



City Manager's Report

December 12th, 2017

Honorable Mayor Blackie and Commissioners Cole and Gwin,

Director of Community Development Wettstein, Airport Manager Ecclefield, Airport Board Chairman, and I attended a meeting with the Federal Aviation Administration (FAA) to discuss the current airport master plan and its likelihood of funding and our best options to maximize the resources available to improve the Garnett Industrial Airport. Unfortunately, the existing master plan is unlikely to be funded according to the FAA representatives. I have submitted an updated airport capital improvement plan (ACIP) to the FAA with a planned project in 2018 of updating our Airport Master Plan, airport property map, and an aeronautical survey. The anticipated cost for this project is \$200,000 of which the FAA will fund ninety percent (90%) leaving us to fund \$20,000. We budgeted \$15,000 in next year's budget for capital improvement expenses so if the cost does come in above \$150,000 as projected, we will need to allocate additional resources to the project. We are advertising a request for qualifications (RFQ) for airport consultants to complete this project and will select a consultant by the end of January. I have attached the letter from the FAA outlining the project scope and timeline. We have submitted a letter of intent for Garnett to serve as a host site during the 2018 Kansas Air Tour. The Kansas Department of Transportation will be evaluating locations and announcing their selections in the near future. Mrs. Wettstein and I also attended a Project 17 meeting in Parsons where we discussed economic development opportunities and ways we can better market our commercial and industrial land. Mrs. Wettstein, Director of Economic Development Dennis Arnold, Deputy Director of Community Development Desiree Donovan, and I met with an entrepreneurial couple and discussed their plans to build an event center in the community.

I spoke with the Danny Coltrane, the local engineer referenced in prior meetings about our water plant and he attended a meeting with Director of Gas and Water Amaya, Commissioner Gwin and City Clerk Kinney and I where we discussed our water plant options. Former Water Production Superintendent Jim James, the Manager of Hawkins Chemicals, Tom Lasser, Director Amaya, City Clerk Kinney, incoming Commissioner Brigette Brechiesen-Huss, and I also met and discussed the processing needs of our water plant and our options. I spoke with Brian Wintle, our water plant engineer, and relayed the suggestions brought up at our meetings and asked him to look into those options as well as reevaluating our raw water data to make sure we are proposing to treat water we receive now, rather than what we used to get from the South and North lakes. After reviewing the data he sent me an email (which I've attached) articulating that the high turbidity numbers used in the report for design planning were in fact applicable. I also met with the manager of the Miami County Water District #2, Jerry Bennett, about their water plant's processes and ways in which we might be able to learn from their system and process. I have asked Mr. Wintle to be here for another meeting that hopefully all decision makers and everyone we are relying on for advice can attend so that we can chart the proper path forward with everyone on the same page. We have tentatively scheduled this meeting for Friday, January 5th, at 2 P.M. Please let me know if you can make this meeting time. Director Amaya and I plan to look at other comparable water plants over the next few weeks in order to increase our knowledge about what some other comparable plants are doing. Looking again at the revenue and cost perspective of our water utility, while the ethanol plant accounts for approximately 35% of our water consumption, they only account for 25% of our total revenue. This is due to the fact that they pay a much lower wholesale rate. Our operational and debt servicing costs for the water department are approximately \$650,000 annually. However, beyond the operating costs of the utility, the Water Fund also subsidizes other tax levy funds to a significant degree (\$300,000 to the Public Safety Fund in 2018). We also have budgeted in 2018 for the significant one-time expense of \$770,000 to pay for the engineering design of the new water treatment plant. Disregarding the one-time engineering costs, our 2018 water fund expenses amount to approximately \$950,000 while our revenue typically exceeds this number (a projected \$1,100,000 for 2017).

