

MINUTES OF A MEETING
OF THE GOVERNING BODY OF
THE CITY OF HAYS, KANSAS
HELD ON SEPTEMBER 14, 2023

1. CALL TO ORDER BY CHAIRPERSON: The Governing Body of the City of Hays, Kansas met in regular session on Thursday, September 14, 2023 at 4:00 p.m.

Roll Call: Present: Shaun Musil
Sandy Jacobs
Reese Barrick
Alaina Cunningham (by Zoom)
Mason Ruder

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

2. AUGUST 21, 2023 JOINT MEETING MINUTES: There were no corrections or additions to the minutes of the joint meeting of the Hays City Commission and Ellis County Commission regular session held on August 21, 2023; the minutes stand approved as presented.

3. AUGUST 24, 2023 MEETING MINUTES: There were no corrections or additions to the minutes of the regular session held on August 24, 2023; the minutes stand approved as presented.

4. CITIZEN COMMENTS: Emily Knowles encouraged everyone to attend the 51st annual Oktoberfest on September 29, 2023 and September 30, 2023. She also reviewed the economic impact Oktoberfest has on the community.

5. CONSENT AGENDA: A. Approve the transfers and expenditure to pay the Kansas Department of Transportation (KDOT) North Vine Final Statement of Project Cost.

B. The following appointment was recommended by Mayor Musil at the August 24, 2023 City Commission meeting and is now being presented for approval.

Hays Convention and Visitors Bureau Advisory Committee

Amanda Rupp (Ellis County Historical Society) – three-year term to expire September 14, 2026 (1st term)

Sandy Jacobs moved, Reese Barrick seconded, to approve the Consent Agenda as presented.

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

NEW BUSINESS

6. RESOLUTION SETTING A PUBLIC HEARING FOR THE ESTABLISHMENT OF A TAX INCREMENT FINANCING (TIF) DISTRICT: Kim Rupp, Director of Finance, reported that Triplett, Inc., the Developer, submitted an application for economic incentives to facilitate the construction of a new 24/7 Travel Store at the I-70 Exit 157 Interchange. The Developer is requesting tax increment financing (TIF), a community improvement district (CID), and industrial revenue bonds (IRBs).

The Developer seeks incentives to develop a 7.3-acre site located at the southeast corner of 230th Avenue and 55th Street. They plan to construct a travel plaza and convenience store to be operated under the 24/7 Travel Store brand and consist of a 9,000 square foot full-service travel plaza and convenience store, including 12 gas and 5 diesel fuel stations, electric vehicle charging stations, a restaurant in the travel plaza, a dog park, and RV overnight camp sites. The Developer plans to begin construction in summer of 2024 and be open for business in the spring of 2025.

Total construction cost of the travel plaza is projected to be \$11.1M. Over the 20-year life of the TIF, it is expected to generate \$4.5M, which would be made available to reimburse the Developer for TIF-eligible project costs. The

Developer will advance all costs of the project, and no bonds will be issued by the City.

The initial step in the statutory process for TIF financing is to adopt a Resolution to call a public hearing on the establishment of a TIF district. The public hearing and consideration of an Ordinance establishing the TIF district will be scheduled for October 26, 2023.

Sandy Jacobs moved, Mason Ruder seconded, to adopt Resolution No. 2023-016 setting a public hearing for October 26, 2023, for the establishment of the TIF District.

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

7. REVENUE NEUTRAL RATE PUBLIC HEARING: Mayor Musil declared the public hearing open to allow interested taxpayers an opportunity to be heard concerning the City's intent to exceed the Revenue Neutral Rate (RNR).

Collin Bielser, Deputy City Manager, provided a formal presentation of the 2024 proposed budget and noted the following highlights:

- It is a balanced budget
- Sales tax revenue is projected to be up 3%
- Assessed valuation up 12%
- A programmed step (2%) and COLA (3%) increase for all City employees
- 176 full-time employees, this includes an increase of four positions - two for the R9 Project, one in the City Manager's Office, and one in the Police Department
- Communications Department transferred to Ellis County
- Established budget specific to the R9 Project
- The mill levy is maintained at 25 for the 15th consecutive year
- Reserves are funded

The Commissioners thanked Collin Bielser, Deputy City Manager, Kim Rupp, Director of Finance, and the Department Heads for all the work that went into preparing the budget.

Toby Dougherty, City Manager, thanked Mr. Bielser for preparing the 2024 Budget, and also commended the Commission on their approach to finances. He stated that funding reserves, paying cash for projects, and staying proactive are important.

No one from the public commented on the City's intent to exceed the RNR.

Mason Ruder moved, Sandy Jacobs seconded, to close the public hearing to hear comments on the City's intent to exceed the Revenue Neutral Rate.

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

8. RESOLUTION TO EXCEED REVENUE NEUTRAL RATE: The 2024 Budget proposed by the Governing Body will require the levy of a property tax rate exceeding the Revenue Neutral Rate. Therefore, a Resolution approved by roll call vote is required.

Reese Barrick moved, Sandy Jacobs seconded, to approve Resolution No. 2023-017 to exceed the Revenue Neutral Rate in its property tax levy for the tax year of 2023, budget year 2024.

Roll Call Vote:

Shaun Musil	Yes
Sandy Jacobs	Yes
Reese Barrick	Yes
Alaina Cunningham	Yes
Mason Ruder	Yes

9. 2024 BUDGET PUBLIC HEARING: Mayor Musil declared the public hearing open to allow interested citizens an opportunity to be heard concerning the City's proposed 2024 Budget.

Ken Kennedy, 4500 Danby Lane, spoke to the Commission regarding the proposed budget and exceeding the Revenue Neutral Rate. He stated he is concerned about his total tax bill and a large increase in valuation, which has been the case the past few years.

Mr. Kennedy had sent a letter to the Commissioners requesting that they consider reducing the mill levy by two mills by finding ways to cut expenses. He stated he has reviewed the City's budget and feels it is well done. He added that with the assessed valuation going up, the Commission could consider passing some of that revenue back to the citizens by reducing the mill levy. He stated that it is always a balancing act between generating the appropriate revenue and expending that revenue appropriately to address the needs of the community. He encouraged the Commissioners to do their part to conserve the resources of the taxpayer and budget conservatively.

The Commissioners thanked Mr. Kennedy for his comments and for taking the time to review the budget. They commented that they are pleased with the City's budget and the scrutiny that goes into preparing it by Department Heads and City staff, and they will continue to be mindful of the taxpayers.

Mason Ruder moved, Reese Barrick seconded, to close the public hearing for the approval of the 2024 Budget.

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

10. 2024 BUDGET APPROVAL: Sandy Jacobs moved, Reese Barrick seconded, to approve the 2024 Budget for the City of Hays.

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

11. COMMISSION INQUIRIES AND COMMENTS: Toby Dougherty, City Manager, spoke in support of a fellow water right holder in the State of Kansas. The U.S. Fish and Wildlife Service owns a senior water right for the Quivira National Wildlife Refuge, south of Great Bend, Kansas. Rattlesnake Creek is the source of that surface water right and it has been impaired for decades by irrigators with junior water rights upstream. The U.S. Fish and Wildlife Service asked for administration of the water rights which is a duty of the Chief Engineer. The Chief Engineer can begin shutting off junior water rights until the senior water right holder is fulfilled. Mr. Dougherty stated that the Groundwater Management District has done nothing to address the problem even though it is their statutory duty. Mr. Dougherty voiced his frustration and noted that the irrigators that are causing this impairment are the same irrigators that are opposing the Cities of Hays and Russell's efforts to develop the R9 Ranch.

The Commissioners commented on the many events going on in Hays this weekend. Mayor Musil thanked the First Responders and citizens that participated in the 9/11 Memorial Event and Stair Climb at Lewis Field.

The meeting was adjourned at 5:17 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk