

City of Hays  
City Commission  
Work Session Notes

Thursday, October 21, 2021 – 6:30 p.m.

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

**September 16, 2021 Work Session Notes**

There were no corrections or additions to the minutes of the work session held on September 16, 2021; the minutes stand approved as presented.

**Flag Dedication Request from Kiwanis Club of Hays**

Chuck White, President of the Kiwanis Club of Hays, stated the Kiwanis Club is requesting the placement of a memorial plaque by the existing City owned flag pole at the corner of 27<sup>th</sup> and Vine Street, in front of the Welcome Center. The Kiwanis Club would like to pay for and install a bronze plaque adjacent to the flagpole.

The memorial will be in honor of Jerry Ubert, a Hays Kiwanis member since 1982, until his death in 2020. The plaque would provide information about Mr. Ubert's life and his activities with Kiwanis Club. Mr. Ubert was instrumental in bringing the American Flag Project to our community through the efforts of the Kiwanis. Mr. Ubert was also a former Hays All-American Citizen and a former Hall of Famer through the Chamber of Commerce.

Mayor Jacobs stated the City of Hays appreciates everything the Kiwanis Club does for the City of Hays. Following discussion, it was the consensus of the Commission to allow the Kiwanis Club to move forward with this project.

**2022 Health Insurance for City of Hays Employees**

Erin Giebler, Director of Human Resources, reported that in 2017, the City switched to Blue Cross Blue Shield of Kansas and offered a triple option plan.

The plan options were: High Deductible Health Plan (HDHP), Premium Plan, and Base Plan. Ms. Giebler stated we saw a decrease in premiums in 2018, 2019, and 2020. For 2021, due to high utilization in 2020, we saw an increase that led to the City making plan design changes in order to keep the increase below 10%. The City also moved from fully insured to self-insured in 2021.

On average, about 57% of those enrolled in the City's Health Insurance elected the HDHP, 18% elected the Premium Plan, and 25% elected the Base Plan.

The City of Hays received Blue Cross Blue Shield of Kansas' (BCBSKS) renewal rates for 2022. They provided both self-insured renewal rates and fully insured renewal rates. Due to the difference in how these types of renewals are calculated, the self-insured renewal included an increase of 19.5% while the fully insured option included a 7% decrease. Ms. Giebler explained that the self-insured plan uses the last three years of utilization while the fully insured option uses the last 12 months. The self-insured option includes 2019, 2020, and 2021 with 2020 being an extremely high utilization year for us. The fully insured option only includes 2021 when looking at claim utilizations.

Staff recommends approving the 2022 health insurance contract with Blue Cross Blue Shield, which includes the continuation of the 2021 plan designs with no change to employee premium costs and moving to a fully insured plan. This recommendation is within the budgeted amount for 2022.

At the October 28, 2021 Commission meeting, Commissioners will be asked to authorize the City Manager to sign an agreement with Blue Cross Blue Shield of Kansas to provide employees with a triple-option health insurance plan, not to exceed \$2,024,000, to be funded out of the Employee Benefit Levy Fund.

### **Reuse Pump House Structure Replacement (West Basin) – Award of Bid**

Jeff Crispin, Director of Water Resources, reported that the 2021 Budget included \$40,000 for the replacement of the pump house structure over the west reuse basin at the Water Reclamation and Reuse Facility. The structure contains pumps that assist sending treated effluent to the Fort Hays State Golf Course

pond for use on the golf course and at the Bickle-Schmidt Sports Complex. The current structure is over 25 years old and has deteriorated due to the elements and chlorine that was used prior to the Water Reclamation and Reuse Facility upgrade. The upgrade to the facility changed the disinfection process from chlorine to UV disinfection.

Two bids were opened on September 28, 2021. The recommended low bid from Paul-Wertenberger Construction of \$34,100 is below the budget amount and meets the required specifications.

At the October 28, 2021 Commission meeting, Commissioners will be asked to authorize the City Manager to enter into an agreement with Paul Wertenberger Construction to construct a new reuse pump house structure over the west basin at the Water Reclamation and Reuse Facility for a cost not to exceed \$34,100.

### **Rural Water District #2 – Water Service Resolution**

Jeff Crispin, Director of Water Resources, stated improvements to 230<sup>th</sup> Avenue north of I-70 Exit 157 in the northwest portion of the City has created a situation where it is in the best interests of all parties for the City of Hays to provide water service to four properties currently being served by Rural Water District #2. Those properties are:

- BBJ LLC (otherwise known as Doonan Peterbilt)
- Randy L. Davis and Mary E. Davis (private residence)
- Celebration Community Church
- Hays City Sportsman Club

The construction of the 55<sup>th</sup> Street and 230<sup>th</sup> Avenue Intersection project and the Northwest Business Corridor project conflict with the existing Rural Water District water main. This conflict requires the main to be relocated at a significant cost. As part of the Travel Plaza development, City water mains have been extended to this area and can easily serve these customers. The Rural Water District and the four property owners are agreeable to making the change to City water service.

At their current usage, the monthly water bill for these customers will be similar, or slightly less, than they are currently paying the Rural Water District.

Project Conditions in the Agreement include:

- Water will be used for domestic purposes only.
- Property owners will follow the City's Water Conservation Plan.
- Property owners will pay inside City limit water rates.
- Infrastructure (water/sewer) is in place along 230<sup>th</sup> and at 55<sup>th</sup> Street for future development.
- The City will take ownership of the Rural Water District infrastructure for \$1.00.

Costs associated with transferring Rural Water District territory, customers, and infrastructure to the City of Hays will be paid by the developer of the Hays Travel Plaza.

Commissioner Mellick asked if there were any concerns with using the Rural Water District's water supply line and if it meets City standards. Mr. Crispin stated that is not a concern. He is comfortable with the depth it is buried and the material used in that area. He added that due to future development it is likely temporary and will be abandoned at some point.

At the October 28, 2021 Commission meeting, Commissioners will be asked to adopt a resolution approving a series of agreements between the City of Hays and Rural Water District #2 to acquire Rural Water District Territory, existing Rural Water customers, and water supply infrastructure.

### **Resolution Setting a Public Hearing for the Establishment of a Rural Housing Incentive District**

Kim Rupp, Director of Finance, stated Frontier Apartments, LLC, has submitted an application for a Rural Housing Incentive District (RHID). Their project involves an adaptive reuse and historic preservation project to create 12 high quality moderate income apartments inside the former St Joseph's School located at 210 West 13<sup>th</sup> Street.

Total cost of the project is estimated to be \$2,640,000 with \$1,782,500 of that eligible for RHID reimbursement. The term of the RHID is 20 years with the RHID incremental property tax over those 20 years is estimated to be \$450,000.

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. We are awaiting a letter of approval from the Kansas Secretary of Commerce. 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 will be set for December 9, 2021. Following the public hearing, the Commission would 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 October 28, 2021 Commission meeting, Commissioners will be asked to adopt a resolution setting a public hearing for the establishment of an RHID and adoption of a Development Plan.

### **Other Items for Discussion**

Commissioner Musil stated it is nice to have the roundabouts open and he thanked everyone for their patience during construction.

Commissioner Mellick asked if we need to notify any online traffic apps using GPS, such as Google Maps, that the roundabouts are complete. City Manager, Toby Dougherty, stated they will find out if there is anything we need to do to get those updated.

Commissioner Mellick stated he would like City staff to look into developing a post project grading or evaluation system for all contractors and subcontractors on all contracts the City Commission awards. He added that we are getting repeat low bidders that are constantly giving us subpar performances.

The Commission could use this grading or evaluation system to weed out low bidders that have a history of subpar performances with the City of Hays, before awarding future contracts.

Vice-Mayor Ruder thanked Jeff Crispin, Director of Water Resources, Holly Dickman, Water Conservation Specialist, and Stacie Minson, KSU Watershed Specialist, for the informative presentation they gave at the Water Smart Conference.

The work session was adjourned at 7:03 p.m.

Submitted by: \_\_\_\_\_

Brenda Kitchen – City Clerk