



## **City Manager's Report**

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

Honorable Mayor Blackie and Commissioners Cole and Gwin,

Over the past couple of weeks my focus has been on the budget and we are getting closer to having an initial draft. I recommend we go ahead and establish a date to hold a budget workshop sometime during the week of Monday, August 28<sup>th</sup>. I believe I should be complete or close enough to hold a substantial conversation on the budget. The budget I am recommending will have a few changes in how funds are set up and managed. For instance, we currently have a Law Enforcement Fund which is dedicated solely for law enforcement purposes. I intend to rename this the Public Safety Fund and include all fire department expenses in this fund as well. This change is due to the State instituting a tax lid on all expenses except for law enforcement, fire protection, and emergency medical services. In the event we ever need to increase taxes beyond the rate of inflation for police or fire purposes, this will allow us to do so much easier. Additionally, I am setting up an equipment reserve fund in order to allow each department to set money aside to plan for larger equipment purchases such as a vehicle or bulldozer. The purpose of such a process is to avoid having equipment fail and needing to come up with a large sum of money immediately. I will also repurpose some of our funds for what I believe are their true intent. For instance, the Special Highway Fund has historically been utilized to pay for salaries – the intent of this money (received from the State for Fuel Sales Tax) is to repair and maintain our streets. While salaries of Street Department personnel can obviously be tied to this purpose, I believe reserving those funds for actual street projects is more appropriate. All of these changes and others will be outlined further during the budget presentation.

We recently had our annual Gas Utility audit from the Kansas Corporation Commission (KCC) in which they evaluated our system for the year of 2016. They cited three violations all of which have already been addressed. The KCC staff met with me upon the conclusion of their audit and indicated that they are extremely pleased with where we are today and have no concerns moving forward. I asked our Director of Gas and Water Distribution, Kenneth Amaya, to prepare a report addressing this issue for your review – please see it attached.

The US-59 turning lane project just north of town was supposed to start this week but has been held up due to an engineering issue. The engineers are on site making the plan changes and we hope to see the start of construction late next week.

Last week Anderson County Emergency Management (ACEM) conducted an active shooter exercise staged at the Garnett Elementary School. Our law enforcement and fire department as well as numerous other departments and agencies participated in this valuable training. Our personnel handled themselves and the situation well. J.D. Mersman, ACEM Director, also asked me to see if you all, as the City Commission, would be willing to participate in a training class centered around the Incident Command System (ICS) and what your role as Commissioners is during major incidents. He is hoping to have one class from approximately 6:30 P.M. to 8:30 P.M. at the Community Building in which both the City and County Commissioners and Officials are present. This training will be orchestrated by one of the Regional Coordinators from the State Emergency Management Department.

I met with Killough Construction and went over a plan for our street projects this fall. They plan to do our projects following the completion of the turn lane project as their equipment will already be here. Chief of Police Kurt King and I attended an informational meeting in Olathe this week on Lexipol, an internet-based program which brings substantial efficiency, policy, and liability improvements and protections to Law Enforcement. This program is something that I hope to be able to fit into our budget for next year.

You might have seen an editorial written in the Anderson County Review where Mr. Dane Hicks addressed the unfortunate situation surrounding the condemned property on the square which was formerly Denise's Country Café. Mr. Hicks asserts that the City ought to modify our ordinance to allow for rental residential property in the downtown commercial district in an

effort to hopefully save these structures. He appealed to the Planning Commission with this request and they addressed this issue at their last meeting on August 15<sup>th</sup>. They essentially asked to see a revised ordinance eliminating residential use restrictions in all zoning areas. Mr. Solander and I will work to draft an ordinance to that effect for presentation to the Planning Commission next month. Once they have offered their recommendation, I will present it to you for a final decision. I have attached the unofficial minutes of their meeting as well as a copy of other pertinent information to this report.

As for the agenda items, Charter Ordinance Twenty-Six (26) simply repeals Charter Ordinance Three (3) affording us the ability to budget transfers of surplus utility funds without restriction, thereby allowing me to more effectively exhibit the expenses of non-utility funds. I have attached Charter Ordinance Three (3), K.S.A. 12-825d (which Charter Ordinance Three (3) exempted us from and will now become our law), and the minutes from the meeting in 1968 when Charter Ordinance Three (3) was passed for your review.

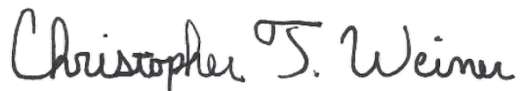
Ordinance 4191 is the ordinance which updates our fee structure for new utility installations. This only impacts those locations for which a utility connection has never been established, and therefore will usually only impact new construction. My recommendation is slightly different than that of former City Manager Mrs. Martin. I recommend we have a significant increase in the rates immediately, as she has previously, in order to address the fact that we are still using a fee structure established in 1975. However, I also recommend that we institute subsequent increases to these rates in order to put the entire cost of a new connection on the property owner rather than subsidizing the owner by absorbing part of that cost. I believe the intent in the past to have been centered around incentivizing growth, in my opinion however, this attempted incentive is typically unsuccessful. You will notice I recommend an immediate increase and then subsequent increases in 2019 and 2020 to gradually raise the rates to where the property owner pays 100% of the cost. Our City Attorney, Mr. Solander, has not had an opportunity to review this ordinance yet and as such may have minor changes he would like to see. I hope to have him review it prior to our meeting as he is currently on vacation. I have attached to this report a copy of our existing and proposed immediate fee structure.

We had a fairly clean audit report for both the City and the Housing Authority. The City's only substantial deficiencies in 2016 were related to not having a sufficient separation of job duties for the municipal court clerk and an issue with not having sufficient reserves to meet a bond covenant (which is almost paid off). The Housing Authority's only deficiency was that they do not have anyone on staff who has the ability to translate their financial documents into the generally accepted accounting principles (GAAP) format from our Kansas regulatory basis of accounting format. I have attached both audits and the auditor's comments for your review.

We have received a request for the closure of Oak Street from Fourth (4<sup>th</sup>) Street to the alley between Third (3<sup>rd</sup>) and Fourth (4<sup>th</sup>) for an extension of Maloan's Bar and Grille for the Lake Garnett Grand Prix event. City Clerk Kristina Kelley has prepared a report (attached) outlining this request.

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 black ink that reads "Christopher T. Weiner". The signature is written in a cursive, slightly slanted style.

Christopher T. Weiner, City Manager