

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON MAY 25, 2023

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, May 25, 2023 at 4:00 p.m.

Roll Call: Present: Shaun Musil

Sandy Jacobs

Reese Barrick

Alaina Cunningham

Mason Ruder

Mayor Musil declared a quorum was present and called the meeting to order.

2. MINUTES: There were no corrections or additions to the minutes of the regular session held on May 11, 2023; the minutes stand approved as presented.

3. FINANCIAL STATEMENT: Collin Bielser, Deputy City Manager, reviewed the financial summaries of the revenue and expenditure activities of the City of Hays for the month ended April 30, 2023.

Mr. Bielser noted that the sales tax distribution from the state wasn't received until May so an adjustment was made for sales tax receipts for this period. Month-to-date general fund sales tax collections were at \$741,507, which was an increase of \$58,344 or 8.5% as compared to last year. Year-to-date (YTD) general fund sales tax is at \$3,171,963 up \$211,891 or 7% from a year ago. The six-month average is at 4.23%, which was a drop of 13.2% when compared to a year ago. MTD county sales tax collections were at \$88,182. YTD county sales tax is at \$381,146.

The total par value of the US Treasuries for April was \$59,600,000 with a weighted average yield to maturity of 3.24% up 2.8% from a year ago. The total of the portfolio of certificates of deposit on April 30, 2023 was \$10,400,000 with a weighted average rate to maturity of 4.6% up 4.1% from a year ago. The total

balance of the Money Market account on April 30, 2023 was \$3,500,000 with a current yield of 2.325%. Total investments are up \$4,287,398.

Mason Ruder moved, Sandy Jacobs seconded, to approve the Financial Report for the month of April, 2023 as presented.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

4. CITIZEN COMMENTS: Boy Scout, Bryson Dumler, attended the Commission meeting to earn his Citizenship in the Community Badge and is working toward becoming an Eagle Scout.

Toby Dougherty, City Manager, introduced Tom Howie, the new Project Manager for the City of Hays. Mr. Howie stated he comes from Fort Collins, Colorado and moved to Hays in 2012. He brings with him construction knowledge and project management experience. He added that he has worked in many places, and the City of Hays has a lot of wonderful people spread throughout all of the departments and that is something to be proud of.

5. CONSENT AGENDA: There were no items on the Consent Agenda for consideration.

NEW BUSINESS

6. 10th AND WALNUT MODERATE INCOME HOUSING (MIH) – AMERICAN RESCUE PLAN ACT (ARPA) GRANT – RESOLUTION OF SUPPORT:

Collin Bielser, Deputy City Manager, reported that the Kansas Housing Resources Corporation (KHRC) administers a variety of housing programs, including the Moderate Income Housing (MIH) grant program, which serves the needs of households that don't qualify for federal housing assistance. Due to the increased need for housing across the State, approximately \$60 million has been provided to KHRC to administer and support MIH programs, including \$20 million

in federal funds provided to the State of Kansas as part of the American Rescue Plan Act (ARPA). Due to this increased level of funding, KHRC is offering two grant programs, one for traditional MIH funding, as requested in the past by Dave VanDoren for the Hadley Center and Justin Pregont for Frontier Apartments, and the other MIH-ARPA funding. MIH-APRA funds will only be targeted to larger scale projects that can utilize more than the MIH-only award maximum of \$650,000.

Mr. Bielser stated that Michael Graham, of Michael D. Graham Rentals, LLC, has requested a Resolution of Support to apply for a MIH-ARPA grant application for a 48-unit multi-family housing project. The project consists of 36 1-bedroom units and 12 2-bedroom units on property owned by the City, located at 10th and Walnut, more commonly known as the site of the old train depot. Redeveloping the former train depot site has been a desire of the City and discussions with Michael Graham to complete an infill project on this site have occurred in the past. Because the City currently owns the site, it is intended that if Mr. Graham's application is awarded funding, the property would transfer to his entity. The property is already zoned appropriately; however, the developer will need to plat the property accordingly.

Mr. Bielser noted that Mr. Graham has successfully completed infill apartment projects at 7th and Oak Street and is currently building on land at 4th and Fort Street.

Only local governments with populations less than 60,000 may apply for MIH-ARPA funds. If the grant is awarded, the grant will be officially between the City of Hays and the Kansas Housing Resources Corporation. However, City staff does not have the capacity to administer the grant, which includes monitoring the income levels of all tenants for five years in addition to maintaining compliance with ARPA federal reporting requirements. To address this, the City Attorney has prepared a draft assumption agreement, which unconditionally assigns all grant agreement rights and obligations to the developer. A draft personal guaranty was also prepared which states that the developer personally guarantees to the City prompt payment of all amounts due under the Agreement,

prompt performance of all Grantee/Assignee obligations as well as the City's fees and expenses of collection. The personal guaranty is equal to the requested \$1.4 million grant. This is the same arrangement that was agreed to with the developer of Frontier Apartments, who received a MIH grant in 2021 to renovate the former St. Joseph School.

Grant applications must include a resolution from the governing body indicating support for the project. Adopting the Resolution would allow the developer to continue with the preparation and submission of an application for \$1.4 million in MIH-ARPA funding.

In addition to the \$1.4 million grant application, the developer intends to establish a Rural Housing Incentive District (RHID) for the project. Establishment of a RHID requires a separate process, dictated by State Statute, which will be instigated at a later date.

Sandy Jacobs moved, Reese Barrick seconded, to adopt Resolution No. 2023-011 in support of a Moderate-Income Housing – American Rescue Plan Act Grant application.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

7. RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF GENERAL OBLIGATION BONDS, SERIES 2023-A:

Collin Bielser, Deputy City Manager, stated that in 2021, the Governing Body approved resolution 2021-003 creating the King's Gate 2nd Addition Special Assessment District. King's Gate 2nd Addition is more commonly referred to as Royal Court and is located in the very northwest corner of the City, directly across the street from the new fire station. The project was structured for the City to construct the improvements, and then levy special assessments against the property in the benefit district. The special assessment revenue received by the City would then be used to repay general obligation bonds issued by the City to fund the cost of the projects.

The projects are now complete, and on March 23, 2023, the City approved an Ordinance levying assessments against each of the properties in the benefit district. On March 29, 2023, final assessment statements were mailed to property owners in the district giving a 30-day prepayment period. No prepayments were made.

City Staff, City Financial Advisor, Stifel, Nicolaus & Company, Inc. and City Bond Counsel, Gilmore and Bell, P.C., have been working on documentation in preparation for the sale of General Obligation (GO) Bonds Series 2023-A. The Bonds will provide permanent financing for the King's Gate 2nd Addition Special Assessment Benefit District. The resolution allows staff to pursue a bond issuance to reimburse the City for the improvements made to King's Gate 2nd Addition. The bonds to fund the special assessment projects will be issued in the approximate principal amount of \$470,000 and will mature in 20 years, to match the expected special assessment revenues received from property owners.

Mr. Bielser stated that given the size and term, it is expected that this issue will be a private placement with several local banks interested. Therefore, it will not be publicly held. The City Clerk will publish a notice of intent to seek private placement in the Hays Daily News as well as on the City's website.

Mason Ruder moved, Alaina Cunningham seconded, to approve Resolution No. 2023-012 authorizing the offering for sale of General Obligation Bonds, Series 2023-A.

Vote: Ayes: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham
Mason Ruder

8. R9 UPDATE: Toby Dougherty, City Manager, updated the Commissioners on the water transfer proceedings and reviewed the timeline of events.

- May 23, 2023 – Design project kickoff and planning meeting in Kansas City.

- June 19, 2023 – Joint Governing Body meeting with the City of Russell at 6:00 p.m. at Hays City Hall.
- June 20, 2023 – Public Comment Hearing at 6:00 p.m. at the Fort Hays State University Black and Gold Room.
- July 19, 2023 – Hearing begins in Wichita and is scheduled for 10 days.

Mayor Musil encouraged citizens from the entire region to attend these meetings and he feels that the more people that attend the better.

9. PROGRESS REPORT: Collin Bielser, Deputy City Manager, presented a monthly report of city-related activities, services, and programs.

10. HAYS HAPPENINGS/UPCOMING EVENTS: Melissa Dixon, Director of the Convention and Visitors Bureau, presented information on events that will be going on in Hays during the month of June.

11. COMMISSION INQUIRIES AND COMMENTS: Commissioner Barrick stated the Sunflower Summer Program is back. It is a program of the Kansas State Department of Education that will allow families with children in the school system to attend zoos and museums across the state for free.

Commissioner Jacobs encouraged everyone to attend the First Friday Pop-Ups at the Downtown Pavilion. There will be food trucks and fun for the whole family.

12. EXECUTIVE SESSION: Mason Ruder moved, Sandy Jacobs seconded, that the Governing Body recess to an executive session at 4:36 p.m. under the justification and purpose of discussing matters pertaining to the acquisition of real property pursuant to K.S.A. 75-4319(b)(2), for a period not to exceed 20 minutes. The executive session included the City Commission, City Attorney, City Manager, Deputy City Manager, and the Director of Grow Hays.

Vote: Ayes: Shaun Musil
 Sandy Jacobs
 Reese Barrick
 Alaina Cunningham
 Mason Ruder

At 4:56 p.m. the Commission returned to open session. Mayor Musil stated no action was taken within the executive session.

The meeting was adjourned at 4:56 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk