

ABILENE CITY COMMISSION - STUDY SESSION AGENDA
DWIGHT D. EISENHOWER MUNICIPAL BUILDING - 419 N. BROADWAY AVENUE
February 16, 2016 - 4:00 pm

NOTE: The Study Session time has changed to allow members of the City Commission to attend the Abilene Area Chamber of Commerce annual meeting.

1. **PUBLIC COMMENTS.** Persons who wish to address the City Commission may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court are not permitted. Speakers are limited to three minutes. Any presentation is for informational purposes only. No action will be taken.
2. **STRATEGIC DISCUSSION**
 - a. None
3. **ITEMS TO BE PLACED ON THE REGULAR AGENDA**
 - a. A Resolution authorizing use of the General Fund Reserve to fund an Event Coordinator for the Chisholm Trail Sesquicentennial Celebration.
4. **ITEMS PROPOSED FOR THE CONSENT AGENDA**
 - a. Meeting Minutes: February 8, 2016 regular meeting
5. **ITEMS FOR PRESENTATION AND DISCUSSION**
 - a. Election Ordinance
 - b. Mobile Home Park Utility Billing Proposal
 - c. Platted, Undeveloped Property at Highlands
 - d. Economic Development Funds
 - e. Emergency Water Plan Overview
6. **REPORTS**
 - a. City Manager's Report
 - i. 2017 Budget Calendar
7. **ANNOUNCEMENTS** (*Meetings at Abilene Public Library unless otherwise provided*)
 - City Commission meeting, February 22 at 4:00 pm
 - Convention and Visitors Bureau, February 23 at 2:30 pm (Civic Center)
 - STAR Bond Committee, March 7 at 6:00 pm
 - Planning Commission, March 8 at 4:30 pm
 - Study Session, March 8 at 7:00 pm

TO: City Commission
FROM: David Dillner, City Manager
SUBJ: Funding for the Chisholm Trail Event Coordinator
DATE: February 12, 2016

With the adoption of Resolution 020816-2, the City Commission approved an agreement with Michael Hook for the provision of event coordinator services for the Chisholm Trail Sesquicentennial Celebration. The services being rendered by Mr. Hook will cost \$35,000.

Per the City's Financial and Budgetary Policy, funds in excess of undesignated fund balance in the General Fund reserve may be used to fund the following items subject to approval of the governing body:

- One-time expenditures which do not substantially increase recurring operating costs;
- Newly identified or previously unfunded capital improvement projects or equipment, considered in light of the full capital improvement program;
- Shifting of capital projects from bond or lease financing to "pay-as-you-go" financing to reduce future debt service costs;
- Start-up expenditures for new programs undertaken at mid-year, provided that such action is considered in the context of revenue expectations and expenditure obligations in future budget years; and
- Transfers to Capital Improvement or Equipment Reserve Funds.

The contract with Mr. Hook is scheduled as a one-time expenditure; the agreement provides that services will be provided through January 17, 2017. The City Commission could authorize extending the agreement, although a funding mechanism would need to be identified at that time to fund any additional services.

Special Considerations: The General Fund had an unaudited balance of \$1.4 million at the end of December 2015. Per City policy, the General Fund shall maintain a balance of not less than 15% or more than 25% of anticipated current year revenues for the fund. Using the most conservative criteria to set the minimum balance, the General Fund should have at least \$1.0 million in reserve. Therefore, the General Fund balance is approximately \$400,000 in excess of the General Fund reserve requirement. Authorizing use of \$35,000 from the General Fund for the outlined purpose meets the requirements of the City's Financial and Budgetary Policy.

Budgetary Considerations: The City Manager proposed funding these services by using funds from the General Fund reserve. The scheduled transfer of \$25,000 to the Convention and Visitors Bureau was not made in 2014 and so these funds remain in the General Fund reserve balance. The City Commission would need to authorize use of the aforementioned \$25,000 and an additional \$10,000 to fund the services.

City Commission Actions: As currently proposed, the City Commission will have to approve a resolution authorizing the use of \$35,000 from the General Fund reserve to fund event coordinator services to be provided by Michael Hook.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING USE OF THE GENERAL FUND RESERVE TO FUND AN EVENT COORDINATOR FOR THE CHISHOLM TRAIL SESQUICENTENNIAL CELEBRATION

WHEREAS, the governing body contracted with Michael Hook (“Consultant”) to provide event coordination services (“Services”) to assist in the planning and coordination of the Sesquicentennial Celebration of the historic Chisholm Trail and related events;

WHEREAS, the City’s Financial and Budgetary Policy states that funds in excess of undesignated fund balance in the General Fund reserve may be used to fund one-time expenditures which do not substantially increase recurring operating costs subject to approval of the governing body:

WHEREAS, the governing body desires to appropriate funds from the General Fund undesignated fund balance, as provided in the City’s Financial and Budgetary Policy, to fund said Services.

NOW, THEREFORE BE IT RESOLVED, by the City Commission of the City of Abilene, as follows:

SECTION ONE. Findings. The governing body hereby finds that the Services to be provided by Consultant is a one-time expenditure which does not substantially increase recurring operating costs, and that are necessary for the success of the planning and coordination of an important community event. The governing body further finds that the General Fund will remain in compliance with all applicable policies governing the General Fund fund balance.

SECTION TWO. Appropriation of Funds. The governing body hereby appropriates \$35,000 from the General Fund undesignated fund balance to fund the Services to be provided by Consultant as outlined in the Agreement for Services as approved by Resolution No. 020816-2.

SECTION THREE. Effective Date. That the effects of this Resolution shall be in full force after its approval by the City Commission.

PASSED AND APPROVED by the Governing Body of the City of Abilene, Kansas this 22nd day of February, 2016.

CITY OF ABILENE, KANSAS

By: _____
Dennis P. Weishaar, Mayor

ATTEST:

Penny Soukup, CMC
City Clerk



**Abilene City Commission Minutes
Abilene Public Library
February 8, 2016 @ 4:00 p.m.
Abilene, Kansas**

1. Call to Order

2. Roll Call – City Commission Present: Mayor Weishaar, Commissioners Ray, Payne, Marshall and Shafer.

Staff Present: City Manager Dillner, Human Resources Director/City Clerk Soukup, Finance Director Rothchild, Parks & Recreation Director Foltz, Community Development Director Shea and Police Chief Heimer.

Others Present: Mike Heronemus and Hank Royer.

3. Pledge of Allegiance - Mayor Weishaar led the Pledge of Allegiance.

Consent Agenda

4. Agenda Approval for February 8, 2016 the City Commission Meeting

5. Meeting Minutes: January 25, 2016, Regular Meeting

6. Acceptance of 4Q, 2015 Financial Statements of the City of Abilene, Kansas

7. Approval of a Cereal Malt Beverage Permit for Historic Abilene, Inc. dba the Hitching Post as provided by Article 1 of the City Code of the City of Abilene, Kansas

Motion by Commissioner Ray, seconded by Commissioner Payne to approve the Consent Agenda as presented. Motion carried unanimously 5-0.

Public Comments and Communications

8. Public Comments. Persons who wish to address the City Commission regarding items not on the agenda and that are under the jurisdiction of the City Commission may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court are not permitted. Speakers are limited to three (3) minutes. Any presentation is for informational purposes only. No action will be taken.

Mayor Weishaar asked for any comments or communications from the public that are not on the agenda.

There were no public comments or communications.

9. Declaration. At this time City Commissioners may declare any conflict or communication they have had that might influence their ability to impartially consider today's issues.

There were no declarations.

Proclamations and Recognition

10. There were no proclamations.

Public Hearings

11. There were no public hearings.

Old Business

12. There was no old business.

New Business

13. Consideration of a Charter Ordinance amending Section 2 of Charter Ordinance No. 10 relating to the staggered election of five commissioners, the vote, terms of office, qualifying, failure to qualify or accept office, filling vacancies and certificates of election; repealing the existing section.

City Attorney Martin explained that this Charter Ordinance has been necessitated by changes in the election law. Charter Ordinance 10 had the effect of exempting the City from three separate statutes and adopting additional local provisions in lieu of those statutory provisions. Those statutes related to the composition of the governing body and the terms of office. Within the previous charter Ordinance we referenced the terms of office for the governing body and indicated that they will begin on the first regular meeting of the commission following the election. Under the new election law fall elections now necessitate that there is a longer waiting period in between when a commission is elected and when he or she takes office. Now new commissioners will take office on the second Monday in January following their election in the preceding fall. The proposed charter Ordinance keeps everything but it amends the section in the old charter Ordinance that speaks of when the commissioner's terms of office will begin. It leaves everything else in place.

Motion by Commissioner Payne, seconded by Commissioner Marshall to adopt CHARTER ORDINANCE AMENDING SECTION 2 OF CHARTER ORDINANCE NO. 10 RELATING TO THE STAGGERED ELECTION OF FIVE COMMISSIONERS, THE VOTE, TERMS OF OFFICE, QUALIFYING, FAILURE TO QUALIFY OR ACCEPT OFFICE, FILLING VACANCIES AND CERTIFICATES OF ELECTION; REPEALING THE EXISTING.

Hank Royer said he read the treatise provided by the City Attorney and that he has looked over the Charter Ordinance now before you. He stated that it's a deviation from state law and it carries over one deviation which you already had. The new law provides that if there is a vacancy that a majority of the commissioners can appoint the successor. By adopting this Charter Ordinance you carried over a vestige of what was in the old mayor council form of Government. You have in there if there is a vacancy you have in there that the Mayor is the only person who can appoint a person to fill a vacancy subject to getting enough votes from the rest of the commission. State law provides that if you can't agree on a new replacement that there be a special election in 60 days. You are eliminating that by adopting this. There is also an error that says the commission should be organized as provide by law with the selection of a president of the commission. That should be Mayor or you will not have a Mayor anymore. The only way you get a Mayor in City Manager form of Government is to create it by Charter Ordinance.

City Attorney Martin said that this proposed Charter Ordinance leaves everything in place as it has been from the previous Charter Ordinance. That Charter Ordinance number 10 included that sentence that references

President. The Cities Ordinance that deals with that governs the issue of the Mayor is contained in a different Ordinance. I do think that the reference to President in the Charter Ordinance could be changed to Mayor for clarification.

The Charter issue before you does address the issue of how to fill vacancies and that language is again identical to the previous charter Ordinance 10 that's been in place since 1989. It calls for the Mayor to select someone to fill a vacancy but that person will not fill the vacancy except without the consent of the remaining commissioners. That's been our policy for filling vacancies. Under the new election law there is a provision that says that if a City does not fill a governing body vacancy within 60 days a special election must be held to fill it. We are not changing that. I believe that if we do not follow our current policy and do not fill a vacancy in 60 days then we would be required by state law to hold a special election. I am comfortable with the language as it currently stands. We recognize that state law will require us to fill that vacancy if we do not follow current policy.

A vote was not taken on the current motion. The mayor asked for a vote on the motion made. Motion failed 0-5.

Motion by Commissioner Marshall, seconded by Commissioner Ray to adopt Charter Ordinance 25 with a change in the word president in section one to Mayor. Motion carried unanimously 5-0.

14. Consider of an Ordinance affirming the City of Abilene's adoption and continued operation under the Commission-Manager form of Government and addressing the transition to November elections.

City Attorney Martin said that the change to election law did a couple of things. It moved elections to the fall of odd number years from the spring. In doing that it now requires us to establish by Ordinance how many signatures must be on a nomination petition in order to become a candidate for City office and a nomination petition is simply a way of becoming a candidate without paying the filing fee. Another piece is that when the election laws changed the Kansas legislature amended and transferred the City Manager plan act. This act was an act in the Kansas statutes that Cities could elect to become part of. The City of Abilene did that in 1939. By becoming part of the City Manager plan act we became subject to all of the rules in that plan. It also contains some reference to election. The Kansas legislature moved the City Manager plan act in a effort to make the election law uniform. There is some value in simply affirming that we continue to operate under the City Manager plan act. There is a clause in the new election that says cities will continue to operate under the old City Manager plan act. The first section is simply affirming that we continue to be a commission Manager form of Government. Section two addresses the transition to November elections. Those of you whose terms would have expired in April of 2017 shall expire on the second Monday in January of 2018. The same is true for those whose terms would have expired in April of 2019 they will expire in January of 2020. Section three indicates that an election will take place on the first Tuesday succeeding the first Monday in November 2017. Section four addresses the issue of nomination petition and that it must be signed by fifty of the qualified electors in the City of Abilene.

Hank Royer said that in the treatise that the City Attorney did it states that the new law authorized but does not require a City to hold partisan elections. It would be a good idea to put in there that you opt out of them. More importantly though I am going to ask that you not adopt this Ordinance today. The effect of this Ordinance is that you are as a body extending each of your terms approximately nine months. You were elected with your term ending on a certain date. You are extending your term without talking to the voters about it. I can't comment for all the voters but I know that there is an element of the electorate who was counting on next April to make some changes on this City commission. You are basically saying to the electorate to hec with you if you extend your terms by nine months today. I think you have a substantial conflict of interest in extending

your own terms for nine months. I would respectfully suggest to you that you don't adopt this. If you don't adopt this you don't do anything. The law says that you remain in your position until someone is elected and qualified to take your seat. You can do that by default by not taking the affirmative action. I think it would be a good thing for the three with terms expiring in next April to resign. You can defer this and feel out your voters and see what they want. Consider making a pledge before you adopt this that you will submit your resignation at the time your term would have ended instead of extending the term you would voted for.

Mayor Weishaar said that the result is going to be the same whether we adopt this or not. This body did not initiate this action. This was done at the state level knowing full well this was going to be the result. We are accepting what the state has done and come into compliance with the law and the end result is not going to change. We have been elected until we are replaced and three of us will not be replaced until January of 2018 and the other two will be January 2020.

