

City of Hays
City Commission
Work Session Notes

Thursday, June 16, 2022 – 6:30 p.m.

Present: Mason Ruder, Michael Berges, Shaun Musil, Sandy Jacobs, Reese Barrick, Toby Dougherty, Kim Rupp, and Don Hoffman

June 2, 2022 Work Session Notes

There were no corrections or additions to the minutes of the work session held on June 2, 2022; the minutes stand approved as presented.

2023 Budget Presentations – Outside Agencies

The following agencies presented requests for Outside Agency funding in the 2023 Budget:

Grow Hays

Doug Williams, Grow Hays Executive Director \$180,000

Fort Hays State University Scholarship Program

Dr. Joey Linn, FHSU Vice President for Student Affairs \$100,000

Downtown Hays Development Corp. (DHDC)

Julie Rider, DHDC Board President

Brett Ottley, DHDC Board Vice President \$60,000

CARE Council

Korinna Parker, CARE Council Chair

Erica Berges, United Way of Ellis County Executive Director \$170,000

The Chamber

Sarah Wasinger, President/CEO of the Chamber in Hays

Mike Morley, Past Chamber Board Chair

Bryan Brady, Chair-Elect \$45,000

Ellis County Historical Society

Amanda Rupp, Ellis County Historical Society Interim Director \$21,116

Note: A budget request was submitted by the CARE Council for Alcohol Tax Funds in the amount of \$60,000; this request is not part of the Social Services, Economic Development, or Quality of Life Budgets. These funds are specifically used for the education, prevention, and treatment of substance abuse.

Each organization thanked the City of Hays for their support and reviewed their past and future projects and programs.

Vice-Mayor Berges commented that as our community grows the need for social services funding grows as well and he feels the funding needs to match the growth. He would consider increasing the CARE Council funding. Commissioner Musil agreed and feels this might be the time to start investing more if possible.

Vice-Mayor Berges noted that this is a first-time request from the Chamber for funding and he asked how they arrived at the \$45,000 request and what it would be used for. Ms. Wasinger stated the Board of Directors reviewed their budget and the \$45,000 is what they would need to have a sustainable budget for 2023, based on the priorities they have set for the organization. They hope in the next two to four years they will be able to stabilize their own budget without requesting funds from the City of Hays.

The Outside Agency funding requests will be considered during this year's budget process.

Property/Liability Coverage Renewal – 2022/2023

Kim Rupp, Director of Finance, reported that the City's Property/Liability Coverage is up for renewal on July 1, 2022. Insurance Planning provides oversight for the City as the Insurance Broker. Taylor Pfannenstiel, Commercial Lines Executive for Insurance Planning, has had conversations with other insurance carriers and concluded that Midwest Public Risk (MPR) provides the lowest cost option for renewal of the City's package. The outcome translates into an 11% increase or \$30,063 more than the prior period.

Mr. Pfannenstiel presented information regarding the property/liability market, the City's place in that market, and he also reviewed this year's recommended renewal with MPR.

John Scheck, local Claims Representative with Insurance Planning, reviewed recent premium changes, claims, and the City's loss ratio.

At the June 23, 2022 Commission meeting, Commissioners will be asked to authorize the City Manager to renew the 2022/2023 Property/Liability Coverages with the MPR package in the amount of \$292,679, to be funded from the Intergovernmental Insurance and Surety line item.

Commissioner Musil left the meeting.

Resolution Setting a Public Hearing for the Establishment of the 4th and Fort Rural Housing Incentive District

Kim Rupp, Director of Finance, stated that Turn-Key Properties LLC, submitted an application for Rural Housing Incentive District (RHID) financing relating to a residential project and related infrastructure. The developer seeks to construct four structures containing an aggregate total of 36 apartment units to be located at 4th and Fort Street, directly west of the former Washington Elementary School. This four-unit development will be a mix of one and two-bedroom apartments with garages.

Total cost of the project is estimated to be \$3,436,000 with \$414,500 of that eligible for RHID reimbursement. The term of the RHID is 25 years with the RHID incremental property tax over those 25 years estimated to be \$622,512.

The Commission previously adopted a Resolution making certain housing needs findings and determinations. Following adoption and publication, the Resolution was sent to the Kansas Secretary of Commerce for approval to move forward with the creation process and further Commission action. The Kansas Secretary of Commerce approved of the creation through a letter dated May 20, 2022.

Mr. Rupp stated that the next step in the statutory process is to set a public hearing to hear public comment on the consideration of establishing the RHID. If the Commission approves the Resolution being considered, a public hearing would be set for July 28, 2022. Following the public hearing, the Commission will consider an Ordinance establishing the RHID and adopting the Development Plan. If an RHID is established and the Development Plan adopted, the City and the developer will enter into a Development Agreement to govern the rights and responsibilities of the parties. The Ordinance would become effective following a 30-day veto period.

At the June 23, 2022 Commission meeting, Commissioners will be asked to adopt a Resolution setting a public hearing for the establishment of the 4th and Fort RHID and adoption of a Development Plan.

Proposed Unified Development Code (UDC) Amendments (Part 1)

Jesse Rohr, Director of Public Works, stated that the UDC was adopted in August of 2016 and is a living document to be updated as changes are recognized. Staff has identified regulations within the UDC for suggested amendments. The goal in suggesting these changes is to make it easier to develop properties, relax regulations, and to clarify sections within the UDC to help citizens, developers, and staff with interpreting the regulations. Staff presented these amendments to the Planning Commission in a series of meetings, and after reaching a consensus and a favorable recommendation, now wish to move forward for City Commission consideration.

Mr. Rohr stated that for ease of discussion the suggested changes would be separated into four groups:

- Zoning Uses and Definitions
- Signage
- Landscaping
- Other Changes

Mr. Rohr reviewed the 15 proposed amendments to the UDC regarding zoning uses/definitions and signage. He stated that the other two groups of

changes, landscaping and other changes, will be presented at the July 7, 2022 Work Session and a request for adoption will be discussed at that time.

Vice-Mayor Berges thanked staff for suggesting these changes which will allow citizens to do more with their own property, but also being progressive in thinking about what this means for businesses and developers.

Early Redemption of Series 2004-A Bonds

Kim Rupp, Director of Finance, stated the City has the opportunity to redeem bonds early in the 2004-A Series, which is the Home Depot Transportation Development District (TDD) Bonds. There were two bond issues for the Home Depot TDD. The first was funded with an additional .75% sales tax in the district. It was paid off early in January of 2018. The .75% also funded improvements to the road east of Home Depot and then was retired.

Mr. Rupp stated we now have additional bonds in the 2004-A Series that are eligible to be called. The debt service for this series is funded by Tax Increment Financing (TIF) as well as .5% of the City's retailer's sales tax in the Home Depot area. This early redemption will total \$407,709.72, which will include the bonds due in September 2022 as well as those due in September 2024. Depending on collections, it is planned to complete the early redemption in March 2023, which will call the September 2023 bonds and the remaining of the September 2024. This action will save the City an estimated \$32,000 in interest but will also free up the .5% sales tax mentioned above to be receipted back to the general fund some 18 months earlier than had been projected. The .5% sales tax averages \$200,000 annually.

Mr. Rupp noted that the Home Depot Economic Development Bonds Miscellaneous Fund is a budgeted fund, and we do not currently have 2022 budget authority to complete the transaction spelled out above.

At the June 23, 2022 Commission meeting, Commissioners will be asked to approve the expenditure of \$407,709.72 from City Commission Capital Reserves to redeem the September 2022 and September 2024 bonds in the

2004-A Series to be replenished from the Home Depot Economic Development Bonds Fund 2023 Budget.

Other Items for Discussion

Commissioner Jacobs thanked the outside agencies that came before the Commission and talked about their needs, the things that are important to them, and why it is important for the City Commission to help fund them if we can.

Mayor Ruder agreed and appreciates the outside agencies presentations. He also reminded everyone to watch their watering habits and be mindful of the watering restrictions that are in effect.

The work session was adjourned at 8:31 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk