

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON JUNE 22, 2023

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, June 22, 2023 at 4:00 p.m.

Roll Call: Present: Shaun Musil

Sandy Jacobs

Alaina Cunningham

Mason Ruder

Absent: Reese Barrick

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 25, 2023; the minutes stand approved as presented.

3. FINANCIAL STATEMENT: Kim Rupp, Director of Finance, reviewed the financial summaries of the revenue and expenditure activities of the City of Hays for the month ended May 31, 2023.

Mr. Rupp stated that after making an adjustment for the period due to timing of sales tax receipts from the state, month-to-date (MTD) general fund sales tax collections were at \$819,701, which was an increase of \$62,802 or 8.3% as compared to last year. Year-to-date (YTD) general fund sales tax is at \$3,991,664 up \$274,693 or 7.4% from a year ago. The six-month average is at 2.74%, which was a drop of 13.6% when compared to a year ago. MTD county sales tax collections were at \$97,258. YTD county sales tax is at \$478,406.

The total par value of the US Treasuries for May was \$57,100,000 with a weighted average yield to maturity of 3.25% up 2.8% from a year ago. The total of the portfolio of certificates of deposit on May 31, 2023 was \$12,900,000, with a weighted average rate to maturity of 4.6% up 4.55% from a year ago. The total balance of the Money Market account on May 31, 2023 was \$4,000,000 with a

current yield of 2.575% up 2.525% from a year ago. Total investments are up \$4,809,767.

Sandy Jacobs moved, Alaina Cunningham seconded, to approve the Financial Report for the month of May, 2023 as presented.

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

4. CITIZEN COMMENTS: There were no comments.

5. CONSENT AGENDA: A. Authorize an additional \$40,980.23 from Commission Capital Reserve to pay Kirkham Michael Engineers for additional inspection services for the South Vine Street Reconstruction Project.

B. The following proposed appointments will be presented for approval at the July 13, 2023 City Commission meeting.

Hays Convention and Visitors Bureau Advisory Committee

Audrey Mercer (Hilton Garden Inn & Convention Center) – three-year term to expire July 13, 2026 (1st term)

Hays Housing Authority Board

Gracemary Melvin – four-year term to expire July 13, 2027 (1st term)

Mason Ruder moved, Sandy Jacobs seconded, to approve the Consent Agenda as presented.

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

NEW BUSINESS

6. ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2023-A: Kim Rupp, Director of

Finance, stated the Kings Gate 2nd Addition improvement district project is

complete, the assessments have been levied, and the project is ready for permanent financing. The amount of the project cost is \$651,020.24, which includes an estimate of issuance costs. Mr. Rupp stated that it will be a 20-year assessment; therefore, after the 30% upfront payment by the developer, the maximum principal amount of the bonds is approximately \$455,000.00. The bonds will be paid from special assessment revenues received by the City as property owners within the improvement district pay their tax bills.

Mr. Rupp reviewed the next set of documents needed to continue with the issuance of General Obligation Bonds, Series 2023-A to fund the special assessment district. He explained that the ordinance authorizes the bonds be issued to pay the costs of the improvements, allows staff to levy special assessments, and directs city officials and staff to execute the necessary documents to complete the placement.

Sandy Jacobs moved, Alaina Cunningham seconded, to approve Ordinance No. 4031 authorizing and providing for the issuance of General Obligation Bonds, Series 2023-A.

Vote: Ayes: Shaun Musil

Sandy Jacobs

Alaina Cunningham

Mason Ruder

7. RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2023-A:

Kim Rupp, Director of Finance, stated the next item for action regarding the General Obligation Bonds, Series 2023-A will be the resolution. The resolution provides details regarding the bonds including redemption, security, establishment of funds and accounts, application of bond proceeds, defaults and remedies, continuing disclosure, and other miscellaneous provisions.

Mr. Rupp noted that staff did not go out for a public offering on these bonds as doing so would be cost prohibitive given its small size and term.

Therefore, we saved the costs of a bond rating, underwriting, and official statement printing and distribution by doing a private placement.

Mr. Rupp stated a term sheet was sent out to banks in town and three responses were received. Astra Bank was the low bid at 5.5% across all maturities. He added that if approved, staff will work with the financial advisor and bond counsel to complete all of the necessary steps to close the bond issue.

Alaina Cunningham moved, Mason Ruder seconded, to approve Resolution No. 2023-013 prescribing the form and details of and authorizing and directing the sale and delivery of General Obligations Bonds, Series 2023-A.

Vote: Ayes: Shaun Musil

Sandy Jacobs

Alaina Cunningham

Mason Ruder

8. PROPERTY/LIABILITY COVERAGE RENEWAL – 2023/2024: Kim Rupp, Director of Finance, reported that the City's Property/Liability Coverage is up for renewal on July 1, 2023. Mr. Rupp stated that while staff didn't go out to market for bids, our broker with Insurance Planning, Taylor Pfannenstiel, did speak with other insurance carriers in the municipal realm and concluded that Midwest Public Risk (MPR) offered the lowest cost option for the renewal of the City's package. The outcome translates into a 20% increase or \$57,251 more than the prior period.

MPR's property deductible is remaining at a \$10,000 per occurrence deductible. From an auto physical damage standpoint, MPR is remaining at a \$1,000 deductible per auto for Comprehensive and Collision. Other carriers are starting at a property deductible of \$50,000 with a separate wind/hail percentage deductible, along with \$2,500 and or \$5,000 auto deductibles for Comprehensive and Collision. In addition to having higher deductibles, property rates per \$100 are close to double of what MPR is requiring for the upcoming year. Insurance Planning Inc, as an Independent Agency, continues to watch the marketplace for the best fit for coverage and premium.

City staff recommends pursuing the 2023/2024 Property/Liability Coverage renewal in the amount of \$349,930 with MPR.

Mason Ruder moved, Alaina Cunningham seconded, to authorize the City Manager to renew the 2023/2024 Property/Liability Coverages with the MPR package in the amount of \$349,930 to be funded from the Intergovernmental Insurance and Surety line item.

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

9. SOLID WASTE COMPOST TURNER – AWARD OF BID: Jesse Rohr, Director of Public Works, stated the 2023 Budget included \$85,000 in the Solid Waste Reserve Fund for the purchase of a new compost turner and water tank for the Public Works Solid Waste Division. The current turner was purchased in 2013 and has reached the end of its useful life. This piece of equipment is used for turning grass and other yard waste during the composting process at the City of Hays compost site.

Staff received one bid from Midwest Bio-systems, Inc. in the amount of \$78,830 and was determined to meet all specifications. The City has worked with Midwest Bio-Systems, Inc. for several years, and they have been a reliable vendor and resource for composting equipment.

Sandy Jacobs moved, Alaina Cunningham seconded, to award the bid for the purchase of a new Model PT-120 compost turner and Aeromaster WT-1775 water tank for the total amount of \$78,830 to be funded out of the Solid Waste Reserve Fund.

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

10. R9 UPDATE: Toby Dougherty, City Manager, stated that they were happy with the turnout and comments from the Hays and Russell participants during the Public Comment Hearing for the R9 Ranch water transfer.

Mayor Musil stated this is monumental for our community and we hope it turns out the way we want it.

Vice-Mayor Jacobs stated that it was a much bigger crowd than anticipated and she appreciated the citizens that spoke on our behalf.

Commissioner Cunningham added that it was well attended by both sides, and it was good to hear the Edwards County perspective.

Commissioner Ruder agreed and added that there were really good and passionate thoughts shared from both sides.

Vice-Mayor Jacobs wanted to clarify that we are not doing anything outside of the law. We own the land, and we are not taking anything from anybody. She added that we have made concessions as far as the amount of water we will take out of the R9 Ranch and have gone over and above what state statute requires.

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

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

13. COMMISSION INQUIRIES AND COMMENTS: Mayor Musil stated he enjoyed welcoming the American Legion Riders to Hays.

The meeting was adjourned at 4:38 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk