



## City Manager's Report

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

Honorable Mayor Blackie and Commissioners Cole and Gwin,

The past couple of weeks have been a blur but they have been very valuable in terms of being brought up to speed on a variety of ongoing projects.

The Skate Park grind box equipment will be installed on August 29<sup>th</sup>. An important piece of information that I just want to make sure you are aware of is that the equipment and installation company (American Ramp Company) has a disclaimer for use and installation of the grind box on an asphalt pad (which ours is). They require that the pad be level so that the ramps sit flush with the pad and will charge us to fix it if it is not level. Additionally, if the ramps settle over time, due to the pad being asphalt, they will not warranty the installation. They also will not be liable for damage to the asphalt pad if it is necessary to utilize a forklift for installation purposes. Although, we do not anticipate needing the use of a forklift, but if so, we will assist with our equipment.

I am in the process of reviewing the previously proposed utility connection charges to ensure that my recommendation on amounts is the same. I would rather not pass it now, and then feel the need to recommend another ordinance to change the charges in the near future.

I am still in the process of working on the budget. I feel as if I should be able to have an initial proposal prepared for your review at our next Commission Meeting, whereat we can schedule a budget workshop to discuss further. After speaking with our City Attorney, Mr. Solander, as we have budgeted in our current fashion for a number of years, I believe we should be able to go ahead and pass a budget for 2018 that follows a similar structure to what we have been using. This would allow us to work within the constraints of Charter Ordinance 3 which

limits our ability to make utility fund transfers. I would then request we repeal Charter Ordinance 3 later on this year to allow for the change in budgeting procedures, as previously articulated, for the 2019 budget. We also have the option of moving forward with the repeal of Charter Ordinance 3 and instituting the change in budgeting procedure for next year's budget. However, as previously mentioned, we could face a protest petition (within sixty days following passage of the Charter Ordinance Repeal) which would require either a ballot question to approve the repeal or allowing the repeal to fail. As I believe we should not encounter resistance in this effort to make the budgeting process more transparent and straightforward, my preference would be to repeal the charter ordinance now. Please let me know which approach you would like me to take. I have included Mr. Solander's letter addressing Charter Ordinance 3 for your review.

As for regular business agenda items, Ordinance 4189 is the annual update of the Standard Traffic Ordinance (STO), a publication issued by the League of Kansas Municipalities, which includes only one significant change, in my opinion, as it changes seat belt tickets from ten dollars (\$10) to thirty dollars (\$30) as required by State Law. Ordinance 4190 in the annual update of the Uniform Public Offense Code (UPOC), another publication from the League, which amends the definition of domestic battery to include those in a dating relationship; provides for the inclusion of sexual assault as the basis for a legal protection order; establishes stiffer penalties and regulations to combat the purchase of sexual relations and human trafficking; and requires state issued permits for the operation of amusement park rides (including large water slides). Like the STO, the UPOC changes are all due to changes in State law. In the ordinances, we omit certain sections of the STO and UPOC which the City of Garnett has historically exempted out of. I have asked Mr. Solander to provide a letter providing background on the reason for each omission and I have included such letters for your review. Mr. Solander did fail to include in his letter one omission, which we did discuss, that relates to the transportation of people on a vehicle in a fashion that it was not intended for – for instance, people riding in the back of a truck. I believe this is a common occurrence in Garnett and would require a substantial lifestyle change for some community members.

The City has two (2) votes at the League's annual conference to vote on League policy issues and next year's focuses. My recommendation is to appoint myself and Mayor Blackie as the City's voting delegates, and City Clerk Kristina Kinney and Commissioner Cole or Gwin as the alternate voting delegates. The business and policy meeting at which we will cast our votes will be held on Monday afternoon, September 18<sup>th</sup>. The last item for which I am requesting your approval is our semi-monthly claims in the amount of \$181,003.35. To address the question which was brought up at the last Commission meeting regarding the payment to Mr. McDonnell in the amount of four hundred dollars (\$400), that amount was payment for mowing certain properties in town. After reviewing this arrangement and discussing with our parks and recreation staff, we will transition to having our staff maintain the properties he was handling. I believe there is one other individual we have contracted similarly to maintain certain properties throughout town. I will look into this situation as well and see if we have the capacity to maintain additional properties. In the event we are unable to handle a given workload or task, I am not unwilling to hire independent contractors, however I much prefer to obtain additional personnel or equipment and accomplish the job in-house if possible. Please let me know if you have any questions regarding these semi-monthly claims.

I met with the President and Grounds Chairman of the Garnett Country Club board and had a good discussion with them regarding their background, grant possibilities, and future goals. We discussed the possibility of partnering on future projects and possibly sharing equipment. I also met with a consultant who works with employee benefits, namely medical insurance, with regard to our upcoming insurance renewal. Based upon previous communication with former City Manager Martin and our Blue Cross account manager, I anticipate our insurance premium to increase significantly next year, possibly even as much as 40%. This is due to the City, as of June 30<sup>th</sup>, having a much higher claims ratio (36% higher) than was anticipated this year. I know that the City has historically stuck with Blue Cross Blue Shield and our employees have wanted that, but in my opinion, we need to bid out our policy and see what options we have. Additionally, based on my experience, having a benefits consultant negotiating on behalf of the City with the health insurance companies is extremely beneficial (the savings will often pay for the consultant). This particular consultant that Director of Human Resources Nancy Hermreck and I met with is

from CBIZ Benefits and Insurance Services. During my time in Cherryvale we worked with benefits consultant firm Arthur J. Gallagher and Company. We have drafted a request for proposal (RFP) which I intend to send out to CBIZ, Gallagher, and other firms next week to look into the possibility of hiring a benefits consultant.

This past week, Jim James, our Water Plant Superintendent, informed me that he will be leaving the City of Garnett later this month. Mr. James is leaving on good terms and is leaving due to he and his family moving away from Garnett. Mr. James is our only certified class three (3) water operator, which is something the State of Kansas requires us to have. We have a trained, and knowledgeable operator in Brian Dykes, however he is not certified. Mr. Dykes and I have talked and he intends to take his class three (3) certification test this December. I have a call in to the Kansas Department of Health and Environment (KDHE) to see if they will give us some time to get Mr. Dykes certified, or if I need to hire a contract certified operator until we have a certified staff member. In the event we do have to hire a contract operator, I believe I already have an individual who will be able and willing to perform that responsibility.

With Mr. James leaving, I intend to consolidate the water production department with gas and water distribution to make one Gas and Water Department. I intend to write a job description and start advertising for a Gas and Water Department Director next week. I believe we have some very good in-house candidates; however, my philosophy is that we will advertise for every opening we have, to ensure equal opportunity. I believe this combined department will be advantageous so that we will be able to cross train and have more people certified and able to operate our water treatment facility.

I met with Rita Clary from the Kansas Rural Water Association (KRWA) and Brian Winkle and Sarah Unruh from Professional Engineering Consultants (PEC) regarding our water treatment facility project and funding opportunities. This meeting provided me with background on where we stand in this process and how we got here. Approximately thirty percent (30%) of the design work on the new water treatment facility is complete which was previously designated as a stopping point to make a decision on whether to press forward or not. This has been at a standstill since approximately February of this year as former City Manager Martin instructed PEC to hold off any further work until a new manager arrived. Approximately half of the completed work has

already been billed and paid while the other half will be billed next week. This bill will be paid on our next pay cycle and it will apparently be approximately fifty thousand dollars (\$50,000). I instructed PEC to bill us monthly from now on for work completed as I do not like fifty thousand dollar (\$50,000) invoices. I still do not have a total project estimated cost yet as the only number PEC has provided me with is estimated construction costs, at approximately thirteen million dollars (\$13,000,000). This number does not include their design engineering costs (15% paid, 15% incurred), construction inspection costs, architectural costs, or the cost of a new high service pump house that has been discovered as necessary but was not included in the original plan. Based upon all of these additional costs, my estimate is that this total project cost is going to be somewhere in the neighborhood of fifteen to sixteen million dollars (\$15,000,000 - \$16,000,000).

The funding discussion is obviously very prevalent with this kind of price tag and this is Mrs. Clary's specialty. We are extremely close to being eligible for Community Development Block Grant (CDBG) money (up to \$700,000) which is based on Low-to-Moderate Income (LMI) percentage. To be eligible for the CDBG program the community's population has to be at least fifty one percent (51%) low-to-moderate income based upon data from the last census (2010); Garnett's LMI percentage from the 2010 census is just under fifty one percent (50.92%). To gain eligibility for the program and the \$700,000 grant, we could conduct a community survey to show us with a higher LMI percentage. However, the survey takes time and regardless, we have already missed the CDBG grant cycle for this year. The other source of financing which has been primarily looked at is the United States Department of Agriculture (USDA) which offers low interest, forty year loans, and the possibility of having a portion of the loan forgiven based upon how high our water rates are. The USDA's timeline however would require us to have a completed proposal and request to them by September first (1<sup>st</sup>).

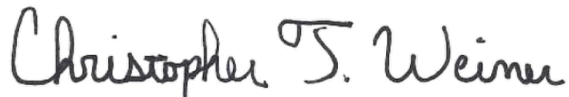
Based upon a variety of factors, I am looking to postpone this project's grant/loan submittal, further significant engineering, and bid letting until next year. Once PEC gets us complete project cost estimates, Mrs. Clary is going to prepare a rate analysis for us to get an idea of where our water rates will have to be to afford this project depending upon different funding options. I also have PEC working on a project summary to present to you. Once I obtain this rate analysis and we have a general consensus on the project's viability as proposed, Mrs.

Clary and I will go to visit with USDA's and CDBG's representatives in Topeka to ascertain a good plan on our funding goals. I will also involve our new Gas and Water Department Director and Mr. Dykes in this process. Please let me know if you have any questions.

On a more positive note, we completed a storm water underground line replacement on the square this past week. We ran into some unforeseen complications, including abandoned gas mains, but we completed the project. We intend to have Killough hot patch the affected area while they are here for our street work.

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

Sincerely,

A handwritten signature in black ink that reads "Christopher T. Weiner". The signature is written in a cursive style with a large initial "C" and a stylized "T".

Christopher T. Weiner, City Manager