

City of Hays
City Commission
Work Session Notes

Thursday, January 19, 2023 – 4:00 p.m.

Present: Mason Ruder, Shaun Musil, Sandy Jacobs, Reese Barrick, Alaina Cunningham, Toby Dougherty, Kim Rupp, and Melvin Sauer, Jr.

January 5, 2023 Work Session Notes

There were no corrections or additions to the minutes of the work session held on January 5, 2023; the minutes stand approved as presented.

55th and 58th Street Utilities – Award of Bid

Jeff Crispin, Director of Water Resources, stated that in January 2022, the City entered into an agreement with BBJ, LLC, Kenneth C. Doonan, regarding the provisions for water and sewer service and eventual annexation of the Doonan Peterbilt property and other tracts of land at the northeast corner of I-70 Exit 157. The signed agreement, among other conditions, calls for the construction of water and sewer improvements along 55th Street east of 230th Avenue. The terms of the agreement included the Developer, BBJ, LLC, to pay half the cost of constructing an 8” sanitary sewer main extension along 55th Street. The city agreed to pay the other half of the sanitary sewer costs and 100% of a 10” water main extension.

As a result of that agreement, the City hired Driggs Design Group to design and prepare bid documents for the sanitary sewer and water main extensions along 55th Street, as well as waterline improvements along 58th Street, to better serve former Rural Water District customers in the area. These customers include Hays City Sportsmen’s Club, City of Hays Police Department Shooting Range, and Randy Davis.

Bids for the construction of sanitary sewer and water main improvements along 55th Street east of 230th Avenue, along with water improvements at 58th

Street and 230th Avenue, were opened on December 20, 2022. The low bid of \$441,376.79 came from Hess Services, Inc. with the cost of sanitary sewer being \$303,268.55 and water being \$138,108.24. BBJ, LLC has reimbursed the City \$157,580 to cover half of the cost to install the sanitary sewer portion plus design and inspection costs. The extension of water and sewer mains will result in the properties being ready to develop.

At the January 26, 2023 Commission meeting, Commissioners will be asked to authorize the City Manager to enter a contract with Hess Services, Inc. in the amount of \$441,376.79 for the construction of sanitary sewer and water improvements along 55th Street and 58th Street, funded \$138,108.24 from Water Capital and \$303,268.55 from Sewer Capital.

Nuisance and Inoperable Vehicle Abatement for 603 East 7th Street and Abutting Vacant Lot along East 8th Street

Jesse Rohr, Director of Public Works, reported that the abutting properties at 603 East 7th Street and East 8th Street have general nuisance violations, as well as inoperable vehicles in violation of City Ordinance. Up to this point, all proper notification has been given to the property owner, Arden Kobler. To date, very little action has been taken. Mr. Rohr noted that this property has had an extensive list of violations dating back to 1999 while owned by the Kobler family. The first notice for this case was made April 7, 2022 and there has been several on site meetings throughout the summer. Staff is moving forward for abatement of the nuisance items and inoperable vehicles since the owner of the property has not brought the properties into compliance with City Ordinance. If all the nuisance items and inoperable vehicles are removed by the City, all costs of abatement will be charged to the owner of the property.

Arden Kobler, owner of the property, stated that he has had some health issues that have not allowed him to take care of this. He stated these vehicles are not abandoned; they are old car investments. He has contacted the state and through his attorney they will receive a dealer license to help dispose and sell the outside inventory. That will include getting titles that were either lost or stolen, but

he will need more than six days notice to take care of this. He noted that Bretz Auto Salvage will be taking some of the vehicles as well. He added that he would like to keep ten cars for his grandchildren, but they can't come to get them until summer. He also stated that he intends to build a storage building off of 7th Street to house the vehicles as soon as possible. He asked that the Commission allow him 120 days to remove cars or provide building permits for the new building he plans to store them in.

