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**101 S. Hickory**  
**PO Box 60**  
**Ottawa, KS 66067-0060**  
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www.facebook.com/ottawaks

**TO:** Mayor and City Commissioners  
**RE:** Study Session Meeting Agenda  
**FROM:** Richard U. Nienstedt, City Manager

A Study Session is scheduled for **June 6, 2016 at 4:00 pm** in the conference room on the first floor of City Hall, 101 S. Hickory. The following items will be presented:

**I. Public Comments**

**II. Items to be Placed on the Regular City Commission Agenda**

- a. Minutes from the May 23, 2016 Study Session *Pgs. 3-5*
- b. Resolution for Revision of City of Ottawa Investment Policy - Betty Simpson & Scott Bird *Pgs. 6-10*
- c. Resolution to Waive the Statutory Requirement to use GAAP-Based Accounting for the Reporting of Fiscal Year 2016 - Scott Bird *Pg 11*
- d. Resolution Declaring it Necessary to Appropriate Private Property for the Purpose of Constructing Sidewalk Improvements in the Vicinity of East 15th Street - Wynndee Lee and Blaine Finch *Pg. 12*

**III. Items for Presentation and Discussion**

- a. Review of Cereal Malt Beverage Temporary Permit Ordinances - Blaine Finch
- b. 2017 Budget Review
  - City Commission & City Manager - Richard U. Nienstedt / Scott Bird / Glora Mathews *Pgs. 13-14*
  - Public Works Special Funds - Scott Bird *Pgs. 15-19*
- c. City Manager's Report
- d. Commissioner's Reports
- e. Mayor's Report

**IV. Announcements**

- June 6, 2016 Special Call Commission Leadership Session, 5:00 pm, City Hall
- June 13, 2016 Study Session, 4:00 pm, City Hall
- June 15, 2016 **Regular** Meeting, 9:30 am, City Hall
- June 15, 2016 Joint City/County/USD 290 Meeting, 12:00 pm, County Annex
- June 16, 2016 Retirement Reception for Master Police Officer Tim Ahrens, 2:00-4:00 pm, Ottawa Law Enforcement Center, 715 West 2nd Street
- June 20, 2016 Study Session, 4:00 pm, City Hall
- June 20, 2016 Special Call Commission Leadership Session, 5:00 pm, City Hall
- June 27, 2016 Study Session, 4:00 pm, City Hall
- June 27, 2016 Airport Master Plan Kickoff, 5:45 pm (or immediately following Study Session) Ottawa Municipal Airport

**52 Tips for Successful Public Service by E.A. Mosher**

**#29. Learn to evaluate recommendations and alternative courses of action. Request your staff provide options. Encourage imaginative solutions.**

**V. Adjourn**

Motion: \_\_\_\_\_

Second: \_\_\_\_\_

Time: \_\_\_\_\_

**VI. Items Already Placed**

**Study Session Minutes  
Ottawa, Kansas  
Minutes of May 23, 2016**

The Governing Body met at 4:00 pm this date with the following members present and participating to wit: Mayor Caylor, Commissioner Reed, Commissioner Graves, Commissioner Skidmore, and Commissioner Jorgensen. A quorum was present.

Mayor Caylor called the meeting to order.

**Public Comments**

The Governing Body heard from Harold Mayes on behalf of the Veteran's Parade requesting funding and inquiring about insurance requirements. Mr. Mayes was referred to Risk Manager Michelle Stegman regarding the insurance requirements.

John Coen from the Chamber of Commerce thanked the Governing Body for the assistance with the Junk and Truck event that was held on Saturday. It was stated this was the largest crowd and best business day ever for at least one business. Consideration regarding closing Main Street may be revisited for future events.

**Minutes to Review**

The Governing Body reviewed minutes from the May 16, 2016 Study Session, May 18, 2016 Regular Meeting, May 18, 2016 Special Call Joint City/County Meeting, and the May 18, 2016 Special Call Public Meeting for Rock Creek Development. It was agreed to place these items on the next regular meeting agenda, June 1, 2016.

**Food for Fines Proposal**

The Governing Body heard from Amy Carlson and Police Chief Dennis Butler from the Ottawa Police Department regarding a food for fines proposal. This proposal is for citizens to be able to pay for their parking fines in canned goods, which will then be donated to the local food pantries. Ms. Carlson has done research and other communities are doing this as well. Chief Butler stated he would like to see this happen a couple times throughout the year. It was mentioned that the Ottawa Library is currently doing a similar project for book fines twice a year. The Governing Body gave overall consensus for this proposal.

**Kansas Department of Transportation Aviation Agreement**

The Governing Body heard from Public Works Director Michael Haeffele regarding a Kansas Department of Transportation (KDOT) Aviation Agreement for a Jet-A Fuel Pump. Mr. Haeffele explained the city had applied for a grant for a tank and fuel pump and the grant has been approved. The grant will be for 85% funding, leaving the City to fund approximately \$13,350. It was agreed to place this item on the next regular meeting agenda.

**April Monthly Reports**

The Governing Body reviewed the April Monthly Financial and Activity reports with City Staff.

### **City Manager's Report**

City Manager Richard U. Nienstedt reported:

- Walking bridge over the Maris Des Cymes River is being looked at in light of the log jam issue
- Dennis Tharp spoke regarding utility service for the Rock Creek Business Park

### **Commissioner's Reports**

Commissioner Reed reported as part of the Healthy Community initiative, last Friday was Bike at Lunch, with about a dozen participants.

Commissioner Jorgensen inquired about the housing task force. Commissioner Skidmore stated there is some possible funding for this initiative.

Commissioner Skidmore reminded all about the Ottawa Price Chopper Grand Opening on May 25, 2016. Breakfast will be at 8:00 am and the ribbon cutting will be at 8:45 am.

### **Mayor's Report**

Mayor Caylor reported she attended a Woman in Municipal Government Conference. Mayor Caylor stated we live in a really great community. Mayor Caylor stated she enjoyed seeing the scavenger hunt pictures from Playability Week and encouraged all to get a play passport.

### **Announcements**

Mayor Caylor announced:

- May 30, 2016: Memorial Day, Study Session CANCELED
- May 30, 2016: City Offices CLOSED for Memorial Day
- June 1, 2016: Commission Photo, 6:45 pm, City Hall
- June 1, 2016: Regular Meeting, 7:00 pm, City Hall
- June 6, 2016: Study Session, 4:00 pm, City Hall
- June 13, 2016: Study Session, 4:00 pm, City Hall
- June 15, 2016: Regular Meeting, 9:30 am, City Hall
- June 20, 2016: Study Session, 4:00 pm, City Hall
- June 27, 2016: Study Session, 4:00 pm, City Hall
- June 27, 2016: Airport Master Plan Kickoff, 5:45 pm (or immediately following Study Session), Ottawa Municipal Airport

### **Open Agenda**

John Divine reported to the Governing Body the City Leadership Class will bring reports on June 6<sup>th</sup>, June 20<sup>th</sup>, and July 25<sup>th</sup>.

**Adjournment**

There being no further business to come before the Governing Body, Commissioner Reed made a motion, seconded by Commissioner Graves to adjourn the meeting. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly adjourned at 4:43 pm.

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Carolyn S. Snethen, City Clerk

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**INTEROFFICE MEMORANDUM**

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**TO:** RICHARD U. NIENSTEDT, CITY MANAGER AND THE HONORABLE CITY COMMISSION  
**FROM:** SCOTT D. BIRD, DIRECTOR OF FINANCE  
BETTY SIMPSON, CITY TREASURER/ASSISTANT DIRECTOR OF FINANCE  
**SUBJECT:** INVESTMENT POLICY  
**DATE:** MAY 18, 2016

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Periodically the finance department reviews various policies and procedures in an effort to re-familiarize staff and to include updates as deemed appropriate. To that end, please find the attached revision of the City's Investment Policy.

The purpose of the City's investment policy is to adhere to Kansas statutes and to minimize the risk of funds maintained by the City of Ottawa Finance Department. A major component of this policy is the adherence to a cash management program in order to secure investment earnings as additional revenue to a portion of "idle funds" within the operating and capital funds.

The cash management program is intended to assist the City's Investment Committee in determining the appropriate amount of funds available for investment as part of the City's overall cash portfolio. This committee consists of the Director of Finance, the City Treasurer/Assistant Director of Finance, and the City Clerk and/or the Assistant City Clerk.

Through the use of this policy, and ongoing cash flow projections; which are reviewed regularly, investment maturities are scheduled to coincide with projected needs for operational cash flow. This projection includes the analysis of each upcoming accounts payable period, based upon the anticipated claims to be paid, and further biweekly payroll needs, along with anticipated revenues. Additional liquid funds may be invested based on current account balances and based on operational cash flow needs.

Recommendation: That the attached Resolution be placed on an upcoming regular meeting agenda.

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION FINDING THE ADVISABILITY OF AND ADOPTING OF AN INVESTMENT POLICY FOR THE CITY OF OTTAWA, KANSAS, AND ESTABLISHING AN EFFECTIVE DATE THEREFORE, PROVIDING FOR THE ENFORCEMENT THEREOF, AND RESCINDING PRIOR RESOLUTIONS.**

**WHEREAS**, the City of Ottawa, Kansas (the City) is a municipality, as defined in K.S.A. 12-1675, and from time to time has funds on hand in excess of current needs, and

**WHEREAS**, it is in the best interest of the City and its inhabitants to invest local funds in investments that yield a favorable rate of return while providing the necessary liquidity and protection of the principal; and

**WHEREAS**, Kansas state statute K.S.A. 12-1675 et seq.) allows for the establishment of an investment policy for the management of idle municipal funds to be set by resolution of the Governing Body of the City of Ottawa, and

**WHEREAS**, Kansas state statute K.S.A. 10-131 provides for the investment of certain bond and temporary note proceeds,

**NOW, THEREFORE, BE IT RESOLVED** by the Governing Body of the City of Ottawa, that:

**Section 1: General.** The City of Ottawa, Kansas, will invest public funds in a manner that provides the highest investment return with the maximum security, while meeting daily cash flow demands and conforming to all state laws governing the investment of public funds.

**Section 2: Application.** This investment policy applies to all financial assets of the City, as accounted for in the City's annual financial report, within the categories of funds as follows:

- a. General Fund
- b. Special Revenue Funds
- c. Debt Service Funds
- d. Capital Project Funds
- e. Enterprise funds
- f. Trust and Agency Funds
- g. Intergovernmental Service Funds

**Section 3: "Prudent Person" Standard.** Investments shall be made with judgment and care—under circumstances then prevailing—which persons of prudence, discretion and intelligence exercise in the management of their own affairs; not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Investment officials shall use the "prudent person" standard prudence to be used by investment officials shall use the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

**Section 4: Investment Objectives** The primary objectives, in priority order, of City investment activities shall be:

- a. Safety. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- b. Liquidity. The investment portfolio will remain sufficiently liquid to enable all operating requirements which might be reasonably anticipated.

c. Return on investment. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

**Section 5: Investment Authority.** Authority to manage the City's investment program is derived from K.S.A. 10-131 and K.S.A. 12-1675 et seq. Management responsibility for the investment program is hereby delegated to the Director of Finance, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures should include reference to: safekeeping, repurchase agreements, wire transfer agreements, collateral/depository agreements and banking service contracts. Such procedures shall include explicit delegation of authority to person responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

**Section 6: Conflict of Interest.** Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment officials and employees shall disclose to the Director of Finance any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City's investment portfolio.

The Director of Finance shall disclose to the City Manager any material financial interests that any Finance staff member may hold in financial institutions that conduct business within the City of Ottawa. Further, the Director of Finance shall disclose any large personal financial/investment positions that could be related to the performance of the City of Ottawa's investment portfolio. Any officers/employees involved in the City's investment process shall subordinate their personal investment transactions to those of the City of Ottawa, particularly with regard to the timing of purchase and sales.

**Section 7: Qualification of Bidders, Investments.** All financial institutions who desire to become qualified bidders for investment transactions must supply the City Treasurer with audited financial statements, certification of having read the City's investment policy, and when appropriate, a master repurchase agreement. An annual review of the financial condition and registrations of qualified bidders will be conducted by the City Treasurer.

**Section 8: Qualified Investments.** The City is empowered by statute to invest in the following types of securities: certificates of deposit, government treasuries, U.S. government agency securities and repurchase agreements (where a master agreement has been signed). Within limits allowed by state statute, the city will diversify its investments by security type and institution. With the exception of U. S. Treasury securities, no more than 65 percent of an entity's total investment portfolio will be invested with a single financial institution.

**Section 9: Collateralization.** Collateralization will be required on two types of investments: certificates of deposit and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102 percent) of market value of principal and accrued interest.

**Section 10: Payment, Custody.** All security transactions, including collateral for repurchase agreements, entered into by the city shall be conducted on a delivery versus payment basis. Securities will be held by a third-party custodian designated by the City treasurer and evidenced by safekeeping receipts.

**Section 11: Terms of Investments.** To the extent possible, the city will attempt to match investments with anticipated cash requirements. Unless matched to a specific cash flow, the city will not directly invest in securities maturing more than four years from date of purchase. Under certain circumstances, as allowed by state law, the City may participate in the State Municipal Investment Pool.

**Section 12: Investment Committee.** The Investment Committee for the City shall consist of the Director of Finance, the City Treasurer, and the City Clerk and/or the Assistant City Clerk. The committee shall meet at least quarterly to review the city's investment portfolio, or at the discretion of the Director of Finance, conduct analysis on existing investment instruments, examine the cash management report, review monthly reports and discuss any other issue related to the city's investment portfolio. On an annual basis, the Investment Committee shall review the city's investment policy.

**Section 13: City Treasurer's Duties.** The City Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures. The Treasurer is charged with the responsibility of including a market report on investment activity and returns in the city's financial report.

This resolution adopted by the City of Ottawa, Kansas on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
City Attorney

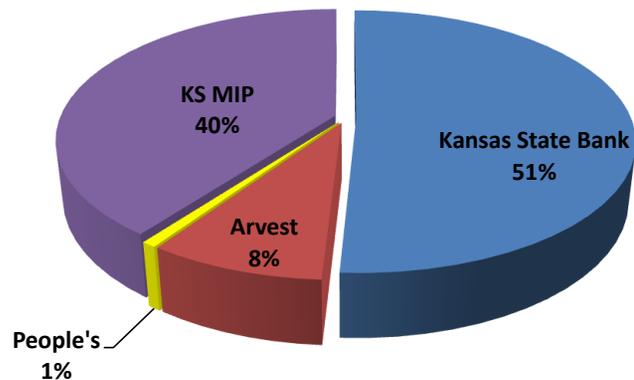
## City of Ottawa Disbursement of Funds 5/18/2016

Kansas State Bank				KS MIP					
		Interest Rate	Maturity	Days to Maturity		Interest Rate	Maturity	Days to Maturity	
Deposit	\$ 6,005,179.09	0.11%			Investment	\$ 500,000.00	0.25%	09/09/16	111
AP	\$ 42,469.68	0.11%			Investment	\$ 500,000.00	0.27%	09/16/16	118
CC Inhouse	\$ 51,769.35	0.11%			Investment	\$ 500,000.00	0.27%	11/04/16	166
CC Online	\$ 89,432.17	0.11%			Investment	\$ 500,000.00	0.52%	12/08/16	200
CD	\$ 500,000.00	0.21%	7/5/2016	47	Investment	\$ 500,000.00	0.54%	01/06/17	228
CD	\$ 500,000.00	0.21%	8/4/2016	76	Investment	\$ 500,000.00	0.67%	01/24/17	246
CD	\$ 500,000.00	0.21%	10/13/2016	145	Investment	\$ 500,000.00	0.67%	02/06/17	258
	<u>\$ 7,688,850.29</u>				Investment	\$ 500,000.00	0.57%	02/24/17	276
					Investment	\$ 500,000.00	0.61%	03/01/17	283
					Investment	\$ 500,000.00	0.61%	03/17/17	299
<b>Arvest</b>					Investment	\$ 500,000.00	0.70%	03/17/17	299
CD	\$ 1,101,652.34	0.20%	6/2/2016	14	Investment	\$ 500,000.00	0.67%	04/03/17	315
CD	\$ 200,298.23	0.20%	6/9/2016	21	Investment	\$ 500,000.00	0.61%	05/03/17	345
	<u>\$ 1,301,950.57</u>				Investment	<u>\$ 500,000.00</u>			
						\$ 6,000,000.00			

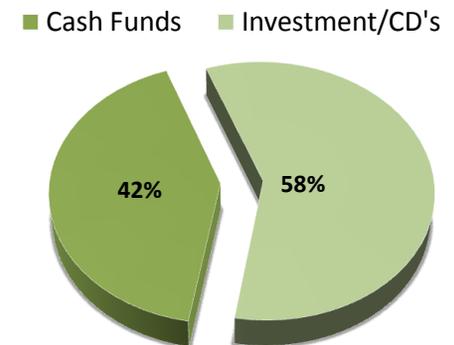
People's		
Payroll	\$ 14,405.16	0.00%
ACH	\$ 94,013.34	0.01%
	<u>\$ 108,418.50</u>	

	Fund Balances by Type	Interest Rate
Cash Funds	\$ 6,297,268.79	0.08%
Investment/CD's	\$ 8,801,950.57	0.43%
<b>Total Funds</b>	<u>\$ 15,099,219.36</u>	0.34%

**Fund Distribution by Institution**



**Funds by Type**



**RESOLUTION NO. \_\_\_\_\_**

*In 1999 the Government Accounting Standards Board Promulgated Statement 34, which requires municipalities to have a full accounting of all infrastructure to include*

**A RESOLUTION** authorizing the City of Ottawa, Kansas to request the Director of Accounts and Reports to waive the statutory requirement to use GAAP based accounting for the reporting of fiscal year 2016.

**WHEREAS**, the City of Ottawa, Kansas has determined that the financial statements and financial reports for the year ended 2016 to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the Governing Body or the members of the general public of the City of Ottawa, and

**WHEREAS**, there are no revenue bond ordinances or other ordinances or resolutions of the municipality which require financial statements and financial reports to be prepared in conformity with 75-1120a(a) for the year ended 2016.

**NOW, THEREFORE BE IT RESOLVED** that the Governing Body does hereby request the Director of Accounts and Reports to waive the requirements of 75-1120a(a) as they apply to the City of Ottawa, Kansas for the year ended 2016.

**BE IT FURTHER RESOLVED** that the Governing Body shall cause the financial statements and financial reports of the City of Ottawa to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

**ADOPTED this \_\_\_\_ day of \_\_\_\_\_ 2016.**

\_\_\_\_\_  
Mayor

Attest

\_\_\_\_\_  
City Clerk

CITY OF OTTAWA  
EAST 15<sup>TH</sup> STREET  
SIDEWALK IMPROVEMENTS  
PROJECT NO. 30TE-0413-01

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION DECLARING IT NECESSARY TO APPROPRIATE PRIVATE PROPERTY FOR THE USE OF THE CITY FOR THE PURPOSE OF CONSTRUCTING SIDEWALK IMPROVEMENTS IN THE VICINITY OF EAST 15<sup>TH</sup> STREET IN OTTAWA, AND AUTHORIZING THE CREATION AND FILING OF A DESCRIPTION OF THE LAND OR INTEREST TO BE ACQUIRED

BE IT NOW RESOLVED by the Governing Body of the City of Ottawa, Kansas, that:

1. It is hereby declared necessary to acquire private property for the use of the City of Ottawa, Kansas, for the construction of sidewalk improvements generally described as being in the vicinity of east 15<sup>th</sup> Street, including design and construction of new sidewalks, grading and related improvements, and all other work necessary and incidental thereto.

2. It is hereby authorized and directed that a description of the land or interest to be acquired be made by a licensed land surveyor or a competent professional engineer and filed with the City Clerk.

3. This Resolution shall be published one (1) time in an official City newspaper.

ADOPTED by the Governing Body this 6<sup>th</sup> day of June, 2016.

CITY OF OTTAWA, KANSAS

\_\_\_\_\_  
Sara Caylor, Mayor

ATTEST:

\_\_\_\_\_  
Carolyn Snethen, City Clerk.

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## MEMORANDUM

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TO: RICHARD U. NIENSTEDT, CITY MANAGER AND THE  
HONORABLE CITY COMMISSION

FROM: GLORA MATHEWS, EXECUTIVE ASSISTANT  
SCOTT D. BIRD, DIRECTOR OF FINANCE

SUBJECT: 0110 – CITY COMMISSION / CITY MANAGER BUDGET FOR 2017

DATE: JUNE 2, 2016

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This budget includes expenditures incurred by the City Manager's Office, to include travel and training for the Governing Body. As a reminder, an intern position was reintroduced in this activity in the second half of 2015. We also respectfully call your attention to the following changes for the 2017 budget:

- 503.00 – Telecommunications – A \$300 increase is suggested based on 2015 actual expenditures.
- 504.00 – Travel Expense – Increased by \$5,000 to be more in line with the 2015 actual and the 2016 year-to-date expenditures (see below).
- 505.00 – Professional Development – Increased by \$1,000.
- 512.00 – Employee Recognition – Increased by \$500 to cover increases in costs for supplies related to the employee picnic and employee breakfast.
- 514.00 – Printing Expenditures - Increased by \$1,500 to be more in line with actual 2016 expenditures.
- 558.00 – Other Contractual Services – Decreased by \$1,500 to be more in line with actual 2016 expenditures.
- 600.00 – Supplies – Decreased by \$1,250 to be more in line with actual 2015 and 2016 expenditures.

Below is a list of what is included in the line items with titles that aren't self explanatory:

- 504 – Travel Expense - Commission travel expenditures, conference registrations, chamber event tickets
- 505 – Professional Development - City Manager office travel expenditures, conference & workshop registrations, chamber event tickets
- 512 – Employee Recognition - Employee summer picnic and December appreciation breakfast
- 514 – Printing - Newspaper ads, KOFO ads, Becker Marketing fees for annual report cover page creation
- 527 – Mayor's Prayer Breakfast – all expenditures related to the annual event
- 551 – Dues & Subscriptions – ICMA dues, Constant Contact program fees
- 558 – Other Contractual Services – leadership expenditures
- 670 – Receptions & Meals – event, meeting and retreat meals

**CITY COMMISSION & CITY MANAGER (0110)**

		<b>EXPENDITURE DETAIL</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>Budget</b>	<b>Budget</b>
		<b>PERSONNEL SERVICES</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2016</b>	<b>2017</b>
001	5-0110-410.00	Salaries	162,450	173,999	189,047	190,823	196,548	206,277
001	5-0110-410.00	Salaries (Commissioners)	6,000	6,000	0	6,000	6,000	6,000
001	5-0110-410.02	Salaries (Interns)	0	0	0	8,000	8,000	8,200
001	5-0110-411.00	Overtime	2,305	1,319	1,107	2,500	2,500	2,500
001	5-0110-421.00	Stipend for Commission (IT)	0	0	800	2,000	2,000	2,000
		<b>SUBTOTAL</b>	<b>170,755</b>	<b>181,318</b>	<b>190,954</b>	<b>209,323</b>	<b>215,048</b>	<b>224,977</b>
		<b>CONTRACTUAL SERVICES</b>						
001	5-0110-502.00	Postage	175	346	120	300	300	300
001	5-0110-503.00	Telecommunications	1,693	1,645	1,902	1,700	1,700	2,000
001	5-0110-504.00	Travel Expense	17,184	13,857	18,540	15,000	15,000	20,000
001	5-0110-505.00	Professional Development	9,339	9,252	7,657	9,000	9,000	10,000
001	5-0110-512.00	Employee Recognition	3,916	4,391	5,333	4,500	4,500	5,000
001	5-0110-514.00	Printing Expense	2,111	2,805	2,787	4,000	3,000	4,500
001	5-0110-524.00	Bonds	0	0	0	0	350	0
001	5-0110-527.00	Mayor's Breakfast	2,096	824	2,035	2,200	2,200	2,200
001	5-0110-551.00	Dues & Subscriptions	3,378	3,237	3,372	3,500	3,500	3,500
001	5-0110-558.00	Other Contractual Services	0	10,256	5,149	7,000	7,000	5,500
		<b>SUBTOTAL</b>	<b>39,893</b>	<b>46,614</b>	<b>46,895</b>	<b>47,200</b>	<b>46,550</b>	<b>53,000</b>
		<b>COMMODITIES</b>						
001	5-0110-600.00	Office Supplies	3,207	2,890	2,309	3,750	3,750	2,500
001	5-0110-615.00	Uniforms	0	0	0	100	100	100
001	5-0110-630.00	Other Operating Supplies	195	0	0	0	0	0
001	5-0110-670.00	Receptions & Meals	4,585	5,010	4,649	5,200	5,200	5,200
		<b>SUBTOTAL</b>	<b>7,986</b>	<b>7,901</b>	<b>6,957</b>	<b>9,050</b>	<b>9,050</b>	<b>7,800</b>
		<b>CAPITAL OUTLAY</b>						
001	5-0110-702.00	Furniture (Replace 8 Study Session Chairs)	0	0	2,720	5,000	5,000	5,000
001	5-0110-704.00	Office Equipment	0	716	0	1,000	1,000	1,000
001	5-0110-705.00	Computer Equipment	1,474	960	471	980	980	1,000
		<b>SUBTOTAL</b>	<b>1,474</b>	<b>1,676</b>	<b>3,190</b>	<b>6,980</b>	<b>6,980</b>	<b>7,000</b>
		<b>TOTAL</b>	<b>220,108</b>	<b>237,508</b>	<b>247,996</b>	<b>272,553</b>	<b>277,628</b>	<b>292,777</b>

CITY OF OTTAWA, KANSAS  
PUBLIC WORKS DEPARTMENT  
MEMORANDUM

TO: Richard U. Nienstedt, Scott Bird  
CC: Mayor and City Commission  
FROM: Michael W. Haeffele – Director of Public Works, Scott Bird – Director of Finance  
SUBJECT: 2017 Budget Proposal  
DATE: June 1, 2016  
RE: Public Works Special Funds (Special Streets, Storm Water, Airport)

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Attached are the Public Works Special Funds for Fiscal Year 2017. There are not a lot of changes from last year's budget requests. The Special Streets Fund is funded from the State with taxes collected from the sale of gasoline and diesel fuel. The contributions we receive to this fund from the state are based off of population and estimates are provided by the State of Kansas. The higher the population, the more money the state allows us to maintain our roadways.

### **2800 Special Streets Fund**

There are three key changes to highlight with the Special Streets Fund. The first is a request for \$18,000 in line (738.00) for another salt dome. This year we were dangerously close to running out of salt with the small storms we had. Typically it is hard to get salt in the winter because the salt companies set KDOT and major metropolitan areas as their priority. The second item of note is the additional of \$40,000 (total \$60,000) for sidewalk improvements in line (738.00). There are a lot of sidewalks in town that are in need of repair and the \$20,000 budgeted this year was not enough for a city this size. The last item is the transfer of \$18,000 for the completion of the Airport Master Plan that should be completed in January or February of 2017.

### **2900 Stormwater Utility Fund**

The Stormwater Utility fund also has a few adjustments. We are again asking for \$150,000 for Engineering (554.00). We have a few projects we are working on right now, most notably, a project on Ash Street from 2<sup>nd</sup> Street to 7<sup>th</sup> Street and a project on East 15<sup>th</sup> Street. If we can continue identifying projects ahead and have them engineered we will have a better impact on improvements to the system.

The first note is the increase of \$5,000 for Stormwater Testing in line (539.50) to \$10,500. As we progress through the permit period the city is required to test at more locations to help implement a Best Management Practices Program (BMP). Once we define our areas of concern, we will be able to start implementing structural BMPs, which could include filtering or screening in certain areas. We are also requesting to increase line 629.00, Rock and Cement, to help with immediate repairs to storm sewer systems. A good example is the storm sewer in the alley between Main and Walnut just north of 3<sup>rd</sup> Street. This pipe recently collapsed in a few places and we were able to make the repairs with city crews.

The last major increase is the addition of line item 918.00, Transfer to Equipment Reserve. We have added \$100,000 to help pay for a new street sweeper. The current sweeper is over 10 years old and reaching a point that it will not be cost feasible to continue using it every day.

Continually sweeping streets is one of the better BMPs that we can implement.

**1400 Airport Fund**

Last year the Airport Fund remained fairly flat, however that is not the case this year. Line item 553.00, Service Agreements has been added to include \$10,000 for parts on the AWOS. This is recommended by the FAA and All Weather, Inc. to ensure adequate funds should something go wrong with this system. Line Item 558.00, Other Contractual Services, also has been increased by \$5,000 to cover the cost of the maintenance contract we will enter into once the warranty expires on the AWOS system. Line 710.00 Grant Match has a decrease to \$18,000 to cover the cost of the Airport Master Plan.

Respectfully Submitted,

Michael W. Haeffele  
Public Works Director

## SPECIAL STREET (2800)

### REVENUE DETAIL

			Actual	Actual	Actual	Revised	Budget	Budget
			2013	2014	2015	2016	2016	2017
028	4-2800-100.00	Unencumbered Cash	63,052	104,486	462,458	380,022	424,709	405,569
028	4-2800-317.00	Special Highway (Note 1)	317,409	324,268	326,826	325,430	326,560	321,920
028	4-2800-317.02	Federal Funds Exchange	125,909	110,199	191,917	208,592	100,000	140,000
028	4-2800-398.07	Transfer From Capital Improvement	3,000	12,675	0	0	0	0
028	4-2800-398.08	Transfer General - Sidewalks 2014	0	96,000	0	0	0	0
028	4-2800-369.00	Impact Fees	0	0	0	500	1,000	500
028	4-2800-390.00	Interest	0	82	449	1,000	85	800
028	4-2800-392.01	Miscellaneous	2,250	775	2,923	375	0	400
		<b>Total Revenue</b>	<b>448,568</b>	<b>543,999</b>	<b>522,115</b>	<b>535,897</b>	<b>427,645</b>	<b>463,620</b>
		<b>Total Resources</b>	<b>511,620</b>	<b>648,486</b>	<b>984,573</b>	<b>915,919</b>	<b>852,354</b>	<b>869,189</b>

### EXPENDITURE DETAIL

			Actual	Actual	Actual	Revised	Budget	Budget
			2013	2014	2015	2016	2016	2017
		<b>CONTRACTUAL SERVICES</b>						
028	5-2800-554.00	Engineering Services	53,431	22,924	2,495	25,000	25,000	25,000
028	5-2800-558.00	Other Contractual	153	41,331	15,374	2,500	5,000	5,000
		<b>SUBTOTAL</b>	<b>53,584</b>	<b>64,254</b>	<b>17,869</b>	<b>27,500</b>	<b>30,000</b>	<b>30,000</b>
		<b>COMMODITIES</b>						
028	5-2800-612.00	(Traffic) Equipment Repair Supplies	6,948	23,135	3,177	0	0	0
028	5-2800-620.00	General Supplies	0	44	0	0	0	0
028	5-2800-625.00	Street Maintenance	25,956	5,230	33,168	28,000	30,000	30,000
028	5-2800-625.00	Transfer Street Construction	0	0	0	0	0	0
028	5-2800-629.00	Alley Maintenance	0	0	986	1,500	2,000	2,000
		<b>SUBTOTAL</b>	<b>25,956</b>	<b>28,408</b>	<b>37,330</b>	<b>29,500</b>	<b>32,000</b>	<b>32,000</b>
		<b>CAPITAL OUTLAY</b>						
028	5-2800-738.00	2nd Salt Dome	0	0	0	0	0	18,000
028	5-2800-738.00	Sidewalk Improvements	0	0	173,575	10,000	20,000	60,000
		Jet A Fuel Project - City's match	0	0	0	13,350	0	0
028	5-2800-738.00	Capital Improvement - Street Work	287,594	0	245,000	260,000	200,000	200,000
028	5-2800-738.00	Lincoln School Path	0	16,933	0	0	0	0
028	5-2800-751.00	Parking Lot Improvements (1st & Hickory)	0	0	0	30,000	30,000	30,000
		<b>SUBTOTAL</b>	<b>287,594</b>	<b>16,933</b>	<b>418,575</b>	<b>313,350</b>	<b>250,000</b>	<b>308,000</b>
		<b>TRANSFERS</b>						
028	5-2800-891.00	Contingency Reserve	0	23,710	0	0	0	0
028	5-2800-918.00	Transfer to to 9500 Airport Master Plan	0	0	0	0	0	18,000
028	5-2800-918.00	Transfer to 5300-Street Sweeper & Truck	40,000	0	60,776	70,000	70,000	70,000
028	5-2800-918.00	Transfer to Bond & Interest	0	20,000	70,000	70,000	70,000	75,000
028	5-2800-918.00	Transfer to Capital Improvement Projects	0	32,722	0	0	0	0
		<b>SUBTOTAL</b>	<b>40,000</b>	<b>76,432</b>	<b>130,776</b>	<b>140,000</b>	<b>140,000</b>	<b>145,000</b>
		<b>Total Requirements</b>	<b>407,134</b>	<b>186,028</b>	<b>604,551</b>	<b>510,350</b>	<b>452,000</b>	<b>515,000</b>
		<b>Unencumbered Cash Balance, Dec. 31</b>	<b>104,486</b>	<b>462,458</b>	<b>380,022</b>	<b>405,569</b>	<b>400,354</b>	<b>354,189</b>

Note 1 Special Highway Revenue estimates - line 317 for Budget 2016 are based on State Department of Revenue projections

## STORMWATER UTILITY (2900)

SOURCE OF REVENUE			Actual	Actual	Actual	Revised	Budget	Budget
			2013	2014	2015	2016	2016	2017
029	100.00	Unencumbered Cash	0	0	366,205	710,933	507,208	781,220
029	4-2900-324.00	Fines and Fees	0	3,755	4,021	4,100	4,000	4,100
029	4-2900-390.00	Interest	0	0	189	1,200	20	1,260
029	4-2900-368.00	Stormwater Service Charges	0	441,801	460,447	465,000	460,560	469,650
029	4-2900-399.00	Miscellaneous Revenue	0	0	0	10	10	10
<b>Total Revenue</b>			<b>0</b>	<b>445,556</b>	<b>464,657</b>	<b>470,310</b>	<b>464,590</b>	<b>475,020</b>
<b>Total Resources</b>				<b>445,556</b>	<b>830,862</b>	<b>1,181,243</b>	<b>971,798</b>	<b>1,256,240</b>
EXPENDITURE DETAIL			Actual	Actual	Actual	Revised	Budget	Budget
			2013	2014	2015	2016	2016	2017
<b>PERSONNEL SERVICES</b>								
029	5-2900-410.00	Salaries	0	0	0	20,000	40,000	49,000
029	5-2900-411.00	Overtime	0	0	0	150	250	250
029	5-2900-412.00	Social Security	0	0	0	1,541	1,580	3,768
029	5-2900-413.00	KPERS	0	0	0	1,832	3,664	4,831
029	5-2900-414.00	Health Insurance	0	0	0	4,000	8,000	8,000
<b>SUBTOTAL</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>27,523</b>	<b>53,494</b>	<b>65,849</b>
<b>CONTRACTUAL SERVICES</b>								
029	5-2900-503.00	Telecommunications - Flood Control	0	0	330	750	750	750
029	5-2900-505.00	Professional Development	0	0	0	1,500	1,500	1,500
029	5-2900-554.00	Engineering	0	48,217	19,227	100,000	150,000	150,000
029	5-2900-521.00	Worker's Comp	0	0	0	700	1,400	1,400
029	5-2900-539.00	Repair - Flood Control	0	0	0	6,500	6,500	6,500
029	5-2900-539.50	Stormwater Testing	0	0	0	5,500	5,500	10,500
029	5-2900-553.00	Service Agreements - (EnerGov Softw	0	0	0	15,000	15,000	15,000
029	5-2900-558.00	Other Contractual (Flood Control)	0	1,761	81,468	35,000	35,000	35,000
<b>SUBTOTAL</b>			<b>0</b>	<b>49,978</b>	<b>101,025</b>	<b>164,950</b>	<b>215,650</b>	<b>220,650</b>
<b>COMMODITIES</b>								
029	5-2900-608.00	Vehicle Operation	0	0	0	1,500	1,500	1,500
029	5-2900-611.00	Chemical Supplies - Flood Control	0	0	0	1,000	1,000	1,000
029	5-2900-615.00	Uniforms	0	0	0	200	200	300
029	5-2900-617.00	Seed & Fertilizer - Flood Control	0	0	168	7,500	7,500	5,000
029	5-2900-620.00	Operating Supplies	0	0	6,336	5,000	5,000	6,000
029	5-2900-622.00	Hand Tools	0	0	21	0	0	0
029	5-2900-629.00	Rock & Cement - Flood Control	0	0	8,046	2,000	2,000	8,000
<b>SUBTOTAL</b>			<b>0</b>	<b>0</b>	<b>14,570</b>	<b>17,200</b>	<b>17,200</b>	<b>21,800</b>
<b>CAPITAL EXPENDITURES</b>								
029	5-2900-705.00	Computer Equipment	0	320	157	350	350	600
029	5-2900-742.00	Storm Sewer Improvements	0	0	369	175,000	200,000	250,000
029	5-2900-762.00	Easement Acquisitions	0	100	3,808	15,000	30,000	30,000
029	5-2900-800.00	Debt Service	0	0	0	0	0	0
<b>SUBTOTAL</b>			<b>0</b>	<b>420</b>	<b>4,334</b>	<b>190,350</b>	<b>230,350</b>	<b>280,600</b>
029	5-2900-918.00	Transfers to Equipment Reserve	0	28,953	0	0	0	100,000
<b>Total Requirements</b>			<b>0</b>	<b>79,351</b>	<b>119,929</b>	<b>400,023</b>	<b>516,694</b>	<b>688,899</b>
<b>Unencumbered Cash Bal. Dec. 31</b>			<b>0</b>	<b>366,205</b>	<b>710,933</b>	<b>781,220</b>	<b>455,104</b>	<b>567,341</b>

1 Revenue for this fund began January 2014.

2 Salaries include one full time person to begin no earlier than mid 2016.

## AIRPORT (1400)

### REVENUE DETAIL

		Actual	Actual	Actual	Revised	Budget	Budget	
SOURCE OF REVENUE		2013	2014	2015	2016	2016	2017	
014	4-1400-100.00	Unencumbered Cash	2,035	5,144	9,317	20,650	21,781	12,940
014	4-1400-312.00	Fuel Sales	19,062	792	996	1,000	1,500	1,500
014	4-1400-344.00	Rent	0	2,167	3,164	6,328	4,400	6,328
014	4-1400-344.01	Other Rents & Leases	18,845	6,664	9,882	9,882	6,664	9,882
014	4-1400-392.01	Reimbursed Expense Income	912	20,614	0	0	0	0
014	4-1400-392.03	Donations	0	0	1,708	50	0	0
014	4-1400-398.08	Transfer - General	48,722	55,297	83,014	85,000	85,000	97,000
<b>Total Revenue</b>			<b>87,541</b>	<b>85,535</b>	<b>94,603</b>	<b>94,932</b>	<b>91,664</b>	<b>106,882</b>
<b>Total Resources</b>			<b>89,576</b>	<b>90,678</b>	<b>108,080</b>	<b>122,910</b>	<b>119,345</b>	<b>127,650</b>

### EXPENDITURE DETAIL

		Actual	Actual	Actual	Revised	Budget	Budget
EXPENDITURE DETAIL		2013	2014	2015	2016	2016	2017
<b>PERSONNEL SERVICES</b>							
014	5-1400-410.00	Salaries	29,104	0	0	0	0
014	5-1400-412.00	Social Security	2,227	0	0	0	0
<b>SUBTOTAL</b>			<b>31,330</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONTRACTUAL SERVICES</b>							
014	5-1400-505.00	Professional Development	487	145	270	300	500
014	5-1400-520.00	Insurance - Building & Contents	176	0	0	0	0
014	5-1400-526.00	Insurance - Aviation Liability	0	0	0	0	0
014	5-1400-530.00	Utilities (City's share at 55%)	8,277	3,509	5,167	5,000	5,200
014	5-1400-532.00	Building Repairs	241	0	29	450	500
014	5-1400-533.00	Equipment Repairs	969	1,078	801	1,100	1,200
014	5-1400-549.00	Airport Management Contract	1,683	58,000	58,000	58,000	58,000
014	5-1400-553.00	Service Agreements - AWOS Parts Maint.Contract	0	0	0	0	10,000
014	5-1400-558.00	Other Contractual Services	14,446	13,482	18,032	14,000	14,000
014	5-1400-559.00	Environmental Compliance	427	0	0	0	0
<b>SUBTOTAL</b>			<b>26,706</b>	<b>76,213</b>	<b>82,299</b>	<b>78,850</b>	<b>79,200</b>
<b>COMMODITIES</b>							
014	5-1400-612.00	Equipment Repair Supplies	1,220	4,514	1,434	1,200	1,500
014	5-1400-616.00	Paint	0	0	0	0	500
014	5-1400-620.00	General Supplies	20,504	634	1,532	500	750
014	5-1400-624.00	Asphalt (Patch)	0	0	0	0	1,000
014	5-1400-629.00	Gravel, Rock & Cement	504	0	780	0	0
014	5-1400-636.00	Facility Repair Supplies	188	0	0	170	200
014	5-1400-638.00	Building/Structure Repair Supplies	0	0	0	750	1,000
014	5-1400-639.00	Airport Board	565	0	0	750	1,000
<b>SUBTOTAL</b>			<b>22,980</b>	<b>5,148</b>	<b>3,746</b>	<b>3,370</b>	<b>5,700</b>
<b>CAPITAL OUTLAY</b>							
014	5-1400-710.00	Capital Outlay	0	0	0	0	0
014	5-1400-710.00	AWOS Project - Grant Match	0	0	0	25,000	25,000
<b>SUBTOTAL</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>25,000</b>	<b>18,000</b>
<b>TRANSFERS AND RESERVES</b>							
014	5-1400-906.00	Transfer to Risk Management	0	0	1,384	2,750	3,000
014	5-1400-891.00	Contingency Reserve	3,416	0	0	0	0
<b>Total Requirements</b>			<b>84,433</b>	<b>81,362</b>	<b>87,429</b>	<b>109,970</b>	<b>112,900</b>
<b>Unencumbered Cash Balance, Dec. 31</b>			<b>5,144</b>	<b>9,317</b>	<b>20,650</b>	<b>12,940</b>	<b>6,445</b>