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

A Study Session is scheduled for **June 20, 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 June 1, 2016 and June 15, 2016 Regular Meetings; the June 6, 2016 and June 13, 2016 Study Sessions; and the June 6, 2016 Special Call Meeting for Leadership Training *Pgs. 2-13*

III. Items for Presentation and Discussion

- a. 2017 Budget Review
- Utilities - Dennis Tharp and Scott Bird *Pgs. 14-35*
- Finance - Betty Simpson and Scott Bird *Pgs. 36-38*
- b. Analysis of Tax Lid Legislation / Future Impact / 2017 Budget - Richard U. Nienstedt and Scott Bird *Pgs. 39-40*
- c. City Manager's Report
- d. Commissioner's Reports
- Updates from Board/Commission Assignments
- e. Mayor's Report

IV. Announcements

- June 21, 2016 Special Call Meeting with OMA Advisory Board, 11:30 am, Ottawa Municipal Auditorium
- June 27, 2016 Study Session, 4:00 pm, City Hall
- June 27, 2016 Special Call Commission Leadership Session, 5:00 pm, City Hall
- June 27, 2016 Special Call for Airport Master Plan Kickoff, 5:45 pm Ottawa Municipal Airport
- July 4, 2016 4th of July Holiday, Study Session CANCELED
- July 4, 2016 4th of July Holiday, City Offices CLOSED
- July 6, 2016 **Regular Meeting, 7:00 pm, City Hall**

V. Adjourn

Motion: _____ Second: _____ Time: _____

VI. Items Already Placed

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

#31. In determining the public interest, balance personal rights and property interests, the possible harm to a few versus the good of the many. Recognize that in some situations, everyone cannot be a winner.

**Regular Meeting Minutes
Commission Chambers
101 S Hickory, Ottawa, Kansas
Minutes of June 1, 2016 at 7:00 pm**

The Governing Body met at 7:00 pm this date with the following members present and participating to wit: Mayor Caylor, Commissioner Reed, Commissioner Skidmore, Commissioner Graves, and Commissioner Jorgensen. A quorum was present.

Mayor Caylor called the meeting to order and welcomed the Chamber Audience and led the Pledge of Allegiance to the American Flag. The invocation was given by Director of Finance Scott Bird..

Consent Agenda

The Governing Body reviewed the consent agenda consisting of minutes from the May 16, 2016 Regular Study Session Meeting; May 18, 2016 Special Call Joint City/County; May 18, 2016 Special Call Public Meeting for Rock Creek Business Park, and May 18, 2016 minutes of the Regular Meeting minutes and the agenda. Commissioner Reed made a motion, seconded by Commissioner Graves to approve the consent agenda. The motion was considered and upon being put, all present voted aye. The Mayor declared the consent agenda duly approved.

Public Comments

None offered at this time.

Declaration

None at this time.

Let's Move Program Gold Medal Celebration

The Governing Body heard from Region VII, Department of Health & Human Services, Rear Admiral Jose Belardo and Sherry Mirador were in attendance to help celebrate the City's achievement of earning five gold medals in the Let's Move program.

Community Development Director Wynndee Lee provided a presentation and answered questions presented. The presentation included:

- What is this movement about?
- Who's Involved?
- 2012 Let's Move new focus.
- Goals
- Ranking

Airport Improvement Grant

The Governing Body heard from Director of Public Works Michael Haeffele who reviewed a request for the approval of the agreement for Kansas Department of Transportation Aviation Airport Improvement Grant. It was explained this agreement is for the installation of an above ground Jet-A fuel tank and pump at the Ottawa Municipal Airport. Commissioner Skidmore made

June 1, 2016

Unofficial until approved

a motion, seconded by Commissioner Jorgensen, to approve the grant. The motion was considered and upon being put, all present voted aye. The Mayor declared the grant duly approved.

Report by City Manager

The City Manager stated he thought the rain had stopped for now and asked the Director of Public Works Michael Haeffele to provide an update on the levee area that has washed out.

Mr. Nienstedt reported Mr. Haeffele serves in the Army National Guard's and will be in training the next two weeks.

Mr. Haeffele stated he had spoke with the Corps. Of Engineers about the wash out of the levee the log jam created recently. The Corps. Of Engineers have checked the site and agreed it currently isn't an emergency. If more erosion occurs the Corps. Of Engineers will monitor the situation. It will not be fixed now due to the area lakes still releasing water. Funding to repair the erosion will be funded by the Corps.

City Manager Richard U. Nienstedt reported on Bike Lanes on Walnut, 1st to 5th.

Reports by City Commissioners

Commissioner Jorgensen stated once the water start to raise again the Public Works Crew would begin to work on the log jam remaining.

Commissioner Skidmore and Chamber Director John Coen discussed it was a great time to be in Ottawa with all the projects going on including Freddy's, Riverside Diner, Kalmar and other businesses being here.

Report by Mayor

Mayor Caylor reported on the ECKAN lunches being served to kids this summer.

Open Agenda

Mr. Nienstedt stated employees could get involved in the ECKAN lunches as it is a great program.

Mr. Nienstedt announced the retirement reception for: Master Police Officer Tim Ahrens, being held on June 16, 2016 from 2-4 pm. The reception will be held at the Ottawa Law Enforcement Center. Presentations will be held at 2:30 pm.

Chief Dennis Butler announced he had been helping to serve at the ECKAN lunch. Chief Butler will be serving lunch tomorrow and invited others to join him if they would like to.

Mayor Caylor thanked Public Works Director Michael Haeffele and his staff for the great work and effort put forth on working and watching the levee. She asked that the comments be passed onto the staff.

The Mayor announced:

1. June 6, 2016: Study Session at 4 pm, at City Hall
2. June 6, 2016: Commission Leadership Session, 5 pm (immediately following Study Session), City Hall
3. June 10, 2016: City Employee/Retiree/Volunteer Picnic, 5pm, at Forest Park
4. June 16, 2016: Master Police Officer Tim Ahrens retirement reception at the Ottawa Law Enforcement Center.

Adjournment

There being no further business to come before the Governing Body Commissioner Skidmore 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.

Carolyn S. Snethen, City Clerk

**Study Session Minutes
Ottawa, Kansas
Minutes of June 6, 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

None offered at this time.

Review of Minutes

The Governing Body reviewed minutes from the May 23, 2016 Study Session and agreed to place this item on the June 15, 2016 Regular Meeting agenda with a change.

Resolution-Ottawa Investment Policy

The Governing Body heard from Director of Finance Scott Bird related to the City's Policy of Investment of City funds. The Governing Body agreed by consensus to place this item on the next regular meeting agenda.

Resolution- GAAP Waiver

The Governing Body heard from Director of Finance Scott Bird who explained why the resolution to have a GAAP Waiver was a statutory requirement to use GAAP-Based Account for the reporting of fiscal year 2016.

Resolution-Sidewalk Improvements

The Governing Body heard from City Attorney Blaine Finch and Community Development Planner Sarah Anzicek who presented a resolution declaring it necessary to appropriate private property for the purpose of constructing sidewalk improvements in the vicinity of East 15th Street and agreed to adopt a resolution this date to move this project forward. It was noted this is for public use.

Commissioner Skidmore made a motion, seconded by Commissioner Graves to adopt the resolution. The motion was considered and upon being put, all present voted aye. The resolution was numbered Resolution No. 1691-16.

Ordinances-Cereal Malt Beverage Temporary Permit

The Governing Body reviewed a draft of a Cereal Malt Beverage Temporary Permit Ordinances with City Attorney Blaine Finch regarding special events. Mr. Finch explained this would require permission from the state and city. Discussion ensued and the Governing Body agreed to place this ordinance on the next regular meeting agenda. Commissioner Jorgensen suggested a public hearing be conducted on this issue. The issue was further discussed and the Governing Body agreed by consensus to hold a public hearing at the Regular Meeting on the June 15th morning meeting and the July 6th evening meeting for public comments.

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The City Attorney discussed Sunday sales of packaged liquor. He explained there is a protest period during the consideration of such an ordinance. Discussion ensued and the Governing Body requested an ordinance be brought back for further consideration.

2017 Budget Review

The Governing Body reviewed the following budgets:

0110-City Commission & City Manager
2800-Special Street
2900-Stormwater Utility
1400-Airport

City Manager's Report

City Manager Richard U. Nienstedt reported:

- An Executive Session is needed for Attorney-Client Privilege.

Mayor's Report

Mayor Caylor reported:

- Had spoke to those using dumpsters
- Weekend cleanup
- Made a difference in community

Announcements

The Mayor announced:

1. June 6, 2016: Special Call Commission Leadership Session, 5 pm , City Hall
2. June 13, 2016: Study Session, 4 pm, City Hall
3. June 15,2016: Regular Meeting, 9:30 am, City Hall

Executive Session

Recess

Commission Skidmore made a motion, seconded by Commission Reed to recess into Executive Session for a period of 15 minutes and to reconvene into open session at 5:36 pm in the same Study Session Room. City Attorney Blaine Finch and City Manager Richard U. Nienstedt were invited to attend. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly recessed.

Reconvene

Commissioner Jorgensen made a motion, seconded by Commissioner Reed to reconvene into Regular Study Session at 5:36 pm. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly reconvened.

Recess

Commissioner Jorgensen made a motion, seconded by Commissioner Skidmore to recess back in Executive Session for a period of 5 minutes and to reconvene into open session at 5:41 pm in the same Study Session Room. City Attorney Blaine Finch and City Manager Richard U. Nienstedt were invited to attend. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly reconvened.

Reconvene

Commissioner Jorgensen made a motion, seconded by Commissioner Skidmore to move into Regular Study Session. The motion was considered and upon being put, all present voted aye. The Mayor declared the meeting duly reconvened at 5:41 pm.

Adjournment

There being no further business to come before the Governing Body Commissioner Jorgensen made a motion, seconded by Commissioner Graves to adjourn the meeting. The meeting was adjourned at 5:41 pm.

Carolyn S. Snethen, City Clerk

**Special Call Commission Meeting
City Commission & Leadership Consultant John Divine
Training Session
Commission Chambers
101 S Hickory, Ottawa, Kansas
Monday, June 6, 2016**

The Governing Body met at 5:45 pm this date with the following members present and participating to wit: Mayor Caylor, Commissioner Jorgensen Commissioner Reed, Commissioner Graves, and Commissioner Skidmore. A quorum was present.

The Meeting was called to order.

The Governing Body met with Leadership Consultant John Divine, who conducted a training session related to the role of attitude as it relates to accomplishing their role as a commissioner.

The meeting was adjourned at 6:15 pm.

Carolyn S. Snethen, City Clerk

**Study Session Minutes
Ottawa, Kansas
Minutes of June 13, 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 Bill Schleiter with the Ottawa Art's Council regarding the Hongli Xu Event that will be held at Carnegie Hall on June 25th.

Resolution—Neosho County Community College

The Governing Body heard from Finance Director Scott Bird and Tyler Elsworth with Kutak Rock who explained Neosho's request to move forward with a bond issue that will refund the City's outstanding revenue bonds. These revenue bonds were issued on the school's behalf in 2010. This resolution authorizes the execution of an Escrow Trust Agreement to provide for the defeasance, redemption and payment of Education Facility Revenue Bonds, Series 2010 and the termination of certain leases in connection with such bonds. It was agreed to place this item on the next regular meeting agenda, June 15, 2016.

Cereal Malt Beverage License Request—Maria's

The Governing Body heard from City Clerk Carolyn Snethen regarding a request for a Cereal Malt Beverage License for Maria's located at 314 S Main St. The application has been reviewed by the City Attorney and Police Department with no reason for denial. It was agreed to place this item on the next regular meeting agenda.

Bid Approval—Raw Water Line Project

The Governing Body heard from Utilities Director Dennis Tharp and Assistant Utilities Director Dave Buehler regarding an update on bids received for the Raw Water Line Project. The low bid received was from Greeley Excavating, LLC. The bid came back in the amount of \$1,403,354.00. The engineers estimate was around \$2.4 million. It was recommended by PEC to contract with Greeley Excavating, LLC for the Raw Water Line Project. It was agreed to place this item on the next regular meeting agenda.

2017 Budget Review

The Governing Body reviewed the 2017 proposed budgets listed below with City Staff:

- Fire Department (0157)
- Information Technology (0159)

City Manger's Report

City Manager Richard U. Nienstedt reported:

- An executive session is needed for Personnel Matters.

Executive Session

Recess

Commissioner Skidmore made a motion, seconded by Commissioner Reed to recess into executive session for a period of 20 minutes. This executive session is needed for Personnel matters of non-elected personnel with City Manager, City Attorney, and Police Chief present. The motion was considered and upon being put, all present voted aye. The Mayor declared the regular study session meeting duly recessed at 5:23 pm.

Reconvene

Commissioner Jorgensen made a motion, seconded by Commissioner Reed to reconvene the regular study session meeting. The motion was considered and upon being put, all present voted aye. The Mayor declared the study session meeting duly reconvened at 5:43 pm.

Adjournment

There being no further business to come before the Governing Body Commissioner Jorgensen made a motion, seconded by Commissioner Skidmore to adjourn the meeting. The meeting was adjourned at 5:44 pm.

Carolyn S. Snethen, City Clerk

**Regular Meeting Minutes
Commission Chambers
101 S Hickory, Ottawa, Kansas
Minutes of June 15, 2016 at 9:30 am**

The Governing Body met at 9:30 am this date with the following members present and participating to wit: Mayor Caylor, Commissioner Reed, Commissioner Skidmore, Commissioner Graves, and Commissioner Jorgensen. A quorum was present.

Mayor Caylor called the meeting to order and welcomed the Chamber Audience and led the Pledge of Allegiance to the American Flag. The invocation was given by Director of Finance Scott Bird.

Consent Agenda

The Governing Body reviewed the consent agenda consisting of Minutes from the May 23, 2016 Study Session, an application for a Cereal Malt Beverage License for Maria's located at 314 S Main St., and the regular meeting agenda. Commissioner Graves made a motion, seconded by Commissioner Reed to approve the consent agenda. The motion was considered and upon being put, all present voted aye. The Mayor declared the consent agenda duly approved.

Public Comments

The Governing Body heard from Tristan Hodges, 918 S Cypress, who spoke regarding the skate park.

Declaration

None were given at this time.

Public Hearing—Temporary Cereal Malt Beverage (CMB) Licensing

This public hearing is to consider providing legislative action that will address Temporary Special Event CMB Licensing.

Mayor Caylor opened the public hearing at 9:43 am.

No public comments were given.

Mayor Caylor closed the public hearing at 9:44 am.

Mayor Caylor stated the next public hearing on this issue will be July 6th at the 7:00 pm Regular Meeting and encouraged our citizens to attend.

Resolution—City of Ottawa Investment Policy

The Governing Body heard from Finance Director Scott Bird regarding a request for approval of a resolution for revision of the City of Ottawa Investment Policy. Periodically it is best practice for the City's Finance Advisory Committee to review the City's Investment Policy and to bring it before the Governing Body. The attached resolution has been reviewed with no significant changes. Commissioner Skidmore made a motion, seconded by Commissioner Graves to adopt the resolution. The motion was considered and upon being put, all present voted aye. The Mayor declared the resolution duly approved and the resolution was numbered Resolution No. 1693-16.

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Resolution—GAAP-Based Accounting

The Governing Body heard from Finance Director Scott Bird regarding a resolution to waive the statutory requirements to use GAAP-based accounting for fiscal 2016. Commissioner Reed made a motion, seconded by Commissioner Skidmore to adopt the resolution. The motion was considered and upon being put, all present voted aye. The Mayor declared the resolution duly adopted and the resolution was numbered Resolution No. 1692-16.

Resolution—Neosho County Community College

The Governing Body heard from Finance Director Scott Bird and Kutak Rock Bond Council Member Tyler Elsworth regarding a request for approval of a resolution for Neosho County Community College. This resolution authorizes the execution of an Escrow Trust Agreement to provide for the defeasance, redemption and payment of Education Facility Revenue Bonds, Series 2010 and the termination of certain leases in connection with such bonds. Commissioner Graves made a motion, seconded by Commissioner Reed to adopt the resolution. The motion was considered and upon being put, all present voted aye. The Mayor declared the resolution duly adopted and the resolution was numbered Resolution No. 1694-16.

Bid Approval—Raw Water Line Project

The Governing Body heard from Utilities Director Dennis Tharp and Assistant Utilities Director David Buehler regarding a request for approval of a bid for the Ottawa Raw Water Line Improvement from Greeley Excavating, LLC. Professional Engineering Consultants, P.A. reviewed bids submitted for the Raw Water Line Project and recommends the contract be awarded to Greeley Excavating, LLC in the amount of \$1,403,354.00, contingent upon approval of the bid by KDHE. Commissioner Reed made a motion, seconded by Commissioner Graves to approve the bid from Greeley Excavating, LLC. The motion was considered and upon being put, all present voted aye. The Mayor declared the bid from Greeley Excavating approved.

Report by City Manager

City Manager Richard U. Nienstedt reported:

- The 312th Army Band will be performing at the Ottawa Municipal Auditorium on June 26th at 7:00 pm. We are currently looking for sponsors for this event.

Report by City Commissioners

Commissioner Graves invited all to attend the Swan Art's Festival this weekend. Commissioner Graves will be attending with her children.

Commissioner Skidmore stated it will be very hot the next few days and encouraged anyone who has neighbors without air conditioning to check on them through this time.

Commissioner Reed reminded the public of the East meets West event on June 25th at Carnegie Cultural Center.

Commissioner Jorgensen spoke regarding the public hearing today. We have these hearing so we can get public input on various issues. Commissioner Jorgensen encouraged all to come to the July 6th public hearing regarding Temporary Cereal Malt Beverage Licensing at 7:00 pm.

June 15, 2016

Unofficial until Approved

Report by Mayor

Mayor Caylor thanked Mr. Hodges for coming in and speaking to the Commission.

Announcements

Mayor Caylor announced:

- June 20, 2016: Study Session, 4:00 pm, City Hall
- June 25, 2016: East Meets West Hongli Xu Exhibition, 10:00 am – 6:00 pm, Carnegie Hall, Welcome by City Official, 1:15 pm
- June 27, 2016: Study Session, 4:00 pm, City Hall
- June 27, 2016: Special Call for Commission Leadership Session, 5:00 pm (immediately following Study Session), City Hall
- June 27, 2016: Special Call for Airport Master Plan Kickoff, 5:45 pm, Ottawa Municipal Airport

Adjournment

There being no further business to come before the Governing Body Commissioner Reed made a motion, seconded by Commissioner Skidmore to adjourn the meeting. The meeting was adjourned at 10:10 am.

Carolyn S. Snethen, City Clerk

Memorandum

To: Richard U. Nienstedt, City Manager, City Commissioners

CC: Scott Bird, David Buehler, Jeff Oleson

From: Dennis Tharp, Director of Utilities

Date: 6/8/2016

Re: 2017 Budgets

Attached are the Utility budget requests for fiscal year 2017, included for each division is the spreadsheet detailing expenditures from past years and requested numbers for your review for 2017. Following the spreadsheet is additional information on the line items within each division, including items purchased from each line, requested change in dollar amounts and justifications for decisions.

After much scrutiny of our budgets by all personnel within the divisions we have found that there is little need for change in amounts from 2016. There are some inflationary increases in personnel services, consumables and materials, the majority of those being offset by rebalancing or reduction in other line items. Utility divisions are subject to wide swings in required expenditures from year to year making accurate predictions difficult. Volatility in natural gas and energy markets, environmental regulations, weather, growth, infrastructure failures, acts of nature and required

improvements to other department's infrastructure attribute to variance in expenditure.

Through planning and avoidance of some contract labor costs in 2016 we have been able to accomplish the same amount of work with less expenditure, making us confident we can, for this year, hold budgets relatively flat and be productive in 2017.

Our budget requests are intended to cover many issues that can be experienced, knowing that we will hope to not use the full allocation. Our folks have done a stellar job of dissecting budgets this year and what is presented in the following pages is the collaborative work of Utility personnel.

WATER PRODUCTION (3001)

			Actual 2013	Actual 2014	Actual 2015	Revised 2016	Budget 2016	Budget 2017
PERSONNEL SERVICES								
030	5-3001-410.00	Salaries	378,571	413,633	411,503	415,000	415,000	421,225
030	5-3001-411.00	Overtime	28,540	41,966	41,893	29,000	29,000	29,435
030	5-3001-412.00	Social Security	28,884	31,472	32,090	33,966	33,966	34,475
030	5-3001-413.00	Retirement (KPERs)	34,640	42,895	44,327	43,500	43,500	45,956
030	5-3001-414.00	Health Insurance	53,404	12,574	39,037	55,000	55,000	56,650
030	5-3001-415.00	Dental Insurance	2,908	3,145	2,854	3,200	3,200	3,296
030	5-3001-417.00	Vision Insurance	0	359	407	400	400	412
		SUBTOTAL	526,947	546,044	572,111	580,066	580,066	591,449
CONTRACTUAL SERVICES								
030	5-3001-502.00	Postage	9	6	59	750	750	750
030	5-3001-503.00	Telephone	884	1,166	1,356	920	920	1,400
030	5-3001-504.00	Travel Expense	0	0	0	0	0	2,500
030	5-3001-505.00	Professional Development & Dues	6,732	11,017	8,306	13,975	13,975	11,475
030	5-3001-505.10	Profession Development Admin	0	0	0	3,750	3,750	3,750
030	5-3001-515.00	Advertising - Legal & Other	275	330	275	275	300	300
030	5-3001-530.00	Utilities	22,848	21,651	19,704	25,000	28,600	28,600
030	5-3001-532.00	Building & Structure Repair	4,045	4,940	2,979	12,000	12,000	8,000
030	5-3001-533.00	Equipment Repair	12,332	2,762	2,954	10,000	13,260	13,260
030	5-3001-534.00	Vehicle Repair	0	24	47	200	800	800
030	5-3001-553.00	Service Agreements	6,373	3,609	4,488	5,000	6,500	6,500
030	5-3001-558.00	Other Contractual Services	10,642	11,916	15,995	16,500	25,600	20,000
030	5-3001-568.00	Professional Services	11,893	19,656	15,565	20,000	20,000	20,000
030	5-3001-571.00	Audit Expenses	1,005	325	2,200	2,200	2,200	2,200
		SUBTOTAL	77,037	77,402	73,929	110,570	128,655	119,535
COMMODITIES								
030	5-3001-600.00	Office Supplies	756	435	167	500	800	800
030	5-3001-601.00	CAD Supplies	0	155	0	0	500	0
030	5-3001-608.00	Vehicle Operations	3,843	3,597	1,715	4,000	4,950	4,000
030	5-3001-611.00	Chemical Supplies	108,571	83,393	90,105	95,000	155,500	100,000
030	5-3001-612.00	Vehicle & Equipment Repair & Supplies	14,415	10,380	13,738	14,000	15,810	15,810
030	5-3001-615.00	Uniforms	2,104	2,373	2,332	3,300	4,485	3,500
030	5-3001-629.00	Road Rock, Cement & Gravel	650	1,543	3,246	3,300	3,500	3,500
030	5-3001-630.00	Other Operating Supplies	9,373	5,788	5,157	6,000	8,670	8,670
030	5-3001-633.00	Water Testing Supplies	6,268	10,103	9,239	8,000	8,050	9,000
030	5-3001-638.00	Building & Structure Repair Supplies	5,432	8,639	4,340	8,300	9,125	9,125
		SUBTOTAL	151,410	126,404	130,039	142,400	211,390	154,405
CAPITAL OUTLAY								
030	5-3001-705.00	Computers	0	1,280	627	1,400	1,230	1,230
030	5-3001-710.00	Equipment	35,158	57,771	13,769	75,000	80,000	80,000
030	5-3001-710.30	Chem. Metering System	0	0	0	50,000	50,000	30,000
030	5-3001-715.00	Building & Basins	139,425	174,068	33,869	9,000	10,000	0
		SUBTOTAL	174,583	233,119	48,266	135,400	141,230	111,230
TRANSFERS								
030	5-3001-906.00	Transfer to Equipment Reserve	5,691	5,691	0	5,691	5,691	5,691
		TOTAL	935,669	988,659	824,344	974,127	1,067,032	982,310

3001
Water Production
2017 Requests

502 Postage \$750

Test results sent to customers for lead and copper testing and Consumer Confidence Report as requested. Possible compliance reports as required. Backflow notifications.

No Change from the 2016 budget.

503 Telephone \$1400

Plant phone, customer communication and vendor contacts.

\$480 based on past actual expense

504 Travel Expense \$2500

Lodging and meals while attending conferences and training.

Added funding for this line in 2017 for tracking purposes. Rebalanced from 505

505 Professional Development \$11,475

Includes dues and subscriptions, Conference registrations, Training classes for operator's certification and advancement and supervisory training and education.

\$2500 less than the 2016 budget. Rebalanced to 504

515 Advertising \$300

Yearly hydrant flushing notification to customers.

No increase to the 2016 budget.

530 Utilities \$28,600

KCPL electric bill for pump stations off city grid and apportioned bill for City meters elsewhere

No increase to the 2016 budget.

532 Building and Structure Repair \$8,000

General maintenance including painting, floors, doors and HVAC repair

\$4,000 decrease from the 2016 budget.

533 Equipment Repair \$ 13,260

Repairs of feeders, mixers, motors & pumps etc.

No increase to the 2016 budget.

534 Vehicle Repair \$800

Repairs and upkeep for two vehicles.

No increase from the 2016 budget.

553 Service Agreement \$6,500

SCADA and copier maintenance agreements are covered from this line.

No increase from the 2016 budget.

558 Other Contractual \$20,000

Courier services, trash service, water tower maintenance and certified lab testing.
Altitude valve testing and repair also come from this line.
\$5,600 decrease from the 2016 budget.

568 Professional Services \$20,000

Engineering fees for major projects, studies and upgrades.
No increase from the 2016 budget.

571 Audit Expenses \$2200

No increase from the 2016 budget.

600 Office Supplies \$600

No increase from the 2016 budget..

601 Computer Supplies (CAD) \$0

Zeroed from the 2016 budget. Unused legacy item.

608 Vehicle Operations \$4000

Gas, tires, tubes, fuel etc.
Reduced \$950 based on past actual expenditures.

611 Chemical Supplies \$100,000

Treatment chemicals to produce potable water, Chlorine, Lime, Ammonia, Carbon Dioxide, Polymer, Carbon & Fluoride etc.
\$55,000 decrease from the 2016 budget.

612 Equipment Repair Supplies

Seals, bearings, repair kits and parts for plant equipment and machinery for breakdown and preventive maintenance. Parts and repairs for mower, boat and trailer and skid loader.

615 Uniforms \$3500

Reduced \$985 based on past actual expenditures.

629 Road rock, cement & gravel \$3,500

No change from the 2016 budget.

630 Other Operating Supplies \$8670

Tools, cleaning supplies, bathroom and break room supplies, and various supplies needed to operate and maintain Water Plant, 6 pump stations and 3 water towers.
No change from the 2016 budget.

633 Water Testing Supplies \$9000

Water testing reagents and supplies for process control testing and KDHE monitoring requirements.
\$950 increase based on past 3 year actual average expenditures.

638 Building & Structure Repair Supplies \$9,125

Completion of exterior painting & sealing, tiles, HVAC supplies & other building maintenance needs.

No change from the 2016 budget.

705 Computers \$1,230

No change from the 2016 budget.

710 Equipment \$80,000

Scheduled replacement of High service pumps (4 Pumps, 5yr rotation) and an upgrade to 36 year old Sludge pumps. Replace H.S. meter with same as new raw meter
Cost more to rebuild pumps than replace. H.S. meter not reliable

710.30 Equipment \$30,000

Replace chemical metering pumps and 2 sample pumps.
Chemical feed rates are vital to meet regulations with lowest possible cost
provides redundancy in metering with current pumps acting as back up
sample pumps are unreliable and costly to repair.

715 Building & Basins \$0

Place holder amount that provides for unanticipated building or basin repairs.
\$10,000 decrease from 2016 budget.

WATER DISTRIBUTION (3002)

			Actual 2013	Actual 2014	Actual 2015	Revised 2016	Budget 2016	Budget 2017
		PERSONNEL SERVICES						
030	5-3002-410.00	Salaries	254,059	246,498	255,980	277,000	277,000	285,310
030	5-3002-410.04	Seasonal	0	0	0	4,635	4,635	4,774
030	5-3002-411.00	Overtime	11,116	11,903	18,706	12,000	12,000	12,360
030	5-3002-412.00	Social Security	18,639	17,827	18,809	22,463	22,463	23,137
030	5-3002-413.00	KPERS Retirement	22,795	24,326	27,600	27,000	27,000	27,810
030	5-3002-414.00	Health Insurance	53,941	8,560	35,899	60,000	60,000	61,800
030	5-3002-415.00	Dental Insurance	2,787	2,828	2,272	3,000	3,000	3,090
030	5-3002-417.00	Vision Insurance	0	400	370	400	400	412
		SUBTOTAL	363,337	312,342	359,637	406,498	406,498	418,693
030	5-3002-502.00	Postage	0	0	0	0	0	0
030	5-3002-503.00	Telephone	511	785	1,483	1,300	1,300	1,300
030	5-3002-504.00	Travel Expense	0	0	84	0	0	0
030	5-3002-505.00	Professional Development	897	2,069	6,851	10,000	10,000	10,000
030	5-3002-533.00	Equipment Repair	4,754	698	154	5,000	8,000	8,000
030	5-3002-534.00	Vehicle Repair	60	385	643	2,000	3,400	3,400
030	5-3002-558.00	Other Contractual Services	64,968	140,713	14,687	50,000	70,000	70,000
030	5-3002-558.01	Other Contractual - Concrete Repairs	0	0	0	10,000	15,000	15,000
030	5-3002-566.00	State Water Protection Fees	26,494	28,275	27,565	29,000	31,000	31,000
030	5-3002-568.00	Professional Services	0	0	0	0	0	15,000
		SUBTOTAL	97,686	172,925	51,466	107,300	138,700	138,700
		COMMODITIES						
030	5-3002-600.00	Office Supplies	406	766	348	450	675	675
030	5-3002-601.00	CAD Supplies	0	0	0	0	500	0
030	5-3002-608.00	Vehicles Operations	13,714	15,332	10,285	12,500	16,500	16,500
030	5-3002-612.00	Vehicle & Equipment Repair Supplies	0	0	0	3,000	6,000	6,000
030	5-3002-615.00	Uniforms	2,948	2,500	4,162	4,900	5,000	5,000
030	5-3002-620.00	Supplies	51,312	39,253	63,439	45,000	40,000	50,000
030	5-3002-620.01	Erosion Control Supplies	0	0	0	2,000	2,500	2,500
030	5-3002-620.02	Safety Supplies	0	0	0	2,500	3,000	3,000
030	5-3002-622.00	Small Tools	0	0	18	750	2,000	2,000
030	5-3002-623.00	Bedding and Fill Material	62,286	57,976	114,427	54,000	55,000	60,000
030	5-3002-629.00	Road Rock, Cement & Gravel	0	14	17,000	7,500	2,500	5,000
030	5-3002-630.00	Other Operating Supplies	0	508	0	7,000	7,000	7,000
		SUBTOTAL	130,665	116,348	209,679	139,600	140,675	157,675
		CAPITAL OUTLAY						
030	5-3002-705.00	Computer Equipment	0	320	157	750	1,000	1,000
030	5-3002-710.00	Small Equipment	0	524	22,762	4,000	5,000	5,000
030	5-3002-746.00	Water Line Construction	121,477	123,955	96,984	250,000	390,000	284,600
030	5-3002-744.00	Distribution Line Supplies	26,126	45,826	31,994	55,000	55,000	57,750
		SUBTOTAL	147,604	170,625	151,896	309,750	451,000	348,350
		TOTAL	785,149	818,098	772,678	1,009,005	1,136,873	1,109,275

3002
Water Distribution
2017 Requests

503 Telephone \$1300

Customer communication and vendor contacts.

No Change from the 2016 budget.

505 Professional Development \$10,000

Increase in funding coincides with new policies implemented to incentivize education & advancement within the group. ABC & KDHE certification training & expenses. Supervisory training and education. Includes travel, dues and subscriptions.

No Change from the 2016 budget.

530 Utilities \$800

No increase to the 2016 budget.

533 Equipment Repair \$ 8,000

Repair parts for Bobcat, backhoe, chop saws, air compressor, trencher etc.

No increase to the 2016 budget.

534 Vehicle Repair \$3,400

Repairs and upkeep for fleet

No increase from the 2016 budget.

558 Other Contractual \$70,000

Boring subcontractors, Kansas One Call, Plumbers, Locator repairs etc.

No Change from the 2016 budget.

558.01 Other Contractual (Concrete repairs) \$15,000

Contracted concrete repairs.

No Change from the 2016 budget.

566 State Water Fees \$31,000

568 Professional Services \$15,000

This line provides a token amount for any needed project engineering. This would also facilitate more frequent Water Model analysis if needed.

\$15,000 New Line addition

600 Office Supplies \$675

No Change from the 2016 budget.

601 Computer Supplies (CAD) \$0

Zeroed from the 2016 budget. Unused legacy line.

608 Vehicle Operations \$16,500

Gas, tires, tubes, fuel etc.

No Change from the 2016 budget.

612 Vehicle & Equipment Repair Supplies \$6000

(Repair parts for all equipment.)

No Change from the 2016 budget.

615 Uniforms \$5,000

Requested increase with change to Hi-Vis clothing

No Change from the 2016 budget.

620 Supplies \$50,000

Locally purchased supplies such as pipe & fittings, marking paint, lubricants, flags etc.

Increase \$8,000 for Inflation. Currently at 72% of 2016 budget

620-01 Erosion Control \$2,500

Seed & Straw Etc.

No Change from the 2016 budget.

620.02 Safety Supplies \$3000.00

Hard Hats, safety glasses, rubber gloves, face shields, respirators, traffic control signs, etc.

No Change from the 2016 budget.

622 Small Tools \$2,000

Shovels, Wrenches & other tools

No Change from the 2016 budget.

623 Bedding & Fill Material \$60,000

Flowable Fill & concrete

Increase \$5,000 from the 2016 budget. Inflation and past history.

629 Road rock, cement & gravel \$5,000

Increase reflects further attempt to track expenses more accurately.

Increase \$2,500 Current 2016 is at 235%

630 Other Operating Supplies \$7000

Miscellaneous supplies

No change from the 2016 budget.

705 Computers \$1,000

No change from the 2016 budget.

710 Small Equipment \$5,000

Provides a fund for any needed replacement of pumps, chop saws etc.

No Change from the 2016 budget.

746 Water Line Construction \$284,600

Pipes, valves, fittings, retaining glands etc.

Decreased \$124,900 from 2016 budget.

(Increase 5%/\$19,500 for Inflation.

PVC Pipe fluctuates with oil prices, Valves up 15%, Fittings up 7%, all in the last 18 months.)

Budget constraints prevented increase

744 Distribution Line Supplies \$57,750

Water meters & setters, tiles, rings & lids, PEX and Copper tubing, brass fittings etc.

Increase 5%/\$2,750 for inflation

Setters up 7%, Corp stops up 27%, Saddles up 17%, and new meters up 12%, in the last 18 months

ELECTRIC PRODUCTION (3703)

EXPENDITURE DETAIL		Actual	Actual	Actual	Actual	Revised	Budget	Budget
		2013	2014	2015	2016	2016	2016	2017
PERSONNEL SERVICES								
037 5-3703-410.00	Salaries	658,409	664,106	628,777	700,000	700,000	700,000	710,500
037 5-3703-411.00	Overtime	11,242	21,878	19,763	15,000	15,000	15,000	15,450
037 5-3703-412.00	Social Security	47,727	48,094	45,596	58,000	58,000	58,000	59,740
037 5-3703-413.00	State Retirement Fund - KPERS	57,547	65,507	66,309	76,370	76,370	76,370	78,661
037 5-3703-414.00	Health Insurance	101,514	15,660	67,521	145,000	145,000	145,000	149,350
037 5-3703-415.00	Dental Insurance	5,553	5,052	4,559	6,000	6,000	6,000	6,180
037 5-3703-417.00	Vision Insurance	0	514	569	700	700	700	700
	SUBTOTAL	881,992	820,811	833,095	1,001,070	1,001,070	1,001,070	1,020,581
CONTRACTUAL SERVICES								
037 5-3703-502.00	Postage	16	18	11	200	200	200	200
037 5-3703-503.00	Telephone	3,967	3,324	3,985	4,000	4,000	4,000	4,000
037 5-3703-504.00	Travel Expense	0	0	189	10,000	10,000	10,000	5,000
037 5-3703-505.00	Professional Development	19,906	25,178	24,416	20,000	20,000	20,000	25,000
037 5-3703-505.10	Professional Development - Admin	0	0	0	7,500	7,500	7,500	7,500
037 5-3703-528.00	SCADA Maintenance & Equipment	0	15,021	621	15,000	15,000	15,000	15,000
037 5-3703-530.00	Utilities	18,531	21,278	11,168	35,000	35,000	35,000	35,000
037 5-3703-532.00	Building & Structure Repair	0	0	2,979	3,000	3,000	3,000	3,000
037 5-3703-533.00	Equipment Repair	214,308	69,179	93,826	300,000	300,000	300,000	300,000
037 5-3703-534.00	Vehicle Repair	299	0	0	1,000	1,000	1,000	1,000
037 5-3703-550.00	Towel & Laundry Service	0	0	0	0	0	0	0
037 5-3703-553.00	Service Agreement/Compliance	16,127	1,264	10,168	15,000	15,000	15,000	17,000
037 5-3703-558.00	Other Contractual Services	178,086	192,893	359,972	350,000	350,000	350,000	400,000
037 5-3703-559.00	Environmental Compliance	0	943	971	10,000	10,000	10,000	10,000
037 5-3703-561.00	Utility Assistance	20,240	17,097	16,915	26,000	26,000	26,000	25,000
037 5-3703-565.00	Destination Based Sales Tax	4,187	1,745	4,192	5,000	5,000	5,000	5,000
	SUBTOTAL	475,668	347,940	529,414	801,700	801,700	801,700	852,700
COMMODITIES								
037 5-3703-600.00	Office Supplies	157	0	186	1,500	1,500	1,500	1,500
037 5-3703-601.00	Computer Supplies	26	660	0	1,000	1,000	1,000	1,000
037 5-3703-605.00	Purchase Power	5,530,158	6,643,988	5,340,390	5,500,000	5,500,000	7,000,000	7,000,000
037 5-3703-606.00	Purchase Demand	3,163,642	3,110,533	3,023,888	3,100,000	3,100,000	4,500,000	4,500,000
037 5-3703-607.00	Natural Gas	79,166	57,104	55,835	60,000	60,000	200,000	200,000
037 5-3703-608.00	Vehicle Operations	7,345	7,589	6,425	8,000	8,000	10,000	10,000
037 5-3703-609.00	Motor Oil	5,434	0	7,272	10,000	10,000	25,000	25,000
037 5-3703-610.00	Fuel Oil (Plant Engines)	132,982	31,238	46,762	50,000	50,000	150,000	150,000
037 5-3703-611.00	Chemical Supplies	13,989	18,931	16,227	20,000	20,000	25,000	25,000
037 5-3703-615.00	Uniforms	2,729	2,785	5,179	5,000	5,000	5,000	5,000
037 5-3703-620.00	Supplies	54,645	56,568	64,222	65,000	65,000	95,000	95,000
	SUBTOTAL	8,990,273	9,929,395	8,566,385	8,820,500	8,820,500	12,012,500	12,012,500
CAPITAL OUTLAY								
037 5-3703-702.00	Furniture & Fixtures	3,408	0	0	2,000	2,000	2,000	2,000
037 5-3703-704.00	Office Equipment	361	0	0	1,500	1,500	1,500	1,500
037 5-3703-705.00	Computer Equipment	2,468	13,014	3,451	5,000	5,000	5,000	5,000
037 5-3703-710.00	Equipment	167,633	172,529	121,744	180,000	180,000	300,000	300,000
037 5-3703-715.00	Building Maintenance	5,822	1,088	0	10,000	10,000	15,000	15,000
	SUBTOTAL	179,691	186,630	125,194	198,500	198,500	323,500	323,500
TRANSFERS								
037 5-3703-906.00	Transfer to Equipment Reserve	25,000	0	0	30,000	30,000	30,000	30,000
	TOTAL	10,552,624	11,284,775	10,054,089	10,851,770	10,851,770	14,168,770	14,239,281

3703
Electric Production
2017 Requests

502 Postage \$200

This is a new line item in this budget.

This is primarily communication with KDHE.

No Change from the 2016 budget.

503 Telephone \$4,000

Vendors, contractors, maintenance agreement, etc.

No change from the 2016 budget.

505 Professional Development \$25,000

Includes travel, dues and subscriptions.

KMU (City Manager, City Commissioner, Director & Assistant Director), Minnesota Municipal diesel training, APPA, National Association of Gas Consumers, KMEA & KMG. Safety training films. Internet charges. SCADA training. Advanced training for electrical, mechanical and electronic components normally costing between \$500-1000 per day. With additional substation equipment being installed training will be used for breaker maintenance, wonderware programming and digital protective relaying. Training on pumps and governor controls are also needed. Continuing training will include the Southwest Power Pool in order to meet NERC/SPP requirements. KMU operator workshop, welding-hoist and rigging training. Educational trips to KCPL, Wolf Creek and other like entities. Continuing training will include fiber optic training for our support of the Community Broadband Network. Continuing KMU on Line Program. Continuing Fred Pryor seminars.

Increase from 2016 budget which was decreased from 2015 budget.

528 SCADA Maintenance \$15,000

Supervisory Control and Data Acquisition system.

This training involves internet training provided by Logic, Normal maintenance is approximately \$5,000. The remainder is for unexpected failures of monitors, keyboards, sensors, hard drives etc. Due to the Southwest Power Pool Market day ahead market we have additional needs for computers, servers and SCADA monitoring equipment.

No increase to the 2016 budget.

530 Utilities \$35,000

Kansas Gas Service is paid for from this account.

No change from the 2016 budget.

533 Equipment Repair \$ 300,000

Cooling towers, engine inspections, jacket water pumps, STAG controls, engine repairs, and diesel governor repairs. This line item is for materials, contracted labor is included in line item 558.

No change from the 2016 requests.

We have identified approximately \$270,000 in needed projects. The remainder is for

unexpected repairs.

The following is a list of possible projects we have identified:

Cooling tower maintenance, upgrade to building heaters, generator control upgrades, pump and valve repair and unexpected repairs.

534 Vehicle Repair \$1,000

This includes the Director's Trailblazer which now has over 110,000 miles and may soon need repairs along with the 2000 Dodge pickup. The Trailblazer was scheduled for replacement three years ago. We have not had problems in the past but with additional miles may experience additional needed maintenance.

No increase from the 2016 budget.

550 Towel and Laundry Service \$0

This line item includes towels, rugs, dust mops, mops and wipe alls.

We are currently doing most of this work in house. Materials are now purchased from line item 620. We may eliminate this line item in the future.

No increase from 2016 budget.

553 Service Agreement/Compliance \$17,000

Approximately \$12,000 of the requested amount will go to Wonderware support and software updates from Logic, Inc. which includes internet training. This will be ongoing due to the SPP market and continuing changes with upgrades. Other items in this line include: copier agreement. Trash service. Power plant expenditure is with Midwest Exterminators for pest control at \$90 six times per year. Emission fees are included and will increase in future years. KDHE certifications for water testing and air permitting. Added KepWare support for 2017.

Increase \$2000.00 from 2016.

558 Other Contractual \$400,000

Same as 533 but is used for labor/technical services. Asbestos abatement, pavement etc. Workmaster maintenance program support. Any contractual service provided in repair or rebuilding of all of our equipment. This would include Siemens (electrical testing of transformers, breakers), SEGA (substation support) Northpoint (boiler tubes), solar panel installation.

Increase \$50,000.00 from 2016 budget.

SE Substation security upgrades, cooling tower maintenance, Generator Controls, Roof repairs, asbestos removal, generator testing, 4.16kv trouble shooting, 2nd St. transformer low side breaker and relay installation, update of the plant alarm system and unexpected repairs.

559 Environmental Compliance \$10,000.

The costs associated with this line item are primarily due to KDHE and EPA regulations. These regulations continue to change and require investigation by our staff or engineering firms. EPA continues to add new rules and regulations that require additional equipment or monitoring. While we are in compliance at this time new rules are currently being proposed by EPA that will create additional expenditures.

No change from the 2016 budget.

560 Utility Assistance \$22,000

Scott Bird

565 Destination Based Sales Tax \$5,000

Scott Bird

600 Office Supplies \$2,500

No increase from the 2016 budget..

601 Computer Supplies (CAD) \$1,000

No change from the 2016 budget.

605 Purchased Power \$7,000,000

Purchased Energy

We have not experienced growth in our electrical usage which could increase our costs if we experience new industrial usage or if the SPP Day Ahead market creates higher costs. Energy cost adjustments could create higher costs from our suppliers as well. The SPP market is still much of an unknown at this time. Environmental regulations could also drive up costs.

No change from the 2016 budget.

606 Purchase Demand \$4,500,000

Everything associated with purchase of power except energy.

For the same reasons as purchased energy we believe we can maintain the same budget as in 2016. Should we experience load growth this could possibly increase the Purchased Demand.

607 Natural Gas \$200,000

We believe natural gas prices will remain somewhat stable during 2017 and should not have a need to increase our requests from 2016. The SPP market place is the only true unknown at this time.

No change from the 2016 request.

608 Vehicle Operations \$10,000

Gas, tires, tubes, fuel etc. In addition to the plant vehicles the fuel costs for the City Van, Mountaineer, Custodian's truck and the Director of Utilities vehicle fuel is charged to this line item.

No change from the 2016 request.

609 Motor Oil \$15,000

This line item is used for change out to engine oil as necessary depending on test results and oil consumed.

Same request as 2016 budget.

610 Fuel Oil (plant engines)\$200,000

We currently purchase as necessary and when we find the best price available. Usage depends on run time.

No change from the 2016 request.

611 Chemical Supplies \$25,000

Water testing supplies and chemical for cooling towers. Grounds maintenance chemicals.

Laboratory work for cooling tower testing.

Increased from \$20,000. The increase is due to not knowing the run time required in 2017 and an inflation factor on all chemicals

615 Uniforms \$5,000

We may see an increase in this line item due to new OSHA rules regarding arc flash requirements.

Remains the same as 2016 budget.

620 Supplies \$95,000

Includes tires, tubes hand tools and other operating supplies.

Power drills, power saws, wrenches (specialized for engine work) normal hand tools.

The increase is partially due to combining portions of 533 into this item. In the past we could code items that we were installing for projects to the 500 series but with the change these must now be coded to the 600 series. Only vendor installed projects are now coded to the 500 series. We also repair items for Public Works, the Garage, Water Distribution/Sewer Collection, City Hall, Electric Distribution, Fire and Police. Parts and materials have been paid for from the Power Plant budget.

No change in this request from 2016.

702 Furniture and Fixtures \$2,000

This line item includes tables, chairs and lighting for offices.

Possible expenditures are the purchase of ergonomic chairs to replace old ones.

No increase from the 2016 budget.

704 Office Equipment \$1,500

Will be spent on items that need to be replaced. One large item will blow this line item.

No increase from the 2016 budget.

705 Computer Equipment \$5,000

A portion of this budget, computer replacements, are being handled thru the IT Department.

With the large amount of computers currently needed at the Power Plant our request could exceed what the IT Dept. has within their budget amount. A great deal of our needs are due to the Energy Management Project and the SPP Market and our Power Marketer.

No change from the 2016 request.

710 Equipment \$300,000

The following is a list of projects that we need to complete at the Power Plant. The following

list of projects represents more than the requested amount for this line item. Final selection of the projects to be completed in 2017 will be determined by the greatest need as we get closer to 2017.

SE substation security upgrades.

Generator testing on all units.

Install breaker on low side of 20mva transformer.

Upgrade plant alarm system.

Demolish building 5 and roof repair on building 1 and 2.

Upgrade electrical panel at 2nd St. substation.

Solar Panels.

No Increase from 2016 budget.

715 Building Maintenance \$15,000

No change from 2016 budget.

ELECTRIC DISTRIBUTION (3704)

EXPENDITURE DETAIL		Actual	Actual	Actual	Actual	Revised	Budget	Budget
PERSONNEL SERVICES		2013	2014	2015	2016	2016	2016	2017
037	5-3704-410.00 Salaries	540,195	568,069	578,268	585,000	585,000	585,000	593,775
037	5-3704-411.00 Overtime	50,160	53,801	62,309	50,000	50,000	50,000	52,015
037	5-3704-412.00 Social Security	42,874	44,552	45,828	50,000	50,000	50,000	51,500
037	5-3704-413.00 State Retirement Fund - KPERS	51,055	59,643	66,013	63,824	63,824	63,824	65,738
037	5-3704-414.00 Health Insurance	73,468	14,911	65,609	97,980	97,980	95,229	100,919
037	5-3704-415.00 Dental Insurance	4,647	4,647	3,473	5,500	5,500	5,500	5,720
037	5-3704-417.00 Vision Insurance	0	728	701	800	800	800	800
	SUBTOTAL	762,399	746,352	822,200	853,603	853,603	850,853	870,468
	CONTRACTUAL SERVICES							
037	5-3704-502.00 Postage	5	64	5	100	100	100	100
037	5-3704-503.00 Telephone	142	142	232	300	300	1,500	1,500
037	5-3704-505.00 Professional Development	5,544	6,970	5,711	7,000	7,000	12,000	12,000
037	5-3704-533.00 Equipment Repair	2,801	3,319	2,130	7,500	7,500	15,000	15,000
037	5-3704-534.00 Motor Vehicle Repair	73	3,461	7,132	3,500	3,500	3,500	5,000
037	5-3704-558.00 Other Contractual Services	68,493	49,524	36,363	60,000	60,000	65,000	65,000
037	5-3704-565.00 Destination Based Sales Tax	247	421	211	500	500	1,500	1,500
	SUBTOTAL	77,304	63,901	51,785	78,900	78,900	98,600	100,100
	COMMODITIES							
037	5-3704-600.00 Office Supplies	252	258	34	500	500	500	500
037	5-3704-601.00 Computer Supplies (CAD)	0	177	339	500	500	1,000	1,000
037	5-3704-608.00 Vehicle Operations	19,271	22,043	16,362	22,000	22,000	25,000	25,000
037	5-3704-612.00 Equipment			264				
037	5-3704-615.00 Uniforms	2,564	4,046	11,872	5,000	5,000	5,000	6,000
037	5-3704-620.00 Supplies	47,335	53,969	66,789	60,000	60,000	60,000	60,000
	SUBTOTAL	69,422	80,493	95,659	88,000	88,000	91,500	92,500
	CAPITAL OUTLAY							
037	5-3704-646.00 Traffic Signals	0	0	0	5,000	5,000	5,000	5,000
	SUBTOTAL	0	0	0	5,000	5,000	5,000	5,000
	CAPITAL IMPROVEMENT							
037	5-3704-642.00 Transformers	100,325	63,979	67,191	200,000	200,000	200,000	200,000
037	5-3704-644.00 Meters	0	13,646	13,081	40,000	40,000	40,000	40,000
037	5-3704-745.00 Street Light Construction	2,726	59,432	186,884	200,000	200,000	300,000	300,000
037	5-3704-749.00 Electric Line Construction	0	53,101	52,309	150,000	150,000	250,000	250,000
	SUBTOTAL	103,051	190,158	319,465	590,000	590,000	790,000	790,000
	TRANSFERS							
037	5-3704-906.00 Transfer to Equipment Reserve	69,794	0	0	69,794	69,794	69,794	69,794
	TOTAL	1,081,970	1,080,904	1,289,108	1,685,297	1,685,297	1,905,747	1,927,862

BUDGET 2017

3704-505 TRAINING \$12,000.00 SAME

This needs to stay the same as we have some training coming up. We have a lineman's convention in September. We also have people going to seminars along with instructional videos.

3704-533 EQUIPMENT REPAIR \$ 15,000.00 SAME

Would like to see this stay the same due to unforeseen breakdowns. Anything that is worked on our booms by Altec comes out of this budget item. This is happening more frequently due to the use and age of vehicles.

3704-534 VEHICLE REPAIR \$ 3,500.00 SAME

This should stay the same due to unexpected repairs. We have experienced a lot of expense with our vehicles due to the age factors. This item covers repairs to our trucks not related to boom issues.

3704-558 OTHER CONTRACTUAL SERVICES \$6,500.00 SAME

Would like to see this stay the same for further use If necessary. This item covers such things as our boom testing every year.

3704-615 UNIFORMS \$6,000.00 Increase

This item needs to stay the same due to ever changing mandates from OSHA.

3704-646 TRAFFIC SIGNALS \$6,000.00 Increase

This item needs to be increased due the fact that we have already gone over budget taking care of aging structures.

3704-745 STREET LIGHT CONSTRUCTION \$300,000.00 SAME

Would like this to stay the same due to future upgrade of lighting circuits. Our goal is to reconductor the wire from 5th street to ninth street and put it in conduit. If money is still available we would like to

continue the reconductor of wire from 9th to 15th. Eventually we would like to get the downtown street light wire replaced and install 110 volt lighting.

3704-749 ELECTRIC LINE CONSTRUCTION \$250,000.00
SAME

Our needs are many and this money I would use for the start of reconducting of the low side of circuit 8. We are particularly vulnerable in that area. There are other areas such as the improvement of parts of circuit 11 and 12 which are key to supplying electric to the Development Park.

UTILITY WAREHOUSE (3705)

EXPENDITURE DETAIL		Actual	Actual	Actual	Revised	Budget	Budget
PERSONNEL SERVICES		2013	2014	2015	2016	2016	2017
037	5-3705-410.00 Salaries	123,566	135,200	188,280	192,046	192,046	194,927
037	5-3705-411.00 Overtime	167	1,362	644	750	750	773
037	5-3705-412.00 Social Security	8,843	9,420	13,324	14,460	14,460	14,893
037	5-3705-413.00 State Retirement Fund - KPERS	10,356	11,982	18,493	20,952	20,952	21,581
037	5-3705-414.00 Health Insurance	19,179	3,631	13,845	19,000	19,000	19,570
037	5-3705-415.00 Dental Insurance	1,141	1,140	1,395	1,400	1,400	1,442
037	5-3705-417.00 Vision Insurance	0	237	341	350	350	350
SUBTOTAL		163,253	162,972	236,323	248,958	248,958	253,535
CONTRACTUAL SERVICES							
037	5-3705-502.00 Postage	0	0	0	50	50	100
037	5-3705-503.00 Telephone	2,089	2,308	2,732	2,750	2,750	2,750
037	5-3705-505.00 Professional Development	621	502	3,617	3,000	3,000	3,000
037	5-3705-530.00 Utilities	19,691	17,870	13,649	20,000	20,000	26,500
037	5-3705-532.00 Building Repair	4,709	2,467	26,112	10,000	10,000	8,000
037	5-3705-533.00 Equipment Repair	839	390	1,313	1,000	1,000	6,500
037	5-3705-534.00 Motor Vehicle Repair	0	0	0	500	500	600
037	5-3705-553.00 Service Agreement/Compliance	2,623	2,468	1,937	2,750	2,750	2,750
037	5-3705-558.00 Other Contractual Services	4,550	5,390	4,477	5,500	5,500	10,500
037	5-3705-565.00 Destination Based Sales Tax	100	-47	0	300	300	300
SUBTOTAL		35,222	31,348	53,836	45,850	45,850	61,000
COMMODITIES							
037	5-3705-600.00 Office Supplies	270	607	279	600	600	1,000
037	5-3705-601.00 Computer Supplies	96	130	0	300	300	400
037	5-3705-604.00 Small Tools Expense	62	0	64	200	200	200
037	5-3705-608.00 Vehicle Operation	1,006	1,040	779	1,000	1,000	2,000
037	5-3705-615.00 Uniforms	681	889	1,278	1,700	1,700	1,800
037	5-3705-620.00 Supplies	3,203	2,895	5,068	4,000	4,000	4,600
SUBTOTAL		5,319	5,562	7,468	7,800	7,800	10,000
CAPITAL OUTLAY							
037	5-3705-702.00 Furniture & Fixtures	903	0	464	5,000	5,000	5,000
037	5-3705-704.00 Office Equipment	141	108	606	500	500	500
037	5-3705-705.00 Computer	0	0	0	500	500	500
037	5-3705-710.00 Equipment	1,740	229	273	500	500	1,000
037	5-3705-715.00 Building Improvements (Flooring replace)	0	13,434	14,714	8,000	8,000	30,000
SUBTOTAL		2,784	13,771	16,057	14,500	14,500	37,000
TRANSFERS							
037	5-3705-906.00 Transfer to Equipment Reserve	7,090	0	0	0	0	0
TOTAL		213,669	213,653	313,683	317,108	317,108	361,535

Budget Justification 2017

3705

Commodities

502 Postage

No increase

503 Telephone

No increase

505 Professional Development

\$3,000.00 will remain the same. This will be for Fred Pryor classes, continued training on Tyler software, and possible AMR metering training.

530 Utilities

No increase. General cooling for office area, and heat for entire building.

532 Building repair

\$8,000.00 is used for general maintenance of the building, such as yard gate, light ballasts, doors.

533 Equipment repair

Increased by \$3,500.00 for fork-lift repairs, heating & cooling repairs, ice machine, power washer, lawn equipment. Many items are becoming very old, for instance the sanitary sewer lift station failed this year with a cost of over \$9,000.00, which sent this line item over in January.

534 Motor Vehicle repair

No increase

558 Other contractual service

This line item is for pest control, software renewals such as: Kansas one-call, Irthnet, barcode printers software support, equipment maintenance contracts.

600 Office Supplies

Copy and printer paper, pens, markers, notebooks, highlighters, etc.

601 Computer supplies

Print cartridges and can air.

604 Small tool expense

Screwdrivers, wrenches, etc.

608 Vehicle Operation
No increase

615 Uniforms
No increase

620 Supplies
We purchase trash bags, lawn care items, coffee, paper goods, cleaning supplies, flags, etc.

Capital Outlay

702 Furniture & Fixtures
Increase to \$5,000.00. We need to modernize and computer work stations that ergonomically safe. This would include proper chairs and desks.

704 Office Equipment
Maintain \$500.00 to be used for new shredder.

705 Computer

710 Equipment
\$1,000.00 for replacement of items such as 2 wheel dolly, pulling or lifting straps.

715 Building Improvements
\$3,000.00 for every day use. Replace flooring in office areas, bathrooms, show up rooms for \$27,000.00 based on estimate from Crooks floor Covering.

•
\$250,000.00 to add on to west side of building at the vehicle storage entrance. This cost was reevaluated by LOYD Builders in late 2014. This would enable us to store more vehicles inside, which at the present time we have to leave several outside. This is based on an estimate by Loyd Builders. **Part of the 5 year budget plan. This project was not allowed for in 2011, 2012, 2013, and 2014, 2015, 2016 budget year.**

This project could be split between 4 budgets (3002, 3704, 3602, and 3705) adding to 715 (building improvements) cost of \$62,500.00 per budget for a total of \$250,000.00.

The building addition would consist of concrete floors (drain system in floor connected to existing building for draining floor water), metal building sides with new overhead door in west end of building, electrical lighting, outlets, and power for overhead door operator, and gas heat extended. If this would get approved, someone will have to help with the actual design, as I am not good at this type of stuff.

INTEROFFICE MEMORANDUM

TO: RICHARD U. NIENSTEDT AND THE HONORABLE COMMISSION
FROM: BETTY K. SIMPSON, ASSISTANT FINANCE DIRECTOR
SUBJECT: 2017 CITY CLERK/FINANCE 0115 BUDGET
DATE: JUNE 13, 2016
CC: SCOTT D. BIRD, DIRECTOR OF FINANCE

The proposed 2017 budget remains consistent with the overall 2016 budget. The below listed expense accounts are used for the City Attorney, Finance Director, Assistant Finance Director, City Clerk, Assistant City Clerk, as well as other front office staff.

<u>Personnel Services</u>	<u>2016</u>	<u>2017</u>
410.00 Salaries City Attorney, Finance Director, City Clerk, Assistant City Clerk salaries affect this budget line.	\$219,042	\$223,050
410.03 Salaries-Retirement There are no anticipated retirements for this department for the 2017 year.	\$15,000	\$0
411.00 Overtime	\$1200	\$1300
 <u>Contractual Services</u>		
402.00 Postage	\$2300	\$2300
503.00 Telecommunications	\$5400	\$5400
504.00 Travel Expense Tyler Conference, City Clerk's Spring and Fall, KSGFOA, Microsoft Office, KU Emerging Leaders.	\$3200	\$4000
505.00 Professional Development Spring and Fall City Clerk's Conference, KU Emerging Leaders, Microsoft office training	\$2000	\$3550
505.10 Professional Development-Admin Kansas Government Financial Officers Association Conference, City Clerk's Spring and Fall Conference, Tyler Conference	\$5300	\$5300
515.00 Advertising & Publications Newspaper ads to include the required Quarterly Treasure's Report.	\$5000	\$5000
551.00 Dues and Subscriptions Association Dues—Financial Officers, City Clerks, Notary Public	\$500	\$500
558.00 Other Contractual Services City Attorney Fees, Release Notices, Budget books, Capital Improvement Software. Cemetery Fees	\$28,000	\$30,000
571.00 Audit General Fund share of the audit expenses each year	\$9100	\$9500
 <u>Commodities</u>		
600.00 Office Supplies Toner, Headsets, Filing Supplies, Copy Paper	\$5500	\$5500

601.00 Computer Supplies	\$400	\$0
614.00 Books	\$100	\$100
Previously purchased <u>Lean In</u> to share with City Staff		

Capital Outlay

702.00 Furniture	\$500	\$4000
Replace existing desk with ergonomic desk which allows the employee to stand or sit while working.		
704.00 Office Equipment	\$300	\$750
Replace the card readers with chip enabled credit card readers.		
705.00 Computer Equipment	\$2200	\$2200
Finance/City Clerk's share of the computer replacement program		
705.20 Computer Equipment-Other	\$0	\$2800
Surface Pros		

Recommendation: It is hereby requested that the attached City Clerk's/Finance budget be placed on the upcoming Commission Meeting agenda.

CITY CLERK/FINANCE (0115)

EXPENDITURE DETAIL			Actual	Actual	Actual	Revised	Budget	Budget
PERSONNEL SERVICES			2013	2014	2015	2016	2016	2017
001	5-0115-410.00	Salaries	292,879	212,115	216,338	219,042	219,042	223,050
001	5-0115-410.03	Retirements	0	0	0	15,000	15,000	0
001	5-0115-411.00	Overtime	1,653	1,046	2,101	1,200	1,200	1,300
SUBTOTAL			294,532	213,161	218,439	235,242	235,242	224,350
CONTRACTUAL SERVICES								
001	5-0115-502.00	Postage	2,251	5,490	483	2,300	2,300	2,300
001	5-0115-503.00	Telecommunications	5,325	9,342	10,884	5,400	5,400	5,400
001	5-0115-504.00	Travel Expense	60	0	1,633	3,200	3,200	4,000
001	5-0115-505.00	Professional Development	5,842	10,849	6,375	5,300	5,300	5,300
001	5-0115-505.10	Professional Development-Admin				2,000	2,000	3,550
001	5-0115-515.00	Advertising & Publications	2,571	4,528	4,820	5,000	5,000	5,000
001	5-0115-530.00	Utilities (City Hall)	6,980	0	0	0	0	0
001	5-0115-551.00	Dues & Subscriptions	267	318	517	500	500	500
001	5-0115-558.00	Other Contractual Services	46,961	28,392	23,400	28,000	28,000	30,000
001	5-0115-571.00	Audit (General Fund Share)	8,798	8,650	9,750	9,100	9,100	9,500
001	5-0115-599.00	Refunds	162	56	5	150	150	150
SUBTOTAL			79,216	67,624	57,868	60,950	60,950	65,700
COMMODITIES								
001	5-0115-600.00	Office Supplies	5,609	4,200	3,594	5,500	5,500	5,500
001	5-0115-601.00	Computer Supplies	310	0	0	400	400	0
001	5-0115-614.00	Books	0	38	0	100	100	100
001	5-0115-615.00	Uniforms (Custodial)	537	0	227	0	0	250
001	5-0115-620.00	Supplies	13,933	1,288	1,302	0	0	0
SUBTOTAL			20,389	5,526	5,124	6,000	6,000	5,850
CAPITAL OUTLAY								
001	5-0115-702.00	Furniture (Office Furniture)	303	279	0	500	500	4,000
001	5-0115-704.00	Office Equipment	97	0	0	300	300	500
001	5-0115-705.00	Computer Equipment	51	2,239	1,418	2,200	2,200	2,200
001	5-0115-705.20	Computer Equipment-Other						2,800
001	5-0115-710.00	Buildings	30,637	0	0	0	0	0
001	5-0115-718.00	Equipment Purchase	1,173	0	0	0	0	0
SUBTOTAL			32,261	2,518	1,418	3,000	3,000	9,500
TOTAL			426,397	288,829	282,848	305,192	305,192	305,400

EXECUTIVE SUMMARY

TO: CITY MANAGER RICHARD U. NIENSTEDT AND THE HONORABLE GOVERNING BODY
FROM: SCOTT D. BIRD, DIRECTOR OF FINANCE
SUBJECT: **TAX LID SUMMARY** - SENATE SUB. FOR HB 2088, 2016 LEGISLATIVE SESSION
DATE: 6/17/2016

During its 2016 regular session, the Kansas Legislature took action, later signed by the Governor, which accelerated by one year; from January 1, 2018, to January 1, 2017, the effective date of a tax lid for Kansas cities and counties. What this means to the City of Ottawa is that the 2018 budget, and those that follow, will be encumbered by a tax lid, which restricts the city from increasing ad valorem tax beyond the rate of inflation without going to the expense of seeking voter approval.

Please understand, the purpose of this summary is not to suggest an annual increase to local property tax in any given year. However, it should be mentioned that this legislative action has the effect of bifurcating Home Rule authority. As a reminder, in 1961 as a result of the vote of the electors of the state of Kansas, cities and counties were granted the authority to govern local affairs. This became known as Home Rule. To put it more succinctly, the action taken during the 2016 legislative session has, in effect, removed additional taxing authority beyond the rate of inflation, as measured by the Consumer Price Index (CPI) over a five year rolling average. This action results in the 2017 budget year, the one currently being prepared, as becoming the city's base year.

During the legislative session, the City of Ottawa and others, sent testimony to Topeka for the purpose of explaining that the CPI is not an accurate measure of inflation for municipalities, in that cities and counties are not ordinary consumers who purchase the "Market Basket of goods" upon which the CPI is based. Municipalities purchases include fire trucks, street repairs other major infrastructure needs. Other measurements are available and were suggested, but apparently were rejected.

Just to get an idea of the affect the tax lid might have on our community, an analysis was done on the last five years of city budgets as if the tax lid had been in place. Within some margin for error, the results indicate that had this legislation been in place during the last five years, the city would have lost just over \$185,000. That's an average annual loss of \$37,000, or almost 1/2 mill annually. That would have cut into the quality of life priorities the leadership of this community has been pursuing for; that is to say, trails, sidewalks, curbs, streets and more. (Please note: The inflation calculation is precluded from going below zero).

In fairness, it should be mentioned that there are exceptions to the general rule, as certain types of property tax increases were declared exempt from the computation involved in determining whether or not mandatory elections are necessary. But, in my opinion this will cause confusion on how to calculate the assessment values.

Under the new language, exemptions would apply for property tax increases attributable to:

1. Construction of new structures, improvements, remodeling or renovation of existing structures, or improvements on real property, exclusive of ordinary maintenance or repair;
2. Increased personal property valuation;
3. Real property located within added jurisdictional territory;
4. Real property that has changed in use;
5. Certain bond and interest payments;

6. Certain special assessments;
7. Court judgments or settlements of legal actions against the cities or counties, as well as legal costs directly related to such judgments or settlements;
8. Expenditures specifically mandated by federal or state law becoming effective after July 1, 2015; Additional language would clarify that the exemption would apply to taxes levied to recover the loss of funds from federal sources after January 1, 2017, where local units are contractually obligated to provide services;
9. Expenses relating to certain federal, state, or local disasters or emergencies declared by a federal or state official (including certain financial emergencies); Boards of county commissioners could request the Governor to declare such disaster or emergency;
10. Expenditures used exclusively for increased law enforcement, fire protection or emergency medical services above the rate of inflation. Such expenditures could not be used for the construction or remodeling of buildings;
11. Principal and interest on state infrastructure loans, bonds, temporary notes, no-fund warrants, and certain payments made to public building commissions and lease payments;
12. Expiration of property tax abatements;
13. Expiration of tax increment financing districts, rural housing incentive districts, neighborhood revitalization areas, or other property tax rebate or redirection programs; and
14. Certain increases associated with the loss of property valuation occurring as a result of legislative action, judicial action, or Board of Tax Appeals rulings. An additional exemption from the mandatory election requirements would apply when property tax dollars levied have declined in one of the three preceding years and the proposed increase for the upcoming year does not exceed the average rate of inflation for the three preceding years.

Additionally, certain property tax increases would be excluded from the computation relative to levies made by cities and counties on behalf of other subordinate political or governmental subdivisions when cities and counties are not empowered to modify or reduce such levies.

Finally, it should be mentioned that there is language that provides for elections to occur as: special elections, part of regularly scheduled elections held in August or November of election years, or as elections held pursuant to the provisions of the Mail Ballot Election Act (MBEA). Under the bill, cities and counties would be responsible for paying all costs associated with conducting tax-lid elections. Several statutory dates relating to the transmission of assessed valuation estimates and certification of tax rolls by local officials will be adjusted to accommodate those cities and counties subject to the election requirements.