

City of Hays
City Commission
Work Session Notes
Thursday, February 18, 2021 – 6:30 p.m.

Present: Sandy Jacobs, Mason Ruder, Michael Berges, Ron Mellick, Shaun Musil, Toby Dougherty, Kim Rupp, and John T. Bird

January 21, 2021 Work Session Notes

There were no corrections or additions to the minutes of the work session held on January 21, 2021; the minutes stand approved as presented.

North Central Kansas Technical College – Big Creek Technical Training Center Annual Report

Eric Burks, NCK Tech President, presented the 2021 Annual Report summarizing the activities at the Big Creek Technical Training Center housed at 101 Main Street. Annual reporting is a requirement of their contract with the City of Hays for their utilization of space at the former Army Reserve facility, which is owned by the City.

NCK Tech's utilization of the Big Creek Technical Training Center has provided space to deliver training in the areas of carpentry, electrical technology, and plumbing, heating and air-conditioning (PHAC) for students in the Hays region. Many area businesses serve on the advisory committees for these programs to ensure appropriate training is provided to meet industry needs. All of the instructors of these programs are licensed under the Hays City codes for their instructional areas.

NCK Tech maintains the building's interior and mechanical condition. Mr. Burks reviewed the maintenance and improvements that have been done to the building. He also reviewed some of the projects that were done for the City of Hays during the past year.

Mr. Burks noted when the college began, a main objective was to bring and keep youth in our area and he feels they have been successful in doing that. He clarified that they are a fully accredited college since 1996. They serve an average of 1,200 students a year at their two campuses in Beloit and Hays.

Mr. Burks explained that the carpentry program had to take a hard pivot this year due to COVID-19, CDC guidelines, and State mandates in regard to the annual house project. The 2020 house project came to a halt in March of 2020 and was sold “as-is” at the annual house auction in May 2020. With the consent of the City, NCK Tech is building a 1,500 square foot single-family home on the Hays campus. Although this project is not directly for the City of Hays, last year’s house sold for \$124,000 generating \$10,230 in sales taxes. It also represented over \$97,000 worth of building materials purchased from Hays area businesses.

Mr. Burks stated as a result of the partnership, since 2009 NCK Tech has trained 513 students in carpentry, electrical technology, and plumbing, heating and air-conditioning. Of the 38 full-time Hays program graduates from May 2019, 83% are employed in their related fields, 13% are enrolled in current programs at the college, and 4% are employed in unrelated jobs

Mr. Burks thanked the City for their support and partnership. Mayor Jacobs stated she appreciates the collaboration with the City of Hays as well as Fort Hays State University and hopes it continues for years to come.

Resolution Authorizing the Offering for Sale of General Obligation Bonds, Series 2021-A

Kim Rupp, Director of Finance, stated City staff, City Financial Advisor, Stifel, Nicolaus & Company, and City Bond Counsel, Gilmore Bell, have been working on documentation in preparation for the sale of General Obligation (GO) Bonds, Series 2021-A. This issue is to reimburse expenditures in connection with the North Vine Street Corridor Project.

The City’s share of the North Vine Street Corridor project costs were initially paid to Kansas Department of Transportation (KDOT) in May 2020 from available Capital Projects funds. Using those funds and the BUILD Grant, KDOT

has been paying project costs as incurred. After construction, KDOT will audit the project and credit or bill the City for any change orders or variations in cost. Also in May 2020 the City Commission passed Ordinance No. 3982 designating certain City streets as main trafficways, as the first step in authorizing the North Vine Street Corridor Project for GO bond financing under Kansas law. The second step of the process set forth in Kansas law involves adopting a resolution authorizing GO bond financing for the project. The resolution authorizes the Financial Advisor, Bond Counsel, in conjunction with the Finance Director, to proceed with the preparation and distribution of a preliminary official statement and notice of bond sale, and all other preliminary action necessary to sell the GO bonds.

Mr. Rupp stated the total par amount of the bond issuance is estimated to be \$6,795,000. This reimburses the City for its share of the project as well as covers the paying agent, Kansas Attorney General, CUSIP Service Bureau, Bond Counsel, Financial Advisor, the rating agency, and publication and printing. True interest cost is estimated to be 1.77%, which is subject to change based on market conditions on the date of sale with an estimated debt service of \$338,553 beginning in 2022 to be paid from the additional 2% Transient Guest Tax (TGT) that went into effect on October 1, 2018.

City Financial Advisor, David Arteberry, with Stifel, Nicolus & Company, joined the meeting by phone. Mr. Arteberry presented information regarding the bond sale process. He explained what is involved in preparing for the bond sale as well as what actually occurs on the sale date. He also provided information on the state of the bond market.

Commissioner Berges had additional questions regarding the Standard & Poor's (S&P) Rating, coupon rates, the term, and use of a sinking fund.

At the February 25, 2021 Commission meeting, Commissioners will be asked to approve the Resolution authorizing the offering for sale of General Obligation Bonds, Series 2021-A.

Bickle-Schmidt Sports Complex Shade Structures – Award of Bid

Jeff Boyle, Director of Parks, reported that City staff prepared a Request for Proposal (RFP) for new shade structures at the Bickle-Schmidt Sports Complex as directed by the Hays City Commission. Mr. Boyle noted that not enough shade is the number one complaint about the Bickle-Schmidt Sports Complex.

The new shade structures would be located behind each backstop on all eight fields, and would provide approximately 2,130 square feet of shade per field, which is three times more than the existing structures. Additionally, the proposed design provides a continuous roof over the entire length of the structure which eliminates openings where sun can shine through at varying angles. The proposed structure is wooden framed with a painted metal roof and painted metal ceiling. The sheeted ceiling will ensure that birds do not nest in open cavities above the bleachers and will provide a more aesthetically pleasing experience.

Mr. Boyle stated five proposals were received. City staff recommends approval of the low bid from Quality Structures, Inc. for an amount of \$451,280. Funding would come from the City's share of the Ellis County ¼ cent sales tax.

Commissioner Musil asked if these structures would stand up to the Kansas weather, he referenced a microburst that did considerable damage at the sports complex. Mr. Boyle stated the new structures are rated to withstand 125 mph winds. He also noted that there are numerous shelters from Quality Structures, Inc. throughout the park system and they have not had a problem with any of them.

At the February 25, 2021 Commission meeting, Commissioners will be asked to approve the low bid from Quality Structures, Inc. for the installation of eight shade structures at the Bickle-Schmidt Sports Complex with funding from the Ellis County ¼ cent sales tax for an amount of \$451,280.

Ordinance Amending the D&J Land and Development Community Improvement District (CID) Start Date and Development Agreement

Kim Rupp, Director of Finance, stated on March 2, 2020 the City Clerk received a petition to create the D&J Land and Development CID. On May 14, 2020, the City Commission passed Ordinance No. 3984 authorizing the projects described in the petition, creating the D&J Land and Development CID, and imposing a 2.0% CID sales tax to commence on April 1, 2021.

Also on May 14, 2020, the City Commission entered into a development agreement with D&J Land and Development, LLC. The development agreement also defined the CID term as commencing on April 1, 2021.

KSA 12-6a26 authorizes the City Commission to create CIDs to finance projects within defined areas of the City and to levy a CID sales tax on the property for a period not to exceed 22 years. Given the start date of the D&J Land and Development CID was well defined as April 1, 2021 in the ordinance and the development agreement, statute requires the clock begin on that date. Following the passage of Ordinance No. 3984 and the development agreement, the developer realized the 22 year clock on the approved CID would begin prior to their project completion. Therefore, to maximize the full revenue potential from the CID, D&J Land and Development, LLC has requested the ordinance and development agreement be amended to reflect a new CID start date of October 1, 2021. This has been done for one other CID in the past and does not present any other legal or financial considerations. City staff recommends passage of the ordinance as it will maximize the revenue potential of the CID as initially intended by the City Commission.

Commissioner Mellick asked if D&J Land and Development, LLC could request another extension if work delays continue. Mr. Rupp stated it was communicated that this should be the only request.

Doug Hutchinson, D&J Land and Development, LLC, reported utility extensions from south of the interstate and running underneath it to the north are about 75% complete and site grading is about 85% complete. He added that despite the delay, he believes the retail tenant side of the project will actually be

stronger because of Covid-19. Mr. Hutchinson stated the strong companies have made it, they have cash, and they are looking to expand.

At the February 25, 2021 Commission meeting, Commissioners will be asked to approve an ordinance amending Ordinance No. 3984 of the City of Hays, Kansas, to commence a Community Improvement District Sales Tax on October 1, 2021 and approve the first amendment to the development agreement with D&J Land and Development, LLC.

Other items for discussion

There were no other items for discussion.

Executive Session

Ron Mellick moved, Shaun Musil seconded, that the Governing Body recess to executive session at 7:45 p.m. for 30 minutes to discuss personnel matters. The executive session included the City Commissioners. K.S.A. 75-4319 authorizes the use of executive session to discuss the topics stated in the motion.

Vote: Ayes: Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

No action was taken during the executive session.

Ron Mellick moved, Mason Ruder seconded, that the Governing Body recess to a second executive session at 8:15 p.m. for 5 minutes to discuss personnel matters. The executive session included the City Commissioners. K.S.A. 75-4319 authorizes the use of executive session to discuss the topics stated in the motion.

Vote: Ayes: Sandy Jacobs
Mason Ruder
Michael Berges
Ron Mellick
Shaun Musil

No action was taken during the executive session.

The work session was adjourned at 8:20 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk