

Memo

To: City Commission
From: Toby Dougherty, City Manager
Date: 10-13-2022
Re: October 20, 2022 Work Session

Please find the attached agenda and supporting documentation for the October 20, 2022, Work Session.

Item 2 – Fort Hays State University (FHSU) Update

Dr. Tisa Mason, Fort Hays State University President, will update the Commission on University activities including the Cybersecurity Institute and Technology Incubator.

Item 3 – 2023 Health Insurance for City of Hays Employees

Please refer to the attached memorandum from Erin Giebler, Director of Human Resources, regarding the 2023 health insurance program for City of Hays employees. Due to a low utilization year, the City received a favorable renewal on our health insurance premiums. City staff is suggesting to use some of the premium savings to match City of Hays employees' health savings account contributions as an incentive for more employees to switch to the high deductible plan.

Item 4 – Results of 2022 Pavement Condition Assessment

A Pavement Condition Assessment was completed this year which gives City staff data and information on all City streets. The Pavement Condition Assessment is used to track our progress as well as help allocate future street maintenance and reconstruction dollars in the most efficient manner. Jesse Rohr, Director of Public Works, will present the findings of the Pavement Condition Assessment at the Work Session.

Item 5 – 2023 Street Maintenance Program

Please refer to the attached memorandum from Jesse Rohr regarding the 2023 Street Maintenance Program. As is the norm, it is being presented for approval and will be bid after the first of the year. Depending on what happens over the winter, the 2023 Street Maintenance Program may be fine-tuned as it is bid.

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CITY OF HAYS
CITY COMMISSION WORK SESSION
CITY HALL, 1507 MAIN STREET, HAYS, KS
THURSDAY, OCTOBER 20, 2022 – 6:30 P.M.
AGENDA

1. **September 15, 2022 Work Session Notes (PAGE 1)**
Department Head Responsible: Kim Rupp, Director of Finance
2. **Fort Hays State University (FHSU) Update (PAGE 7)**
Persons Responsible: Dr. Tisa Mason, Fort Hays State University President
Melissa Hunsicker-Walburn, Department of Informatics (Chair)
Jason Zeller, Department of Informatics
3. **2023 Health Insurance for City of Hays Employees (PAGE 9)**
Department Head Responsible: Erin Giebler, Director of Human Resources
4. **Results of 2022 Pavement Condition Assessment**
Department Head Responsible: Jesse Rohr, Director of Public Works
5. **2023 Street Maintenance Program (PAGE 15)**
Department Head Responsible: Jesse Rohr, Director of Public Works
6. **Other Items for Discussion**
7. **Executive Session (if required)**
8. **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
Thursday, September 15, 2022 – 6:30 p.m.

Present: Mason Ruder, Shaun Musil, Reese Barrick, Toby Dougherty, Kim Rupp, and Don F. Hoffman

Absent: Michael Berges and Sandy Jacobs

September 1, 2022 Work Session Notes

There were no corrections or additions to the minutes of the work session held on September 1, 2022; the minutes stand approved as presented.

Vehicle Abatement at 2708 Barclay Drive

Jesse Rohr, Director of Public Works, stated that the abandoned vehicle located in the front yard at 2708 Barclay Drive has no current legal tag and is not road worthy, therefore deeming it inoperable. Up to this point, all proper notification has been given to the owner of the property and no action has been taken. If the vehicle is removed by the City, all costs of abatement will be charged to the property owner.

At the September 22, 2022 Commission meeting, Commissioners will be asked to approve a resolution to abate the vehicle located on the property at 2708 Barclay Drive, ten days after the approval date.

Fort Hays Municipal Golf Course – Fee Increase

Jeff Boyle, Director of Parks, reported that fees at the Fort Hays Municipal Golf Course (FHMGC) have remained the same since 2014 and are below the state-average pricing for similar 18-hole golf courses. Overall costs to operate and maintain the golf course have increased dramatically, and staff is hoping to reduce the gap between revenue and expenditures by implementing some much-needed fee increases.

Recommended Rates

Rate Classification	Current Rate	Survey Avg.	Recommended Rate	Difference
Junior Golf	10.00	11.13	10.00	-
9-Hole	14.00	17.13	14.00	-
Weekday (18-Hole)	20.00	24.54	22.00	2.00
Weekend/Holiday (18-Hole)	23.00	29.14	25.00	2.00
Single Membership	465.00	977.74	535.00	70.00
Couple Membership	575.00	1,222.77	645.00	70.00
Family Membership	645.00	1,238.89	715.00	70.00
Trail Fee	105.00	218.00	200.00	95.00
Cart Shed - Electric	300.00	348.00	300.00	-
Cart Shed - Gas	275.00	348.00	275.00	-

Mr. Boyle stated the recommended rates carefully balance the need to increase revenue yet remain market competitive. It is suggested these new rates be implemented at the beginning of the 2023 golf season. If approved, staff would expect an annual increase in revenue of \$42,753. Additionally, the increased trail fees will allow the City to initiate a project to replace the front 9, hole 10, and hole 18 cart paths.

Commissioner Musil suggested that the fee for the 9-hole be increased as well. He also asked that the Commission consider increasing the fees for the next several years instead of a one-time increase.

The Commissioners asked that this item be placed on a future agenda to consider a rate increase for the 2023 golf season as well as fee increases for the next several years.

Hays Aquatic Park – Fee Increase Request

Jeff Boyle, Director of Parks, stated that fees at the Hays Aquatic Park (HAP) have remained the same since 2014 and are well below the state-average pricing for similar facilities. Overall costs to operate the facility have risen to the point where City staff and the Hays Recreation Commission are recommending a fee increase of \$1.00 for daily fees as well as an increase of \$10.00 for seasonal passes.

Recommended Aquatic Park Fees

Rate Classification	Current Rate	Survey Avg.	Recommended Rate	Difference
Daily Fee (3-17)	3.00	4.61	4.00	1.00
Daily Fee (18 & Up)	4.00	4.61	5.00	1.00
Season Passes	40.00	91.09	50.00	10.00

Mr. Boyle stated if approved, the overall increase in annual revenue is expected to be \$36,396 based on current attendance and sales.

Municipal pools derive most of their revenue from two sources, concessions and attendance. Attendance in 2021 was half of what it was 20 years ago and is projected to continually decline as the aquatic park ages. Hays maintains one of the most affordable aquatic facilities compared to similar communities.

Commissioner Musil stated he feels we need to see substantial increases and get closer to the rates of our peer cities.

Mayor Ruder stated that quality of life features are generally not there to make money, they are there to supply needed quality of life.

Commissioner Barrick added that he believes the rates could be higher and we wouldn't lose patrons because of the cost. He noted that it will never be a money-making proposition, but you want to cut down the amount of money that is lost without hurting the quality of life.

It was the consensus of the Commission to further discuss the rate increases at the FHMGC and the Hays Aquatic Park at a future meeting and to prepare a scheduled rate increase for them as well.

Resolution Approving the Assignment of the D & J Land and Development, LLC Development Agreement (Assignment Resolution)

Kim Rupp, Director of Finance, stated that the City of Hays and D & J Land and Development, LLC, whose principles are John E. Brown and Dan Hess, are parties to a Development Agreement dated May 14, 2020, as amended on February 25, 2021. This involves the project at 230th and Interstate

70 for a travel plaza and truck wash. D & J now wish to assign its rights and obligations under the Development Agreement to Hess Land, LLC controlled by Dan Hess. The agreement does allow the assignment per the proposed assignment resolution.

Pursuant to the Development Agreement, certain costs of the project will be paid through Tax Increment Financing (TIF) and the proceeds of a 2.00% Community Improvement District (CID) sales tax. The TIF and CID calendar will continue without interruption and will continue as originally agreed to. There are no additional incentives being requested and any out-of-pocket expenses will be paid by D & J and Hess Land. The City Attorney along with Special Counsel Gilmore & Bell, P.C. have reviewed all the documents and have found they comply with Kansas law and the City's Economic Development Policy. Given Dan Hess has been involved in this project from the beginning, City staff is comfortable with allowing Mr. Hess to assume responsibility under the Development Agreement.

The Development Agreement governs the rights and responsibilities of the City and the Developer regarding the development of approximately 45 acres generally located near the northwest corner of 230th Avenue and Interstate 70 with some or all of the following uses and improvements, without limitation: construction of a travel plaza, truck wash, one or more full-service hotels and other related hotel uses; restaurant uses; other general commercial development; associated public and private infrastructure; site work; utilities; storm water and drainage; landscaping; and parking facilities.

Chris Sook, Jeter Law Firm and Hess Land Attorney, stated Mr. Hess wanted to attend the meeting but was on a job site out of state. He added that this allows them to merge control of the project with the stakeholder that has the biggest financial interest in the project, Mr. Hess, and that makes a lot of sense going forward.

At the September 22, 2022 Commission meeting, Commissioners will be asked to adopt a resolution approving the D & J Land, LLC Development

Agreement assignment and authorizing the City to execute and approve the proposed assignment documentation.

Public Hearing and Resolution Evidencing an Intent to Issue Grow Hays Industrial Revenue Bonds (Resolution of Intent)

Kim Rupp, Director of Finance, stated that Grow Hays, Inc., a Kansas not for profit corporation, is proposing to construct a 30,000 square foot flexible manufacturing facility to help manufacturing startups to expand their business.

Grow Hays is requesting Industrial Revenue Bonds (IRBs) be issued to benefit the project. Utilization of the IRBs will allow the Developer to obtain a sales tax exemption for all purchases related to the construction of the project and obtain a real property tax abatement for the project for up to 10 years.

Mr. Rupp clarified that the City acts as a conduit issuer and payment obligations solely belong to the Developer. It does not affect the City's debt limit or bond rating. Total cost of the project is estimated to be \$3,781,000. That includes land acquisition, construction, as well as furniture, fixtures, and equipment. The property tax abatement over the 10 years is estimated to be \$828,186. The Developer will front all the costs and other than the IRB issue, there will not be any general obligation or special obligation bonds issued by the City.

Prior to approving an IRB granting a property tax abatement, a public hearing must be held. Notice of the public hearing has been published as required by statute and sent to USD 489 and Ellis County. Following the public hearing, adopting the Resolution of Intent would allow the Developer to request a sales tax exemption certificate from the State of Kansas for the Project and is a strong indication of the City's intent to issue the IRBs in the future to affect the property tax abatement.

All materials have been reviewed by the City's special legal counsel, Gilmore & Bell, P.C., and are found to meet all the requirements of Kansas law and the City's Economic Development Policy.

Doug Williams, Grow Hays Executive Director, stated a groundbreaking for this project will be held on October 13, 2022. Construction is planned to begin by the end of the year with completion by the end of 2023.

A public hearing will be held at the September 22, 2022 Commission meeting regarding the issuance of the Grow Hays IRBs and an exemption from ad valorem taxation of property constructed or purchased with the proceeds of such. The Commission will be asked to adopt a resolution evidencing an intent to issue Grow Hays Industrial Revenue Bonds.

Other Items for Discussion

Commissioner Musil stated he is thankful to serve on the City Commission and appreciates how well the Commission can work together, get things done, and do what is best for the community.

Mayor Ruder stated he attended the 9/11 Memorial Event and Stair Climb at Lewis Field. He added that he appreciates the strength and stamina the First Responders have that participated in the event in full gear.

The work session was adjourned at 7:15 p.m.

Submitted by: _____

Brenda Kitchen – City Clerk



Cybersecurity Institute and Technology Incubator at Fort Hays State University

What is the Cybersecurity Institute and Technology Incubator (CITI)?

A tech center with dual objectives of 1) leveraging student and faculty expertise to improve the cybersecurity posture for small and medium-sized businesses through student micro internships, capstone projects, and faculty consulting and 2) tech and/or cybersecurity venture creation through an in- residence business incubator. CITI will leverage the strengths of FHSU to advance the Kansas economy through asset preservation and venture creation.

Services to businesses, and experiences for the student talent pipeline, include micro internships in areas such as the following:

- Website Security Evaluation
- Security Vulnerability Report
- Deploying Data Privacy and Security Controls
- Designing Security Training
- Application Security Evaluation
- Software Testing
- Data Clean-Up
- Development of Documentation or Compliance Protocols

Incubator Operations and Objectives

Creating a "Tech Stars" type of development experience for incubator recruits. The goal is to develop one to two businesses initially, with the possibility of those being venture referrals to the SBDC. In general, the mission of any business incubator is to increase the successful development of emerging businesses in sectors that are supported by a region's unique areas of opportunity. Ideally, businesses that graduate from an incubator move out into the community and contribute to the overall vitality, diversity, and growth of the area economy. Incubators provide environments that allow a region to take an active role in growing their own businesses which will lead to job creation.

With Amazon Web Services, virtualization, cloud computing, security, information assurance, and networking curricula, the innovation center will be positioned to be supported by an array of technologically skilled faculty, developing students, and networks of business mentors who can collaborate with communities in a supportive, strategically developmental environment. Identifying

and working with local community partners including infrastructure companies in addition to conducting surveys to better assess and develop the framework for this initiative, much like the process currently being undertaken by the Department of Commerce in the "Framework for Growth" project, is critical.

Incubator recruitment

Plans for the incubator include accelerating the success of entrepreneurial companies through business support resources and services, i.e., management guidance, technical support, and tailored consultation. Graduates of the incubator will contribute to the "overall vitality, diversity, and growth of the area economy" and create wealth through multiplier effects.

For more information or small business referrals contact:

Jason Zeller
Assistant professor, Informatics
Student Coordinator, CITI

Melissa Hunsicker Walburn
Associate Professor, Informatics
Informatics Department Chair
Interim Director, CITI

**Department of Informatics
Fort Hays State University
600 Park Street
Hammond Hall
Phone: 785-628-5373**



Commission Work Session Agenda

Memo

From: Erin Giebler, Director of Human Resources

Work Session: October 20, 2022

Subject: 2023 Health Insurance for City of Hays Employees

Person(s) Responsible: Erin Giebler, Director of Human Resources

Summary

The City of Hays received Blue Cross Blue Shield of Kansas' (BCBSKS) renewal rates for 2023. The renewal came in with a 2.5% decrease. Staff recommends approving the 2023 health insurance renewal contract with Blue Cross Blue Shield, which includes the continuation of the 2022 plan designs with no change to employee premium costs.

Due to the City's low utilization and decrease in premiums, City Staff also recommends providing up to \$2,500 in employer match for employees' health savings accounts (HSA) paid out of the Employee Benefit Levy. Both the health insurance and health savings account recommendations are within the budgeted amount for 2023.

Background

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. Over the last six years, the City has made minor changes to the plans designs and employee premiums in order to keep costs within budget.

On average, about 59% of those enrolled in the City's Health Insurance elected the HDHP, 17% elected the Premium Plan, and 24% elected the Base Plan.

Discussion

The City of Hays received Blue Cross Blue Shield of Kansas' renewal rates for 2023. Due to the City's low utilization, the renewal presented to the City of Hays showed a 2.5% decrease based on the City's expected enrollment. Staff recommends the continuation of the 2022 plan designs, including keeping the same employee premium costs.

The three plans recommended are as follows:

	HDHP	Premium	Base
Deductible (Single/Family)	\$3,000/\$6,000	\$1,500/\$3,000	\$2,500/\$5,000
Co-Insurance (Insurance Paid)	100%	80%	60%
Co-Insurance Out of Pocket	\$0/\$0	\$1,000/\$2,000	\$2,000/\$4,000
Office Visit (Primary Care/Specialist)	Deductible	\$25/\$50	\$30/\$60
Prescriptions	Deductible then \$15/\$50/\$75/ \$150/20% up to \$250	\$15/\$50/\$75/ \$150/20% up to \$250	\$15/\$50/\$75/ \$150/20% up to \$250
Employee Bi-Weekly Costs			
Employee Only	\$14.01	\$52.60	\$24.20
Employee/Spouse	\$30.08	\$112.96	\$51.97
Employee/Child(ren)	\$28.36	\$106.46	\$48.98
Family	\$44.43	\$166.82	\$76.75

Due to the City’s low utilization and decrease in premiums, City Staff also recommends providing up to \$2,500 in employer match for employees’ health savings accounts paid out of the Employee Benefit Levy.

Legal Consideration

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

Financial Consideration

The 2023 budget contains \$2,057,000 for health insurance. The proposed health insurance plan with the addition of the health savings account funding will not exceed the \$2,057,000 budget. Both costs will be funded out of the Employee Benefit Levy.

Options

The City Commission has the following options:

- Approve the 2023 Health Insurance Contract by BCBSKS
- Deny the request and provide City Staff with additional direction

Recommendation

City staff recommends approval of the 2023 health insurance contract with Blue Cross Blue Shield and authorization to provide up to \$2,500 in employer match for employees’ health savings account.

Action Requested

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 and authorization to provide up to \$2,500 in employer match for employees’ health savings account, not to exceed \$2,057,000, to be funded out of the Employee Benefit Levy Fund.

Supporting Documentation

2023 Blue Cross Blue Shield Renewal Contract

EARLY FINAL

CURRENT RATES

	EMP	ECH	ESP	FAM	Rate Structure Code = 4
Health	464.95	941.06	998.44	1474.55	
Drugs	0.00	0.00	0.00	0.00	
Total	464.95	941.06	998.44	1474.55	

Option A

RENEWAL RATES

HEALTH - Comprehensive Major Medical - BlueEdge

				Rate Adjustment Factor	Rate Method
\$1500/3000 Ded, 80% Coins to \$1000/\$2000, MOOP \$5000/10000, \$25 OVC/\$50 Spec OVC, Prev Care @ 100% No Deductible Carryover	452.17	916.24	972.17	1436.23	Z.ZZZ MERIT
<i>MH/SUD office visit claims must take the primary copay</i>	---	---	---	---	
Dependents to Age 26	---	---	---	---	
Utilization Management Services	1.04	1.04	1.04	1.04	
Blue Choice	---	---	---	---	
Phys Med/Rehab Benefits Rider	---	---	---	---	
\$250 Emergency Room Copay	---	---	---	---	
Home Social Work Visits/Hospice Subject to Deductible & Coinsurance	---	---	---	---	
OB Benefits Available All Females	---	---	---	---	
Autism Coverage	---	---	---	---	
Telemedicine	---	---	---	---	
Total Health	453.21	917.28	973.21	1437.27	