Toby Dougherty, City Manager, clarified that this request was not given with six days' notice; the process started in April of 2022. He added that this is not something that developed overnight, and the property owner knows perfectly well what he needs to do to comply and chooses not to comply. He suggested the Commission follow through with the abatement process as outlined in the ordinance.

At the January 26, 2023 Commission meeting, Commissioners will be asked to approve the Resolution to abate the nuisance items and all inoperable vehicles located on the property at 603 East 7th Street and abutting vacant lot along East 8th Street, ten days after the approval date.

Westbrook Addition Request for Alley Vacate

Jesse Rohr, Director of Public Works, stated the Westbrook Addition was platted in 1976, but never developed. It is located just north of 27th Street and East of Thunderbird Drive. It was platted as two lots and included a 10-foot-wide alley along the west side of the plat, which was never improved into a functional alley.

The owner of the property has submitted a petition to vacate the 10-foot-wide unimproved alley right-of-way located along the west side of the Westbrook Addition to the City of Hays, Ellis County, Kansas. This request has been reviewed by City staff and has gone before the Utility Advisory Committee for review and comment as well. All involved have determined that the alley is not necessary, future development requiring the alley is unlikely, and agree with the vacate request if a utility easement remains in place of the vacated alley. Mr.

Rohr noted that if vacated, ownership would revert back to the current property owner.

At the January 26, 2023 Commission meeting, Commissioners will be asked to approve the ordinance authorizing the vacation of the 10-foot-wide platted alley located along the west side of the Westbrook Addition to the City of Hays.

GAAP Waiver Resolution

Kim Rupp, Director of Finance, stated the City audits over the years have met compliance guidelines for Generally Accepted Accounting Principles (GAAP). With the 2022 audit, the Governmental Accounting Standards Board (GASB) pronouncement 87 will require compliance with lease liability accounting and reporting. Mr. Rupp stated this compliance would require us to obtain software that will inventory leases, implement a tracking process, and calculate the lease liability to be included in the audit for our 50 plus leases. That software would cost over \$10,000 per year.

After speaking with Collin Bielser, Deputy City Manager, who asked why we need a GAAP audit, it has come to light that K.S.A. 75-1120a allows cities to opt out of a GAAP audit by resolution. The audit would then comply with the Kansas Municipal Audit and Accounting Guide (KMAAG) or basically a statutory basis audit.

The City auditors indicated that because of the way we build our budget we have no need for a GAAP audit. They also reaffirmed that a KMAAG audit is much more useful to the public as it is easier to read and comprehend. Our financial advisor said that with our level of fund balances as well as our trend in sales tax, a switch from GAAP to KMAAG would not have any negative affect on our rating from S&P or on borrowing rates.

Our bond documents do stipulate that we will complete a GAAP audit for continuing disclosure requirements. However, bond counsel stated that the following would help the transition and waiver to KMAAG.

- A filing with the Electronic Municipal Market Access (EMMA).

- An opinion from Gilmore Bell affirming our waiver.
- The 2022 audit being a quantitative and qualitative comparison.

At the January 26, 2023 Commission meeting, Commissioners will be asked to approve a resolution waiving the need for a GAAP audit. This resolution will only apply to the 2022 audit. A resolution must be passed annually to continue opting out of a GAAP audit for future years. This item will be placed on the consent agenda annually for Commission consideration.

Other Items for Discussion

Mayor Ruder thanked Mayor Fongu Cletus Tanwe, Mayor of Bamenda III Council, NKWEN, of the Country of Cameroon for visiting Hays. A Proclamation of Friendship was read prior to the meeting celebrating the ongoing friendship of the City of Hays and the Country of Cameroon.

Commissioner Cunningham thanked City crews for clearing the streets following the recent snow.

Commissioner Musil asked that a discussion be held at a future work session regarding a possible redesign of the streets around 27th Street and Canterbury Drive due to the increased traffic that will come from the new high school and middle school construction, and additional housing in the area.

Toby Dougherty, City Manager, stated that staff will research this and present information to the Commission at a future work session.

The work session was adjourned at 4:40 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk