

AGENDA REPORT
TUESDAY May 29, 2018

TO: Abilene City Commission
FROM: Austin Gilley, City Manager
RE: City Manager’s notes to accompany agenda

PURPOSE

This report is intended to provide brief summaries of each agenda item with staff input to assist in the deliberation, discussion, and decisions to be made.

CONSENT AGENDA

The consent agenda is a meeting tool to allow for the approval with one vote items that are routine business, non-controversial, or do not require debate. Any item may be removed from this list to be discussed further by a separate motion and vote. The agenda approval and minutes from the previous meeting are standing agenda items here.

- **Approve street sweeper purchase:** Included in the 2018 budget process was the purchase of a new street sweeper. Due to the high use and maintenance nature of these machines, the City uses a seven-year lease purchase cycle for the acquisition of these units. The purchase price through a state contract with trade-in is \$167,924. Astra Bank provided the lowest rate of three bids at 3.8 percent. The first payment due now is \$23,100, which is what was budgeted. In 2019 and the remaining term, the payment will be \$23,953.69.
- **Approve purchase of two police patrol vehicles:** Included in the 2018 budget process was the purchase of two police patrol vehicles. Due to the high use and on-demand nature of patrol vehicles, the City uses a replacement cycle through the state contract program to try to reduce cost and extend the life of its vehicles. The amount budgeted for the expense was \$49,700. The price for two vehicles with a trade-in and the ancillary cost of lights, markings, and appurtenances is \$49,656. It is my understanding that this purchase was planned out of the Capital Improvement Fund, which has a current balance of \$526,813.91.
- **Adopt Ordinance rezoning parcel from Low Density Residential (R-1) to Light Industrial (I-1) for the 2100 Block of NW. 14th Street.:** The Planning Commission has reviewed and is recommending approval of the zoning change application for this parcel to allow for light industrial use. The ordinance and staff reports are included in the packet starting on page 4. This parcel was annexed into the City recently and by policy all annexations default to the R-1 zone. It is my understanding that this is the proposed location of the Bradford Built, Inc. manufacturing site for which the City now has received a formal request for assistance – which is an item on the agenda.



PRESENTATIONS

10. Water Source Presentations

The Commission ranked water source as one of its top three infrastructure priorities. This presentation will be a team effort. First, I will review the priorities within the water operation. Second, City staff will review the status of the City water wells and plant process – helping catch everyone up on why the City pursued a hydro-geological study. Third, Jim Schneider of Olsson and Associates will summarize the findings of the study. Finally, we will end with some discussion about next steps, which staff is recommending the City pursue exploring available water in areas as close to the current distribution system as possible (see next agenda item). 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>

AGENDA

11. Approve temporary easements for water exploration (p. 10)

Staff is recommending the City proceed to explore water availability in the general area to the southeast of the City’s airport (as illustrated here). To do this, the City needs permission from the property owners through a temporary easement to conduct the necessary investigation. About five parcels have been identified and City Attorney Aaron Martin has prepared the necessary legal documents, which are included in the packet starting on page 10. It is my understanding that initial contact has been made with most or all of the property owners. With Commission approval, Public Works Director Lon Schrader will proceed to work to complete the easements and begin the work.



12. Approve annual update of Emergency Water Supply Plan (p.27)

Each year the City is required to review and update its Emergency Water Supply Plan. This plan covers roles, responsibilities, and protocols for a number of scenarios. This is different than the Water Conservation Plan, which also requires annual review and updating. Depending on the results of the water source conversation, direction, and investigation, the conservation plan may need a more thorough review this year. This emergency plan is largely just an update of primary contacts, numbers, and details, and it requires Commission approval.

13. Provide Land Bank direction

City Attorney Aaron Martin has advised that the state statute is permissive in providing the board “may” acquire property – as such, if the Commission wishes to impose limitations on the types of property acquired, or the manner in which an acquisition is approved, the City could address those concerns in its policy. Prior to the drafting of such an ordinance, staff needs direction on the following three items:

1. Commitment to City as a land developer: The City chose to become a land development business when it created the land bank and took over the failed Highlands development. Is the Commission still committed to this approach or does the Commission want to pursue some other alternative approach?
2. If the Commission wants to continue operating a land development business, does it want to do that itself or appoint a separate board (with appropriate limitations) to oversee the operation of the land development business?
3. If the Commission wants a separate board, how would it like to select the members of the board?

I respectfully ask that the Commission vote on each of these items so that staff can get clear direction on how to proceed.



14. Adopt Resolution of Intent to Issue Industrial Revenue Bonds (p. 41)

The City received a formal request from Bradford Built, Inc., through the Dickinson County Economic Development Corporation (see letter in packet on page 40) to obtain a Sales Tax Project Exemption Certificate through the Industrial Revenue Bond process. Included in the packet is the resolution of intent to issue such. This is an initial step in what will be a more complex process. Ideally, I would prefer to have at least a draft development agreement in place that helps guide this overall process. Unfortunately, three factors have slowed us down: 1. Staff has been investigating some of the infrastructure challenges in this area that are limiting factors for any development; 2. The City's management transition over the past 12 months has created confusion in the procedures for these types of transactions; and 3. The price of steel is threatening to drastically increase construction cost, which could negatively affect the project. While we are still working through details of the pending development agreement, the applicant has been very cooperative in working with the City, and is being judicious about not pursuing all of the incentives for which this project would be eligible through the City's very broad incentive policies. In this spirit of cooperation, I offered to expedite asking the Commission to approve this initial resolution so as not to hold up the project. No other requests for incentives have been received, and we will continue to negotiate a package that results in a win-win and protects the long-term interest of the City. We will work to have this to the Commission as soon as possible.

15. Approve request for funding match from the Special Alcohol and Drug Fund by the Quality of Life Coalition (p. 44)

Included in the packet on page 44 is a request for \$7,500 from the Special Alcohol and Drug Fund. Vicki Gieber, Executive Director of the Quality of Life Coalition, Inc., plans to attend the meeting and help answer any questions. To date, the City has provided \$15,500 in funding grants from the SAD Fund. The budget for 2018 for grants is \$38,500. The current cash balance of the fund is \$44,635.

16. 2019 Budget: Public Safety operations: Fire Department, Police Department

In accordance with our budget work plan, we will be reviewing the recommended 2019 budget for the public safety operations: Fire Chief Bob Sims and Firefighter Jeremy Stuck plan to present the overview of the fire department, while Police Chief Mike Mohn plans to present for the police department.

17. Required annual review of Governance and Ends Policies

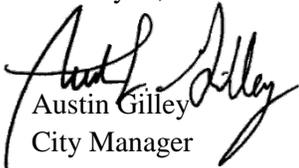
This item is pending further direction. I remain available to help compile written suggestions for proposed amendments to the policy.

OTHER INFORMATION

Payroll and Accounts Payable

These reports are provided as information with each meeting agenda.

Thank you,



Austin Gilley
City Manager

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