

ABILENE CITY COMMISSION - STUDY SESSION AGENDA
DWIGHT D. EISENHOWER MEMORIAL BUILDING - 419 N. BROADWAY AVENUE
September 6, 2016 - 4:00 pm

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. Discussion by John Divine
3. **ITEMS FOR PRESENTATION AND DISCUSSION**
 - a. CVB and Chamber Discussion
 - b. Overview of City's Insurance Coverage
 - c. Law Enforcement Sign Proposal
 - d. LKM Annual Meeting Delegates
4. **ITEMS PROPOSED FOR THE CONSENT AGENDA**
 - a. Meeting Minutes: August 22, 2016 regular meeting
5. **ITEMS TO BE PLACED ON THE REGULAR AGENDA**
 - a. License Agreement with Flint Hills Grain, LLC
6. **REPORTS**
 - a. City Manager's Report
7. **MEETINGS OF NOTE** (*Meetings at Abilene Public Library unless otherwise provided*)
 - City Commission Meeting, September 12 at 4:00 pm
 - Planning Commission, September 13 at 4:00 pm
 - Heritage Commission, September 15 at 4:00 pm
 - Sister City Committee, September 15 at 7:00 pm
 - City-wide Cleanup, September 19 – 23
 - Recreation Commission, September 19 at 5:30 PM (Community Center)
 - Economic Development Council, September 21 at 4:00 pm
 - Commission Study Session, September 20 at 4:00 pm (City Hall)
 - City Commission Meeting, September 26 at 4:00 pm
 - CVB Board, September 27 at 2:00 pm (Civic Center)
 - Tree Board Committee, September 27 at 5:00 pm



MEMORANDUM

TO: City Commission
FROM: David Dillner, City Manager
SUBJ: CVB/Chamber Discussion
DATE: September 2, 2016

ISSUE:

The City Commission is asked to discuss options for the future operation of the Convention and Visitor Bureau after being presented a proposal prepared by the Abilene Area Chamber of Commerce concerning a contractual framework to provide tourism-related services.

BACKGROUND:

A Convention and Visitors Bureau, more recently referred to as a Destination Marketing Organization (DMO), is an agency within a community tasked with marketing the community and its attractions to potential visitors to generate economic benefits created from visitor expenditures. The primary roles of a CVB are:

- Provide leadership in the marketing of the destinations within a community and generate tourism-related sales;
- Serve as the focal point for the coordination of all tourism-related activities;
- Provide services that enhance the quality of the visitor experience;
- Provide leadership in expanding the beneficial economic impact of tourism;
- Serve as a catalyst and facilitator for tourism infrastructure and destination development;
- Serve as a chief liaison with all levels of government regarding tourism;
- Provide specialized services to improve the effectiveness and profitability of the industry;
- Coordinate the collection and dissemination of relevant tourism information and research; and
- Support the development and delivery of tourism/hospitality education and training programs.

Primary functions of a CVB include:

- Research and planning - data gathering and evaluation on both existing and potential target markets, tourism infrastructure, economic impact and business trends.
- Product development - growing, expanding, and assisting current destination offerings and provide leadership in the development of new attractions and services.
- Marketing, promotion, and sales - based on research, the development of a destination image and communication of that image to target markets; converting potential visitors into actual visitors.

- **Community relations** - Act as primary tourism advocate, resource, and leader in the community; develop and operate partnerships with government, business, and others; lead community and local tourism industry to embrace and adopt tourism development goals.
- **Visitor relations** - through training and partnerships, the development and implementation of programs and services that enhance the visitor experience.

ALTERNATIVES:

Generally, there are four models for the management of an effective CVB organization summarized as follows:

- **Government Model:** The government model reflects an approach presently used to market tourism in Abilene. The CVB is a department of the City with the board appointed by the City Commission. The director is an employee of the City and reports directly to the City Manager. Consequently, the City has direct oversight and accountability of the community's tourism efforts. The primary source of funding for the CVB under this model is the transient guest tax levied by the City for the purpose of generating funds for tourism-related marketing.

Advantages: Direct accountability to the funding source; Direct line of administrative supervision; Utilizes administrative, personnel, and accounting systems already in place in local government; Equal interest among municipal programs; Agency is perceived as neutral, or not favoring any one stakeholder interest; and Overall long-term organizational stability.

Disadvantages: Possibility of political influence of work and/or staff decisions; Stakeholders may feel excluded from decision-making process if not involved in advisory capacity.

- **Independent Agency Model:** An independent agency (either not-for-profit or for-profit) is organized to implement tourism program. The agency is managed by an executive director who receives oversight from an independent board of directors. Funding is usually provided through a contractual agreement with the municipality to provide tourism-related services. The fee for such services is the transient guest tax proceeds. Other revenue sources may include advertisements, gift shop sales, and may also include membership fees.

Advantages: Less bureaucratic and free to operate more like a business; More freedom to develop non-lodging tax generated revenue streams.

Disadvantages: Municipality may have sense of diminished control of program that receives tax dollars; A larger portion of resources may be directed to revenue streams that generate more revenue and reduce focus on tourism marketing; Member-based structure may also focus more on members instead of a wider community focus; May appear to be less responsive to needs of smaller, less influential stakeholders.

- **Chamber Model:** The municipality contracts with Chamber of Commerce for tourism-related services, which is more likely in a community with limited resources to effectively operate tourism program. Very similar to independent agency model, although Chambers and CVBs have slightly different purposes and missions that may dilute tourism activities. Primary revenue is transient guest tax from local government. Chamber Board of Directors hires executive director who oversees tourism functions and personnel.

Advantages: Chambers generally represent broad cross-section of community and these resources may be leveraged to enhance work of CVB; Potential cost savings through sharing of personnel and operating expense.

Disadvantages: Chambers and CVBs have somewhat different missions and objectives that may be difficult to reconcile at all times; Chamber board of directors may not have the experience needed to focus on tourism; Membership model of Chambers may conflict with community-wide approach necessary for success.

RECOMMENDATION:

Staff expresses no recommendation at this time as there does not seem to be a model that far outweighs the effectiveness of other possible organizational models for the operation of a tourism agency in a community. There are cities throughout Kansas that successfully operate under each of the aforementioned structures.

FISCAL NOTE:

A fiscal note could not be prepared on this item until additional direction is received from the City Commission.

ATTACHMENTS:

- Abilene Area Chamber of Commerce Proposal
- Commissioner Dale's Proposal

A Proposal for the City of Abilene to Contract with the Abilene Area Chamber of Commerce for Convention and Visitors Bureau Services

Introduction

The Convention and Visitors Bureau and Abilene Area Chamber of Commerce are at an interesting crossroads. With less than a month till the Trails, Rails and Tales celebration, the creation of our first magazine style publication, signage investments and the launching of a number of event promotions, there has been much progress made. However, many items have been left incomplete with the exiting of the most recent CVB Director. There are relationships to be repaired, trust to be regained, and a prioritized focus to be developed. There is much talent and trust in the staff that remains at the CVB and the Chamber Director has made great strides to improve and increase member services and the sustainability of the Chamber of Commerce. These people are committed professionally to the success of Abilene's tourism industry and the overall economy of the City.

In a community with limited resources it is vital that organizational and resource efficiencies are maximized. Many communities in Kansas realize this and have combined CVB, Chamber and Economic Development organizations in a number of different ways. Among these including, but not limited to: Salina, Junction City, Manhattan, Council Grove/Morris County, Hutchinson/Reno County, Atchison, Emporia, Chanute and many others. It is true that the form that these organizations take is as diverse as the communities they represent. Until recently, if the Chamber and CVB of Abilene represented the community, we were a community divided and rudderless. The current juxtaposition and contractual agreement between the City of Abilene and Chamber of Commerce has brought about a greater awareness, appreciation and cooperation between the two organizations.

Despite the positive working relationship that currently exists, there are several areas where miscommunication, duplication of services, and a lack of coordination equal squandered resources, lost opportunities and misuse of staff talents. Neither organization is tapping into the potential that exists, which hampers achieving the goal of bring visitors and commerce to the community. We have limped along despite ourselves and it's time we expect more.

The Abilene Area Chamber of Commerce has an 88 year history of promoting the economic wellbeing of the community, including travel and tourism. Prior to the advent of the transient guest tax, the Chamber of Commerce had a Travel and Tourism Committee, which worked to specifically promote the tourism industry. After the adoption of the transient guest tax the City contracted with the Chamber to promote tourism along with the other business of the Chamber. The Chamber office at this time was in it's current location.

At some point, the City Commission decided that the needs of the tourism industry was not being accomplished by the Chamber and the City created the Department called the Convention and Visitor's Bureau. Whether this was simply a reaction to mismanagement by the Chamber director or fundamental organizational incompatibilities is not clear, but it may have been a case of "throwing out the baby with the bathwater". Since this time the Chamber has struggled to have the resources to attract professional, motivated, innovative and talented people for the position. This is not intended as a slight to past Chamber Directors, but with the reduction of the mission and resources, the position has not been attractive to the talent pool necessary to drive forward the goal of promoting commerce in an effective way.

Meanwhile, over the years the Convention and Visitor's Bureau has required a greater infusion of general fund money and an increase in the transient guest tax to maintain an aging approach to convention and visitor attraction. Apart from the maintenance of a couple websites, the basic services offered have been largely unchanged for nearly 20 years. This is not to say that some of the tried and true marketing methods are ineffective. As an example, concise printed materials are still popular among travelers. However, it is also true that the nature of "visitors" and "conventions" has changed. According to the April 13, 2012 update of the Assessment of the Travel Industry for Abilene, Kansas, 48% of lodgers are in Abilene for business, research, trucking or commercial reasons. An additional 40% are classified as pass-through, overflow, or leisure travelers. Traditional tourist attractions may not be the most significant reason people visit, but when someone is visiting for other reasons, attractions are there to provide entertainment, recreational and educational opportunities.

The decline in available hotel rooms has been a factor to a strained budget. The attraction or improvement of hotel rooms is beyond the scope of the CVB's mission and may now be vested with the Dickinson County Economic Development Corporation (DCEDC). The Chamber of Commerce and Convention and Visitors Bureau should fully cooperate with hotel developers and the DCEDC to improve the hotel room stock along with bed & breakfasts.

The Abilene Area Chamber of Commerce believes that the operations of the Convention and Visitor's Bureau and the Chamber of Commerce Board would become more effective and efficient through a contractual agreement whereby the Chamber acts as the staff to the CVB.

Key Points of Discussion

This draft report provides a framework for the dual administration of the Chamber and CVB functions. A description of potential financial and operational benefits are discussed along with products and services currently offered. Specific monetary number that are mentioned are not finely tuned and are estimates at best.

- City representation on the Chamber Board;
- Role of the CVB Board;
- Budget approval and administrative cost transfers;
- Accounting procedures and accountability;

- Staffing;
- Contractual expectations; and
- Severability in the event expectations are not being met.

Benefits

While there are financial benefits to this arrangement, the most significant benefits derive from greater operational efficiencies influenced by a shared mission, effort coordination, efficient use of staff, and a common point of contact. More specifically the benefits would include, but may not be limited to:

- Staff expense savings;
- Rent savings;
- Subscription savings;
- Possible sales tax savings;
- Centralized contact list and data collection system;
- Better walk in, email and phone call referrals;
- Staff position dedicated to visitor services and event marketing;
- Greater negotiation position for marketing materials and services;
- Coordinated print and web-based information and materials;
- Clearer information sharing source for both internal and external communications;
- Bulk mailing rates;
- Greater outreach for civic center rentals;
- Greater volunteer pool; and
- Improved long-term ability to attract high quality staff.

Shared Mission

The mission of the Abilene Area Chamber of Commerce already encompasses all of the activities and mission of the Convention and Visitors Bureau. The Chambers mission is to “promote commerce”, for which capturing economic activity from visitors is a vital part. The CVB’s mission is to promote travel and tourism into Abilene, which leads to overnight hotel stays. Many of those organizations served by the CVB’s mission (attractions, lodging and dining) are Chamber members because the two organizations are serving the same purpose. The Chamber of Commerce and its members recognize that a significant amount of Abilene’s trade comes from customers who live outside of Dickinson County.

Coordinated Efforts

Being separate organizations doesn’t allow us to focus all of our energy on those things that create the greatest positive impact to the travel and tourism industry and local economy as a whole.

Efficient Use of Resources

The current arrangement of cohabitation in the Civic Center has been a significant step to improving the efficiency of resources. However, there is more that can be done. Currently, the

Chamber of Commerce pays rent, which could be eliminated saving the Chamber of Commerce about \$6,000 a year. Having 2 director level positions would not be necessary; saving the City a significant amount on salary and benefits.

Staff Position Dedicated to Marketing and Events

With the elimination of one director level position, resources are available for the creation of a full-time position whose primary function is marketing and events. It is envisioned that this position would work closely with the Director to focus on marketing efforts both internal and external to the community and work with event organizers to reach a greater audience. This position would also assist in the planning and executing of Chamber promoted events such as the "Night of Christmas Magic" and business networking events.

Common Point of Contact and Cross Training

Despite the close proximity enjoyed by the CVB and Chamber staffs, there is a disconnect in information sharing and a firm understanding of who works in which areas. It is not uncommon for the Chamber staff to answer the phone and have a CVB related question that can't be answered. Similarly, there are questions brought to the CVB staff, which are either not properly referred or are answered incorrectly. Creation of a "team" and cross training will help alleviate such confusion

Proposal and Operations

Contractual Agreement

The City of Abilene would contract with the Chamber of Commerce to provide CVB related services at the direction of the CVB Board and City Manager. The contract amount would be equal to an annual budget recommended by the CVB Board as amended at the discretion of the City Commission. The City Commission approved budget would provide the guidance on quarterly transfers of funds to the Chamber of Commerce and would fluctuate based on the amount of transient guest tax collected.

Performance Benchmarks

In any contractual arrangement, the purchaser has certain performance standards that the contractor is obligated to perform. These may include project specific, administrative, reporting, and other obligatory expectations. This agreement would be no different. Specific performance expectations of the Chamber of Commerce in providing CVB services may include, but may not be specifically limited to:

1. Ad sales, content development, layout, printing and distribution of a visitor's guide on a bi-annual basis.
2. Serve as staff to the Convention and Visitor's Bureau Board by preparing meeting materials, providing understandable finance reports, and taking direction on tourism and attraction promotion activities.
3. Management of the Civic Center, visitor's center, billboard rentals, trolley and related facilities.
4. Coordinate, manage and market the Night of Christmas Magic and farmers market.

5. Maintain the CVB website and coordinate data, calendars and text across the CVB and Chamber websites and social media accounts.
6. Assist in the marketing of community special events that bring travelers to Abilene.
7. Provide and present quarterly finance and activities reports to the City Commission.
8. Build relationships and draw in marketing resources from regional and State travel and tourism promotion organizations.
9. Stock and man the Abilene booth at the State Fair and other events.
10. Work with the CVB Board to develop innovative marketing materials and strategies to
11. Work with bus tour companies, associations, organizations, exhibits and other groups to bring conventions and tours to Abilene.

Staffing

Staffing would consist of:

- Director (James Holland)
- Visitor and Events Coordinator (Michael Hook)
- Office Manager (Jeana Lawrence)
- Visitor Center Staff

It is our proposal for James Holland to serve as Director. Michael Hook named Tourism and Events Coordinator and to have his current contract revoked making him a regular employee. Retain Jeana Lawrence as the Office Manager. The Visitor Center Staff would remain at current levels. Compensation levels will be set by the Chamber Board and positions would be employees of the Chamber.

This would allow a smooth transition of all CVB activities and allow the Director to become more directly involved in the Trails, Rails and Tales event. There would be no “learning curve” associated with becoming familiar with the community and institutional history that goes with the operation and specific events. We would right the ship in quick order. We have great team members, we just need them on the same team.

Boards

The CVB Board would continue to function as it currently does. The Director and Tourism and Events Coordinator would work with the CVB Board and City Manager to ensure that the CVB mission is being fulfilled in a manner consistent with the direction of those in the travel and tourism industry.

The Abilene Area Chamber of Commerce Board of Directors would continue to function as it currently does. However, the CVB Board Chairman would be a voting member of the Chamber Board along with a dedicated board member appointed by the City Commission. The total number of Chamber Board members would be 11. The CVB Board position reserved for the Chamber Director would be redundant and a member from the travel and tourism industry could fill this vacancy, allowing for greater guidance by the industry.

Civic Center

The Chamber of Commerce would function as the managing agent for the Civic Center's day to day operation. Maintenance will be provided by the Public Works Department. There would be no rent on the facilities paid by the Chamber. However, the Chamber of Commerce will set aside a predetermined amount of funds for improvements and will make improvements with the consent of the City Commission when they are deemed necessary to forward the mission of the organization. The set aside would be carried over annually and cumulate for future needs. Office furniture and equipment will continue to be owned by the current owners.

Publications

The Chamber of Commerce would produce the "Discover Abilene" magazine and a "Visitor's Guide" to ensure that the mission of the CVB board is met and reinforced by inclusion in both publications. Currently, the CVB has been producing a "Hospitality Handbook", which is not specific to the needs of the visitor and may be replaced by the magazine. In addition to the magazine and visitor's guide, the following publications may be completed in cooperation with advertiser support:

- Ladies Day Out (tri-fold);
- Wedding Planner (tri-fold);
- Destination Dining (tri-fold);
- AntiqueFest (tri-fold); and
- City Directory (affectionately known as the "Snoop Book").

With forward planning, producers and printers of materials can be approached with a full package of publications for production to leverage a greater price. Given the staggering of the release of the magazine and visitor's guide, a two-year production and printing with a guaranteed price should be negotiated. In addition, with in-house ad sales for the magazine, the price of production should be reduced.

Reporting

The Chamber Director would provide monthly statements to the City Manager and would meet with the City Commission on a quarterly basis to provide a verbal and written report of the organizations activities with emphasis being given to the transient guest tax related expenditures. More frequent updates would be provided as requested by the City Manager or City Commission.

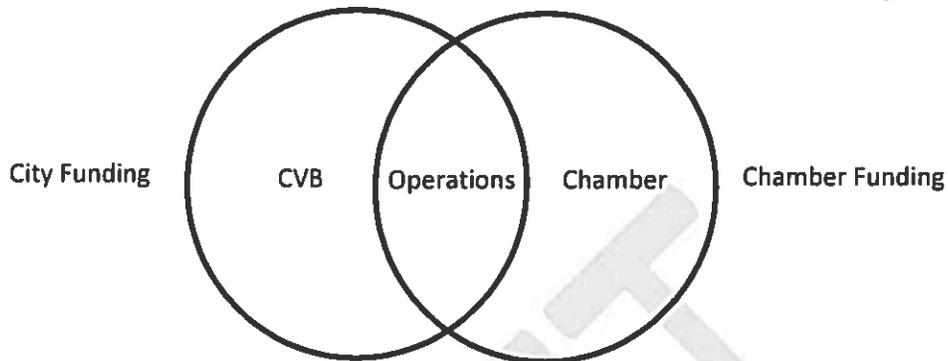
Severability

The contract for CVB services would be reviewed and renewed on an annual basis. However, at any time the City Commission could vote to revoke the contract and provide a 60 day notice before reestablishing the CVB as a City department.

Budget

The budget for the new organization would consist of three primary components: Operations, CVB, and Chamber. The operations budget will consist of those things considered overhead

such as personnel, building maintenance, equipment, office supplies, insurance, utilities, taxes and other non-program expenditures necessary to “keep the doors open”. The CVB budget would consist of visitor marketing, event marketing, and other non-overhead expenditures authorized under State law as visitor and convention related. The Chamber budget would



consist of marketing, event, training, and other non-overhead expenses relating to commerce promotion both internal and external to Abilene.

Statutorily the City Commission approves the budget for the transient guest tax and overall city budget on an annual basis. Working with the City Manager, the Director of the new organization would present an annual budget proposal to the City Commission for consideration. There would be no significant change to the budget proposal format or approval process. Likewise, the Chamber of Commerce would approve their annual budget in the same manner currently proscribed.

The Chamber of Commerce's primary sources of income are membership dues, event fees, seminar fees, and marketing fees. The CVB budget is funded through the transient guest tax, income from civic center (rental, gift shop and trolley), reimbursed marketing expenses, and general fund transfers.

An agreed upon staffing and overhead fee would be paid by the City to the Chamber for CVB administration and overhead. Expenditures under the CVB budget would be continue to be expensed through the City of Abilene's Finance Department and would be for services for visitors and the promotion of Abilene as a place to visit and hold conventions. Income from non-tax sources through the CVB

The greatest expense for both organizations is personnel expense. By placing the staffing requirements on the Chamber, there will be a significant cost savings in terms of both salary and benefit costs.

- Removal of the \$25,000 general fund subsidy;
- Removal of the \$6,000 rent paid by the Chamber (an overall wash since it's income for the City);
- Overall staff cost reduction of \$40,000 +/-; and

- A net gain of CVB program funding due to less of the transient guest tax is needed for personnel.

Office Operations

The new organization would have a number of on-going activities that will allow the staff to work more efficiently in communications and marketing.

Contact list – Currently the Chamber maintains a contact list with approximately 3,000 contacts. Currently this list is used for making referrals, mailing lists, and digital newsletters. Over the past year, the Chamber’s contact list has aided the CVB in making contact with various parties, both local and statewide. The new organization should have a single contact list accessible to each staff member. In addition, the new organizations staff will be instructed on contact data collection to maintain and grow the organizations connections. Every contact made with the CVB and Chamber should have their contact information added or amended in the contact list. This data collection should become a habit and additional avenues for collecting visitor contact data should be explored.

Websites - All current websites will be retained and managed as they currently are. Content may be shared among the websites to ensure a consistent message to site visitors. This includes social media accounts and online calendars. Current sites to be maintained include:

- City of Abilene – CVB page; www.abilenecityhall.com
- Chamber of Commerce: www.abileneks.net;
- Visit Abilene Kansas Facebook page;
- Abilene Area Chamber of Commerce Facebook page;
- Abilene Kansas CVB Twitter Account; and
- Abilene Area Chamber Twitter Account.

Regional Abilene Events

Events bring significant numbers of visitors to Abilene. The long-term continuance of events largely relies on the effectiveness of the organization behind the events. Most of these events have an organization or group of individuals behind the planning, funding and execution of the events. The only events the Chamber and CVB have been major planning and execution roles has been the “Night of Christmas Magic” and the recently created, “AntiqueFest”. In addition, the City elected to become intricately involved in the “Trails, Rails, and Tales” event by setting up accounting functions and hiring by contract an event planner.

Apart from the “Night of Christmas Magic” event, which historically was a Chamber event that was adopted by the CVB, the role of the Chamber and CVB is to assist in the promotion of the events, since promotion is directly linked to the increasing of visitors and commerce as well as

marketing the attractions, hotels, shopping and eating establishments to event goers. The new organization will allow for more effective and institutionalized marketing year-round for the following events.

- Night of Christmas Magic
- Heritage Homes Tour
- Central Kansas Free Fair & Wild Bill Hickok Rodeo
- Cow Town Classic Bike Ride
- Old Fashion 4th of July
- Eisenhower Marathon
- National Greyhound Association Fall Meet
- National Greyhound Association Spring Meet
- Eisenhower Music on the Lawn
- Eisenhower Old Fashion Baseball Game
- Chisholm Trail Days
- Trails, Rails, and Tales
- Chisholm Trail Classic Auto Show
- Abilene Airport Fly In
- AntiqueFest

Local Abilene Events, Trainings, and Seminars

There are a number of local events that the Chamber has organized and sponsored or plan to organize including:

- Tourism Day
- Annual Realtor Lunch and Tour
- New Resident Lunch
- Chamber Banquet
- Lunch and Learn Series
- Business Seminars
- New Resident Picnic

Farmers Market

The farmers market is commerce at its most basic level, but it is not an activity that attracts visitor's to the community. It is not uncommon for Chambers of Commerce to be involved in the marketing of farmers markets. However, in Abilene it has been administered in part by the CVB due to the fact that the CVB manages the civic center, where the parking lot is occupied by the farmers market. The new organization will continue to work with the farmer's market organizers and will explore ways to enhance the market by recruiting vendors, incorporate entertainment, enhanced marketing, and product safety requirement information.

Possible Next Steps

If interest warrants further discussion, it is advised that:

- A contractual agreement be drafted;
- Consultation with the CVB Board; and
- Accounting, job descriptions, and personnel manuals amended or drafted.

DRAFT

Introduction (DRAFT)

In reviewing a potential relationship between the CVB and the Chamber I have come to the conclusion that they both should be abolished and a totally new entity established. Doing so would:

- More effectively focus on the marketing opportunities in Abilene.
- More efficiently use the available resources and at the same time save the city .5 mil.
- Eliminate the need to deal with past baggage, turf protection, and bad habits.

Abilene Marketing Commission

The **MISSION** of the Abilene Marketing Commission is to market the City of Abilene as a great place to shop, play, work, and live.

External marketing with a focus on Eisenhower.

- Tourism
- New Business Recruitment
- Special Events

Internal marketing with a focus on shopping locally.

- Business to Business
- Non Profits to Patrons
- Business to consumer.

Media

- Focus on Electronic Media
- Internet

Funding

- **Bed Tax**
- **Ad Revenues**
- **Current Balances**

Staffing

- **Director**
- **Media Manager**
- **Admin (2)**

Governance

- **Board appointed by City Commission**
- **Director reports to City Manager**

August 19, 2016

Dear City Clerks or City Managers/City Administrators:

We are pleased the League's Annual Conference in Overland Park, October 8-10, 2016, is shaping up to be an exciting experience. We have an outstanding program of speakers, panel discussions and workshops planned which were highlighted in the July issue of the *Kansas Government Journal*.

I am writing to invite your city governing body to register its League voting delegates. State law provides that the governing body of each member city of the League may elect city delegates from among the city's officers to represent the city in the conduct and management of the affairs of the League. League bylaws provide that a city voting delegate or alternate delegate qualifies by having his or her name, city title and address registered with the executive director.

Each member city needs to file new registration forms with the League of Kansas Municipalities. You may send them one of three ways: by mail to League of Kansas Municipalities, 300 SW 8th Avenue, Topeka, KS 66603; scanning the form and emailing adebusk@lkm.org; or via FAX to 785-354-4186. **Please send forms by Friday, September 16th to the attention of Anna DeBusk.**

Article 4, Sec. 5 of the League Bylaws prescribes the total number of votes provided to each member city based on population. The number of delegate registration forms enclosed is based on the following table.

City Population	No. Votes	No. Delegate Forms	No. Alternate Forms
1 - 2,500	1	1	1
2,501 - 7,500	2	2	2
7,501 - 17,500	3	3	3
17,501 - 37,500	4	4	4
37,501 - 77,500	5	5	5
77,501 - 117,500	6	6	6
117,501 - 157,500	7	7	7
157,501 - 197,500	8	8	8
197,501 - 237,500	9	9	9
237,501 - 277,500	10	10	10
277,501 - 355,500	11	11	11
355,501 - 395,500	12	12	12

A business and policy session of city voting delegates will be held on Monday afternoon, October 10th, at the conference in Overland Park.

I look forward to hearing from you.

Sincerely,



Erik A. Sartorius
Executive Director

Enclosures



Abilene City Commission Minutes
Abilene Public Library
August 22, 2016 @ 4:00 p.m.
Abilene, Kansas

1. **Call to Order**

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

Staff Present: City Manager Dillner, Human Resources Director/City Clerk Soukup, City Attorney Martin, Finance Director Rothchild, Public Works Director Schrader, Parks & Recreation Director Foltz, Community Development Director Shea, Police Chief Mohn and Fire Chief Sims.

Others Present: Wendy Moulton and Mike Heronemus.

3. **Pledge of Allegiance** - Mayor Marshall led the Pledge of Allegiance.

Consent Agenda

4. Agenda Approval for the August 22, 2016 City Commission Meeting

5. Meeting Minutes: August 8, 2016, Regular Meeting

6. Designation of a 2000 John Deere 1420 mower with 7-foot mulch deck and Little Wonder Push Edger as surplus and authorizing its public sale or disposal; and

7. An Ordinance amending Section 5-304 of the City Code of the City of Abilene, Kansas, concerning the possession of marijuana.

Motion by Commissioner Weishaar, seconded by Commissioner Shafer 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 Marshall asked for any comments or communications from the public that are not on the agenda.

There were none.

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 or recognitions.

Public Hearings

11. **A Public Hearing for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds and the amount of ad valorem tax for the 2017 Budget for the City of Abilene, Kansas.**

Mayor Marshall opened the Public Hearing at 4:03 p.m.

Finance Director Rothchild said that staff is recommending the proposed budget for 2017. The assessed valuation for the city increased this year by 1.1%. A mill is approximately \$53,243.00. To fund this budget it would require a total of 48.899 mills which is an increase 2.67 mills as compared to the 2016 budget. The General Fund increases 1.175 mills, the Debt Service Fund increases .877 mills, the Library Fund increases .349 mills, the airport fund has a decrease of .19 mills and the Fire Apparatus fund increase by .461. This budget would fund a \$25,000 transfer from the General Fund to the CVB, One Police Patrol car at \$26,000 and a server for the Police Department for \$6,500, a lease purchase for the Fire Department Air Packs to continue to pay, also bunker gear and hose at \$15,500 and portable radios at \$12,000, under Street Department there are some lease purchases that this also covers including a single axle dump truck at \$20,000 and previous lease purchases that include a street sweeper \$23,100, a motor grader at \$26,500, and skid steer at \$2,600. This also includes a grant to the Economic Development Corporation for \$25,000 and also an increase in demolitions for the inspection department of \$10,000.

City Manager Dillner said that he has gotten allot of questions about why the City is going from 11 million to 15 million in total expenditures. The reason is the City is budgeting its full authority. Per State law in this process the City Commission is going to establish the Budget authority for the various funds that the City oversees. It includes the General Fund, the Sewer Fund, the Water Fund and many other Funds that the City has. This allows us to have the funds available without having to do a Budget amendment if something comes up during the year that we need to spend the funds on. He gave a couple of examples of scenarios that we could need to have this budget authority.

Commissioner Dale asked how we as a board control this spending if its already in the plan.

City Manager Dillner said if its a large expense for example City Hall improvements, a major water line project or anything like that and it is not planned we would bring that back to the City Commission for approval. Since we are budgeting the 479,000 in the Capital Improvement Fund we would not have to come back and do a budget amendment if we choose to look at options for City Hall improvements.

Mayor Marshall asked if we budget this 479,000 and we don't use it or take it out, we are limiting ourselves on what we can do with the budget. Next year we are limited on what we can do with the budget. Does setting out budget at this amount now protect us for next year?

City Manager Dillner said next year we will have a property tax lid that has nothing to do with any of this. We will be able to set our mill levy based upon the consumer price index rolling five year average. If you take anything out of this a reduce your mill levy then yes that will limit to some extent what your mill levy can be

next year and in the future based upon that formula. Presently the Capital Improvement fund does not have a mill levy. It is currently just a fund. In the past the Commission had designated a mill levy for that fund but in efforts to keep the mill levy down they removed that mill levy. In the event that you would want to spend more than is in that fund you would need to come back next year and set a mill levy for it. Presently removing those dollars will not affect the mill levy.

Mayor Marshall asked what the 300,000 was in the water fund.

City Manager Dillner said it is an increase in overall operational cost and budgeting the reserve. Same with the Sewer Fund. You can either budget everything in the fund or you can budget only what you think you are going to spend.

Commissioner Weishaar said essentially this gives us budget authority the spending limits will still be in place.

Commissioner Dale said he has difficulty with the process that we use to construct a budget. He is a believer in a zero based budget. I was not here from the onset of this process, but I have difficulty with the process and I have difficulty with a mill rate increase. Hopefully we look at differently next year. The process needs to be different and we set a number from the front end as to what type of mill levy we want.

Mayor Marshall said she disagrees that its a wants based budget. Ask the Department heads here. There wants went to the wayside. This is a need because we cut so much last year.

Mayor Marshall asked for comments from the public. There were none.

Mayor Marshall closed the Public Hearing at 4:19 p.m.

Old Business

12. There was no old business.

New Business

13. Consideration of an Ordinance approving the 2017 Budget for the City of Abilene, Kansas, and attesting to an increase in tax revenues for said Budget.

Motion by Commissioner Weishaar, seconded by Commissioner Shafer to adopt Ordinance No. 3309 AN **ORDINANCE APPROVING THE 2017 BUDGET FOR THE CITY OF ABILENE, KANSAS, AND ATTESTING TO AN INCREASE IN TAX REVENUES FOR SAID BUDGET.** Motion carried 4-1. Commissioner Dale voting No.

14. Consideration of a Resolution approving Master Agreement Work Order No. 2-16 with Olsson Associates concerning Construction Administration Services for the NW 11th Street Project.

City Manager Dillner said the Resolution will approve a master agreement concerning construction administration services for the NW 11th Street project. This will help ensure that the project is built as designed. We have been utilizing Olsson Associates to some degree for this so this will make it more formal.

Motion by Commissioner Weishaar, seconded by Commissioner Dale to approve Resolution No. 082216-1 A **RESOLUTION APPROVING MASTER AGREEMENT NO. 2-16 WITH OLSSON ASSOCIATES CONCERNING CONSTRUCTION INSPECTION SERVICES FOR THE NW 11TH STREET PROJECT.** Motion carried unanimously 5-0.

Reports

15. City Manager's Report

City Manager Dillner said that they have started the grading work on NW 11th Street.

Adjournment

16. Consideration of a motion to adjourn the August 22, 2016 City Commission meeting.

Motion by Commissioner Weishaar, seconded by Commissioner Payne to adjourn at 4:23 p.m. Motion carried unanimously 5-0.

(Seal)

Dee Marshall, Mayor

ATTEST:

Penny L. Soukup, CMC
City Clerk



MEMORANDUM

TO: City Commission
FROM: David Dillner, City Manager
SUBJ: Flint Hills Grain, LLC Use of Right-of-Way License
DATE: September 2, 2016

ISSUE:

The City Commission is asked to consider a Use of Right-of-Way License Agreement with Flint Hills Grain, LLC concerning a proposed twenty-five foot extension of a fall protection system over the S. Elm Street right-of-way as depicted on a map provided by Flint Hills Grain, LLC.

BACKGROUND:

Flint Hills Grain, LLC desires to extend its fall protection system approximately twenty-five feet to the east of the existing fall protection system. The extension would extend over the other half of S. Elm Street. Flint Hills Grain, LLC estimates that there will be approximately twenty feet of clearance between the system and the street, which would be sufficient for a motor vehicle to drive under.

The right-of-way for S. Elm Street in the block south of SW 2nd Street is seldom used by the public, and the portion of S. Elm Street proposed for the extension is not accessible by through traffic. The street does not extend south of the existing rail spur and the City does not have any plans to extend S. Elms Street south to SW 3rd Street.

ALTERNATIVES:

1. Approve attached ordinance as written.
2. Reject the attached ordinance.
3. Provide staff additions or changes for ordinance.

RECOMMENDATION:

Staff recommends approval of Option 1 due to its limited impact to the public right-of-way and the City's ability to terminate the License Agreement if it determines that such Agreement is no longer in the public interest.

FISCAL NOTE:

There is no fiscal note on this item.

ATTACHMENTS:

- Documentation provided by Flint Hills Grain, LLC

LICENSE AGREEMENT

This License Agreement is entered into this ____ day of September, 2016, by and between the City of Abilene, Kansas ("City") and Flint Hills Grain, LLC, a Delaware limited liability company ("Licensee").

Recitals

A. Licensee owns certain real estate ("the Property") commonly known as 109 S. Elm St., Abilene, Kansas, and legally described on Exhibit A attached hereto.

B. The City is the holder of a public right-of-way for S. Elm Street ("Right-of-Way") adjacent to and abutting the East side of the Property.

C. Licensee wishes, in connection with its use of the Property for grain storage, to extend its existing fall protection system attached to the structures on the Property ("the Improvements"), which Improvements will extend approximately twenty-five feet over the Right-of-Way.

D. The City's Public Works Department has concluded that under the circumstances, allowing Licensee to maintain the Improvements in the proposed location will not interfere with the current public use of the Right-of-Way.

THE PARTIES THEREFORE AGREE:

1. Grant of License. The City grants a license to Licensee for the construction and maintenance of the Improvements as described and depicted on the attached and incorporated Exhibit B (the "License").

2. Term of License. The License shall commence upon execution of this License Agreement and shall continue until the earlier of:

A. Notification of City by the Licensee of desire by Licensee to terminate the use of the Right-of-Way License. Such termination shall occur no less than one hundred eighty (180) days following such notice.

B. Notification of Licensee by the City that the public interest is best served by the use of the Right-of-Way in a manner in conflict with the License, and that the License shall terminate no less than one hundred eighty (180) days following such notice.

3. Responsibilities Upon Notification of Termination. If notice of termination of the License is given pursuant to paragraph 2.B, Licensee must remove that portion of the Improvements that extend over the Right-of-Way no later than the designated license termination date. If Licensee fails to remove that portion of the Improvements that extend over the Right-of-Way prior to the License termination date, the City may cause the necessary work to be performed and charge the

cost of the work against Licensee and/or assess the costs as a special assessment against the Property.

4. No Representations. Licensee agrees that the City has made no representations to it with respect to the Right-of-Way or its condition, and that it is not relying on any representations of the City or its agents with respect to the Right-of-Way or its condition. This License grants the licensee a license to use the Right-of-Way in its present condition, "as is," without any warranties, representations, or assurances from the City as to condition, quality, or title.

5. Indemnification and Hold Harmless. The Licensee shall defend, indemnify, and hold harmless the City, its agents, representatives, officers, officials, and employees from and against any and all claims, damages, losses, judgments and expenses (including but not limited to attorney fees and court costs) that may arise from or in any way relate to this Agreement or the Licensee's use of the Right-of-Way.

6. Notices. Any notice to either party shall be sufficient if mailed by United States mail, postage prepaid, at the following addresses:

City of Abilene, Kansas
c/o City Clerk
P.O. Box 519
Abilene, KS 67410-0519

Flint Hills Grain, LLC
c/o Scott Sorrows
1331 Capitol Ave.
Omaha, NE 68102

7. Other Approvals. Any permission granted pursuant to this License Agreement to install the Improvements shall be subject to and conditional upon approval by the railroad, where applicable.

8. Binding Effect. The City and Licensee agree that this Agreement shall be recorded with the Office of the Dickinson County Register of Deeds and shall be indexed to the Property. This License shall "run with the land" in relation to the Property and shall be binding upon and inure to the benefit of the Licensee, its authorized or permitted successors and assigns, and any subsequent owners of all or any portion of the Property.

{Signature page follows}

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives.

CITY OF ABILENE, KANSAS (“CITY”)

FLINT HILLS GRAIN, LLC (“LICENSEE”)

By: _____
Dee Marshall, Mayor

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Penny Soukup, CMC, City Clerk

STATE OF KANSAS, COUNTY OF DICKINSON, ss:

This instrument was acknowledged before me on the ____ day of September, 2016, by Dee Marshall as Mayor of the City of Abilene, Kansas, and Penny Soukup as City Clerk for the City of Abilene, Kansas.

My appointment expires:

Notary Public

STATE OF _____, COUNTY OF _____, ss:

This instrument was acknowledged before me on the ____ day of September, 2016 by _____ as _____ of Flint Hills Grain, LLC, a Delaware limited liability company.

My appointment expires:

Notary Public

EXHIBIT A
Legal Description of Property

Exhibit B
Depiction and Description of Improvements



Jennie Hiatt <developclk@abilenecityhall.com>

Rail Fall Protection Extension

1 message

Sorrows, Scott <Scott.Sorrows@gavilon.com>

Wed, Aug 10, 2016 at 4:08 PM

To: "Jennie Hiatt (developclk@abilenecityhall.com)" <developclk@abilenecityhall.com>

Jennie, Here is the aerial of our rail load out shed. We are wanting to extend our fall protection system about 25' to the East. That will take it the other half of the way over Elm street. I'm not 100% sure the clearance but if it's clearing rail cars then the 6' guy standing on top of the rail car I'd say we would have at least 20' clearance. This should be sufficient for any motor vehicles the city would be concerned about driving under this. As a reminder, we do own the property inside this rail yard area. that attachment is also attached. Below is the areal sketch.



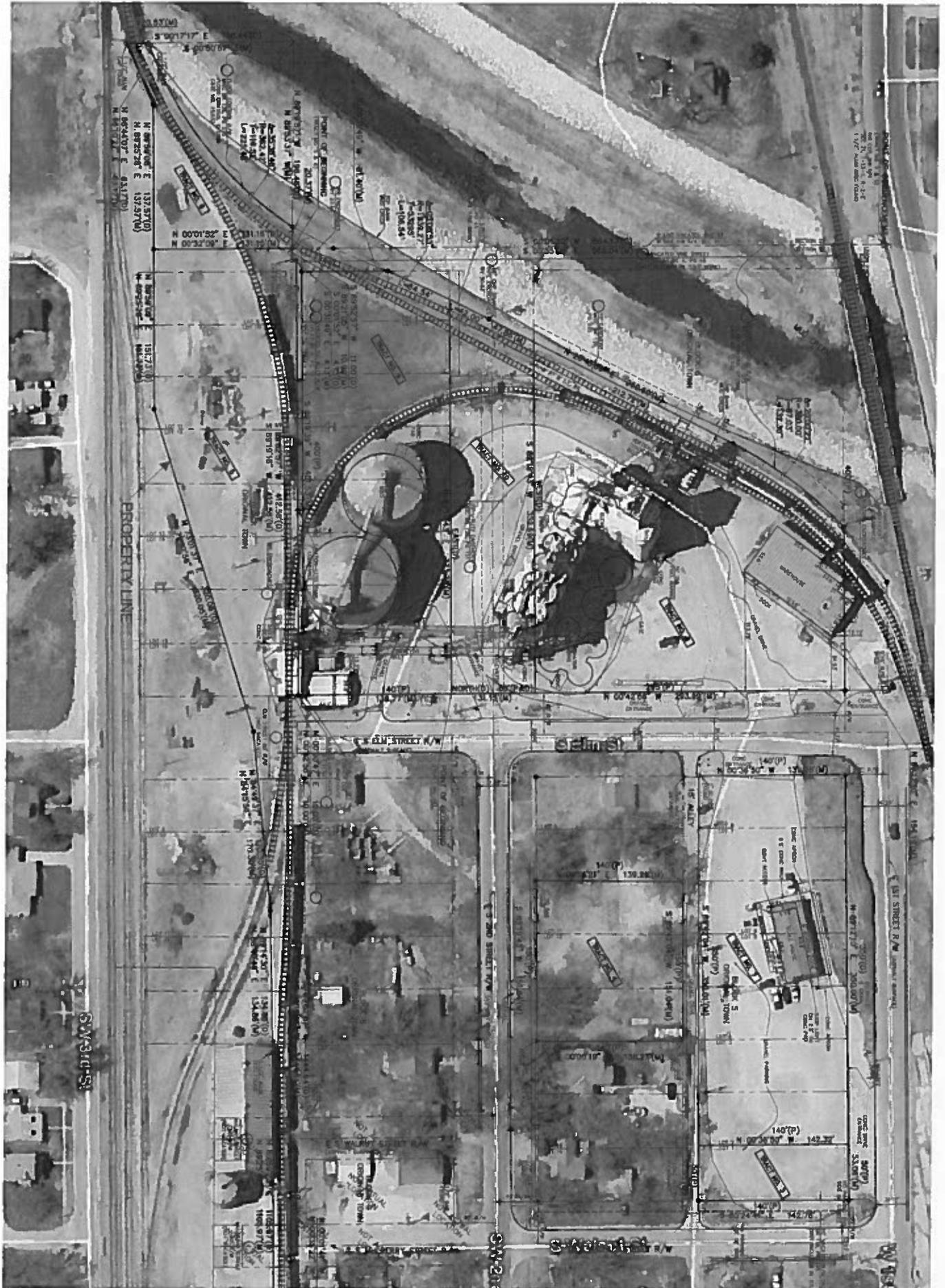
Scott Sorrows | Regional Operations Manager

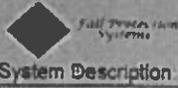
The Gavilon Group, LLC

1331 Capitol Ave | Omaha, NE 68102

T 402.889.4305 | C 618.534.7374 | F 402.221.0856

Scott.sorrows@gavilon.com





sq#: 18761

System Description: L 91, L123 & 20 TO 3 options

AREA: EAST & WEST BRILL ADDITIONS

(3) USERS
 NO NEW USER SETS
 YES NEW
 30 MIN TURNAROUND
 GOOD ACCESS
 COL 6" DOWN
 5 TO HOURS
 LOCAL JOHN
 NON-UNION OR
 100% LOCAL ONLY
 CASHED MILK

Gasketized
 Flagging required
 Access restricted
 Power line issues

Extra ballast/units required
 Customer won't allow us on tracks
 Significant elevation changes either direction
 Curved tracks? Mark start of curve.



Customer: GAILSON
 Address: ADL SA, KS
 Date: 6-29-16
 Drawn By: Tom Reider

OLD JOB 28213

