

Memo

To: City Commission
From: Toby Dougherty, City Manager
Date: 2-26-15
Re: March 5, 2015 Work Session

Please find the attached agenda and supporting documentation for the March 5, 2015 Work Session.

Item 2 – Introduction of Sara Bloom, DHDC Executive Director

Sandy Jacobs, Downtown Hays Development Corporation President, would like to introduce the new Executive Director, Sara Bloom, to the City Commission.

Item 3 – 46th Street, Second Addition, Phase 2 – Award of Bid

Please refer to the attached memorandum from John Braun, Assistant Director of Public Works, regarding the 46th Street, Second Addition, Phase 2 infrastructure bids. This is a routine item, and City staff requests the Commission accept the low bid.

Item 4 – Comprehensive Financial Management Policy Review

Please refer to the attached memorandum from Kim Rupp, Finance Director, regarding the annual Comprehensive Financial Management Policy compliance. As you will see, we are in compliance with the Financial Management Policy in all sections.

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**CITY OF HAYS
CITY COMMISSION WORK SESSION
THURSDAY, MARCH 5, 2015 – 6:30 P.M.
AGENDA**

1. **ITEM FOR REVIEW: [February 19, 2015 Work Session Notes \(PAGE 1\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
2. **ITEM FOR REVIEW: Introduction of Sara Bloom, DHDC Executive Director**
3. **ITEM FOR REVIEW: [46th Street, Second Addition, Phase 2 – Award of Bid \(PAGE 9\)](#)**
DEPARTMENT HEAD RESPONSIBLE: I.D. Creech, Director of Public Works
4. **ITEM FOR REVIEW: [Comprehensive Financial Management Policy Review \(PAGE 15\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
5. **OTHER ITEMS FOR DISCUSSION**
6. **EXECUTIVE SESSION (IF REQUIRED)**
7. **ADJOURNMENT**

ANY PERSON WITH A DISABILITY NEEDING SPECIAL ACCOMMODATIONS TO ATTEND THIS MEETING SHOULD CONTACT THE CITY MANAGER'S OFFICE 48 HOURS PRIOR TO THE SCHEDULED MEETING TIME. EVERY ATTEMPT WILL BE MADE TO ACCOMMODATE ANY REQUESTS FOR ASSISTANCE.

City of Hays
City Commission
Work Session Notes
Tuesday, February 17, 2015 – 6:30 p.m.

Present: Henry Schwaller IV, Eber Phelps, Shaun Musil, Ron Mellick, Kent Steward, John Bird, Toby Dougherty

February 5, 2015 Work Session Notes

There were no corrections or additions to the minutes of the work session held on February 5, 2015; the minutes stand approved as presented.

North Central Kansas Technical College Big Creek Technical Training Center – 2015 Annual Report

Eric Burks, President of North Central Kansas Technical College and Sandy Gottschalk, Dean of the Hays campus, presented the fifth annual report summarizing the activities completed or in progress at the Big Creek Technical Training Center housed at 101 South Main Street. Annual reporting is a requirement of their contract with the City of Hays for their utilization of space at the former Army Reserve facility, which is owned by the City of Hays.

Levee Improvements – Award of Bid

Wilson & Co. was hired in 2012 to perform a safety inspection of the Hays levee system. In their inspection, they found several items needing to be addressed, as detailed during Wilson & Co.'s presentation to the City Commission at the May 2, 2013 Work Session. In September 2013, an engineering service agreement was entered into with Wilson & Co. to provide surveying, engineering design and construction documents for repairs or improvements to most of the identified problems.

The levee is also part of a federal insurance program called Public Law 84-99. Participation in this program is at no direct cost to the City of Hays and allows for federal reimbursement should the levee be damaged during a flood event. Repairs to damages caused by floods are made to the system with 80% of the costs picked up by the federal government. To maintain eligibility in this program, the levee is periodically inspected by the U.S. Army Corps of Engineers. Hays' latest rating is "minimally acceptable," the lowest rating in which a levee sponsor can remain in the program. Items such as poor sod cover, tree encroachment, minor erosion, silt deposits and erosion near drainages have led to this rating.

The Levee Improvement Project includes the removal of 74 trees and associated roots varying in size from 4" to 96", repair of five outfall structures, replacement of storm sewer pipe, repair/rebuilding of the levee embankment east of Main Street, re-grading of Montgomery Ditch, and constructing a 6" concrete cap on the levee. The 6" concrete cap is an extension of the Kansas Department of Transportation hike and bike trail project.

Four bids were received with the apparent low responsive bidder being J Corp of Hays, Kansas.

At the February 26, 2015 Commission Meeting, Commissioners will be requested to authorize the City Manager to execute the contract with J Corp for levee improvements in the amount of \$486,645.

Levee Repairs Construction Phase Engineering Services – Agreement

City Staff does not have the expertise or equipment to perform soil compaction testing, and with the multitude of ongoing and projected projects this summer, existing staff will not be available to adequately inspect this project. Due to the nature of levee construction it is imperative that work be of the highest quality as the levee is only as strong as its weakest part. Therefore, City staff issued a request for proposals for construction phase testing and observation services to eight construction engineering firms to ensure construction quality.

These firms were provided copies of the project plans and asked to present proposals providing adequate inspection and testing to insure quality outcomes. Proposals were opened on January 21, 2015 from six construction engineering firms. The proposals varied greatly from full-time testing and observation to part-time testing and observation and the proposed prices reflected those differing views ranging from \$21,000 to \$58,000.

At the February 26, 2015 Commission meeting, Commissioners will be requested to enter an agreement with Penco Engineering, P.A. of Plainville, Kansas in the amount of \$21,000 for Construction Phase Engineering Services. The proposed agreement includes concrete testing, soil compaction testing, and part-time construction observation for the Levee Improvement Project.

Proposed Ordinance Amending Chapter 53 – Stormwater Management

ID Creech, Director of Public Works, updated the Commissioners on necessary changes to the Code of Ordinances regarding stormwater management. These changes will bring the City of Hays into compliance with federal Clean Water Act requirements for post construction stormwater controls; will impose requirements on residential developments for stormwater management; and will change the current standards for storm sewer infrastructure, moving away from water in pipes to overland flows in new developments. Additionally, non-stormwater discharges causing problems with unpaved surfaces are added to the list of prohibited discharges.

The proposed changes have the following Pros and Cons:

Pros:

1. The City of Hays will be in compliance with the MS4 permit.
2. Future new development will not increase flood flows.
3. Stormwater discharge from new and re-development should have less impact on Big Creek water quality.
4. Development and re-development should decrease nuisance flows and improve groundwater recharge.

5. Removal of current exemptions allows for uniform application of stormwater controls based on proposed thresholds.
6. New development should have less negative impact on aquifer recharge.

Cons

1. Growing Pains – the new water quality requirements will initially be a challenge for developers and planning engineers.
2. Upfront costs for developers will increase, but may be offset with a reduction in infrastructure.
3. Changes to the development policy will likely be required to reflect the changes proposed to Chapter 53 – Stormwater Management and the drainage standards.
4. Additional staff time for review of documents and inspection of structural controls will be required.

At the February 26, 2015 Commission meeting, Commissioners will be requested to adopt the proposed ordinance amending the Municipal Code regarding stormwater management.

Street Maintenance Future Projects Discussion

Staff has developed a list of streets identified for major rehabilitation, and presented a recommendation for the current year and for 2016. Staff's proposal includes the use of \$120,000 of Commission Capital Reserve Funds in 2015 and \$1.4 million in 2016.

High on the priority list for large projects is the rehabilitation of Hall Street north of 27th Street and 27th Street east of Sherman. Both of these streets are four lane major arterials constructed of asphalt, and both are in need of major rehabilitation. Both were also listed in the queue of the 2015 Budget Capital Improvement Plan for reconstruction; however, the following table provides an option for mill and overlay of these streets at a fraction, 20% of the cost of full depth reconstruction.

STAFF PROPOSAL

2015	13th Street, Main to Milner - Additional expense over \$1.5 million already set aside to do Alternate A and Add Alt 2	\$120,000	City Commission Reserve
	2015 Street Maintenance Program- As bid	\$585,000	Special Highway
	TOTAL	\$705,000	

2016	Hall Street from 27th to 41st Street - Mill & Overlay and Restripe to 3-lane (Road Diet)	\$700,000	
	27th Street from Sherman to Canterbury - Mill and Overlay	\$500,000	
	27th Street from Englewood to Hall Street - Mill & Overlay and Restripe to 3-lane (Road Diet)	\$160,000	
	7th Street In-house overlay and chip seal	\$75,000	
	SUBTOTAL	\$1,435,000	City Commission Reserve
	2016 Street Maintenance Program	600,000	Special I Highway
TOTAL	\$2,035,000		

When discussing the rehabilitation of these streets, consideration should also be given to reducing them to 3-lane sections with a center two-way left turn lane and bike lanes on the edges. This would be like the “road diet” accomplished on 13th Street east of Vine in the fall of 2013.

The Commissioners agreed to move these projects forward with no action required at this time.

13th Street Improvement (Main to Milner) – Award of Bid

In May, staff brought forward concepts and alternatives for the reconstruction of 13th Street from Main to Milner. Subsequently the City

Commission approved a contract with Professional Engineering Consultants (PEC) of Wichita for design engineering services. Bids were opened on January 28, 2015 with APAC, Kansas, Inc. being the low bidder. There were several bid options, and staff recommends awarding a bid to APAC for Alternate A in the amount of \$2,057,145.65 and Add Alternate 2, brick crosswalks for an additional cost of \$10,564.40 resulting in a total construction cost of \$2,067,710.05. Funding would come from various sources to included Capital Projects, City Commission Reserve, Water/Sewer Capital, and the Stormwater Fund.

At the February 26, 2015 Commission meeting, Commissioners will be requested to authorize the City Manager to execute the contract with APAC, Kansas, Inc. for Alternate A and Add Alternate 2 in the amount of \$2,067,710.05. Plus, authorize the following transfers to Capital Projects Fund: \$93,734.68 from Water Sewer Capital, \$449,219.54 from Capital Projects – Flood Control Stormwater Reserve, and \$119,755.82 from Commission Capital Reserve.

2015 Street Maintenance Program – Award of Bid

Bids have been received for 2015 Street Maintenance Projects. Those projects include the chip seal of approximately 5.6 miles of asphalt streets, poly patch of asphalt streets in various locations, reconstruction of 12th Street east of Canterbury, and the repair of brick streets on Ash from 14th to 17th Street. The amount of work proposed totals \$459,178 awarded to four different contractors. The work would be accomplished at various locations and various times throughout the year.

At the February 26, 2015 Commission meeting, Commissioners will be requested to authorize the City Manager to enter contracts for construction as follows, all to be funded out of Special Highway:

- B&H Paving in the amount of \$208,740.14 for chip seal
- J Corp in the amount of \$129,780 for the reconstruction of 12th Street
- Sweeney Pavement Maintenance in the amount of \$49,425 for polypatch
- Stripe and Seal in the amount of \$71,233 for curb and brick repair

CID Policy Discussion

After the submission, discussion, and approval of a Community Improvement District (CID) request by the owners of the Hays Mall, the City Commission asked that discussion of the CID Policy be placed on a future work session to determine if further restrictions or requirements should be incorporated into the policy. Currently, the CID Policy is part of the City's overall Economic Development Policy. The CID Policy states that CIDs are to be used for reimbursable expenses in the amount of \$250,000 or greater in order to promote economic development and tourism within the City. When discussing the CID Policy, it was assumed that any applicant wishing to utilize a CID would be incorporating those funds into a much larger project. With the application by the Mall owners, this was not the case.

City Manager Toby Dougherty provided comparisons to some of our peer cities in regard to whether or not they place any further restrictions on CID use, such as the required developer investment that the City Commission is considering.

Commissioner Steward was against any CIDs because he doesn't believe they fulfill their intended purpose.

The Commission consensus was to direct City staff to create a policy that includes a 25% investment by the owners.

Other Items for Discussion

City Manager Toby Dougherty presented information on Senate Bill 171. He stated that among other things, it would move municipal elections to November of even numbered years. He asked the Commission if they would like to consider a resolution opposing the Kansas State Legislature's consideration of making Municipal elections partisan and moving them to the fall of even numbered years. The Commissioners agreed to consider this at the February 25, 2015 Commission meeting.

Assistant City Manager Paul Briseno introduced Shane Scranton, the intern for the City Manager's Office.

The work session was adjourned at 8:35 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk

Commission Work Session Agenda

Memo

From: John Braun, Assistant Director of Public Works

Work Session: March 5, 2015

Subject: 46th Street, Second Addition, Phase 2 – Award of Bid

Person(s) Responsible: Toby Dougherty, City Manager
I.D. Creech, Director of Public Works

Summary

Western Plains Service Corp. has petitioned the City for Street, Storm Sewer, Water, and Sanitary Sewer Improvements to an area containing 18 lots adjacent to West 46th St. within the 46th St. 2nd Addition for the lots along Coolidge Ct. and Adams Dr. A resolution authorizing those improvements was approved by the City Commission in January. Bids were opened on February 18, 2015 for the construction of the improvements, with J Corp being the low bidder at \$399,453.20. Pavement was bid with options for concrete or asphalt, with concrete being the lowest cost option. The City share for oversizing Sanitary Sewer is \$32,883.00 to be funded out of Water/Sewer Capital and the remaining costs to be paid by the developer and assessments to the special benefit district.

Staff recommends entering into a contract with the low bidder, J Corp.

Background

This project is a continuation of an existing development that follows the plan that has been set forth and constructed in various phases over the last 20 years. It is the final phase for the entire north of 41st Street and west of Hall Street that has been developed by Western Plains Service Corporation.

Discussion

Bids for this project were opened on February 18, 2015 with bids coming from three (3) bidders: APAC, J Corp, and Stripe & Seal. Bids were structured to allow for either asphalt or concrete pavement. J Corp submitted the low bid in the amount of **\$399,452.20** using concrete pavement. J Corp did not submit an asphalt option, and neither did Stripe & Seal. APAC submitted bids for both asphalt and concrete; however both options from APAC were higher than the concrete bid from J Corp. The low bid was below the engineer's estimate. The tabulation of bids is attached.

