shall be introduced and moved to be adopted as follows: "I move the introduction and adoption of Ordinance No. \_\_\_\_ (or Resolution No. \_\_\_\_)."

(e) Debate. The Commission member moving the adoption of an ordinance or resolution shall have the privilege of opening debate after the motion for adoption of the ordinance or resolution, but shall not speak against same. Such Commission member shall have the privilege of closing debate, by being invited by the presiding officer to speak last before vote is taken.

(f) Remarks entered in minutes. A Commission member may request, through the presiding officer, the privilege of having an abstract of his/her

statement on any subject under consideration by the Commission entered in the minutes.

6. Ordinances, Resolutions, and Motions

6.1. Form: Ordinances and resolutions shall be presented to the Commission only in printed or typewritten form.

6.2. Voting: Voting decides all questions ultimately. Yes or no vote shall be taken from each Commission member upon the consideration of passage of all motions, ordinances and resolutions and shall be entered upon the official record of the Commission.

6.3. Tie Vote: In the event of a tie in votes on any motion, the motion shall be considered failed.

7. Citizens' Rights

7.1. Addressing the Commission: Any person desiring to address the Commission by oral communication shall first secure the permission of the presiding officer, provided, however, that preference will be given to those persons who have notified the City Manager by noon of the Friday immediately preceding the Thursday Commission meeting of their desire to speak in order that their name may be placed on the agenda and they will be recognized by the presiding officer without further action.

7.2. Manner of Addressing the Commission: Each person addressing the

Commission shall step up to the microphone, shall give his/her name and address in an audible tone of voice for the record and, by prior determination, and, on a case-by-case basis, time limits may be imposed by the presiding officer. All remarks shall be addressed to the Commission as a body, and not to any member thereof. No person, other than members of the Commission and the person having the floor, shall be permitted to enter into any discussion, except by the authority of the presiding officer.

7.3. Courtesy Requirements: As a courtesy to all who use the City Commission Chambers, the City Commission shall require that everyone:

1. Remove hats, caps and sunglasses.
2. Refrain from chewing gum or tobacco and eating.
3. Refrain from smoking.
4. Turn off all cell phones and pagers.

8. Suspension and Amendment of these Rules

8.1. Suspension of these Rules: Any provision of these rules not governed by the City Code of Ordinances, City Code, state statutes or general state law may be temporarily suspended by a vote of a majority of the Commission. The vote on any such suspension shall be taken by a roll call vote and entered upon the record.

8.2. Amendment of these Rules: These rules may be amended, or new rules adopted, by a majority vote of all members of the Commission, provided that the proposed amendments or new rules shall have been placed on the agenda and provided to all Commission members prior to the Commission meeting at which action is taken on the amended or new rules.

**CITY OF HAYS**  
**AGENDA ITEM COVER SHEET**

**COMMISSION AGENDA ITEM NO. 15**

**MEETING DATE: 10-22-15**

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**TOPIC:**

Transitioning to November Elections

**ACTION REQUESTED:**

- A) Consider approving Ordinance No. 3907 amending Chapter 2 of the City of Hays, Kansas, Municipal Code, by modifying Article II, Section 2-22, regarding organization of Commissioners.
- B) Consider approving Ordinance No. 3908 establishing the number of qualified electors that must sign a nomination petition pursuant to 2015 Session Laws of Kansas, Vol. 2, Chapter 88, Section 53(b).
- C) Consider approving Ordinance No. 3909 affirming the City Manager form of Government and transitioning the terms of office for Commissioners to the November election cycle established by L. 2015, Chapter 88 (H.B. 2014).

**NARRATIVE:**

During the legislative session of 2015, the Kansas Legislature passed HB 2104 (the "Act") which moved City elections from April of odd years to November of odd years. The Act also contains many provisions relating to elections of City officials including those relating to the election date, the beginning of the term of office for newly elected Commissioners, filing deadlines and primaries. Included are several recommendations to the Governing Body in order for the City to comply with provisions of the Act.

**PERSON/STAFF MEMBER(S) MAKING PRESENTATION:**

John T. Bird, City Attorney  
Todd Powell, Assistant City Attorney

**ADMINISTRATION RECOMMENDATION:**

N/A

**COMMITTEE RECOMMENDATION(S):**

N/A

**ATTACHMENTS:**

Staff Memo  
Ordinance No. 3907  
Ordinance No. 3908  
Ordinance No. 3909

# Commission Work Session Agenda

## Memo

**From:** Todd D. Powell, Assistant City Attorney

**Work Session:** October 15, 2015

**Subject:** Transitioning to November Elections

**Person(s) Responsible:** City Attorney

### Summary

During the legislative session of 2015, the Kansas Legislature passed HB 2104 (the “Act”) which moved City elections from April of odd years to November of odd years. The Act also contains many provisions relating to elections of City officials including those relating to the election date, the beginning of the term of office for newly elected Commissioners, filing deadlines and primaries. This memo contains several recommendations to the Governing Body in order for the City to comply with provisions of the Act.

### Background

For one hundred and fifty four years, spring elections have been conducted for officials of cities and municipalities in Kansas. In 2015, the Kansas Legislature passed a set of new statutory provisions and revisions to existing statutes which moves non-partisan City elections from April to November.

### Discussion

The Act contains provisions relating to several election-related topics. Those pertinent to the City of Hays and for which consideration of some action is required are outlined herein.

1. Terms of Office. Terms of office must now begin on the second Monday in January following certification of the November election. This changes the previous statutory language from having a term of office that begins at the first regular meeting of the Governing Body following certification of the election results after April elections. This change will require the City of Hays to create an additional regular meeting on the second Monday in January in order to allow newly-elected officials to take their oaths of office on the day that their terms begin, or to call a special meeting on that date for the specific purpose of allowing newly-elected officials to take their seats. In order to cause the least amount of change possible, staff recommends calling a special meeting for the second Monday in January following certification of a November election.

Additionally, this change will require a change to an existing ordinance. Specifically, Section 2-22 – Organization of Commissioners, states that, “At the first regular meeting

in April of each year, the commissioners shall, by ballot, by majority vote of all the members of the commission, elect one of its members as chair and one of its members to act as vice-chair and to serve as the chair in the absence of the chair.” Staff recommends that this Section 2-22 be changed to reflect the November election cycle and the term of newly-elected commissioners beginning on the second Monday in January following the November election. A proposed ordinance to this effect is attached hereto as Attachment 1.

The City passed a Charter Ordinance, Charter Ordinance No. 3, in 1968 relating to the number of commissioners constituting the Hays City Commission and providing for the staggering of the terms of such commissioners. The Ordinance also addresses how terms of office are determined between two and four year terms. This Charter Ordinance does not refer to any election date or any specific time frame by which the new commissioners take office, and therefore staff does not recommend any changes to this Charter Ordinance in light of the Act.

2. Transitioning of Current Office Holders’ Terms to the New Election Cycle. The Act provides that terms that would have ended in April 2017 will now end in January 2018, when the officials elected in the November 2017 General Election take office. The Act does not provide any guidance for city officials whose terms would end in April 2019. For terms ending in 2017 and 2019, the City can either pass an ordinance extending the terms of any commissioner elected to a four year term in April 2015, until January 2018, or January 2020, as the case may be, or the City can take no action and the officials will continue in office until the term commences for the next person elected to that office. Although there should be no legal issue with commissioners elected to office in April 2015 serving until January 2018 or 2020, depending on the length of their term, staff recommends that the City adopt an ordinance extending the terms of commissioners elected to a two year term in April 2015 to January of 2018 and the terms of commissioners elected to a four year term in April 2015 to January 2020, and a draft ordinance to this effect is attached hereto as Attachment 2.
3. City Manager Form of Government. The Legislature repealed what was commonly known as the City Manager Plan Act (CMPA), which more than sixty Kansas cities, including Hays, have used to adopt the City Manager form of government. The Kansas League of Municipalities sought and received an amendment recodifying core parts of the CMPA and retaining the continued operation of the Act for those cities that have adopted it. The amended legislation establishes that cities shall continue to operate under the current form of government unless or until changed “according to law”. Although it does not appear that any affirmative action is required to be taken by the Governing Body in order to maintain the City Manager form of government, staff recommends out of prudence that the Governing Body adopt an ordinance reaffirming the City Manager form of government. This language is included in the proposed ordinance in section 1 of Attachment 2. This draft ordinance also affirms that the City will continue to follow statutes relating to the class and form of government for any issues not preempted by changes to the CMPA, or altered by ordinance passed by a majority vote of the Governing Body.

4. Partisan Elections. The Act gives cities the option to continue to conduct city elections in either non-partisan fashion, or to change to partisan city elections. If this change were to be made, the laws applicable to elections occurring at the same time as city elections would then apply to city elections to the extent that they are not in conflict with the provisions of the Act. If the Governing Body decides to change to partisan city elections, the adoption of an ordinary ordinance would be required. Federal employees and active duty military officers are prohibited by federal law from running for partisan office. As staff considers this issue to be a policy decision within the province of the Governing Body, staff makes no recommendation as to whether City elections should remain non-partisan or be changed to partisan. Staff stands ready to assist with the management of legal issues and election procedure changes that would result from changing to a partisan election process.
5. Filing Deadlines and Requirements. The new filing date for candidates for city office is June 1<sup>st</sup> by 12:00 p.m. prior to the election, or if such date falls on a Saturday, Sunday or holiday, then the filing date is before 12:00 p.m. on the next following day that is not a Saturday, Sunday, or holiday. Primary elections, if required, shall be held on the first Tuesday in August.

Additionally, City clerks must now inform the county election officer of all city offices to be voted on at the next election no later than May 1<sup>st</sup> of every year that the city has an election.

Furthermore, the filing fee for city office is now \$20.00 for all cities. Candidates for city office are no longer allowed to file through the City clerk's office and all candidate filings must be made through the County Election office – the County Clerk.

Finally, the Act requires cities to establish by ordinance the number of qualified electors of the city that must sign a nomination petition, in lieu of paying the filing fee. Staff recommends that the City establish an ordinance setting forth the number of qualified electors of the City and that the number be set low to encourage potential candidates to file. Currently the number is 50 qualified electors of the city or a number of electors not less than 1% of the ballots cast in the last general city election, whichever is less. A draft ordinance incorporating this current threshold is attached as Attachment 3.

6. Governing Body Vacancies. Where a vacancy in any seat on the Commission exists, the Governing Body of any municipality shall appoint by a majority vote of the remaining members a person to fill the vacancy within sixty days of the vacancy. If the appointment is not made within the sixty day timeframe, the Governing Body shall pass a resolution calling for a special election to fill such vacancy, to be held within forty-five days of the passage of such resolution.

These provisions shall not apply to any municipality which has a procedure for filling vacancies in its Governing Body and which has filled such vacancies within sixty days of the vacancy. Therefore, cities can establish their own rules for filling vacancies by majority vote of the Governing Body. No action is recommended to be taken by the

Governing Body at this time regarding the filling of vacancies, unless the Governing Body wishes to make alternative provisions for the filling of vacancies.

7. Appointments and Statement of Substantial Interests Deadlines. In light of terms of office beginning in January rather than April, appointments to city boards and commissions that are tied to the beginning of commissioners' terms should be changed to coincide with the new effective date of terms of office under the Act. However, as it is practice of the City of Hays to make appointments at various times during the year, it would not appear that any specific change to the time for appointment of terms would be required, and staff does not make any recommendation to the Governing Body in this regard.

Another issue, however, is the time frame for filing the statement of substantial interests. K.S.A. 75-4302a requires that statements of substantial interests be filed:

- By an individual appointed on or before April 30 of any year to fill a vacancy in an elective office of a governmental subdivision, between April 15 and April 30, inclusive, of that year.
- By an individual appointed after April 30 of any year to fill a vacancy in an elective office of a governmental subdivision, within 15 days after the appointment.
- By any individual holding an elective office of a governmental subdivision, between April 15 and April 30, inclusive, of any year if, during the preceding calendar year, any change occurred in the individual's substantial interests.

These dates continue in effect even though they no longer correspond with municipal election dates. Staff understands that the Kansas League of Municipalities is considering legislation to amend the dates in this statute, and therefore no action is recommended by the Governing Body with regard to statements of substantial interest.

#### **Legal Considerations**

There are no known legal obstacles to proceeding as recommended by City staff.

#### **Financial Consideration**

The fiscal impact of the changes made by HB 2104 is unknown at this time although it is anticipated that there may be some minimal financial impact as a result of the changes contained in the Act.

#### **Options**

The City Commission has the option to:

- Adopt all recommendations of City staff herein and the proposed ordinances that would implement such recommendations.
- Adopt some of the recommendations of City staff herein but not adopt the other recommendations of the City staff. If this option is selected staff recommends

that the three ordinances proposed herein be adopted to comply with provisions of the Act.

- Decide the policy issue of partisan vs. non-partisan elections.
- Give staff other direction.

**Recommendations**

Staff recommends that the Governing Body adopt the ordinances proposed as Attachments 1-3 and otherwise proceed as indicated herein.

**Action Requested**

See Recommendations.

**Supporting Documentation**

Draft Ordinances

**ORDINANCE NO. 3907**

**AN ORDINANCE AMENDING CHAPTER 2 OF THE CITY OF HAYS, KANSAS, MUNICIPAL CODE, BY MODIFYING ARTICLE II, SECTION 2-22, REGARDING ORGANIZATION OF COMMISSIONERS.**

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BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS:

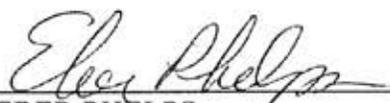
Section 1. Chapter 2, Article II, Section 2-22, of the City of Hays, Kansas Municipal Code is hereby amended to read:

**“Section 2-22 – Organization of Commissioners.**

At a special meeting called on the second Monday in January of each year, or at the first regular meeting following the second Monday in January of each year, the Commissioners shall, by ballot, by a majority vote of all the members of the commission, elect one of its members as chair and one of its members to act as vice-chair and to serve as the chair in the absence of the chair. In case either the chair or vice-chair is not chosen at such regular meeting, the commissioners may, at their option, continue to ballot for such officers at any adjourned or subsequent regular meeting.”

Section 2. This ordinance shall take effect and be in force from and after its passage and publication in the *Hays Daily News*, the official City newspaper.

PASSED by the Commission this 22nd day of October, 2015.

  
\_\_\_\_\_  
EBER PHELPS  
Mayor

ATTEST:

  
\_\_\_\_\_  
BRENDA KITCHEN  
City Clerk

(SEAL)



**ORDINANCE NO. 3908**

**AN ORDINANCE ESTABLISHING THE NUMBER OF QUALIFIED ELECTORS THAT MUST SIGN A NOMINATION PETITION PURSUANT TO 2015 SESSION LAWS OF KANSAS, VOL. 2, CHAPTER 88, SECTION 53(b).**

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BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS:

**Section 1.** Any person desiring to become a candidate for city office elected at large shall file with the county election officer, before the filing deadline, established in K.S.A. 25-205, and amendments thereto, a declaration of candidacy on a form furnished by the county election officer as specified by the secretary of state. The nomination petition must be signed by 50 qualified electors or one percent (1%) of the qualified electors of the City of Hays, whichever is less.

**Section 2.** This ordinance shall take effect and be in full force and effect immediately following its adoption and publication as provided by law.

PASSED by the Commission the 22nd day of October, 2015.

  
EBER PHELPS  
Mayor

Attest:

  
BRENDA KITCHEN  
City Clerk

[Seal]



**ORDINANCE NO. 3909**

**AN ORDINANCE AFFIRMING THE CITY MANAGER  
FORM OF GOVERNMENT AND TRANSITIONING THE  
TERMS OF OFFICE FOR COMMISSIONERS TO THE  
NOVEMBER ELECTION CYCLE ESTABLISHED BY  
L.2015, CHAPTER 88 (H.B.2014).**

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**WHEREAS**, the City of Hays, Kansas, has adopted the Commission-Manager form of government; and

**WHEREAS**, the Kansas Legislature passed L. 2015, ch. 88 (H.B. 2104), which amended and transferred the statutory provisions for the Commissioner-Manager form of government, and L. 2015, ch. 88, sec. 8(a) states that a city shall continue to operate under its current form of government, if established at an election, until such time that the city's form of government is changed; and

**WHEREAS**, the statutory provisions for the Commission-Manager form of government have been recodified in L. 2015, ch. 88, sec. 11; and

**WHEREAS**, L. 2015, ch. 88, sec. 8(b) states that all existing ordinances and charter ordinances relating to a city's form of government shall remain in effect until amended or repealed by such city.

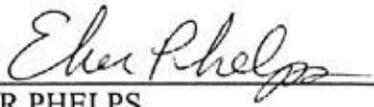
**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HAYS, KANSAS:**

- Section 1.** The City of Hays, Kansas, continues to operate under the Commissioner-Manager form of government and pursuant to all statutes relating to its class and form of government, as amended by existing or future ordinances and charter ordinances.
- Section 2.** Those governing body positions with terms that would have expired in April 2017, shall expire on the second Monday in January of 2018, when the city officials elected in the November 2017 general election take office. Those governing body positions with terms that would have expired in April 2019, shall expire on the second Monday in January of 2020, when the city officials elected in the November 2019 general election take office.
- Section 3.** General elections shall take place on the Tuesday succeeding the first Monday in November 2017, and succeeding elections will be held every two (2) years for all such governing body positions whose terms have expired. The Governing Body shall consist of five Commissioners to be elected to terms as set forth herein and

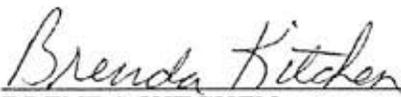
in accordance with Charter Ordinance 3 of the City of Hays. The Commissioners shall be residents and qualified electors of the City of Hays, Kansas.

**Section 4.** This ordinance shall take effect and be in force from and after its passage and publication in the *Hays Daily News*, the official City newspaper.

PASSED by the Commission on this 22nd day of October, 2015.

  
\_\_\_\_\_  
EBER PHELPS  
Mayor

ATTEST:

  
\_\_\_\_\_  
BRENDA KITCHEN  
City Clerk

(SEAL)