DRUGS

BlueRx Card \$15/\$50/\$75/\$150 Copay with Oral Contraceptives, Specialty NonFormSpecialty Coins 80/20 to \$250 max Select Formulary - Maintenance List Included; Mandatory Designated Specialty Pharmacy	---	---	---	---	
Generic Mandatory, doctor can override, no penalty for Brand drugs on NTI list	---	---	---	---	
Dependents to Age 26	---	---	---	---	
BlueRx Mail \$37.50/\$125.00/\$187.50 Copay with Oral Contraceptives	---	---	---	---	
Total Drugs	0.00	0.00	0.00	0.00	

Grand Total

Total Rate Adjustments	-11.74	-23.78	-25.23	-37.28	
Percentage Increase/Decrease	-2.5%	-2.5%	-2.5%	-2.5%	

****Rates subject to change due to 2023 benefit and retention changes****

SIGNED BY: _____ DATE SIGNED: _____
Plan Administrator Representative or Plan Sponsor Representative

EFFECTIVE DATE: _____

SIGNED BY: _____
BCBSKS Representative

DATE SIGNED: _____

EFFECTIVE DATE: _____

GUR SUPPLEMENT

Master Policy Number: 07737

Grandfather Status: N

Effective: 01/01/2023

Group Name: HAYS CITY EMPLOYEES

Meets Minimum Value = Y

EARLY FINAL

CURRENT RATES

	EMP	ECH	ESP	FAM	Rate Structure Code = 4
Health	425.72	861.57	914.11	1349.96	
Total	425.72	861.57	914.11	1349.96	

HDHP

RENEWAL RATES

HEALTH - Comprehensive Major Medical - BlueEdge

				Rate Adjustment Factor	Rate Method
\$3000/6000 Integrated Hlth/Rx Ded, 100% Coins, MOOP \$6350/12700, Prev Care @ 100%	413.94	838.76	889.97	1314.80	Z.ZZZ MERIT
No Deductible Carryover	---	---	---	---	
with Rx Copay to follow Ded \$15/\$50/\$75/\$150 Copay with Oral Contraceptives	---	---	---	---	
Spec NonForm \$3000/\$6000 Ded Coins 80/20 to \$250 max (except Oral Anticancer Meds not subject to copays)	---	---	---	---	
Select Formulary - Maintenance List Included; Mandatory Designated Specialty Pharmacy	---	---	---	---	
Generic Mandatory, doctor can override, no penalty for Brand drugs on NTI list	---	---	---	---	
Dependents to Age 26	---	---	---	---	
Utilization Management Services	1.04	1.04	1.04	1.04	
Blue Choice	---	---	---	---	
Phys Med/Rehab Benefits Rider	---	---	---	---	
Home Social Work Visits/Hospice Subject to Deductible & Coinsurance	---	---	---	---	
OB Benefits Available All Females	---	---	---	---	
Autism Coverage	---	---	---	---	
Telemedicine	---	---	---	---	
Total Health	414.98	839.80	891.01	1315.84	
Grand Total	414.98	839.80	891.01	1315.84	
Total Rate Adjustments	-10.74	-21.77	-23.10	-34.12	
Percentage Increase/Decrease	-2.5%	-2.5%	-2.5%	-2.5%	

****Rates subject to change due to 2023 benefit and retention changes****

SIGNED BY: _____ DATE SIGNED: _____ EFFECTIVE DATE: _____
Plan Administrator Representative or Plan Sponsor Representative

SIGNED BY: _____ DATE SIGNED: _____ EFFECTIVE DATE: _____
BCBSKS Representative

Commission Work Session Agenda

Memo

From: Jesse Rohr, Director of Public Works

Work Session: October 20, 2022

Subject: 2023 Street Maintenance Program

Person(s) Responsible: Jesse Rohr, Director of Public Works

Summary

Staff is presenting a plan for street maintenance in 2023. The 2023 Special Highway Budget provides \$1,536,888 for street maintenance projects. The plan presented by staff is based on the pavement maintenance strategies in place for more than 15 years. It includes seal coat, polypatch, reclamite, major rehab (street and concrete alley), curb and brick repair, sidewalk improvements, and in-house crack seal and asphalt/concrete repair. In addition to these projects, several add-alternate projects will be bid as well for award if the budget allows. Upon direction, staff will solicit bids for work to be contracted out and bring bids back to the City Commission for final approval in February/March of 2023.

Background

Each year staff evaluates the condition of city streets and develops a maintenance program that is brought forward for Commission consideration. Staff utilizes traffic counts, the latest pavement condition assessment, past maintenance treatments, public input, and available budget in developing the program.

The Street Maintenance Program has been funded primarily with Special Highway Funds, which includes a transfer of \$200,000 from the General Fund. Total Special Highway funding available for current 2022 projects is \$1,116,722 (including contingency). Contracts to be completed in 2022 total approximately \$1,032,791. In addition, nearly \$60,000 of work has been done in-house which includes various concrete work and crack sealing operations. Also, \$10,000 was budgeted for the Sidewalk Rebate Program for a complete 2022 Special Highway total of approximately \$1,102,791.

Staff's presentation at the October 20, 2022 work session will provide more detail regarding the work that was completed in 2022 and the maintenance program proposed for 2023.

Discussion

The 2023 Budget has \$1,536,888 in the Special Highway Fund for the 2023 Street Maintenance Program. The attached map shows the locations for various street maintenance activities (both base bid and alternates) proposed in 2023 as listed below:

1. Asphalt Seal Coat	\$700,000
2. Polypatch	\$50,000
3. Asphalt Rejuvenator (Reclamite)	\$60,000
4. Curb and Brick Repair	\$50,000
5. Concrete Alley Reconstruction	\$90,000
6. Concrete Streets Major Rehab	\$686,000
7. Main St. Bridge	\$300,000
8. Traffic Signal Upgrades	\$240,000
9. Pavement Markings	\$2,800
10. Sidewalk	\$22,000
11. In-house work (crack seal & pavement repairs)	<u>\$40,000</u>
TOTAL	\$2,240,800

Approximately \$2.2 million of work has been identified by staff. Staff will bid the various projects and recommend award of base bid and alternate projects as the \$1.5 million budget allows. Below is a brief summary of the various projects identified:

1. **Seal Coat** is a bituminous liquid mixture that is applied to asphalt pavement. Seal Coat has a smooth black finish and does not have a rock surface like Chip Seal. The seal coat will fill the fine cracks developing in the asphalt and preserve the life of the street. Most of the streets identified for seal coat last received a chip seal 5 or 6 years ago. Staff will submit a base bid project along with alternate areas.

2. **Polypatch** is a treatment that uses a rubberized tar with aggregates added. It is designed for repairing cracks which are too large for Crack Sealing, and distressed surfaces that are too small for repaving. Poly Patch will seal distresses and remain flexible. It is used in advance of surface seals like Chip Seal, Seal Coat, and Micro-Surfacing. (Polypatch locations not indicated on the attached map since they will be identified after the winter months.)

3. **Asphalt Rejuvenator**, also called Reclamite, is a preservative seal that is used on newer asphalt streets that do not yet warrant more advanced treatment. The cost is less than seal coat or chip seal and helps a new street stay in good condition for a longer period of time, delaying more costly maintenance treatments. Since the product goes on clear, pavement markings, if present, are preserved and do not need to be reapplied. All of the streets identified for Reclamite were either milled and overlaid in the last couple of years (Fort St. 33rd to 38th) or have previously been preserved with Reclamite (27th St., Hall St.)

4. **Curb and Brick Repair** typically is performed in the old brick street areas of town. This year's project concentrates on two areas – repairs to the 500 block of West 15th Street, and the 1800 block of Ash Street. Areas of broken/damaged curb and gutter will be replaced, and areas of brick settling will be repaired, including the concrete base under the brick.

5. **Concrete Alley Reconstruction** will include one proposed alley for 2023: the alley in the east 100 block between 12th and 13th, or what is being identified as the FOX Theater alley. This alley has deteriorated to the point of needing total reconstruction, with the exception of the entrances to the alley, which were recently replaced. The alley will be reconstructed with new concrete with an inverted flow line. Any necessary underground utility work will be performed before placement of the new concrete. As always, coordination will occur with adjacent businesses to ensure minimal disruption.

6. **Major Street Rehab** –The primary major rehab project proposed for 2023 is reconstruction of Fort Street from 27th to 29th. This segment of concrete street has deteriorated to the point of requiring total reconstruction. All the pavement will be replaced with new concrete pavement, and any areas of damaged curb and gutter will also be replaced. Alternate projects include MacArthur from 20th to 22nd and General Hays from Cody to Downing.

7. **Main St. Bridge Rehab** – The Main St. bridge over Big Creek is in need of some repairs to extend the life of the structure. The bridge was constructed in 1935 and recent assessments have identified some areas needing attention. The project will require some degree of professional engineering design prior to repairs taking place. Staff has applied for a grant to assist in funding of this project and should find out in November or December whether or not the grant is awarded.

