

Memo

To: City Commission
From: Toby Dougherty, City Manager
Date: 2-15-19
Re: February 21, 2019 Work Session

Please find the attached agenda and supporting documentation for the February 21, 2019 Work Session.

Item 2 – Stonepost Lofts at Former Washington Elementary School – Request for Resolution of Support

Please refer to the attached memorandum regarding a Resolution of Support for Overland Property Group regarding its redevelopment of the former Washington Elementary School. Overland Property Group is applying for federal tax credits to fund the renovation of Washington Elementary School, and part of the tax credit application package requires a Resolution of Support from the local governing body. The City Commission has offered Resolutions of Support for all of the past Overland Property ventures.

Item 3 – Service Division Double-Drum Compactor Roller – Award of Bid

Please refer to the attached memorandum from Jesse Rohr, Director of Public Works, regarding the purchase of the double-drum compactor roller for the Service Division. This is a new piece of equipment that was budgeted in the 2019 Budget. It is a much-needed piece of equipment that will aid the Service Division with its asphalt street patching, overlays, and repairs.

Item 4 – Comprehensive Financial Management Policy Review – 2018

Please refer to the attached memorandum from Kim Rupp, Director of Finance, regarding the Financial Management Policy review. Category 13 of the City Commission's Comprehensive Financial Management Policy requires an annual review of each section for compliance. As usual, the City is in compliance with all aspects of the policy.

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CITY OF HAYS
CITY COMMISSION WORK SESSION
CITY HALL, 1507 MAIN STREET, HAYS, KS
THURSDAY, FEBRUARY 21, 2019 – 6:30 P.M.
AGENDA

1. **ITEM FOR REVIEW: [February 7, 2019 Work Session Notes \(PAGE 1\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Kim Rupp, Director of Finance
2. **ITEM FOR REVIEW: [Stonepost Lofts at Former Washington Elementary School – Request for Resolution of Support \(PAGE 7\)](#)**
PERSON RESPONSIBLE: Matt Gillam, Overland Property Group
3. **ITEM FOR REVIEW: [Service Division Double-Drum Compactor Roller – Award of Bid \(PAGE 13\)](#)**
DEPARTMENT HEAD RESPONSIBLE: Jesse Rohr, Director of Public Works
4. **ITEM FOR REVIEW: [Comprehensive Financial Management Policy Review – 2018 \(PAGE 19\)](#)**
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
Thursday, February 7, 2019 – 6:30 p.m.

Present: Henry Schwaller, IV, Shaun Musil, Sandy Jacobs, Ron Mellick, James Meier, John T. Bird, Toby Dougherty, and Kim Rupp

January 17, 2019 Work Session Notes

There were no corrections or additions to the minutes of the work session held on January 17, 2019; the minutes stand approved as presented.

Annexation of Property Located at 183 Bypass and West 33rd Street

Jesse Rohr, Director of Public Works, reported that Robert and Sondra Swift, who own 23.310 acres of property on the west side of the 183 Bypass and West 33rd Street, have submitted a signed consent to annex the property under K.S.A. 12-520c and desire to annex; to allow for development of the property and connection to City services. The land is approximately 500 feet from the present City limits but is not contiguous. Staff recommends annexing this property due to its proximity and the availability of City services and infrastructure necessary to serve this property once developed.

A portion of the property being annexed is known as Creeksite Acres which previously was a Mobile Home Park. The other portion of property includes Big Creek that runs along the west of the property. Being this close to Big Creek, all of this property is located within the 100-year floodplain and any development would be required to follow the City of Hays floodplain development ordinances. Sewer is located along the east side of Hwy 183 Bypass. Upon annexation approval, the developer plans on extending a City water main from Columbine Drive to the west to this property at no cost to the city.

Due to the noncontiguous nature, K.S.A. 12-520c requires a different approval process that requires the county's approval. On January 10, 2019 the

City Commission passed a Resolution asking the Ellis County Commission to determine the feasibility of the annexation request. The Ellis County Commission approved the Resolution on February 4, 2019.

At the February 14, 2019 Commission meeting, Commissioners will be asked to approve an Ordinance annexing the property along Hwy 183 Bypass and West 33rd St. as legally described to the City of Hays.

2019 Street Maintenance Program – Award of Bid

John Braun, Project Manager, stated at the December 6, 2018 City Commission Work Session, staff presented a proposed Street Maintenance Program for 2019. The total program cost was estimated to be \$1,134,462; which is the amount of funding included in the 2019 Budget for these projects. Bids for 2019 Street Maintenance Projects were opened on January 22, 2019. The projects bid with this year's program include seal coat, asphalt rejuvenator, micro-surfacing, diamond grinding, curb and brick repair, major rehab of Ash Street from 23rd to 27th Street, and shoulders along portions of 8th Street and Old Hwy 40 east of Vine Street. The bids were received from eight different contractors and staff recommends entering contracts with the low bidders for all projects except diamond grinding.

At the February 14, 2019 Commission meeting, Commissioners will be asked to authorize the City Manager to enter contracts for construction as follows:

- Circle C Paving and Construction, LLC in the amount of \$153,535.20 for seal coat
- Proseal Inc. in the amount of \$84,466.84 for asphalt rejuvenator
- Vance Brothers, Inc. in the amount of \$71,159.05 for micro-surfacing
- J Corp., Inc. in the amount of \$100,566.30 for curb and brick repair
- J Corp., Inc. in the amount of \$189,229.00 for Ash Street major rehab
- J Corp., Inc. in the amount of \$19,500.00 for concrete shoulders

Mr. Braun explained that three contractors were interested in the diamond grinding project, but Diamond Surface, Inc. of Rogers, Minnesota, was the only

bidder. Diamond Surface, Inc. is the same contractor that did diamond grinding in 2018 on Canterbury and 27th Street. The unit price bid for grinding in 2019 is \$8.91/SY compared to \$5.59/SY last year, or 60% higher. Due to the excessively high cost of grinding by only one bidder, staff does not recommend awarding a bid for diamond grinding at this time. Some contractors stated that they did not bid because their schedule was already full for the year. Staff recommends rejecting all the diamond grinding bids and awarding the remaining projects to the low bidders. The remaining \$393,000 could be used on other projects.

Commissioner Mellick asked if the diamond grinding project needs to be bid at a different time, before their schedule is full for the year. Mr. Braun stated it may be wise to bid this in the fall for the next year.

Discussion was held about maximizing the amount to add concrete shoulders along portions of 8th Street and Old Highway 40 east of Vine Street. This was bid as an alternate project to allow flexibility to maximize the use of available funds. The project was bid with a minimum quantity of 1,000 linear feet of shoulder, with the option to add more quantity up to a maximum of 9,000 linear feet. The low bid came from J Corp at the unit price of \$19.50 per linear foot. They discussed adding concrete shoulders along the entire length of both sides of Old Highway 40 and East 8th Street for a cost not to exceed \$175,500. The remaining funds could be used for other work, which might include diamond grinding that is bid out later this summer to be done next year. Mr. Dougherty stated the award recommendations at the February 14, 2019 Commission meeting will be adjusted to reflect those changes.

The projects awarded would be accomplished at various locations at various times throughout this year.

North Vine Street Corridor Status Update

Over the last year, the City's consultant, WSP Engineers, and City staff have been working on the development of a project to make improvements to Vine Street from 32nd Street to 41st/Mopar intersection. In July, the City submitted an application to the US Department of Transportation for the Better

Utilizing Investments to Leverage Development (BUILD) Grant program. On December 6, 2018, the City was notified the North Vine Street Corridor Project was selected and awarded \$6,057,827 to be used for construction. On January 9, 2019, City staff attended a meeting in Topeka with representatives from the Federal Highway Administration (FHWA) and Kansas Department of Transportation (KDOT) to discuss how the project is to be administered.

John Braun, Project Manager, reviewed the latest design and status of the project as well as the planned schedule and procedures moving forward.

Mayor Schwaller asked if the frontage roads will be repaved, specifically the west frontage road in front of Freddy's which is in very bad shape. Mr. Braun stated that has been discussed, and they are trying to decide at what point that work should be done. City Manager, Toby Dougherty, stated it is on the priority list.

Commissioner Meier asked if parallel parking along the frontage road has been considered. He has noticed people with trucks and trailers parking along the frontage road and added if there is a way to accommodate those businesses with additional parking, it should be looked at. Mr. Braun stated the plan calls for a sidewalk that runs the full length similar to what is on the east side now. Commissioner Mellick asked if those businesses should help fund that since the additional parking would be a benefit to their business. Assistant City Manager, Jacob Wood, stated staff has met with all of the businesses in the area and none of them requested parking along the frontage road. Commissioner Jacobs stated it is good to think outside of the box and outside of the project to see all the possibilities if we are doing the work anyway. Mr. Dougherty stated people are parking there now and staff will look into it.

Mr. Braun provided the following preliminary schedule:

- Preliminary Design March 2019
- Begin Right of Way Acquisition April 2019
- Complete Final Design November 2019
- Complete Right of Way November 2019
- Bid Opening April 2020

Commission Work Session Agenda

Memo

From: Toby Dougherty, City Manager

Work Session: February 21, 2019

Subject: Stonepost Lofts at Former Washington Elementary School – Request for Resolution of Support

Person(s) Responsible: Matt Gillam, Overland Property Group, LLC

Summary

Overland Property Group is looking to redevelop the former Washington Elementary School and construct income-qualified housing. The initial plan is to build 20 units of income-qualified housing. As part of the process to apply for tax credits, Overland Property Group requires a Resolution of Support from the Governing Body.

Background

Overland Property Group has built income-qualified housing in three phases. Phase 1 is on the southeast corner of 5th and Main. Phase 2 was across Main Street to the west. Phase 3 was immediately north of Larks Park on Fourth Street.

Discussion

The City Commission authorized Resolutions of Support for Phases 1, 2, and 3 in 2006, 2010, and 2012. The City Commission authorized a Resolution of Support for a failed attempt at a project on East 22nd Street in 2014. The Commission also authorized a Resolution of Support in 2017 for an attempt to redevelop the former Fort Hays Trailer Park.

Legal Consideration

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

Financial Consideration

There is no financial consideration with this request as Overland Property Group is only asking for a Resolution of Support.

Options

The City Commission has the following options:

- Approve the request for a Resolution of Support.
- Deny the request for a Resolution of Support.
- Do nothing.

Recommendation

City staff recommends the City Commission approve the Resolution of Support for the Stonepost Lofts development.

Action Requested

Approve the resolution supporting the Stonepost Lofts development.

Supporting Documentation

Letter and Attachment from Matt Gillam with Overland Property Group, LLC
Resolution of Support



Toby Dougherty
City Manager – City of Hays
P.O. Box 490
Hays, KS 67601

Re: Potential Hays Development – Stonepost Lofts at Washington

Dear Toby:

This letter is to formally request a resolution of support from the City of Hays for a new development we are pursuing at the old Washington School site at 305 Main Street in Hays. We are currently preparing an application to Kansas Housing Resources Corporation for Low Income Housing Tax Credits for up to 20 units (1, 2 and 3 bedroom) targeting families between 30-80% of the Ellis Country Area Median Income. I have attached a draft Resolution of Support to this letter. I look forward to presenting this information to the Hays City Commission along with other details of the project soon.

Please contact me with any additional questions you may have.

A handwritten signature in blue ink, appearing to read "Matt Gillam", with a long, sweeping underline.

Matt Gillam
Vice President of Development and Partner
Overland Property Group



RESOLUTION NO. 2019-_____

WHEREAS, the City of Hays, Kansas has been informed by Overland Property Group, L.L.C. that a housing tax credit application will be filed with the Kansas Housing Resources Corporation for the development of affordable rental housing to be located at 4th and Main Street in Hays, Kansas.

WHEREAS, this housing development will contain 20 units;

WHEREAS, the units will be targeted to low-income families;

WHEREAS, the development will be a new construction;

WHEREAS, the property will have the following amenities: Certified Energy Star apartments (appliances, HVAC, and unit construction), washer and dryer included in each apartment, walk-in closets, landscaping, clubhouse, playground, and workout facility;

NOW, THEREFORE, BE IT RESOLVED by the City of Hays Governing Body that we support and approve the redevelopment and construction of the aforesaid housing in our community, subject to City ordinances and the building permit process.

ADOPTED BY THE GOVERNING BODY AND APPROVED BY THE MAYOR, this 28th day of February, 2019.

[Seal]

CITY OF HAYS, KANSAS

HENRY SCHWALLER, IV
Mayor

Attest:

BRENDA KITCHEN
City Clerk

Commission Work Session Agenda

Memo

From: Jesse Rohr, Director of Public Works

Work Session: February 21, 2019

Subject: Double-Drum Roller Compactor – Award of Bid

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

Summary

The 2019 Budget (page 158) included \$37,000 for the purchase of a new double drum asphalt compactor for the Service Division. This piece of equipment will be for asphalt compaction and base compaction as well for asphalt and concrete projects.

The low bid for a new roller compactor that met all specifications is \$34,445.91. The funding would come from the New Equipment Reserve. The budget amount was \$37,000. Staff recommends awarding the bid to Murphy Tractor and Equipment for a 2019 HAMM AG HD10VV double roller compactor the total amount of \$34,445.91.

Background

The 2019 Budget (page 158) included \$37,000 for the purchase of a new double drum asphalt compactor for the Service Division. This is a new piece of equipment that is not currently in the fleet. Public Works has had a drum roller in the past but has been without for several years.

Discussion

Service Division often performs asphalt repairs with cold and hot mix asphalt. Hot mix asphalt requires the use of a steel double drum roller to compact the asphalt in equal lifts. Currently the right equipment is not on hand for an adequate job to be done. The Service Division has had to use alternative methods that produce a lower quality outcome than what would be possible with the addition of a drum roller to the fleet.

Four qualified bids were opened on January 29, 2019. A summary of the bids is listed below, and a copy of the recommended bid is attached.

Murphy Tractor and Equipment - \$34,445.91 – HAMM AG HD10VV

The G.W. Van Keppel Co. - \$34,900.00 – VOLVO DD25B

Victor L. Phillips - \$35,700.00 – CASE DV23D

Victor L. Phillips - \$36,700 – DYNAPAC CC1100

Legal Consideration

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

Financial Consideration

This project was listed on the Fleet Replacement Schedule of the 2019 Budget with a cost estimate of \$37,000 to be funded out of New Equipment Reserve. The recommended low bid price of \$34,445.91 is below the budget estimate of \$37,000.

Options

The City Commission has the following options:

- Award the bid to Murphy Tractor and Equipment Co. as recommended
- Reject all bids
- Direct Staff otherwise

Recommendation

Staff recommends the City Commission award the bid to Murphy Tractor and Equipment Co. of Great Bend for the HAMM AG HD10VV double drum roller, for the total amount of \$34,445.91.

Action Requested

Award the bid for the purchase of a new HAMM AG HD10VV double drum roller from Murphy Tractor and Equipment Co. of Great Bend in the amount of \$34,445.91 to be funded out of the New Equipment Reserve.

Supporting Documentation

Vehicle Pictures
Vendor Bid

HD 10 VV



Articulated tandem roller

- ▶ Hydrostatic dual drum drive
- ▶ Automatic/manual vibration system
- ▶ Hydrostatic articulated steering
- ▶ Excellent maneuverability
- ▶ Low sound level
- ▶ 3 braking systems with Emergency Stop button
- ▶ Plastic water tank, pressurized water system, hand serviceable, plastic spray nozzles
- ▶ 2" (50mm) offset capability

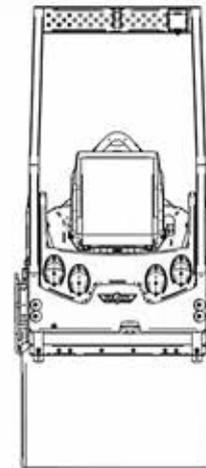
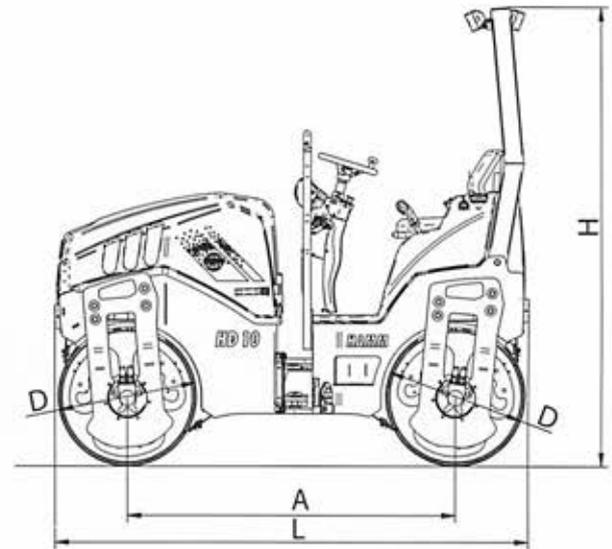
TECHNICAL DATA

HD 10 VV

HD 10 VV - Articulated tandem roller

Weights			
Operating weight with ROPS	lbs (kg)	5,467	(2480)
Maximum weight	lbs (kg)	6,173	(2800)
Axle load, front/rear	lbs (kg)	2,667/2,800	(1210/1270)
Static linear load, front/rear	lbs / in (kg/cm)	67.7/71.0	(12,1/12,7)
Machine Dimensions			
Drum width	in (mm)	39.4	(1000)
Max. working width	in (mm)	41.4	(1050)
Turning radius, inside	in (mm)	97.2	(2470)
Diesel engine			
Manufacturer		KUBOTA	
Model		D1503-M-E3B	
Number of cylinders		3	
Power rating DIN/ISO3046/FN kW/HP/rpm		22.9/31.1/2700	
Power rating SAE J1349, HP/kW/rpm		30.7/22.9/2700	
Fuel tank, capacity	Gal (Ltr)	11 (42)	
Drive			
Hydrostatic drive, front/rear		Hydraulic motor/hydraulic motor	
Speed, infinitely variable	mph (km/h)	0-6.8 (0-11,0)	
Climbing ability, vibration on/off	%	30/40	
Vibration system			
Hydrostatic drive. Front and back vibration / one double switch, automatic vibration switch-off at overspeed.			
Manual or automatic vibration control			
Vibration			
Vibration frequency, front	vpm (Hz)	3,120/4,020 (52/67)	
Vibration frequency, rear	vpm (Hz)	3,120/4,020 (52/67)	
Amplitude, front	in (mm)	.021/.021 (0,54/0,54)	
Amplitude, rear	in (mm)	.021/.021 (0,54/0,54)	
Centrifugal force, front	lbs (kN)	6,300/10,350 (28/46)	
Centrifugal force, rear	lbs (kN)	6,300/10,350 (28/46)	
Steering			
Steering, type		Pivoted steering	
Steering, actuation		hydrostatic, steering wheel	
Steering angle +/-	Grad	32°	
Oscillation angle +/-	Grad	8°	
Brake system			
Service brake, mode of action		hydrostatic	
Service brake, actuation		Drive lever	
Parking brake, mode of action		Spring-loaded/multi-disc	
Parking brake, actuation		Electric and/or automatic	
Emergency brake, mode of action		hydr./mech.	
Emergency brake, actuation		Emergency stop button	
Sprinkler system			
Water sprinkler, type		Pressure	
Actuation, sprinkling		interval/manual	
Water tank, capacity	Gal (Ltr)	48 (180)	
Standard equipment			
2" offset capability, comfort seat, multifunctional control lever, hourmeter, pilot lamps and emergency stop button. ROPS, seat belt, back up alarm. Lighting according to German Road Regulation. CE-conformity.			
Optional equipment			
ROPS mounted, front and rear work lights. Rotating beacon. Special paint.			

Further data on request / subject to change



		HD 10 VV
Total length	L	96.8" (2460)
Total width	B	43.7" (1110)
Total height	H	94" (2390)
Wheel base	A	67" (1700)
Drum width	X	39.4" (1000)
Drum diameter	D	28.3" (720)

BID SHEET

ONE (1) UTILITY DOUBLE DRUM ROLLER

State bids will be considered in determining the lowest reasonable bid.

BRAND AND MODEL Hamm HD-10 VV
YEAR 2019
APPROXIMATE DELIVERY DATE Immediately (In-Stock)
WARRANTY 1 year / 1000 hour Warranty

ALL OPTIONS SHALL REFLECT THOSE COSTS IN ADDITION TO THE BASE BID.

DELIVERED F.O.B. TO CITY OF HAYS,
SERVICE DIVISION, HAYS, KS

	OUT-RIGHT PRICE	TRADE-IN CREDIT	TOTAL
BASE BID - Utility Double Drum Roller	\$ <u>34,445.92</u>	<\$ <u>XXX</u> >	\$ <u>34,445.91</u>
TOTAL BID			\$ <u>34,445.91</u>

REPRESENTATIVE Travis Goeken
DATE 1/21/19
COMPANY Murphy Tractor + Equipment Co.
ADDRESS 325 S. Highway 281 Great Bend, Ks 67530
TELEPHONE NUMBER 316-708-3778 DATE 1/21/2019

COMMENTS _____

Memo

To: Toby Dougherty, City Manager
Cc: Jacob Wood, Assistant City Manager
From: Kim Rupp, Director of Finance
Date: January 24, 2019
Re: Comprehensive Financial Management Policy Review - 2018

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 2018 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.

All funds with budgeted reserve transfers were able to do so in 2018 and in many cases even increase what they were able to allocate.

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 operating expenditures ended the year \$492,000 under budget. The City Commission Capital Reserves captures these funds for future projects paying cash to complete those rather than increasing costs by bonding. The transfer to City Commission Capital Reserves for 2018 was \$1,200,000.

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 2018 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. The Water Production and Reclamation funds continued their rate structure increases to help provide services, address maintenance issues, meet operational needs, and provide funding for the reconstruction of the Waste Water Treatment Facility to meet new state and federal requirements.

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%. At year-end 2018 City debt was at 4.4% of the assessed valuation.

The City continued its practice of pay-as-you-go financing of capital projects given the substantial amount of idle funds available and low 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.

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 2018 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. The City's weighted average interest rate on the portfolio increased from 1.21% to 2.29% during 2018.

All of the City's investments are in money market accounts, certificates of deposits, or US Treasury Notes.

Category VII

Enterprise Fund Management

Water and sewer rates underwent a full review by Springsted Inc in 2015. This revealed a need for a rate increase in both rate structures. As a result of the study and a review of numerous options the ongoing schedule includes an increase of 15.5% January 1, 2018 through 2020 and finally 12% on January 1, 2021. Water increases include 5% on January 1, 2018 and 2019 and finally 3% January 1, 2020 and 2021. 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. A similar full financial review is conducted annually and has verified that the intended purposes of the rate increases are being fulfilled.

Category VIII

Accounting, Auditing and Financial Reporting

The City follows all governmental requirements for reporting and auditing. The City's auditing firm completed the 2017 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.

Category X

Procurement

Staff has continued to follow the purchasing policy allowing 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. All expenditures for procurement are controlled by the annual budget at the departmental level.

Category XI

Intergovernmental Revenues

No grants were used in 2018 to meet service delivery needs. Grants received during 2018 from the State of Kansas or Federal Government included funds for airport improvements and police community safety programs. These did not create City overhead or indirect costs.

Category XII

Economic Development

The City's Economic Development 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. The former Ellis County Coalition for Economic Development, now known as, Grow Hays, is empowered to help facilitate the requirements of the Economic Development Policy thus streamlining the process for both the applicant and the City Commission.

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.