Throughout the development of this area, the sanitary sewer running along Smoky Hill Drive and now being extended to serve Adams Drive and eventually north of I-70 has been oversized to 12" in diameter and has been kept deep to allow for its use as a major

sanitary sewer trunk main for future development elsewhere. Per the City's Development Policy, the cost to oversize the sanitary sewer is to be funded by the City-at-Large through the Water/Sewer Capital Fund. Based on the low bid prices, that amount would be \$32,883.00.

Legal Consideration

There are no known legal obstacles to proceeding as recommended by City Staff.

Financial Consideration

The developer is financing the improvements through the establishment of a special benefit district. After subtracting \$32,883.00 for the City's share of oversizing the sanitary sewer and adding in \$26,000 for engineering cost, 30% of the remaining costs (\$117,771) will be paid by the developer and 70% (\$274,800) assessed to the 18 lots in the benefit district. The special assessment per lot is currently estimated to be approximately \$16,000 per lot.

The \$32,883 cost for oversizing the sanitary sewer is to be funded out of Water/Sewer Capital.

Options

The City Commission has the following options:

- Award contract as recommended by staff
- Provide alternate direction to City Staff
- Do nothing

Recommendation

Staff recommends entering a contract with the low bidder as presented.

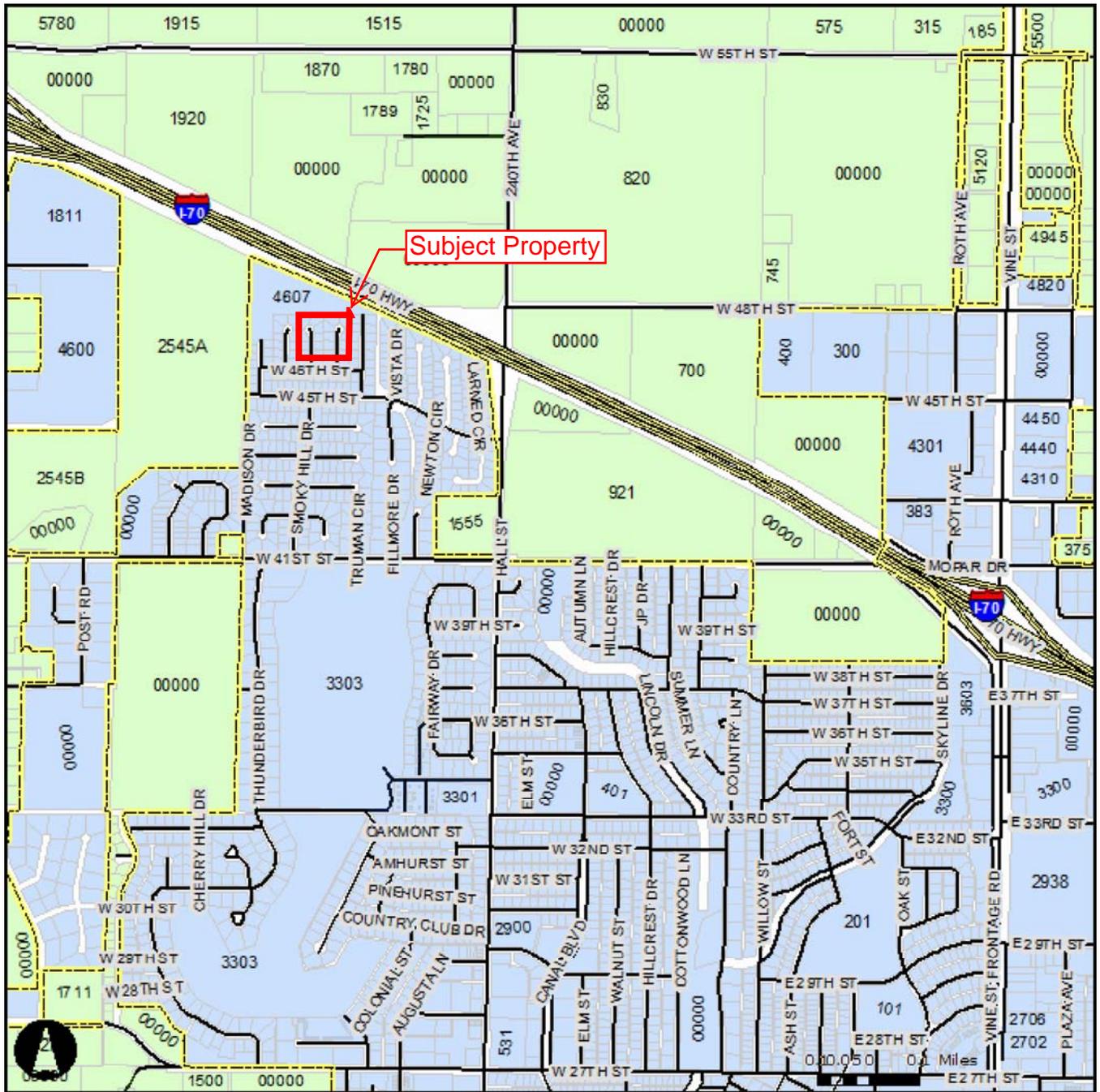
Action Requested

Authorize the City Manager to enter into a contract with J Corp in the amount of **\$399,453.20** for construction of street, water, and sanitary sewer improvements within the 46th Street Second Addition, Phase 2, with the City Share of \$32,883.00 to be funded out of Water/Sewer Capital.

Supporting Documentation

Location Maps
Bid Tabulation

46th St. 2nd Addition



BID TABULATION
 CITY OF HAYS, KANSAS
 46TH STREET SECOND ADDITION, PHASE 2, SAN. SEWER, WATER & STREET IMP.
 CITY OF HAYS PROJECT NO. 2014-31

BIDS RECEIVED February 18, 2015, AT 3:00 PM

DATE: 2-18-15

			ENGINEER'S ESTIMATE		APAC-KANSAS, INC. P.O. BOX 190 HAYS, KS 67601		J CORP 1707 E. 10TH HAYS, KS 67601		STRIPE AND SEAL P.O. BOX 747 HAYS, KS 67601	
ITEM NO.	DESCRIPTION	QUANTITY & UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
<u>SANITARY SEWER</u>										
1	Mobilization	1.0 LS	\$15,000.00	\$15,000.00	\$4,000.00	\$4,000.00	\$9,000.00	\$9,000.00	\$7,000.00	\$7,000.00
2	Traffic Control	1.0 LS	\$5,000.00	\$5,000.00	\$3,200.00	\$3,200.00	\$500.00	\$500.00	\$3,000.00	\$3,000.00
3	Construction Staking	1.0 LS	\$1,000.00	\$1,000.00	\$600.00	\$600.00	\$600.00	\$600.00	\$5,000.00	\$5,000.00
17	Trenching 14'-16'	199.0 LF	\$20.00	\$3,980.00	\$29.00	\$5,771.00	\$18.00	\$3,582.00	\$20.00	\$3,980.00
18	Trenching 16'-18'	103.0 LF	\$24.00	\$2,472.00	\$34.00	\$3,502.00	\$18.00	\$1,854.00	\$25.00	\$2,575.00
19	Trenching 24'-26'	492.2 LF	\$60.00	\$29,532.00	\$83.00	\$40,852.60	\$35.00	\$17,227.00	\$40.00	\$19,688.00
20	Connect to Existing Sewer Line	2.0 EA	\$3,000.00	\$6,000.00	\$3,150.00	\$6,300.00	\$1,850.00	\$3,700.00	\$2,500.00	\$5,000.00
21	Remove Existing Cleanout	1.0 EA	\$1,500.00	\$1,500.00	\$3,100.00	\$3,100.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
22	Type I Manhole	3.0 EA	\$3,400.00	\$10,200.00	\$4,800.00	\$14,400.00	\$3,000.00	\$9,000.00	\$3,000.00	\$9,000.00
23	Extra Depth Type I Manhole	51.4 LF	\$325.00	\$16,705.00	\$400.00	\$20,560.00	\$200.00	\$10,280.00	\$400.00	\$20,560.00
24	Sanitary Sewer Cleanout, 12"	1.0 EA	\$2,000.00	\$2,000.00	\$3,500.00	\$3,500.00	\$1,150.00	\$1,150.00	\$1,000.00	\$1,000.00
25	4" Sanitary Sewer	988.0 LF	\$60.00	\$59,280.00	\$90.00	\$88,920.00	\$35.00	\$34,580.00	\$45.00	\$44,460.00
26	8" Sanitary sewer	302.0 LF	\$24.00	\$7,248.00	\$27.00	\$8,154.00	\$24.00	\$7,248.00	\$20.00	\$6,040.00
27	12" Sanitary sewer	492.2 LF	\$32.00	\$15,750.40	\$58.50	\$28,793.70	\$40.00	\$19,688.00	\$30.00	\$14,766.00
28	8"x 4" Wye	2.0 EA	\$200.00	\$400.00	\$198.00	\$396.00	\$170.00	\$340.00	\$150.00	\$300.00
29	8"x 4" Combination Tee/Wye	7.0 EA	\$200.00	\$1,400.00	\$105.00	\$735.00	\$195.00	\$1,365.00	\$150.00	\$1,050.00
30	12"x 4" Wye	1.0 EA	\$250.00	\$250.00	\$450.00	\$450.00	\$390.00	\$390.00	\$200.00	\$200.00
31	12"x 4" Combination Tee/Wye	8.0 EA	\$250.00	\$2,000.00	\$250.00	\$2,000.00	\$420.00	\$3,360.00	\$2,000.00	\$16,000.00
32	4" Cap (Sanitary Sewer)	18.0 EA	\$100.00	\$1,800.00	\$35.00	\$630.00	\$45.00	\$810.00	\$50.00	\$900.00
33	Silt Fence Barrier	2,200.0 LF	\$4.00	\$8,800.00	\$2.25	\$4,950.00	\$3.20	\$7,040.00	\$3.40	\$7,480.00
TOTAL SANITARY SEWER IMPR.				\$190,317.40		\$290,814.30		\$132,714.00		\$168,999.00

City Share										
Extra Depth Trenching (24'-26' vs. 16'-18')	291.0	LF	\$36.00	\$10,476.00	\$49.00	\$14,259.00	\$17.00	\$4,947.00	\$15.00	\$4,365.00
Trenching 24'-26' (Additional)	201.2	LF	\$60.00	\$12,072.00	\$83.00	\$16,699.60	\$35.00	\$7,042.00	\$40.00	\$8,048.00
Oversize Sanitary Sewer (12" vs. 8")	291.0	LF	\$8.00	\$2,328.00	\$31.50	\$9,166.50	\$16.00	\$4,656.00	\$10.00	\$2,910.00
12" Sanitary Sewer (Additional)	201.2	LF	\$32.00	\$6,438.40	\$58.50	\$11,770.20	\$40.00	\$8,048.00	\$30.00	\$6,036.00
Type I Manhole (Additional)	1.0	EA	\$3,400.00	\$3,400.00	\$4,800.00	\$4,800.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
Extra Depth Type I Manhole (Additional)	20.2	LF	\$325.00	\$6,565.00	\$400.00	\$8,080.00	\$200.00	\$4,040.00	\$400.00	\$8,080.00
Sanitary Sewer Cleanout, 12"	1.0	EA	\$2,000.00	\$2,000.00	\$3,500.00	\$3,500.00	\$1,150.00	\$1,150.00	\$1,000.00	\$1,000.00
TOTAL				\$43,279.40		\$68,275.30		\$32,883.00		\$33,439.00

BID TABULATION (CONT.)		ENGINEER'S ESTIMATE		APAC-KANSAS, INC. P.O. BOX 190 HAYS, KS 67601		J CORP 1707 E. 10TH HAYS, KS 67601		STRIPE AND SEAL P.O. BOX 747 HAYS, KS 67601		
46TH STREET SECOND ADDITION, PHASE 2										
ITEM NO.	DESCRIPTION	QUANTITY & UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
<u>WATER</u>										
1	Mobilization	1.0 LS	\$15,000.00	\$15,000.00	\$14,600.00	\$14,600.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
2	Traffic Control	1.0 LS	\$5,000.00	\$5,000.00	\$1,800.00	\$1,800.00	\$500.00	\$500.00	\$500.00	\$500.00
3	Construction Staking	1.0 LS	\$1,000.00	\$1,000.00	\$600.00	\$600.00	\$600.00	\$600.00	\$1,000.00	\$1,000.00
34	6" Water Line (C900 PVC)	656.8 LF	\$25.00	\$16,420.00	\$18.00	\$11,822.40	\$35.00	\$22,988.00	\$25.00	\$16,420.00
35	6" x 8" Reducer	1.0 EA	\$300.00	\$300.00	\$210.00	\$210.00	\$220.00	\$220.00	\$250.00	\$250.00
36	6" Cap (Water)	2.0 EA	\$300.00	\$600.00	\$120.00	\$240.00	\$100.00	\$200.00	\$200.00	\$400.00
37	Connect to Existing Fitting	2.0 EA	\$2,000.00	\$4,000.00	\$1,300.00	\$2,600.00	\$750.00	\$1,500.00	\$750.00	\$1,500.00
38	2" Flush Valve	2.0 EA	\$2,000.00	\$4,000.00	\$1,750.00	\$3,500.00	\$1,650.00	\$3,300.00	\$1,300.00	\$2,600.00
39	Meter Set	18.0 EA	\$1,200.00	\$21,600.00	\$1,350.00	\$24,300.00	\$1,150.00	\$20,700.00	\$900.00	\$16,200.00
40	Service Connection	18.0 EA	\$300.00	\$5,400.00	\$170.00	\$3,060.00	\$250.00	\$4,500.00	\$100.00	\$1,800.00
41	Service Saddle	18.0 EA	\$300.00	\$5,400.00	\$160.00	\$2,880.00	\$175.00	\$3,150.00	\$190.00	\$3,420.00
42	Service Line (1")	824.0 LF	\$12.00	\$9,888.00	\$7.40	\$6,097.60	\$13.50	\$11,124.00	\$6.00	\$4,944.00
TOTAL WATER IMPROVEMENTS				\$88,608.00		\$71,710.00		\$73,782.00		\$54,034.00
<u>STREETS</u>										
1	Mobilization	1.0 LS	\$15,000.00	\$15,000.00	\$34,000.00	\$34,000.00	\$6,000.00	\$6,000.00	\$7,000.00	\$7,000.00
2	Traffic Control	1.0 LS	\$5,000.00	\$5,000.00	\$3,000.00	\$3,000.00	\$500.00	\$500.00	\$3,000.00	\$3,000.00
3	Construction Staking	1.0 LS	\$3,000.00	\$3,000.00	\$1,800.00	\$1,800.00	\$1,800.00	\$1,800.00	\$5,000.00	\$5,000.00
4	Pavement Removal	52.0 SY	\$20.00	\$1,040.00	\$6.00	\$312.00	\$30.00	\$1,560.00	\$15.00	\$780.00
5	Saw Cut	56.0 LF	\$12.00	\$672.00	\$9.00	\$504.00	\$7.00	\$392.00	\$6.00	\$336.00
6	Seeding & Mulching	4.4 AC	\$1,500.00	\$6,600.00	\$1,032.00	\$4,540.80	\$1,000.00	\$4,400.00	\$1,200.00	\$5,280.00
7	Common Excavation	220.0 CY	\$12.00	\$2,640.00	\$3.00	\$660.00	\$8.00	\$1,760.00	\$8.00	\$1,760.00
8	Embankment	1,590.0 CY	\$12.00	\$19,080.00	\$2.00	\$3,180.00	\$5.00	\$7,950.00	\$4.80	\$7,632.00
9	Contractor Furnished Borrow	1,920.0 CY	\$20.00	\$38,400.00	\$7.90	\$15,168.00	\$10.00	\$19,200.00	\$10.00	\$19,200.00
10	Fly Ash	183.0 Tons	\$85.00	\$15,555.00	\$65.00	\$11,895.00	\$80.00	\$14,640.00	\$80.00	\$14,640.00
11	Water (Fly Ash)	73.0 Mgal	\$16.00	\$1,168.00	\$35.00	\$2,555.00	\$12.00	\$876.00	\$12.00	\$876.00
12	Manipulation (Fly Ash)	3,100.0 SY	\$5.00	\$15,500.00	\$5.50	\$17,050.00	\$3.00	\$9,300.00	\$5.00	\$15,500.00
16	Layback Curb & Gutter (AE)	1,444.0 LF	\$24.00	\$34,656.00	\$29.00	\$41,876.00	\$21.50	\$31,046.00	\$18.00	\$25,992.00
TOTAL STREET IMPROVEMENTS				\$158,311.00		\$136,540.80		\$99,424.00		\$106,996.00
<u>ALTERNATE NO. 1</u>										
15	Concrete Pavement, 6" (AE)	2,461.4 SY	\$52.00	\$127,992.80	\$44.05	\$108,424.67	\$38.00	\$93,533.20	\$37.00	\$91,071.80
TOTAL ALTERNATE NO. 1				\$127,992.80		\$108,424.67		\$93,533.20		\$91,071.80
<u>ALTERNATE NO. 2</u>										
13	Bituminous Surface Course, 2"	2,461.4 SF	\$16.00	\$39,382.40	\$12.00	\$29,536.80	\$0.00	\$0.00	\$0.00	\$0.00
14	Bituminous Base Course, 4"	2,461.4 SF	\$26.00	\$63,996.40	\$24.00	\$59,073.60	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL ALTERNATE NO. 2				\$103,378.80		\$88,610.40		No Bid		No Bid
TOTAL PROJECT w/ALT 1 Concrete				\$565,229.20		\$607,489.77		\$399,453.20		\$421,100.80
TOTAL PROJECT w/ALT 2 Asphalt				\$540,615.20		\$587,675.50		No Bid		No Bid

Memo

To: Toby Dougherty, City Manager
Cc: Paul Briseno, Assistant City Manager
From: Kim Rupp, Director of Finance
Date: February 23, 2015
Re: Comprehensive Financial Management Policy Review - 2014

The City of Hays Comprehensive Financial Management Policy consists of thirteen categories. The thirteenth category is policy review and states that "The City Manager shall provide the City Commission a written status report concerning the City's compliance with the thirteen categories on an annual basis". Overall, staff is comfortable that every attempt was made to comply with the Policy and after review submits the following highlights:

Category I

Fund Balances and Reserves

Reserves protect the City's essential service programs during periods of economic downturn, which may temporarily reduce actual resources. The City was able to fulfill the requirement in 2014 of maintaining a 10% unreserved fund balance and a 25% budget stabilization fund for the General Fund. No Unreserved Fund Balances were used to support operating expenditures. Expenditures were fully supported by the year's revenue in each fund. The City was also able to maintain adequate contingencies for funds that statutorily cannot carry a fund balance in excess of 5% from the previous year. This provides for funding flexibility when faced with unanticipated needs or emergencies.

Category II

Budgeting

The budget is one of the most important documents the City prepares since it identifies the services to be provided and how the services are to be financed. Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government.

One of the things required in this area is that officials and department heads are required to monitor revenues and control expenditures to prevent exceeding the amount of expenditures budgeted for their department. This went well this year evidenced by the fact that total General Fund expenditures ended the year some \$937,101 under budget. This included \$1,725,000 set aside into the newly formed City Commission Capital Reserves.