City Attorney Martin said the election law does give you the option by ordinary Ordinance make governing body elections partisan. We discussed that during study session and its my understanding that you do not wish to do that. I did not recommend that we say we are not going to do that in this Ordinance because we do have to. If you wish to that's your prerogative. Its certainly not required. Regarding the conflict of interest issue the treatise is the memo that I wrote with my recommendation. It is true under Kansas case law if you do nothing your terms are extended. However I included this in the Ordinance for clarity to you and to the public as to when those terms will now be expiring. It is consistent with the Kansas league of municipalities model Ordinance and their recommendations. It is not required that we put it in and Ordinance it is just providing clarity on something that's going to happen whether we say it is or not.

Commissioner Shafer said there are no obligations to resign and no recourse for that. A recall would not fit this scenario.

Hank Royer said I just suggested that. I think in fairness to the voters you should all pledge that you will resign when your term normally ended and you would then by complying with what the voters had in mind. You could reapply for the term. He said the commission is changing the terms by adopting this Ordinance.

Commissioner Payne said we did not change the election laws the state did it. We did not ask this to happen.

Commissioner Shafer asked if other than the terms does this Ordinance address anything else.

City Attorney Martin that the only section that is legally required is the nomination petition the remainder is aimed at affirming and providing clarity and all following the league of municipalities sample Ordinance.

Hank Royer said that can all be done next June. It does not need to be addressed today.

City Attorney Martin said that is true you do not have to address it today you do not have to ever address it again it's just for clarity between now and the next election.

Motion by Commissioner Shafer, seconded by Commissioner Marshall to table this item to a later date. Motion carried 3-2. Voting yes: Commissioners Shafer, Marshall and Payne. Voting No: Mayor Weishaar and Commissioner Ray.

15. Consideration of a motion to approve a bid of \$77,434.50 from J&K Contracting, Inc for the 2016 Water Main Replacement Projects.

Public Works Director Schrader briefed the commission on the bids that were received. We budgeted \$75,000 for the project. The remaining costs will be absorbed out of the water budget lines.

Motion by Commissioner Marshall, seconded by Commissioner Payne to approve a bid of \$77,434.50 from J&K Contracting, Inc for the 2016 Water Main Replacement Projects. Motion carried unanimously 5-0.

16. Consideration of a Resolution concerning the Employee Benefits Plan for the City of Abilene, Kansas.

City Manager Dillner and City Clerk Soukup updated the commission on the renewal of the health plan. Premiums will remain the same to the employee and employer. There was a reduction in premium cost but the cost for underlying umbrella plan out of pocket to the City we up and will require the City to cover more of the umbrella plan deductible out of the reserves. There will also be a change in the drug formulary as Aetna has purchased Coventry and we will now follow their formulary. Other than that the plan coverage will remain the same to the employees. The insurance committee met and reviewed that plan and it was agreed to continue with the plan at the same rate and changes.

Motion by Commissioner Shafer, seconded by Commissioner Payne to adopt **RESOLUTION 020816-1 CONCERNING THE EMPLOYEE BENEFITS PLAN FOR THE CITY OF ABILENE, KANSAS.**

Motion carried unanimously 5-0.

17. Consideration of a Resolution approving an Agreement for Convention and Visitors Bureau Event Coordinator Services with Michael Hook.

City Manager Dillner said the agreement for this will provide for the CT150 event coordinator. This is a contract position for a one year term and it can be increased at the discretion of both parties. The cost is \$35,000. The City did not make a transfer to the CVB in 2014 from the general fund so that was \$25,000 and is in the general fund reserve and \$10,000 will come from the reserve as well.

Commissioner Shafer had some questions about how the contract and how the event coordinator will be scheduled to work and time off and who is overseeing that the provisions of the contract are being fulfilled. It we deal with up front we don't have to deal with when it's happening.

Commissioner Marshall said she agrees we need to have some benchmarks.

City Manager Dillner said he can meet with him and articulate a project management plan and this is the schedule at which things need to be done. Similar to a construction project. We can have milestones and benchmarks and come up with a schedule for them. I would propose that we approve the agreement and I will meet and develop a plan with Mr. Hook and you would receive updates on those milestones.

Motion by Commissioner Ray, seconded by Commissioner Payne to approve **Resolution 020816-2 approving an Agreement for Convention and Visitors Bureau Event Coordinator Services with Michael Hook.** Motion carried unanimously 5-0.

Reports

18. City Manager Reports and Expenditure Report

City Manager Dillner said that there will be a Star Bond meeting today at 6:00 p.m. here.

The City will be holding an employee in-service day on February 15, 2016 so offices will be closed but we will be at work. We held our first one last year and it seemed to be well received by the employees.

John Divine is scheduled for February 26th week to meet with department directors.

Reminder that next Tuesday's meeting will be at 4:00 p.m.

Adjournment

19. Consideration of a motion to adjourn the February 8, 2016 City Commission meeting.

Motion by Commissioner Payne, seconded by Commissioner Marshall to adjourn at 4:56 p.m. Motion carried unanimously 5-0.

(Seal)

Dennis P. Weishaar, Mayor

ATTEST:

Penny L. Soukup, CMC
City Clerk

TO: City Commission
FROM: David Dillner, City Manager
SUBJ: Election Ordinance
DATE: February 12, 2016

At the February 8, 2016 regular meeting, the City Commission tabled a proposed ordinance meant to affirm the City's adoption and continued operation under the Commission-Manager form of government. The proposed ordinance also addressed the transition to November elections.

The proposed ordinance was drafted at the direction of the City Commission to provide clarity on the transition to November elections. Changes in state law due to the adoption of HB 2104, moved municipal elections from April of odd-numbered years to November of odd-numbered years. In addition to affecting the timing of the City's elections, the Act also affected issues relating to elected officials' terms of office, transitions, meeting dates, filing deadlines, and the filling of governing body vacancies.

The proposed ordinance is not necessary, but does provide some clarity on the matters of governance and the transition to November elections. The proposed ordinance is a model ordinance prepared by the League of Kansas Municipalities to assist municipalities in clarifying the issues associated with the legislative changes resulting from HB 2104.

Special Considerations: The City Commission should adopt an ordinance that, at a minimum, addresses the requirements for a nomination petition whereby an individual who did not want to pay the filing fee would still be able to file provided a sufficient number of signatures are collected on a petition asking the individual be included on the ballot.

Budgetary Considerations: None

City Commission Actions: The City Commission should provide direction to staff on how it desires to proceed to address this matter. The City Commission has the following options for this item:

1. **Adopt the ordinance as proposed.** Under this option, City Commissioners whose term would have expired in April prior to HB 2104 would be extended to January 2018.
2. **Adopt an ordinance addressing the nomination petition issue but not affirming the Commission-Manager form of government or the transition to November elections.** Under this option, HB 2104 would still apply to the City and City Commissioners whose term would have expired in April prior to HB 2104 would be extended to January 2018. The Commission-Manager form of government would also still apply to the City's governance structure.
3. **Take no action.** Under this option, HB 2104 would still apply to the City and City Commissioners whose term would have expired in April prior to HB 2104 would be extended to January 2018. The Commission-Manager form of government would still apply to the City's governance structure, although the nomination petition requirements would not be addressed.

ORDINANCE NO. ____

AN ORDINANCE AFFIRMING THE CITY OF ABILENE'S ADOPTION AND CONTINUED OPERATION UNDER THE COMMISSION-MANAGER FORM OF GOVERNMENT AND ADDRESSING THE TRANSITION TO NOVEMBER ELECTIONS.

BE IT ORDAINED by the governing body of the City of Abilene, Kansas:

WHEREAS, on April 15, 1939, the City of Abilene, Kansas adopted the commission-manager form of government;

WHEREAS, on June 8, 2015, the Kansas Legislature passed L. 2015, ch. 88 (H.B. 2104), which amended and transferred the statutory provisions for the commission-manager form of government, and L. 2015, ch. 88, sec. 8(a) states that a city shall continue to operate under its current form of government until such time that the city's form of government is changed as provided by law;

WHEREAS, the statutory provisions for the commission-manager form of government have been recodified in L. 2015, ch. 88, sec. 10 through 12;

WHEREAS, L. 2015, ch. 88, sec. 8(b) states that all existing ordinances and charter ordinances relating to a city's form of government shall remain in effect until amended or repealed by such city; and

WHEREAS, L. 2015, ch. 88, sec. 7 provides that all general elections for members of the governing body shall be held on the Tuesday succeeding the first Monday in November of 2017 and on such date thereafter of odd-numbered years.

THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF ABILENE, KANSAS:

SECTION ONE. Form of Government. The City of Abilene, Kansas continues to operate under the commission-manager form of government, as codified in L. 2015, ch. 88, sec. 10 through 12, and pursuant to all existing ordinances and charter ordinances relating to its form of government.

SECTION TWO. Governing Body; Transition to November Elections. The positions of those commissioners with terms that would have expired in April 2017 shall expire on the second Monday in January of 2018 when the commissioners elected in the November 2017 general election take office. The positions of those commissioners with terms that would have expired in April 2019 shall expire on the second Monday in January of 2020 when the commissioners elected in the November 2019 general election take office.

SECTION THREE. Same; Elections. A general election shall take place on the Tuesday succeeding the first Monday in November 2017, and succeeding elections will be held every two years for all such commissioners whose terms will expire.

SECTION FOUR. Nomination Petitions. In accordance with K.S.A. 25-205, and amendments thereto, any person may become a candidate for city office elected at large by having had filed on their behalf a nomination petition, or by filing a declaration of candidacy accompanied by any fee required by law. The nomination petition must be signed by fifty of the qualified electors of the City of Abilene, Kansas.

SECTION FIVE. Publication; Effective Date. The ordinance shall take effect and be in full force and effect immediately following its adoption and publication as provided by law.

PASSED AND APPROVED by the governing body of the City of Abilene, Kansas, on _____, 2016.

CITY OF ABILENE, KANSAS

By: _____
Dennis P. Weishaar, Mayor

[SEAL]

ATTEST:

Penny L. Soukup, CMC
City Clerk

APPROVED AS TO FORM:

Aaron O. Martin, City Attorney

Memo

To: City Manager
From: Marcus Rothchild, Finance Director
Date: February 11, 2016
Re: Trailer Court Utility Billing

BACKGROUND:

Trailer courts in Abilene are set up with a master meter that feeds into individual meters at each trailer. In the past, trailer courts were billed off the master meter so that every gallon used in the court was billed to the trailer park owner or to the individual customer. This changed because of the inability to accurately test the master meters which led trailer park owners to question whether they were being billed correctly. The City was unable to bill for the difference between the gallons flowing through the master meter and the gallons being billed to customers due to a lack of proper testing procedures.

Since the City is not billing the difference between the master meter and individual meters, the owners have very little incentive to repair leaks so water loss will continue to be an issue moving forward. Currently, the trailer courts are allowed to individually meter each trailer by using City water meters. For years there has been a significant discrepancy between the number of gallons flowing through the master meter and the number of gallons that are actually billed to individual customers as can be seen in **Table 1** on the following page.

City employees read the meters and bill each trailer based on individual usage. At this time the owners are responsible for shut-off and turn-on functions due to challenging meter locations. If the owner chooses not to turn off the water, delinquent customers may continue to receive water without paying their bills which continue to grow. Often times a customer may move out leaving a significant delinquent bill unpaid.

In 2011, the City Commission passed Resolution 071111-1 establishing a Manufactured Home Park Municipal Utilities Agreement. Unfortunately, only one owner signed and returned the contract. The owners have been able to get by for years without paying the difference in gallons lost at their properties. This gives them very little incentive to sign an agreement which may cost them more money since they will be responsible for all gallons flowing through to their tenants.

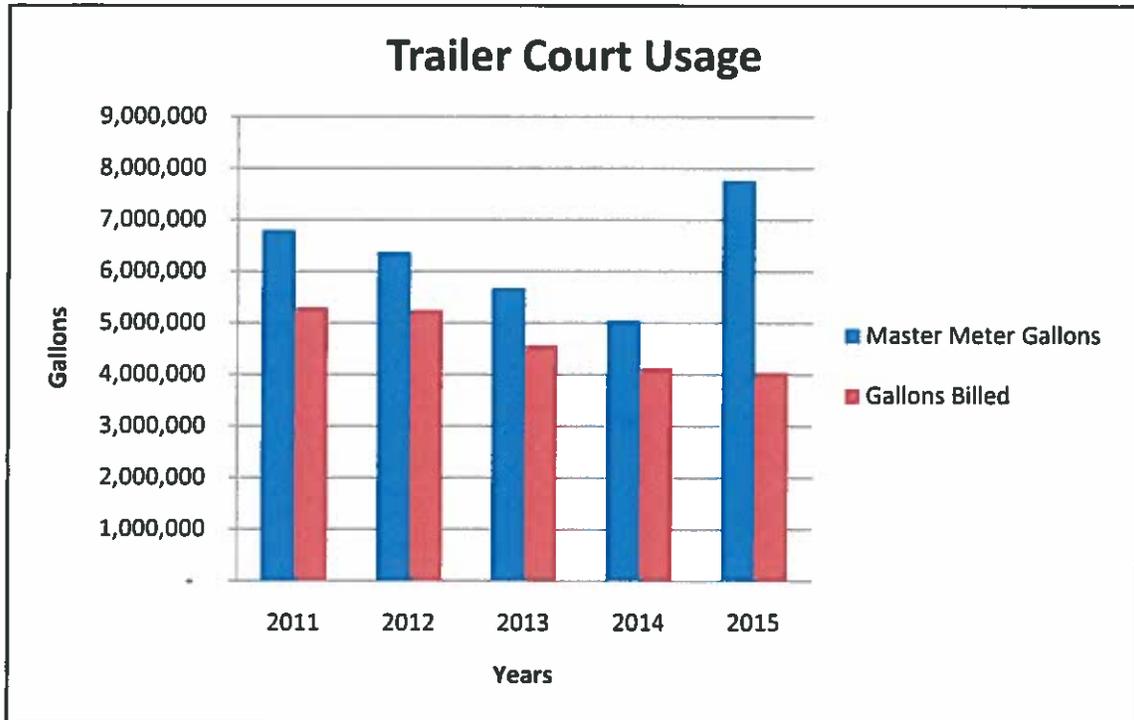


Table 1

Numerous other multi-family properties in Abilene are currently being billed off the master meter and the City is not seeing the same issues at these locations. Examples of this would be: Sunflower Hotel, Timber Ridge, Victoria Gardens, Abilene Plaza Apartments, Chisholm Manor, Abilene Center Apartments and Mulberry Court Apartments. Managing the trailer courts in a consistent manner with other multi-family properties would save a considerable amount of labor and other expenses that are currently used in managing trailer court utilities. It would also create a uniform method of billing mobile home parks.

Since 2011, about 31.7 million gallons have been registered in master meters and about 23.3 million gallons have been billed. During this time, approximately 8.4 million gallons, or about 26% of water used by trailer parks, have not been billed with an estimated lost revenue to the City of \$27,221.

RECOMMENDATION:

Although the City’s master meters were questioned in the past, the master meters have now been updated, replaced, and tested. Staff now has the means to test each master meter for accuracy on a regular basis to avoid potential overcharges to owners. With that said, it would be staff’s recommendation to move forward with discontinuing the practice of charging individual trailers and charge only the master meter. Owners of the trailer parks will be responsible for billing and collecting for water sold to individual tenants using this practice.

TO: City Commission
FROM: David Dillner, City Manager
SUBJ: Platted, Undeveloped Property at Highlands
DATE: February 12, 2016

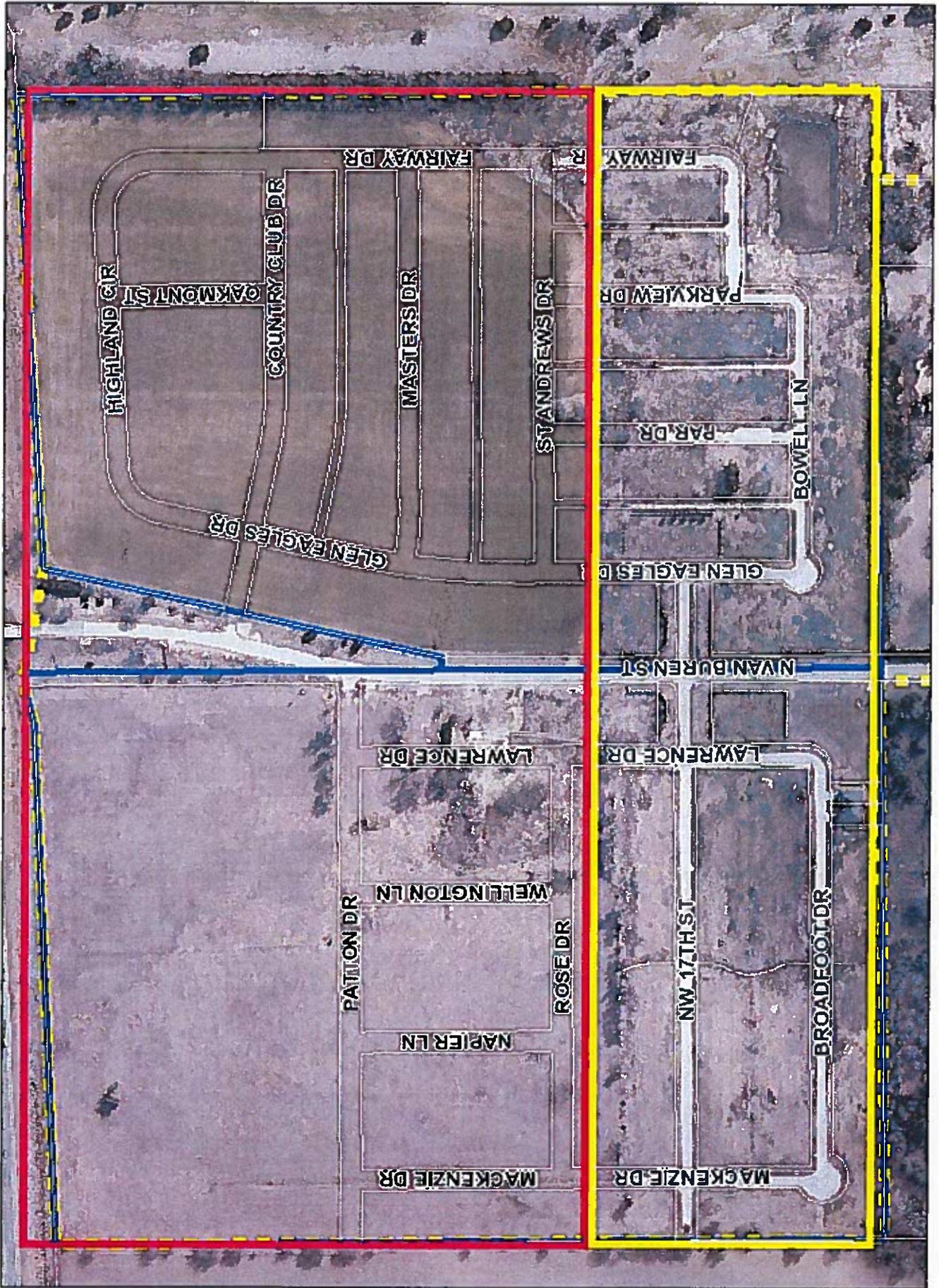
The City Manager has recently been contacted by Dusty Kuntz concerning the future use of the two platted, but undeveloped sections of the Abilene Highlands subdivision. Mr. Kuntz has leased the land from the previous property owner and would like to know the City's plans moving forward.

The City Manager has developed the following options for consideration by the governing body:

- **Continue the practice of leasing the land.** The City Attorney will draft an agreement for leasing the property and request proposals from interested farmers. Alternatively, a one-year lease agreement could be developed with Mr. Kuntz given the proximity to the planting season with the expectation that the City would solicit proposals from interested parties after the planting season.
- **Consider selling the land.** The City would get the property appraised and use this information to set a reserve for the property. Proposals would be solicited from interested parties. If the reserve was not met, the City could reject the proposals. Proceeds from the sales could be allocated as determined by the governing body. Under this option, the City would need to forgive the special assessments and continue to pay the debt service associated with the land since the special assessments would make it difficult to sell the property. The property is presently responsible for about \$680,330 in special assessments and is worth considerably less in market value.

Special Considerations: The platted and undeveloped tracts are unlikely to develop in the near future. Selling the land would allow the City to receive one-time funds that could be used on other projects such as extending public infrastructure to the Abilene Business Park, vehicle and equipment purchases, or other one-time expenditures. The City will receive the benefit of development when and if the land develops.

The map on the following page shows the tracts that are subject to this memorandum. The property outlined in red is the platted, undeveloped properties that are subject in this memorandum; the yellow area is the developed area of the Highlands.



HIGHLAND CIR

OAKMONT ST

COUNTRY CLUB DR

FAIRWAY DR

MASTERS DR

STANDREWS DR

FAIRWAY DR

PARKVIEW DR

PAR DR

BOWELL LN

GLEN EAGLES DR

GLEN EAGLES DR

NVANIBUREN ST

LAWRENCE DR

LAWRENCE DR

WELLINGTON LN

PATTON DR

ROSE DR

NAPIER LN

MACKENZIE DR

NW 17TH ST

MACKENZIE DR

BROADFOOT DR

TO: City Commission
FROM: David Dillner, City Manager
SUBJ: Economic Development Funds
DATE: February 12, 2016

As part of the 2016 Budget, the City Commission budgeted about \$55,000 for the City's Business Investment Grant Program. The program was implemented in 2014 to provide small grants to businesses to assist with startups and expansions. In total, six businesses have received assistance from the program.

Last year, the City Commission had discussed converting all or a portion of the funds into a low-interest loan program so that at least the principal could be recollected and used for additional projects. The governing body did not make a decision on how the funds were to be used, and instead included the funds in the budget for unspecified economic development purposes.

The Dickinson County Economic Development Corporation has requested the City provide funds to serve as an incentive for potential businesses that are interested in Abilene and Dickinson County. The governing body could elect to provide the funds set aside for the Business Investment Program to the Corporation for use as a business incentive at the Corporation's discretion. This would relieve the City from administration of the Business Investment Program and would allow the funds to be more readily available if a business prospect is interested in Dickinson County. Of course, the City will lose control of the funds once they are provided to the Corporation.

The City could elect to continue to administer its Business Investment Program internally. If this is the desired course of action, staff plans to discuss the program with the governing body at an upcoming meeting so revisions may be made in order to implement the next round later this spring. The City's program has been a competitive process, although the Corporation's process may not be so. The governing body had discussed having the final approval of projects being awarded funds that would still be available as an option if the City elects to maintain the program internally.

Finally, the governing body may elect to allocate the funds for preliminary engineering of Phase I infrastructure improvements (such as water, sewer and street extensions) at the Abilene Business Park adjacent to NW 14th Street near Russell Stover Candies, Inc. The City has been receiving increased interest in the City-owned acreage from business prospects. The City would be better prepared to move forward with a project to make the initial acreage "shovel ready" by engineering Phase I improvements.

Stan Meyer of Olsson Associates estimates that these services will cost about \$50,000 and take about eight to ten weeks to complete. Moving forward gives the City plans necessary to develop the first phase of the Business Park and would open additional acreage to development opportunities. This option allows the City to be more responsive to potential development opportunities since the infrastructure planning would already be completed and ready for construction. Time is usually of the essence on business projects and any advantage like this could pay large dividends if and when a company elects to locate on the City-owned property.