MEMO

To: Mayor and City Council

From: Mark Gaugh, Interim City Manager

Date: January 17, 2012

Re: Interim Manager's Report

- Street and Storm Improvements Update - We have completed the interviewing process for engineering firms for the Walnut St. drainage project. The panel consisted of Mark Gaugh, Corey Sloan, Clyde Han and Drew Bontrager. Three firms were interviewed. We are recommending that Olsson Engineers, located in Kansas City, be selected, and an agreement will be presented to Council for consideration at a later meeting.

- Economic Development – The Finance Committee met on January 11, to discuss the affordability of hiring a person/group to work for us on a part-time basis. The Committee is recommending that we proceed with this endeavor and work within budgeted limits. We have approximately $24,000 to go toward an independent contractor. We will try to maintain active membership with KCADC and solicit support from other governmental entities to help share dues expense. We have $5,000 budgeted for MoKan and KCADC dues. These two organizations (especially KCADC) provide us with the majority of our leads for retail and industrial prospects. So, staying active as a member is important.

- Public Safety Committee – The Public Safety Committee met on January 10 to discuss emergency preparedness. Two main issues discussed were meeting our emergency power needs, along with review of existing plans to handle other aspects during emergencies. We will proceed with providing backup power to the water plant and pump station(s), and modifying existing backup power at the wastewater plant. We will determine what rate increase will be necessary to cover this expense. Any increase is expected to be very

small. We are also working on providing a fixed generator at the public safety building.

Item two: The issue of the downtown siren was discussed. A new siren would be a benefit by providing a different tone to signal the various times of day, it would have voice-over capability and battery backup that the current siren does not have. However, the cost of the new siren was increased from the original proposal and the cost will have to come from the General Fund. Therefore, the Committee is recommending that we wait to purchase a new siren until the General Fund Reserves has built back up. One option Council could also consider would be to re-activate the siren for this temporary time building up the General Fund. From an emergency services standpoint, it is not ideal to have the siren activate in its current mode for anything other than weather emergencies. We realize that many citizens would like to have the siren activate, however, and a short-term reactivation is an option.

- Power Contract- We received the proposed power contract from Platte-Clay and it is under review at this time. We are currently under a contract that will be in place for several more years. Our choice to remain under the current contract or negotiate an extension. The reason we want to negotiate an extension is to get support from Platte-Clay for a new substation to serve a large part of our load and provide better system reliability. This new contract would be an extension to 2042.

- Water Plant Improvements- We are currently working on the water plant disinfection project and seeking a grant for 50% of the total project cost of approximately $900,000.

- Electric System Capital- We will be presenting an engineering agreement in the near future for design of power line upsizing at the water plant substation and a three-phase line running from West to Ford St. area. The purpose is to increase the ampacity of the line to prevent voltage drops caused by high demand, as well as to serve the area in the event of a substation failure. The total project cost is expected to be about $1.4 million dollars, which will include the design portion.

- Wastewater Plant- Alliance staff and the City are working on the oxidation ditch shaft failure problem, along with a remedy to possibly eliminate the prison lagoons from the system. We are bundling this work with improvements to reduce energy use, and those savings may offset the cost of any capital improvements installed at the plant.