This category also recommends that any General Fund unreserved fund balance in excess of 10% should be used for either non-recurring capital expenditures or to buy down the Employee Benefit levy. In the 2014 budget, \$96,479 was transferred to Employee Benefit for levy stabilization.

Category III

Revenues

It is necessary that the City maintain a diversified and stable revenue system to shelter it from short-term fluctuations in any one revenue source. In this section it was determined that the City establish all user charges and fees to support their respective activity. Once again this was accomplished in 2014 and in fact those funds were able to support General Fund services they received by establishing transfers to reimburse for those activities. Water sales and sewer service charges are a big portion of the City's revenue stream. A 3% fee increase in water and sewer charges did go into effect January 1. This change was needed in 2014 to help provide services and meet operational needs.

Category IV

Capital Improvement Program (CIP) and Fixed Assets

The CIP includes capital improvements for all agencies for which the City sets tax rates, makes levies or approves budgets or programs. The CIP includes an estimate of the cost and anticipated revenue sources for financing the projects.

Staff updates the City CIP plan on a regular basis throughout the year, and reviews it annually with the Commission during the budget process. City staff is committed to implementing the City's Capital Improvement Plan to protect its capital assets and minimize future maintenance and replacement costs.

Category V

Debt Management

Kansas statute requires a City not to exceed 30% of the assessed valuation in total debt. The City's own policy further restricts that to 15%. In 2014 that percentage was 7%.

The City continued its practice of pay-as-you-go financing of capital projects given the substantial amount of idle funds available and the poor investment rates being received. If needed in the future those funds are then reimbursed through bond funding when projects are at or near completion. General obligation and revenue bonds are sold in a competitive sale format to produce the best results for the City as it relates to term, call provisions, bidder availability, and interest rates. City staff and the City's financial advisor continue to monitor the portfolio of debt to determine if any bonds are ready for call.

In March 2014, the City's rating from Standard and Poor's Rating Services was upgraded from AA- to AA while maintaining the stable outlook.

Category VI

Cash Management and Investment

Investment of City idle funds are made with the primary objectives of 1) Security of City funds and investments, 2) Preservation of capital and protection of principal, 3) Maintenance of sufficient liquidity to meet operating needs, 4) Diversification of investments to avoid unreasonable or avoidable risks, and 5) Maximization of return on the portfolio.

Staff continues to utilize a competitive bid process for investment of idle funds. Staff also uses a "just in time" procedure for maturity dates to ensure that the funds earn as much interest as possible before needed. Staff was pleased during 2014 having received bids from several banks in town on numerous occasions. Maturities have continued at or just above one year in term thereby negating as much interest rate risk as possible while meeting cash flow needs.

All of the investments are either in money market or certificates of deposits. Staff has continued in contact with the brokerage department of the City's primary bank to monitor other options. While limited, these instruments can include treasury deposits. However, these returns are still below the current weighted average interest rate on the portfolio.

Category VII

Enterprise Fund Management

Water and sewer rates were once again reviewed by staff during the 2014 budget process. This revealed a need for a rate increase of 3%. This is an annual process conducted since the resolution on such was approved by the City Commission Jan 1, 2008. This practice ensured that the City is able to continue to maintain all enterprise funds on a self-sustaining basis, with no support from property tax or general fund sales tax revenues.

Category VIII

Accounting, Auditing and Financial Reporting

The City follows all governmental requirements for reporting and auditing. The City's auditing firm completed the 2013 audit of the financials of the City of Hays and reported there were no significant findings.

Category IX

Risk Management

The City's risk exposure is managed through the purchase of traditional insurance in the following areas: a) General Liability, b) Automobile liability, c) Public official's errors and omissions, d) Police professional liability, e) Property loss and worker's compensation, f) Employee health, g) Short-term disability, h) Crime, i) Umbrella, and j) Public entity cyber liability.

The services provided by the City's risk management broker include risk management assessment and policy evaluation. The current broker, Arthur J Gallagher, has performed well and staff is pleased with their response to claims and issues as they arise.

Category X

Procurement

Staff has continued to follow the purchasing policy as updated and improved in 2008. The purchasing policy allows for the city to obtain supplies, equipment and services as economically as possible. This is fostered by the purchasing system and procedures in place as outlined in the policy. A full launch of the Visa Procurement Cards in 2010 have allowed for streamlined efficiencies of the requisition, balancing and invoicing process.

Category XI

Intergovernmental Revenues

No grants were used in 2014 to meet service delivery needs. Grants received during 2014 from the State of Kansas or Federal Government did not create City overhead or indirect costs.

Category XII

Economic Development

The Economic Development Policy is under continual review.

The City's policy requires a fiscal impact analysis on each economic development investment that evaluates the economic costs, economic benefits, intrinsic benefits and the levels of each type of risk associated with the economic development investment.

Category XIII

Policy Review

This section requires staff annually review the Comprehensive Financial Management Policy and report to the City Commission the level of compliance the City attained the previous year. This memo hopefully meets that requirement.