8. **Traffic Signal Upgrades** and maintenance is needed for most of the various signalized intersections in the city. The current style of controllers and processors that operate each intersection are being phased out by the manufacturer and will no longer be serviceable. A project to upgrade all signalized intersections is being defined. Staff is also exploring possible grant opportunities that may exist to help offset some local share of the costs. This project will likely be bid as an alternate project.

9. **Pavement Markings**, particularly the white markings, are beginning to fade along east and west 27th St. adjacent to Vine St. This project is relatively small in size and budget and could be added to a larger project if available. This project will likely be bid as an alternate project.

10. **Sidewalk Program** – For 2023, staff is proposing to continue with the popular sidewalk rebate program. The amount being earmarked from Special Highway is \$10K for these sidewalk improvements in 2023. An add-alternate may be proposed for construction of new sidewalk along W. 41st St. once the new fire station is constructed. If not contracted out, the fire station sidewalk work will be completed in-house.

11. Finally, approximately \$40K remains to augment the purchase of crack seal material, asphalt, concrete and other materials for City crews to perform in-house street maintenance.

Legal Consideration

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

Financial Consideration

Historically, street maintenance has been financed through the Special Highway Fund, which receives revenue from the State, mainly from fuel tax reimbursements, Connecting

Link Maintenance funds, and Federal Exchange Program funds. In addition, \$200,000 is being transferred into Special Highway from the General Fund.

Available Funds in 2023

Special Highway

- State Gas Tax Refund (KDOT)	\$ 576,750
- Connecting Link Maintenance (KDOT)	\$ 74,500
- Transfer from General Fund	\$ 200,000
- Federal Aid (Exchange Program)	\$ 270,000
- Cash Carryover	\$ 465,638
- Contingency (keep for unforeseen expenses)	\$ -(50,000)
Total Available	\$1,536,888

Options

The City Commission has the following options:

- Accept the Street Maintenance Program for 2023 as presented and authorize staff to solicit bids for the proposed work to be accomplished in the 2023 construction season.
- Provide alternate direction to staff.

Recommendation

Accept the Street Maintenance Program for 2023 as presented and authorize staff to solicit bids for the proposed work to be accomplished in the 2023 construction season.

