

NOTICE OF STUDY SESSION

For Abilene City Commission
4 p.m. May 22, 2018
Dwight D. Eisenhower Memorial Building
419 N. Broadway Avenue, Abilene, Kansas

TO: Abilene City Commission
FROM: Austin Gilley, City Manager

PURPOSE

The City Commission's Study Sessions are for the purpose of providing the Commission the opportunity to study items in more detail. The City Manager is responsible for the meeting and helping manage discussion.

OPEN FORUM

This is an opportunity to bring up items to be informally addressed.

STUDY ITEMS

- **2018-19 Priority list update:** Status of projects related to the City Commission's priorities.
- **Water source presentation:** The results of the hydro-geological study commissioned by the City last year is complete, and the summary report by the City's engineering firm is scheduled for the next regular Commission meeting. At this study session, I have asked the water department to provide an overview and some background information on the City's wells and water rights to help us all get up to speed on why the study to find additional water was necessary. If you are not familiar with how water supply is regulated by the state, you might find helpful this summary by the Kansas Department of Agriculture, which oversees the Division of Water Resources that administers the Kansas Water Appropriation Act: <http://agriculture.ks.gov/divisions-programs/dwr/water-appropriation/water-law-basics>
- **Governance and Ends Policies review:** The marked-up version of the policy is attached. We will plan to study this policy in further detail.
- **Land Bank policy/plan update:** After reviewing some other city land bank policies and consulting further with the City Attorney, it sounds like the City cannot grant "more authority" than the statute allows but it may add more restrictive language, which seemed to be the concerns expressed at the last meeting. As such, I plan for us to study the following three things a little further on this issue:
 - Review the purpose of the Land Bank and provide a couple of examples used by other cities – and contrast that with our unique circumstances. Here are two examples of Land Bank operations in their "purest" form: <http://www.wycokck.org/LandBank/FAQ.aspx> and <https://www.hutchgov.com/DocumentCenter/View/386/Frequently-Asked-Questions-PDF>
 - Review where we are at with our unique circumstances and discuss if the best approach is still to proceed with the intent for the City to operate as a land developer.
 - If a separate board were to be used, let's list the restrictions, limitations, and safeguards that we would like to see incorporated into the policy and operation. END###



2018/2019 Commission Priorities: Status and tracking list as of May 22, 2018

Below are the Commissions 2018-2019 Priorities adopted by Resolution 040918-1 with status updates.

Item (2018/2019)	Category	Update notes (Items in grey unchanged since last meeting)	Original Ranking				
			Chaput	Marshall	Ostermann	Petersen	Shafer
Emerald Ash Borer Plan	Quality of Life	Tree Board is reviewing best option for making inventory of Ash trees on City property and in right of ways. Board is also assisting Eisenhower Museum and Library with its tree inventory.	1	1	-	-	2
Downtown development/beautification	Quality of Life	I have met with the City Engineer, DKEDC, City Planner, and consultant Ochsner Hare & Hare to being discussing the process for helping develop a vision and plan for this item. A work order will be forthcoming as soon as possible.	3	-	1	1	-
Welcome Sign	Quality of Life	See email from April 30. Awaiting request for funding, and working to help gauge community support for sign design. Also will work with CVB to assist with marketing effort.	-	2	3	-	1
Sidewalks/Walkability	Quality of Life	This is likely contingent upon downtown development and parks planning. The City's match program is continuing and staff is plannig to include funding again for 2019.	-	3	-	3	3
Land Bank plan/policy	Policy	Pending Commission's confirmation on the best approach.	1	2	1	1	1
Retail Recruitment	Policy	This item likely depends heavily on the vision for downtown and the City's commitment to improving its infrastructure capacity and awareness.	2	1	3	2	-
Code enforcement program	Policy	Case management system investigation has led to the thinking that we likely need a service reporting and tracking tool for other purposes, too. This presents an opporutnity to enhance transparency, efficiency, and citizen engagement. We are working through the best method for reviewing and selecting the right solution.	3	3	2	-	2
Storm Water Plan	Infrastructure	Pending work order from City Engineer, which is pending data released by state in new flood plain maps. The key decision will be whether or not the City chooses to make some improvements to the levee to certify it for additional gains in removing floodplain areas.	2	1	2	3	3
Street maintenance plan	Infrastructure	Initial meeting held with Public Works Director. Meeting with City Engineer to follow. Working toward a proposal to accompany budget presentation in June.	1	2	-	-	1
Water source	Infrastructure	City Engineer scheduled for full report on hydrogeological study at 5/29 Commission meeting.	-	-	1	1	-
Fire Engine	Equipment	Fire Chief seeking pricing information for inclusion in 2019 budget consideration.	1	1	-	1	2
Equipment Reserve	Equipment	Transfers from water and sewer funds had to be elimianted to keep funds with a positive cash balance. Challenge going forward will be balancing expenses with mill levy and appropriated balance impacts.	2	2	-	2	1



Governance and Ends Policies

Resolution No. 102411-1

October 24, 2011

GOVERNANCE AND ENDS POLICIES

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GOVERNANCE AND ENDS POLICIES

SECTION ONE: PREAMBLE

1. This document, established by the Abilene City Commission, defines, protects, and prioritizes the workings of City Government. It is the on-going hope of the Abilene City Commission to lead the Citizens of Abilene in an ethical and prudent manner, in the best interests of the citizens, looking to the future rather than the past. This document is intended to provide guidance and direction in accomplishing this vision.

SECTION TWO: GOVERNANCE POLICIES

2. **Governance Process.**

- 2.1. Ownership of the Commission. The Abilene City Commission shall answer to, and take into consideration the best interests of, all residents of the City of Abilene, both vocal and silent citizens, with respect paid to all residents, regardless of their economic status. Since the City is “owned” by the Citizens, the Commission’s thinking shall be influenced by this ownership. Secondly, the City Commission shall consider the needs of any person who regularly shops in, uses facilities of, or accesses services from the City of Abilene.

- 2.1.1. The City Commission represents the Citizens. Therefore, it shall educate itself regarding the values held by the persons it represents and shall act always under the influence of those values. The City Commission’s education may be facilitated by: 1) formal and informal citizen opinions; 2) formal and informal focus groups to explore specific issues; 3) considering input by citizen volunteers who participate on advisory boards, committees and commissions; 4) monitoring the demand and utilization of services; 5) discussions with representatives from other governmental and educational bodies; and 6) reviewing reports and citizen responses in the media.

- 2.1.2. The City Commission shall report periodically to the citizens on its stewardship. At least once per year, the Mayor-Commission shall ~~give~~ provide for an accounting of the City’s financial resources and the extent to which these funds have been translated into services. ~~in the State of the City message.~~

- 2.2. Governance Process; City Commission Role. The role of the City Commission, on behalf of the citizens of Abilene, is to assure that the City of Abilene: 1) accomplishes what it should, and 2) avoids unacceptable activities and conditions.

- 2.2.1. The City Commission will engage in structured contact with citizens of Abilene to represent their diversity.

- 2.2.2. The City Commission will define in Ends Policies what is to be accomplished in terms of benefits, recipients, and their relative priorities. It will define in Executive Limitations Policies those activities and conditions it considers unacceptable. The City Commission will delegate performance on these matters to a City Manager.

- 2.2.3. The City Commission will carry out its job with discipline, emphasizing strategic rather than tactical issues, policy rather than single events, and group rather than individual decisions.

2.2.4. Whenever possible, the City Commission will avoid the use of committees that separate the wholeness of the City Commission. When further research on a topic is needed, the City Commission may appoint one member to investigate with staff assistance. However, the Commission should avoid subgroups of City Commissioners members, since subgroups tend to develop a life separate from the Commission as a whole.

2.2.5. The annual cycle of the City Commission will ~~conclude with~~ include a review of Ends Policies, ~~in April, just in conjunction with or prior to the City Manager's construction of a proposed annual plan and budget.~~

2.2.6. The City Commission shall honor all demands and restrictions outlined in the City Code of the City of Abilene, Kansas.

2.3. Governing Process; Commission Style and Vision. The City Commission will govern with an emphasis on: 1) outward vision rather than an internal preoccupation; 2) strategic leadership rather than administrative detail; 3) clear distinction of the City Commission and City Manager roles; 4) collective rather than individual decisions; 5) future rather than past or present; and 6) proactively rather than reactivity. The City Commission will:

2.3.1. Deliberate in many voices, but govern in one.

2.3.2. Cultivate a sense of excellence. The City Commission will be responsible for excellence in governing. The City Commission will be an initiator of policy, with the advice and counsel of the City Manager.

2.3.3. Cultivate a sense of group responsibility. The City Commission will use the expertise of individual members to enhance the ability of the Commission as a body. However, it is not the intention of the Commission to defer the group's judgment to any one individual.

2.3.4. Direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Commission's values and perspectives. The Commission's major policy focus will be on the intended long-term impacts outside the operating organization, not on the administrative or programmatic means of attaining those effects.

2.3.5. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuity of governance capability. Continual Commission development will include orientation of new members in the Commission's governance process and periodic Commission discussion of process improvement. The Commission will allow no officer, individual or committee of the Commission to hinder or be an excuse for not fulfilling its commitments.

2.3.6. Monitor and discuss the City Commission's process and performance at various times throughout the calendar year. Self-monitoring will include comparison of Commission activity and discipline to policies in the Ends, Governance Process and Council-Staff Linkage categories.

2.4. Governing Process; Council Action. The job of the City Commission is to achieve the mission in a prudent and ethical way. The job of the Commission is to make certain contributions to the total that are unique to its public trusteeship role and necessary for proper governance and management of the City. Consequently, the "products" of the Commission itself shall be: 1)

connection between the City Commission and its “ownership,” the citizens; 2) written governing policies that concern: (a) the Governance Process (*how the Commission carries out its tasks, and the passing of power and measurement of its use*) and (b) End Policies (*what benefits, for whom, at what cost*), and (c) Executive Limitations Policies (*prudent and ethical limitations binding upon staff*); and (d) the assurance of staff performance (*through guidance and evaluation of the City Manager*).

- 2.5. Governance Process; Commission Code of Conduct. Since City Commissioners have no authority as individuals, members shall refrain from efforts that may lead to situations in which a Commissioner might have occasion to overstep their bounds. Although not every situation can be outlined, some common areas of concern include:

2.5.1. Staff being intimidated or manipulated by a Commissioner’s individual comments or actions. Commissioners must bear in mind that at times, staff may ask for an individual opinion from a Commissioner, and while the Commissioner may sincerely respond only as an individual, staff will often place undue emphasis on the opinion, due to the Commissioner’s status.

2.5.2. Staff being polarized by dissention. Although all Commissioners are obligated to register differences of opinion on Commission issues at the Commission level as passionately as desired, individual members must not direct their differences of opinion to staff in a manner which creates dissension or polarization in the organization.

2.5.3. Since no one has the right to speak on behalf of the entire City Commission, individual Commissioners are encouraged to conduct themselves in a professional manner in all communications.

2.5.4. Members will not individually render binding judgments of the City Manager or staff performance apart from compliance with City Commission policies as monitored by the Commission as a body.

- 2.6. Governance Process; Citizen Advisory Boards and Committees. The City Commission values the expression of citizen viewpoints on topics of concern to the Commission. Therefore, the City Commission will continue the tradition of seeking input from volunteer citizen advisory boards and committees, although final responsibility for decisions, and the implementation that follows, rests entirely with the City Commission. The Commission reminds staff that the ideal purpose of citizen involvement is not to advance staff agendas, but to seek objective opinions from a diverse range of citizens.

2.6.1. The Council will make every effort to offer overall direction and guidelines to citizen volunteers, through the use of Ends Policy statements, and by reviewing the mission and need for each citizen advisory board and committee on an annual basis. During the annual review:

2.6.1.1. The City Commission will determine if the need for a citizen advisory board or committee justifies continuation of the board or committee. If continuation is justified, the City Commission shall proceed to Section 2.6.1.2.

2.6.1.2. The City Commission will make an effort to determine the most effective use of citizen volunteers, with a primary decision being the length of service for each board and committee. The Commission believes citizen input will be more likely

objective and updated if the advisory board or committee is kept in an ad hoc (i.e., short-term) format. However, the City Commission recognizes that some complex issues require citizen involvement for a longer period in order to be effective.

2.6.1.3. Unless otherwise specified by the City Commission, the City Manager will coordinate the activities and reporting functions of all citizen advisory boards and committees.

2.6.1.4. The City Manager will base his guidance of citizen advisory boards and committees on Ends Policies established by the City Commission.

2.6.1.5. The Mayor, with advice and consent of the City Commission, will make all may recommend appointments to citizen advisory boards and committees.

2.6.1.6. Upon recommendation of the City Manager, the City Commission may approve the creation of ad hoc committees to assist the City Manager or his staff.

2.6.2. The City Commission directs all staff to review relevant Ends Policies with citizens upon their appointment to an advisory board or committee. The Commission asks staff to be as objective as possible in educating and presenting options to citizens, since the purpose of advisory boards and committees is not only to hear from citizens, but to increase citizen involvement, loyalty, and creativity toward their City.

2.6.2.1. The City Commission asks the City Manager to create and regularly update an orientation packet for each new volunteer that includes relevant Ends Policies.

2.6.2.2. The City Commission asks staff to review this orientation packet with each potential volunteer, prior to their appointment, emphasizing this Policy 2.6, ~~and asking for a citizen signature on the line that indicates understanding of this policy.~~

2.6.2.3. Staff will provide regular summaries of citizen committee work to the City Commission.

2.7. Governance Process; Review and Update of Policies. The City Commission will review all policies (including Governance, Council-Staff Linkage, Ends, and Executive Limitations) ~~during the first quarter~~ of each year, although the Commission may also review and update any policy at any time deemed prudent and necessary by the Commission. The City Commission expects immediate adjustment by the City Manager to any policy change instituted by the Commission.

SECTION THREE: COMMISSION-STAFF LINKAGE POLICIES

3. Commission-Staff Linkage.

3.1. City Manager's Role. As the Commission's single official link to the operating City government, the City Manager's performance will be considered to be synonymous with organizational performance as a total. Consequently, the City Manager's job contributions can be stated as performance in these, but not limited to:

- 3.1.1. City government accomplishment of the provisions of Commission policies with the Policy Governance Model, especially Ends Policies, but also including Governance Process and Commission-Staff Linkage Policies.
- 3.1.2. City government operation within the boundaries of prudence and ethics established in Commission policies on Executive Limitations.
- 3.2. Delegation to the City Manager. All Commission authority delegated to staff is delegated through the City Manager, so that all authority and accountability of staff –as far as the Commission is concerned – is considered the authority and accountability of the City Manager.
 - 3.2.1. The Commission will direct the City Manager to achieve certain results, for the citizens, at a certain cost, through the establishment of Ends policies. The Commission will limit the latitude the City Manager may exercise in practices, methods, conduct, and other “means” through the establishment of Executive Limitations within those policies.
 - 3.2.2. As long as the City Manager uses any reasonable interpretation of the Commission’s Ends and Executive Limitations policies, the City Manager is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
 - 3.2.3. The Commission may change its Ends and Executive Limitations policies, thereby shifting the boundary between Commission and City Manager domains. By doing so, the Commission changes the latitude given to the City Manager. Commission members will respect and support the City Manager’s decisions and choices, whenever made pursuant to existing Commission policies.
 - 3.2.4. Only decisions of the Commission acting as a body are binding on the City Manager.
 - 3.2.5. In the case of Commission members, citizen advisory committees, or others requesting information or assistance with Commission authorization, the City Manager may turn to the Commission for guidance, especially when such requests will require an inordinate amount of staff time or funds, or are disruptive to the efficient operation of the City.
- 3.3. Monitoring Executive Performance. Monitoring executive performance is synonymous with monitoring organizational performance against Commission policies on Ends and on Executive Limitations. Any evaluation of the City Manager’s performance, formal or informal, may be derived only from these monitoring data. This policy places the burden of measuring success on two pivotal points: 1) well-define Ends and Executive Limitations policies and 2) accurate measurements. Without well-defined policies and accurate measurements, the point of monitoring performance is lost. The Commission recognizes the need to insulate the City Manager’s role from performance reviews that rate personality rather than performance.
 - 3.3.1. The purpose of monitoring is simply to determine the degree to which Commission policies are being fulfilled. Information which does not do this will not be considered monitoring. Monitoring will be as automatic as possible, using a minimum of Commission time so that meetings can be used to create the future rather than to review the past.
 - 3.3.2. A given policy may be monitored in one or more of three ways:

- 3.3.2.1. Internal Report. Disclosure of compliance information to the Commission from the City Manager.
- 3.3.2.2. External Report. Discovery of compliance information by an objective party who is selected by and reports directly to the City Commission. Such reports must assess executive performance only against policies of the Commission, not those of the external party unless the Commission has previously indicated the party's opinion to be the standard.
- 3.3.2.3. Direct Commission Inspection. Discovery of compliance information by a Commission member, or the Commission as a whole. This is a Commission inspection of documents, activities or circumstances directed by the Commission which allows a "prudent person" test of policy compliance.

3.3.3. The Commission recognizes that, at times, non-compliance with a policy may be necessary and prudent in the short term. However, in order to monitor the performance of the City, and to modify policies that need improvement, the Commission must be constantly aware of compliance issues. The Commission expects monitoring and reporting compliance or non-compliance to be the City Manager's highest priority. To promote regular monitoring, the Commission may ask the City Manager to follow these guidelines:

- 3.3.3.1. All Ends and Executive Limitations statements will be monitored and compliance will be formally announced by the City Manager to the Commission on a quarterly basis.
- 3.3.3.2. Any non-compliance will be reported immediately, at the next Commission meeting, if not before, and non-compliance will then be monitored on a monthly basis, until compliance is re-established, or the policy is changed.

3.3.4. During the first quarter of each year, the Commission will institute a formal evaluation of the City Manager. This evaluation will consider only monitoring data as defined here, as it has appeared over the intervening year.

SECTION FOUR: ENDS POLICIES (*Executive Limitations*)

The purpose of the Ends Policies is to establish what is to be done, for whom, and at what cost. In other words, the "ends" that are to be achieved by the City Manager in the discourse of the operations of the City. The Ends Policies also establish limitations on executive authority by establishing any means that are deemed unacceptable by the City Commission. ~~In this way, the City Manager is allowed to manage the daily operations without unnecessary interference from the City Commission.~~ The City Manager is responsible for knowing the limits of what can and cannot be done without first obtaining approval from the City Commission.

Ends Policy 1: Financial Stability

Financial stability shall be considered a key performance area by the City Commission. One of the duties of the City Manager is the development of a process that keeps the Commission aware of upcoming budgetary needs and requests, so that the Commission may aid in the creation of on-going budget priorities. Good stewardship requires the Commission to discern what is in the best interests of the citizens and budget accordingly.

Therefore, budgeting for any fiscal period or the remaining part of any fiscal period shall not deviate materially from Commission Policies as established in key performance areas, or other City Commission policies. The City Manager is therefore prohibited from budgeting or spending that:

- Negatively affects the City's bond rating;
- Breaches the General Financial and Budgetary Policy, or other applicable policies of the City;
- Violates the Budgetary (K.S.A. 79-2925 *et seq.*) or Cash Basis (K.S.A. 10-1101 *et seq.*) laws of the State of Kansas or other applicable laws or statutes of the state; or
- Violates federal laws or regulations.

In addition, the City Manager may not bypass City Commission judgment to allow budgeting that:

- **Allows expenditures to exceed revenues, including the contingency as an expenditure;**
- Increases the property tax rate or other local taxing rates;
- Includes capital expenditures that have not been previously approved by the City Commission in a Capital Improvement Program or other Commission action;
- Causes the City to incur new debt;
- ~~Increases operating expenses (personnel and capital excluded) in any department beyond inflation using at least a rolling six month average of the Midwest Consumer Price Index; and~~
- Provides for employee compensation and benefits that exceed market standards and established policy (Resolution No. 061311-1).

1. **Conservative Budgeting.** With respect to budget preparations, the City Manager shall stay within the confines of what constitutes a conservative perspective, as it is the Commission's intention to:

- Make conservative revenue projections using the previous five-year average as a benchmark, with an emphasis on the previous year actual and current year actual. Projections using current data should not be made with less than six months rolling actual data;
- Reduce outstanding municipal debt;
- Provide valuable citizen services; and
- Prudently management the debt of the City.

2. **Performance Benchmarking.** The City Manager should develop financial, service and program performance measures to be used as an important component of decision making and incorporated

into governmental budgeting. At a minimum, performance measures should be used to report on the outputs of each program and should be related to the objectives of each department. Performance measures should:

- Be based on program objectives that tie to the City Commission's goals and program mission or purpose;
- Measure program results or accomplishments;
- Provide for historic comparisons;
- Measure efficiency and effectiveness;
- Be reliable, verifiable and understandable;
- Be reported internally and externally;
- Be monitored and used in decision-making processes; and
- Be limited to a number and degree of complexity that can provide an efficient and meaningful way to assess the effectiveness and efficiency of key programs.

3. Reorganization. The City Manager may not consolidate or expand any Department without first informing the Commission of the intended action. Proposals to disband any Department shall be reviewed and approved by the City Commission prior to implementation.

4. Reserve Funds. With respect to reserve funds, the City Manager's overall budgetary goal will be to present a budget that allows for reasonable reserve creating options for the Commission. ~~The City Manager may not bypass Commission judgment to allow budgeting that does not conform to the designated target balances as provided by resolution. If target balances are not met as established in policy, the City Manager shall prepare a report to the City Commission outlining how the target balances will be met as specified in the General Financial and Budgetary Policy (February 2011).~~

~~Reserves in excess of the approved target balances for any given fund may be used at the Commission's discretion to address temporary cash flow shortages, emergencies created by unanticipated economic downturns, one-time opportunities and capital needs related to buildings, structures and vehicles used specifically in the operation of the specific fund. These "excess" funds provide flexibility to respond to unexpected opportunities that may help the City achieve its goals.~~

~~Commission options for reserves also include: 1) transfer to increase the reserve of another fund that is not at the established target; 2) finance unfunded necessities of the previous year's budget reductions; 3) pay off debt with a portion of the reserves; 4) finance the expansion of municipal services; or 5) offer property tax, or other tax relief.~~

5. One-Time Revenues. The use of one-time revenues will be guided by this Policy. Examples of one-time revenues include: infrequent sales of assets, bond refunding savings, infrequent revenues from development, and grants. These revenues may be available for more than one year (i.e., a three-year grant), but are expected to be non-recurring. Examples of expenditures for which the City may wish to use one-time revenues include: program startup costs, stabilization (to cover expenditures that temporarily exceed revenues), early debt retirement, and capital purchases. **The City Manager will not**

bypass Commission judgment in making use of one-time revenue. In utilizing one-time revenue, the City Manager will carefully analyze and minimize the need for on-going expenditures.

6. **Capital Expenditures.** Capital expenditures ~~will~~ may be planned each year in a ~~five-year~~ multi-year Capital Improvement Plan (CIP). The annual budget will provide a separate accounting of capital expenditures in each department. The City Manager should plan major projects with an estimated expenditure and with sources of funding identified. ~~The General Fund expenditures for furniture, equipment, and buildings is expected to fluctuate, but an average of 10% of the total General Fund expenditures is expected.~~

7. **Annual Budget.** Upon the City Commission's adoption of an annual budget and ~~five-year~~ Capital Improvement Plan that is presented in accordance with applicable policies, the City Manager assumes responsibility for ensuring compliance with the budget as an established City Commission Policy. This includes expenditure control, and program and service delivery within that budget.

~~Minor deviations are tolerable and encouraged to maintain cost control and deliver quality services. Examples of minor deviations are variances of purchases and costs between line items in a budget, changes in programs and services resulting in cost savings or without cost, the use of grants that do not cause future costs, and the purchases of minor equipment. This list should not be considered exhaustive.~~

~~Major deviations require notification, and occasionally, prior approval by the City Commission. Examples of major deviations include the use of the funds in excess of the target balance, program eliminations or additions, the use of cash instead of debt when debt was planned, changes in the Capital Improvement Plan, and applicable change orders in capital projects. This list should not be considered exhaustive.~~

~~To facilitate a budget that can respond to changing needs, the City Commission will approve a contingency fund for the City Manager to utilize at his/her discretion. Examples of uses for the City Manager's contingency fund include: unbudgeted training opportunities for staff; purchases of software, hardware, and small equipment that was unbudgeted; one time expenditures requested by outside entities; and emergencies. The City Manager is expected to make an effort to avoid utilizing this contingency.~~

8. **Enterprise Funds.** Budgets for Enterprise Funds will be prepared by the City Manager with a goal of providing quality services that allows the cost of providing such services to be paid by customers of the service. The City Manager will report business metrics for similar utilities to help the City Commission understand how each Enterprise Fund and the underlying utility is operating.

9. **Reporting.** The City Manager will report applicable business metrics and compliance or deviations from this Ends Policy for Financial Stability to the City Commission on a quarterly basis.

10. **City Commission Grant Policy. (former known as Outside Agency Requests).** The purpose of this Policy is to establish guidelines and criteria regarding the allocation and use of municipal grants within the City of Abilene. These guidelines shall be used in processing and reviewing applications requesting municipal grants. Protecting the financial interest of the City of Abilene is of the utmost importance, so it is the intent of the City to provide a minimum amount of municipal grants, as well as other incentives that the City may deem appropriate, for the shortest term required for specific projects or programs.

The City Commission reserves the right to approve or reject any proposals or projects on a case-by-case basis, taking into account established policies, specific program or project criteria, and demand

on municipal services in relation to the potential benefits to be received from a proposed program or project.

Meeting policy guidelines or other criteria does not guarantee the award of a municipal grant. Furthermore, the approval or denial of one program or project is not intended to set precedent for approval or denial of another program or project.

Whenever possible, it is the City's intent to coordinate the use of municipal services with other local governing bodies and taxing jurisdictions.

- a. **Objective of Municipal Subsidies.** The City of Abilene is committed to providing a high quality of life for its citizens and fostering a diverse economic base through innovative thinking, strategic planning, and proactive, fiscally responsible municipal management. To fulfill this commitment, the City Commission will closely examine its goals and the goals of its Departments to identify outcomes that will meet the standards as outlined in the City's various policy documents.

The Commission also recognizes that its support of programs and services outside the scope of its Departments may be necessary to fulfill the commitment and achieve the desirable quality of life for its citizens. As a matter of policy, the City Commission will consider using municipal funds to assist in the following areas, but are not limited to, opportunities in the area of:

- Affordable Housing;
- Arts and Culture;
- Youth Development;
- Diversity;
- Economic Development;
- Education and Literacy;
- Environment;
- Government Stewardship;
- Health;
- Parks and Recreation;
- Partnerships;
- Historic Preservation;
- Safety; and
- Transportation.

The City Commission may choose to annually allocate a specified funding amount for a specific category, regardless of the number of applicants for that particular programming area.

- b. **General Guidelines for the Allocation of Municipal Grants.** The City Commission may allocate up to \$25,000 of the annual General Fund expenditures as grants to subsidize community needs

and programs. The City's current projected financial health and stability will be the key deciding factor in determining its ability to provide funds to outside organizations.

In addition, the City Commission will consider a number of factors as defined in the City's Funding Application when making allocation decisions. A key factor will be the applicant's ability to provide a service or outcome that improves the quality of life for the citizens of Abilene. The applicant must also provide a "but for" analysis that demonstrates the need for public assistance. Other factors include the applicant's ability to become self-sustaining, the duration of the funding commitment, and operating versus capital requests.

Municipal grants will not be used for projects that would place extraordinary demands on City infrastructure or services. Requests for grants from individuals, religious or political groups based out of the City of Abilene will not be considered. Requests for grants from qualified organizations outside of the funding timeline will not be considered.

- c. **General Guidelines for Grants.** The City Commission evaluates program-funding proposals on an annual basis for funding in the following calendar year. The City's fiscal year is January 1 to December 31. Proposals must be submitted to the Finance Director in accordance with the budget cycle schedule and proposal format outlined in this policy. Requests may only be made during this period of time. Completed applications must be received on or before June 1 of each given year.

Following a review by the City Manager and Finance Director, applications shall be referred to the City Commission for further consideration during the annual budget meetings. Organizations applying for a grant must submit a completed application requesting funding, along with a detailed description of the project, including the following information (if applicable): 1) a preliminary site plan; 2) the amount requested; 3) the duration of the funding request; 4) the public purpose of the project; 5) verifiable funding sources and uses; and 5) a "but for" analysis which demonstrates the need for public assistance. Additional documents that may be required including: 1) the organization's current expense statement and budget; 2) Board of Directors listing; 3) current Annual Report; and 4) all other items specified in the application.

- d. **Budget Hearing Process.** The City Commission budget meetings are held in the months of June, July and August. All budget meetings are open to the public. Applicants may or may not be invited to make a presentation on their funding proposal. Applicants are encouraged to attend all budget meetings to remain informed during the process. Applicants should be prepared to answer questions based on the application. Final action on the budget typically occurs at the last Commission meeting in July.
- e. **Grant Agreement and Reporting Requirements.** The City requires all recipients of municipal funds to enter into an agreement that identifies the reasons for the grant, the public purpose served by it, the payment schedule, specific performance measurements to be attained, and final reporting on outcomes of the grant. Failure to provide final reporting of funds and all other required reports will make applicant ineligible for future grants.

The City has established the policy that financial, service and performance measures be developed and used as an important component of decision making and incorporated into governmental budgeting. The City encourages all departments to utilize performance measures. At a minimum, performance measures should be used to report on the outputs of each program and should be related to the objectives of each department.

Performance measurements should: 1) be based on program objectives that tie to the City Commission's goals, objectives, and purpose; 2) measure program results or accomplishments; 3) provide comparisons over time; 4) measure efficiency and effectiveness; 5) be reliable, verifiable and understandable; 6) be reported internally and externally; 7) be monitored and used in the decision-making process; and 8) be limited to a number and degree of complexity that can provide an efficient and meaningful way to assess the effectiveness and efficiency of key programs.

All agreements and reports shall be timely prepared and filed with the City Clerk. Failure to comply with any of these requirements may result in the revocation of the requested grant as well as repayment requirements, and a determination that the organization is ineligible for future municipal grants for a period of years.

Ends Policy 2: Municipal Services

The City Commission deems Municipal Services, along with fiscal management, as the highest priorities of the City Manager and Employees. There is no more important function of City Government than to serve the Citizens of Abilene in a friendly, effective manner. As such, Municipal Services shall be considered a key performance area by the City Commission. For this document, the City Commission defines Municipal Services as Life Safety (Police and Fire), and Functional Services (all other departments).

1. Life Safety Services. In situations involving the Police and Fire Departments, the City Manager will:

- In emergency situations, ~~uphold the decisions made by~~ support the Police Chief or and Fire Chief;
- Maintain personnel at established baselines;
- Provide appropriate equipment to maximize safety of personnel;
- Enforce ordinances and laws;
- Not allow situations to develop that may raise insurance rates for citizens or for the City; and
- Maintain the budget in such a way that will not lower the quality of services.

2. Functional Services. In terms of Functional Services, which include all departments of the City other than Life Safety Services named above, the City Manager will:

- See to the repair of infrastructure in a timely manner;
- Increase services while forecasting benefits;
- Expand department budgets only while documenting baselines;
- Approve changes that fall within the long-term plan;
- Be intolerant to waste or inefficiency of any kind;
- Be intolerant to poor service by City Employees;

- Enforce ordinances and laws;
- Document on-going citizen satisfaction and performance reviews for services provided;
- Provide support and guidance for staff when they are forced to work outside of their expertise;
- Seek opportunities to share facilities with other entities;
- Anticipate foreseeable needs;
- Use foresight in developing services;
- Deliver services in a timely and quality manner;
- Consider citizen complaints;
- Emphasize a user-friendly approach; and
- Apply technology whenever beneficial.

~~3. Enterprise Operations. Compare the Enterprise Operations of the City against other similar government operated enterprises in the state of Kansas every two years. However, a description of the uniqueness of the enterprise operations must accompany the comparisons, which may include:~~

- ~~• Services provided;~~
- ~~• Service area;~~
- ~~• Fees charged;~~
- ~~• General Fund Transfers (if any);~~
- ~~• Total gross revenue generated; and~~
- ~~• Source of funding for capital expenditures (revenues, grants, sales tax, general fund, loans, etc.);~~

~~Enterprise Business Analysis. The City Manager will develop and prepare such other business metrics as may be appropriate to fully understand each Enterprise Operation's condition.~~

~~4. Enterprise Capital Needs. Review a five year Capital Improvement Plan (CIP) on an annual basis. The CIP must list the capital outlays and source of funds, including demonstrating that needed capital reserves are maintained so that the enterprises are being operated in a stable financial manner.~~

Ends Policy 3: Business Models

The City Commission chooses to import models and practices not only from government, but just as importantly, from innovative business models. In other words, the Commission wants the City, whenever

possible and prudent, to operate with similar systems and attitudes adopted by any successful business. Some of the major themes the Commission chooses to emphasize are:

- **Benchmarking.** The Commission wants to constantly compare City performance with other cities and other departments, to be sure Abilene is operating in not only an efficient, but creative and innovative manner. The Commission is aware that Abilene is unique—at times, the City’s emphasis and direction will, and should, differ considerably from other cities. However, information about best practices from other communities will always help the Commission make better choices.
- **Continuous improvement.** The Commission expects measurements of performance to challenge the status quo, through the use of continuous improvement processes. Since the needs of our citizen customers are constantly changing, so should our practices.
- **Goal-Setting.** The Commission expects specific goals to challenge each City Department.
- **Accountability.** The Commission expects the City Manager to hold employees to standards that demand excellence. “Good enough” is not an acceptable standard.
- **Customer satisfaction.** The Commission expects the City to institute a form of measurement to gather and monitor customer satisfaction.

Ends Policy 4: Economic Development

The Commission understands and intends to emphasize the importance of a healthy economy in Abilene and the surrounding area. For the entire community a healthy economy is critical to a high quality of life. Because of its great importance, there are many entities involved in economic development in Abilene. As the City is a significant funding source for much of the economic development efforts in Abilene, it is the Commission’s intention to spend economic development dollars in the wisest most productive manner possible.

The City Commission’s desired End is to have an economy that is healthy and growing with enough economic activity to support and fund public services. Toward that end, some overall indicators, expressed as ends, have been identified:

- The property tax base is growing;
- Sales taxes are increasing;
- Retail, Commercial, and Industrial buildings are not vacant;
- There are employment opportunities; and
- There are competitive wages.

Having developed some overall Ends, following are more specific Ends to provide guidance to both the City Commission and the City Manager.

1. City Government is prepared for economic development opportunities.

- a. The Commission will establish a priority of setting aside \$50,000 per year for future economic development opportunities.
 - b. The City Manager is designated as the primary contact from City government for economic development inquiries.
 - c. City government, through its City Manager, acts as a facilitator for cooperation amongst the various economic development entities.
 - d. There is adequate land available for future Industrial and Commercial development.
 - e. The City Commission, with the Economic Development Council, has an Action Plan in place to foster economic development, create opportunities, and react to opportunities.
2. Economic development entities are working cooperatively and collaboratively.
- a. A comprehensive economic development strategy exists.
 - b. Economic development entities meet with the City Manager on a regular basis and report to the City Commission on a regular basis.
 - c. There is an excellent relationship between local, regional and state economic development entities.
 - d. There is a planned, cooperative effort for all prospective development visits.
3. Economic development efforts are conducted with an emphasis on the community's assets.
- a. The growth and expansion of existing Abilene industries and retail are the primary target for increased employment and economic growth.
 - b. The Abilene Industrial Park is developed to enhance and complement the existing land use in the area.
4. Tourism is bringing outside money to the community.
- a. Quality events and promotions occur frequently.
 - b. The Convention and Visitors Bureau promotes activities and events in Abilene; Hotel rooms are consistently full. Sales tax and transient guest tax receipts are increasing.
 - c. Promotion dollars leverage significant visitor spending.
 - d. The community accepts a plan for the broadening of the tax base for promotional uses.
 - e. The cost for tourism and promotion will not exceed the total amount raised annually by the transient guest tax.
5. Economic Development entities are working cooperatively and collaboratively.
- A comprehensive economic development strategy exists; and

- City Government acts as a **facilitator** for cooperation among the various economic development entities.

6. The cost of economic development activities fluctuates based on the need and projects proposed.

7. The City Commission will consider pre-development agreements with large retail developments.

8. The Abilene Business Park operates to facilitate the start-up and continued health of agricultural and industrial based business and industry. Businesses and organizations placed in the Business Park will be agricultural research and technology based. A specific policy guides the management of the Abilene Business Park.

Ends Policy 5: Employee Training and Development

The City Commission values City of Abilene employees as emissaries to the world. With this in mind, the work environment for employees shall be one in which employees are appreciated and encouraged to grow and expand their skills. Compensation and benefit packages will promote excellence, within the safest possible working conditions. The goal of training shall be to provide tools to assist staff to exceed management and customer expectations.

Deviations from the below stated guidelines must be reviewed and approved by the Commission.

1. Training shall equip employees with the attitudes and behaviors necessary to achieve excellence. Based on this guideline, training shall:

- Commence immediately upon hiring, and continue throughout the career of the employee, providing specific tools for optimal performance and productivity;
- Emphasize continuous improvement of employees and processes;
- Enhance an employee’s opportunity for promotion;
- Emphasize customer service; and
- Focus on effective technological practices.

~~2. Compensation Ranges will be objectively determined by the City Manager in accordance with this policy. Research shall compare compensation and benefits with those of other public entities with whom the City may compete for qualified employees, along with private sector organizations that have similar positions in the surrounding area.~~

~~Infrequently, full market surveys may be required to evaluate and implement necessary modifications to the City’s pay system. Full market surveys that might require the services of a consultant to evaluate the City’s compensation levels will be completed only upon recommendation of City Manager and approval by the City Commission.~~

~~The organizations to be included in the market research for positions will consist of other public sector entities primarily in Kansas, as well as private sector organizations in the local region, as~~

appropriate, that have similar positions. For management and professional positions, the market will include many of the organizations previously identified, and may also include similarly sized cities in surrounding states that the City would compete with for applicants as identified by the City Manager. It is not intended that the market will include significantly larger Kansas cities, such as Wichita, unless the market conditions clearly suggest the need to do so.

In order to ensure that there is consistency in the methodology used when determining the compensation ranges and benefits, the City Manager will follow the guidelines below:

- In addition to infrequent full market surveys, periodic checks of benchmark positions will be completed as directed by the City Manager to monitor and maintain the City's compensation program. To maintain compensation levels that are comparable to market, the City Manager will identify and select benchmark positions and organizations to survey on a timetable appropriate to upcoming budget year. Efforts will be made to survey the same or like organizations as in the previous survey unless an exception to this policy can be justified.
- In order to maintain the internal equity of the compensation system, the Personnel Classification Program adopted by the City will be used for all job classification reviews. The job evaluation is not intended to provide a specific value for a position; rather it is intended to provide an assessment of the "relative" value of a position to the organization, compared to other positions. The following criteria defined in the Personnel Classification Program will be used in evaluating the internal equity placement of City positions:
 - a. Experience — the level of proficiency derived from training, observation and personal participation which an employee should possess in order to satisfactorily perform a set of tasks within a given job.
 - b. Education — the level of training and knowledge that an employee should possess in order to satisfactorily perform a set of tasks within a given job.
 - c. Skills — the level of ability with a machine, craft or science that an employee should possess in order to satisfactorily perform a set of tasks within a given job.
 - d. Problem Solving — to find or provide a satisfactory answer or explanation to any question or situation needing to be resolved within a given job.
 - e. Decision Making — a judgment or conclusion reached with a certain amount of freedom which results in a specific action that also affects or contributes directly to the completion of a task within a given job.
 - f. Accountability — the resources (monetary and non monetary) that an employee is responsible for on a continuing basis.
 - g. Supervision — daily and direct responsibility, including performance appraisal for employees attending to tasks within their jobs.

- ~~h. **Personal Relations** — the connections, dealings or interactions of an employee with persons from both outside and within the organization. Such interactions become increasingly important where the employee can exercise individual judgment that can affect such persons in a positive or negative manner.~~
 - ~~i. **Working Conditions** — Continual exposure to external conditions that an employee cannot avoid due to the nature of the position.~~
 - ~~j. **Special Requirements** — Skills, either cognitive or physical, that may be required to perform the functions of a position.~~
3. The pay ranges and steps will remain consistent and uniform as provided in the Pay Plan as adopted and amended by the City Commission.
 - ~~4. A combination of the data collected on the identified benchmark positions and the job factor evaluation system will be used to place each City position at appropriate pay grades in the City of Abilene Pay Plan Schedules. By using both the market survey data and the job factor evaluation, the City will have a pay system that is within market and reflects the City of Abilene organization.~~
 5. The Commission will not assume an obligation to automatically increase pay ranges without justification. Justification will rely on a review of the Midwest CPI and specific salary data received or obtained from sources as determined appropriate by City Manager. The purpose of this process is to develop a pay system that is fair and within market and to provide a process that is consistent and reproducible.

In summary, this policy provides further definition to the following Commission policy. It is the intent of the Commission for compensation to:

- ~~• Be commensurate with individual productivity within the market range;~~
- ~~• Be systematic, with defined ranges, with consistent span in the pay ranges where feasible using the median of the maximum rate of pay of surveyed positions as a benchmark;~~
- ~~• Be used as a reward and motivation to achieve excellence;~~
- ~~• Be attractive to top candidates;~~
- ~~• Be adequate to retain top performers;~~
- ~~• Exceed standards only when justified by exceptional performance;~~
- ~~• Emphasize the use of reward bonuses over pay increases; and~~
- ~~• Be structured, when appropriate, to allow staff attrition to maintain market rates.~~

Ends Policy 6: Intergovernmental Relations

The Commission wishes to coordinate efforts with other governmental bodies, to mutual benefit, whenever possible. The Commission hopes to continue to work closely with any governmental body seeking to serve the best interests of the Citizens of Abilene in a more integrated manner.

Staff must remember their importance in establishing and maintaining rapport with scores of governmental agencies and groups. At times, one staff person is the only representative of Abilene to encounter a given government official and regardless of the size or length of the interaction, the Commission hopes staff conducts themselves in a manner that would be the pride of Abilene.

Though too numerous to mention every governmental body, examples of governmental bodies that the Commission wishes to coordinate efforts with include, but is not limited to (not in order of importance):

- Federal Government;
- State of Kansas;
- Dickinson County;
- Unified School District 435;
- Regional local governments; and
- League of Kansas Municipalities.