



## **City Manager's Report**

October 24<sup>th</sup>, 2017

Honorable Mayor Blackie and Commissioners Cole and Gwin,

We have been busy over the past couple of weeks. I have participated in meetings with the County Commission, Blue Cross Blue Shield of Kansas, our consultants from the Kansas Municipal Energy/Gas Agency (KMEA/KMGA) on a gas utility rate analysis, the Garnett Area Chamber of Commerce, applicants for our Director of Gas and Water position, and I attended the KMEA/KMGA Annual Meeting.

Of significant importance to our electric utility and our customers is the recent directive issued by United States Secretary of Energy Rick Perry to the Federal Energy Regulatory Commission (FERC) to revamp rules and essentially establish price floors for fuel supported energy products such as coal and nuclear. There is a concern that the move toward more environmentally friendly energy has decreased the reliability of our nation-wide electric grid. The influx of these products into the market, especially wind energy, has driven down the price of electricity. With the lower prices, it has been difficult for traditional energy sources, coal and nuclear specifically, to cover their operational costs and as such coal and nuclear plants around the country are in significant danger of closing. These units are more reliable than wind, hydro, or solar power due to the fact that they rely on a fuel for generation rather than banking on wind, sun, or water being present at any given time. Establishing a price floor for such energy products will result in an increase to our purchase price of electricity. With a board comprised of five members, two of whom have just recently been appointed by President Trump, FERC is likely to fall in line with what the Trump Administration is requesting and we will see a more reliable,

albeit expensive, electric grid in the future. Secretary Perry has requested that FERC issue their ruling and have it in effect before this winter.

Our Health Insurance Renewal from Blue-Cross Blue Shield of Kansas saw a 23.2% increase in premiums for the same plan as what we have today. I only budgeted for an 18.5% increase, and that was with the City absorbing more of the cost of the premiums than what we do today. We have recently seen a couple of personnel changes with Wastewater Superintendent John Olson being promoted to Director of Sanitation and Transportation, where he is now in charge of the refuse, streets, and wastewater departments. Gas and Water Distribution Superintendent Ken Amaya has been promoted to Director of Gas and Water now overseeing not only our distribution systems, but also the water production system.

The regular business items this meeting are topics we have discussed at length in the past. Item A is consideration of the Ordinance which will reduce the restrictions on residential use downtown, effectively allowing residential renters in the rear 50% of a downtown commercial structure. The Planning Commission has addressing the concerns staff had and after conferring with City Attorney Solander, I believe it is ready for your consideration.

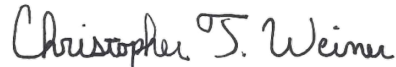
Item B is again addressing the vacation of City right-of-way along the east side of Catalpa Street just south of Second Avenue. This section of right-of-way under discussion lies twelve and a half (12.5) feet underneath the structure owned by Mr. John Pollock. Due to a lack of information over the two months, I have requested time to research and compile more information in the belief that the legal survey was incorrect. I hoped this would prove to be true as in that case, the City would therefore not need to vacate any right-of-way. After significant staff research time, we were able to ascertain that my belief was wrong and the legal survey is after all correct. The scenario on Catalpa Street is unusual in that the road right-of-way extends fifty (50) feet from the center of the road to the east and only twenty-five (25) feet from the center of the road to the west. We were able to obtain this information by reviewing plat maps from the sixties and speaking with the actual surveyor. I have attached a copy of the plat map for your reference. As I have mentioned previously, I am not thrilled at the prospect of giving up City owned right-of-way, especially in an area where we have a goal of substantial growth where a road improvement or expansion might be necessary. However, the only reasonable solution

would be to acquire right-of-way on the opposite side of the street to offset the vacation. This solution, while possible, would likely have a cost associated with it as well as it would have to be a County acquisition as the west side of the street is not inside the City limits. I will go ahead and draft an ordinance to vacate the twelve and a half (12.5) foot right-of-way lying under his structure for your consideration at the November 14<sup>th</sup> Commission meeting. Please let me know if you would like me to pursue or consider something in addition to this.

The claims this cycle are unusually high due to payments on the US-59 turning lane project. We are paying \$272,535.31 for the turning lane project, all of which will be reimbursed by KDOT. We should see the remainder of the payments for the project paid on the next pay cycle. The other major, unusual expense this cycle was paying for the backwash pump which was recently installed at the Water Treatment Plant.

As always, please let me know if you have any questions and I appreciate the opportunity to serve you and this wonderful community as your City Manager.

Sincerely,

A handwritten signature in cursive script that reads "Christopher T. Weiner".

Christopher T. Weiner, City Manager