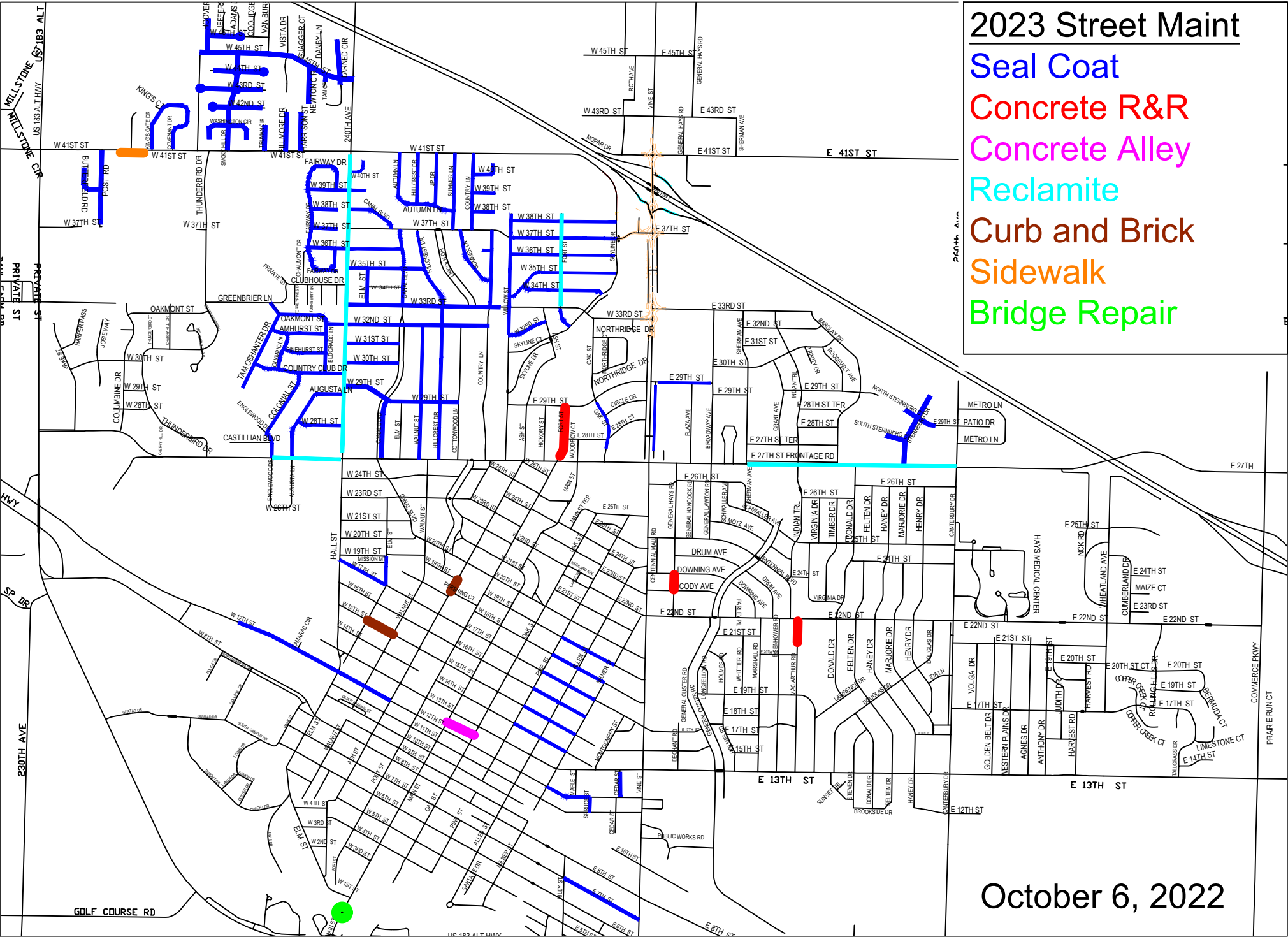
Action Requested

No action requested at this time.

Supporting Documentation

2023 Street Maintenance Location Map
2023 Special Highway Budget

2023 Street Maint
 Seal Coat
 Concrete R&R
 Concrete Alley
 Reclamite
 Curb and Brick
 Sidewalk
 Bridge Repair



October 6, 2022

MISCELLANEOUS FUNDS**SPECIAL HIGHWAY****ACCOUNTS: 12044, 12045****DEPARTMENT / DIVISION SPENDING SUMMARY**

		2021 ACTUAL	2022 BUDGET	2022 ESTIMATE	2023 BUDGET
12044	REVENUES				
	CASH BALANCE AS OF JAN 1	\$ 256,550	\$ 197,808	\$ 471,545	\$ 465,638
43311	FEDERAL AID	70,858	110,984	268,305	270,000
43353	STATE GASOLINE TAX	603,280	533,430	568,010	576,750
43354	CONNECTING LINK MAINTENANCE	74,549	74,500	74,500	74,500
49512	TRANSFER FROM GENERAL FUND	500,000	200,000	200,000	200,000
	Total	\$ 1,248,687	\$ 918,914	\$ 1,110,815	\$ 1,121,250
	Total Available Funds	\$ 1,505,237	\$ 1,116,722	\$ 1,582,360	\$ 1,586,888
12045	EXPENDITURES				
54900	CONTINGENCY	6,571	50,000	50,000	50,000
59000	BUDGETED PROJECTS	1,027,121	1,066,722	1,066,722	1,536,888
	Total	\$ 1,033,692	\$ 1,116,722	\$ 1,116,722	\$ 1,586,888
	Unreserved Fund Balance	\$ 471,545	\$ -	\$ 465,638	\$ -

DEPARTMENT / DIVISION PROFILE

Special Highway funds are used to complete street maintenance. The revenue for this fund comes from the State Gasoline Tax, Federal Fund Exchange, KDOT Connecting Link program and transfers from the General Fund.

- **State Gasoline Tax:** Authority: Pursuant to KSA 79-3425C et seq., cities in Kansas receive a portion of the gasoline tax collected by the State of Kansas for the use of construction, alteration, repair and maintenance of streets and highways. Funds are distributed to cities on a per capita basis. Payments are received quarterly.
- **Connecting Link Maintenance:** The City receives \$5,000 per lane mile for maintenance of state highway connecting links - Vine Street (US-183) and others - that pass through the City of Hays. Total lane miles equal 14.9.

Line Item Detail/Significant Changes From Previous Budget

- **Budgeted Projects** is the amount identified for 2023 projects, which typically consists of the sidewalk maintenance/rebate program, pavement markings, crack seal, surface seals, curb and gutter repair, brick street patching, and other street maintenance projects. Staff will present the 2023 Street Maintenance Program to the City Commission toward the end of 2022 prior to soliciting bids. Repairs to the bridge on Main Street over Big Creek are planned for 2023 and will be funded out of this line item as well.