City Clerk Kinney and I have been meeting with our account representative from Vyve Broadband and we are moving forward with transferring to them as our service provider for telephone and internet services from Century Link – we anticipate seeing significant cost savings from this transition. We anticipate saving approximately \$1,000 per month (\$12,000 annually) while upgrading our phone system at City Hall, providing additional internet service to four facilities which do not currently have internet (Town Hall Center, Street Department, Utility Shop, and Recreation Center), and upgrading all internet connections which do currently exist to a much faster connection. I have also reached out to Kansas Fiber Network to see what the cost would be for a fiber connection to City Hall before we move forward entirely with Vyve. We have switched medical insurance carriers for 2018 from Blue Cross Blue Shield of Kansas to United Healthcare. The new healthcare offering from the City will provide employees with both vision and dental insurance as well as a medical bridge plan to help them pay their deductible. I believe that this plan overall is a better plan than what we have currently and we were able to acquire this plan for under what was budgeted on a per enrollee cost, and under what Blue Cross's renewal cost was (not even including vision, dental, or the medical bridge). However, our budget will take a significant hit this next year due to a few more employees taking our insurance coverage than do previously. Anderson County Director of Emergency Management J.D. Mersman has been working on a plan to develop an emergency push button system for the County Courthouse and other facilities. We are working with him to see if the City might be able to participate in this system to provide City Hall with such a push button panic system as well. J.D. is also working to help the City apply for a fire truck grant which would be approximately 85%-90% funded. If awarded, the City would need to contribute an estimated \$40,000 to \$60,000 to obtain a new, very basic, pumper truck.

As for the agenda, Mr. Raddatz will be at the meeting to present to the Governing Body his request to quitclaim deed his property at 715 East Fourth (4th) Avenue to the City. He has stated he would like to stop having to pay taxes on and maintain the property as he has no use for it. My thought is, if we decide we want to start taking on properties like this, we need to establish a land bank first as then we can hold the properties tax free and then market the property as we see fit. With item A I am recommending we change our auditing firm from

Mizehouzer and Company who has done our audit for the past few years, to Jarred, Gilmore, and Phillips who I have experience with from a previous community. Jarred, Gilmore, and Phillips, proposal to conduct to City's audit for 2017 came in at a cost of \$6,500 compared to Mizehouzer's of \$12,330. In addition to the cost savings, I feel as if this is a good move as I believe it is good practice to have a new set of auditing eyes reviewing our financials every few years. Items B through E are for your consideration of annual agreements with organizations we have historically approved. Please let me know if you would like to see changes to these. Item F is for the consideration of an offer of \$2,800 from a Mr. Joe Fritz to buy a City-owned vacant lot at 545 East Fourth (4th) Avenue. The lot had a structure on it which we demolished and we have since had to maintain (mow) it and pay property taxes on it. The \$2,800 is not close to the amount of money that we have in the lot, however those are sunk costs and we will just continue to incur further costs if we hold onto the property. My recommendation is to either go ahead and sell the property, or we can create a land bank, put the property in the land bank, and then sell the property with some strings attached (such as it must be built on within two years). If we go the land bank route, we realistically will get less out of it in terms of a sale price. Mr. Fritz has articulated to me that his plans are to build a new shed on his adjacent lot and onto this lot. I have spoken with local resident Mary Hix who has expressed an interest in serving on the Standing Committee for Artwork (Walker Art Committee) and am awaiting a formal written letter of such interest. I expect to receive it this evening (Friday) and if I do, I will forward it on to you for your review. After speaking with the County Commission about the potential date for the Winter Joint City and County Commission Meeting, they suggested January 8th or 22nd as possible dates for the meeting. Please let me know which of these dates work best for you.

As for informational items you will see the departmental reports and that our employee of the month is Roy Salazar. I will get you out the financial report as soon as possible for your review. Roy is a true asset to the City. Roy's work ethic and attitude are outstanding and he always responds in a positive manner. Our City Christmas party is Friday, December Fifteenth (15th) at 5:30 P.M. at the Knight's Hall.

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,

Christopher T. Weiner

Christopher T. Weiner, City Manager