

MINUTES OF A MEETING  
OF THE GOVERNING BODY OF  
THE CITY OF HAYS, KANSAS  
HELD ON OCTOBER 28, 2021

**1. CALL TO ORDER BY CHAIRPERSON:** The Governing Body of the City of Hays, Kansas met in regular session on Thursday, October 28, 2021 at 6:30 p.m.

Roll Call: Present: Mason Ruder

Michael Berges

Ron Mellick

Shaun Musil

Absent: Sandy Jacobs

Vice-Mayor Ruder 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 meeting held on September 23, 2021; the minutes stand approved as presented.

**3. FINANCIAL STATEMENT:** Finance Director, Kim Rupp, reviewed the financial summaries of the revenue and expenditure activities of the City of Hays for the month ended September 30, 2021.

Month-to-date (MTD) general fund sales tax collections were at \$796,459 which was an increase of \$146,740 or 23% as compared to last year. Year-to-date (YTD), general fund sales tax collections are at \$6,300,837, up \$592,698 or 10%. The six month average is at 14.6% which was an increase of 11% when compared to a year ago. MTD county sales tax collections were at \$94,914 with the YTD total at \$759,208.

The report of top ten quarter-to-date (QTD) sales tax collections by classification was up \$194,291 or 9%. The largest percentage increases were in accomodation at 96%, electronic shopping at 31%, and food services at 33.6%. These top ten represent 78% of the total sales tax collections for the running quarter.

The portfolio of certificates of deposit on September 30, 2021 totaled \$12,500,000 with a weighted average interest rate of .05%, down .73% from a year ago. The total par value of the US Treasury Notes is \$11,850,000 with a weighted average yield to maturity of .06%. The total balance of the Money Market account on September 30, 2021 was \$38,750,000 with a current yield of .05%. Total investments are up \$8,845,020.

Ron Mellick moved, Michael Berges seconded, to approve the Financial Report for the month of September, 2021 as presented.

Vote: Ayes: Mason Ruder

Michael Berges

Ron Mellick

Shaun Musil

**4. CITIZEN COMMENTS:** There were no comments.

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

### **NEW BUSINESS**

**6. 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.

Michael Berges moved, Shaun Musil seconded, to authorize the City Manager to sign an agreement with Blue Cross Blue Shield 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.

Commissioner Mellick thanked Ms. Giebler for her in-depth research and ability to explain the options and risks involved in selecting an insurance plan. He also asked how many City employees do not utilize the City's insurance. Ms. Giebler said there are 11 employees that are not on the City's insurance plan.

Vote: Ayes: Mason Ruder

Michael Berges

Ron Mellick

Shaun Musil

**7. REUSE PUMP HOUSE STRUCTURE REPLACEMENT – WEST BASIN:** 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 water to the Fort Hays Municipal 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.

Shaun Musil moved, Ron Mellick seconded, to authorize the City Manager to enter into an agreement with Paul-Wertenberger Construction of Hays, Kansas 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 to be paid from the projects line in the Water Reclamation Operations Budget.

Vote: Ayes: Mason Ruder

Michael Berges

Ron Mellick

Shaun Musil

**8. RURAL WATER DISTRICT #2 – WATER SERVICE RESOLUTION:** Jeff

Crispin, Director of Water Resources, stated improvements to 230th Avenue north of I-70 Exit 157 in the northwest portion of the City has created a situation where it is in the best interest 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 55th Street and 230th 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. To meet the needs for continued, orderly development in this area, it is necessary for the City to acquire this service area from the rural water district. 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 230th and at 55th 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.

Ron Mellick moved, Michael Berges seconded, to adopt Resolution No. 2021-016 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; and authorizing the City Manager to implement the agreements.

Commissioner Musil clarified that the customers will be paying inside city limits water rates because they did not request the change; the City approached them with the request.

Vote: Ayes: Mason Ruder  
Michael Berges  
Ron Mellick  
Shaun Musil

Mr. Crispin added that the City of Hays and KSU Watershed will be sponsoring the FHSU football game on Saturday at 1:00 p.m. They will be offering food, prizes, and educational information to promote water conservation and water quality.

**9. 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 13th 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.

Michael Berges moved, Ron Mellick seconded, to adopt Resolution No. 2021-017 setting a public hearing for the establishment of an RHID and adoption of a Development Plan.

Vote: Ayes: Mason Ruder  
Michael Berges  
Ron Mellick  
Shaun Musil

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

**11. 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 November.

**12. COMMISSION INQUIRIES AND COMMENTS:** Commissioner Musil gave a shout out to Teaming Up For Tots, which is a local Toys for Tots Drive in which all the toys stay in the area and get distributed to kids in Ellis, Victoria, and Hays. He also encouraged everyone to get out and vote.

Commissioner Mellick wished everyone a safe and happy Halloween.

Commissioner Berges wished good luck to the Hays High School and Thomas More Prep-Marian High School football teams.

The meeting was adjourned at 7:11 p.m.

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

Brenda Kitchen – City Clerk