

Regular Council Meeting
August 10, 2015 6:30 p.m.
City of Oswego, KS 67356

Present: Councilmembers, Bill Owens, Jane Rea, Kelly Vance, Caleb Strickland and David Newby with Mayor Bill Cunningham presiding.

Absent: Darren Tynan

Also present: City Attorney Rick Tucker, City Clerk Carol Eddington, Police Chief George Elliott, Deputy Clerk Renee Cochran, Brandon Conrad, Heather Brown, Larry Richardson, Carole McKinley, Pat Hendrickson, Paula Kern, Trevor Blankinship, Gary Tomey, Rodney Kelly, Meta Titel, Jan Owens, Christy & Jaelynn Strickland, Bill Hoffman, Bill Trotnic and Larry Frogley.

OPENING PRAYER AND PLEDGE OF ALLEGIANCE

Bill Hoffman, First Baptist Church, gave the opening prayer and Councilmember Newby led the Pledge of Allegiance.

PETITIONS AND DELEGATIONS

2014 Audit – Meta Titel

Meta Titel, of Jarred, Gilmore & Phillips, attended the meeting to go over the 2014 audit report. Each fund was reviewed and the General Fund ended close to the prior year. Titel pointed out that the Airport Fund was \$10,349.86 more than budgeted. Clerk Eddington explained that was due to changes made by Neil Phillips in the way the fuel purchases were budgeted. Titel agreed and said the remaining fund balances were what they expected to see. Council asked about the amount in the Donations Fund. Clerk Eddington said she would check on where those figures came from. The audit showed that the city had received \$668,000 in grant funds. Titel said when grant funds received is over \$500,000 a “yellow book single audit” has to be completed. The report showed the city had complied with all the grant requirements and there were no findings. Titel reported the city was in compliance with the cash basis law and there were no findings in either the current or prior years.

At 7:01 the Mayor called for a 5 minute break to enjoy some refreshments in recognition of the city’s 148th birthday. The city was founded Aug. 10, 1867. Meeting resumed at 7:07 p.m.

Oswego Industries – Industrial Park Land, Bill Trotnic & Larry Frogley

Bill Trotnic and Larry Frogley attended the meeting to request the city property referred to as lots 5 & 6 in the Oswego Industrial Park be deeded to Oswego Industries. Trotnic said the land was purchased in 1985. Half of the expense was paid for by the city and the other half by Oswego Industries. Because Oswego Industries was a “for-profit” business they were not eligible for grant money. They agreed to deed their share of the land to the city so they could get grants to develop it, with the option that if the city ever decided to sell it, they could purchase it back for \$1.00. Mayor Cunningham asked if the Board of Directors had met and agreed to exercise this option. Trotnic said no, the Board has not had a meeting. Frogley said they had heard the city was going to sell off a lot of property and they wanted to get this done before the city sold it.

After further discussion Attorney Tucker said that if they want to buy it back for \$1.00 they should be able to due to the motion made by the Council back in 2000, however, that motion is not the same thing as an option to purchase. He said title work would need to be done to make sure there were no liens on the property. They would also need to agree to take it “as is” since there is a now a concrete footing on the property. Both Trotnic and Frogley agreed that it should not be a problem and they would ask Steve Lewis, who is also a Board Member, to do the title work and closing costs at their expense. The city will have no expense in the land transfer. Strickland made a motion and Vance seconded to approve selling Lots 5 & 6 in the Oswego Industrial Park to Oswego Industries for \$1.00, with Steve Lewis providing the title work. Motion carried.

CITY ATTORNEY

Ordinance – Conditional Use Permit Application – 412 Kansas St.

An ordinance for a Conditional Use Permit for 412 Kansas Street was presented. Property Owner, Rodney Kelly, attended the meeting to answer questions and discuss the plans he has for the property. Clerk Eddington reported the property is currently zoned R1-B Single Family with a Conditional Use on it for a school. The property is no longer being used for a school. Kelly stated he plans to live in the building and during the hunting season months, will house hunters as he has a hunting guide business. Mr. Kelly also said there is a possibility that he will hold some events that will be open to the public. The conditional use permit is for a hunting lodge and an event center.

Clerk Eddington reported that the Planning & Zoning Committee held a public hearing July 20th. The required property owners were notified and the notice of the public hearing was published in the newspaper. The Committee has recommended the Conditional Use application be approved.

Council discussed safety concerns about guns since the school still owns the gym and music room. Chief Elliott said he did not believe there was any law about guns near school property and Attorney Tucker said the restriction is regarding guns on school property. Elliott said he is talking to the school about moving the Lisa Hays Memorial Flower Bed and possibly the Yoshino Cherry Tree to the Junior High/ High School. Newby made a motion and Rea seconded to approve the conditional use permit. Motion carried. Clerk assigned the Ordinance # 1346.

SEK Museum

Chief Elliott said that Mr. Kelly was willing to help him salvage and remove some of the mounts in the old SEK Educational Museum and may be interested in the building. Elliott asked for direction from the Council as Larry Richardson has said he still has items inside the building. Owens made a motion and Strickland seconded to allow Larry Richardson until 5:00pm, Tuesday, August 11th to remove five display cases and a table that belong to him and to allow Rodney Kelly to help him remove the mounts except those that are federally protected. Motion carried.

Council asked Mr. Kelly what he would do with the building. Kelly said he would like to make it in to a flea market since there are none in the area. If he owned it he would maintain the

building, paint it, fix the roof and take care of the grounds. Council discussed the benefits of giving the property to Kelly including getting the property back on the tax rolls. Attorney Tucker recommended having Kelly put his request in writing and outline what he plans to do with the property. Council agreed. Tucker said the city would also need to decide if they want to include a reversionary clause if they transfer ownership of the property. Council also discussed the zoning on the property would need to be changed. Council determined to revisit the issue at the next council meeting.

Ordinance – Mowing Assessment

AN ORDINANCE MAKING AND LEVYING A SPECIAL TAX UPON ALL LOTS AND PARCELS OF GROUND IN THE CITY OF OSWEGO, KANSAS FOR THE COST AND EXPENSE OF MOWING IN SAID CITY THROUGH JUNE 30, 2015 was presented for approval. The ordinance covers unpaid mowing charges through June 30, 2015. Owens made a motion and Vance seconded to approve the ordinance. Motion carried. Clerk assigned the Ordinance # 1347.

Ordinance – Condemnation Assessments

AN ORDINANCE MAKING AND LEVYING A SPECIAL TAX UPON ALL LOTS AND PARCELS OF GROUND IN THE CITY OF OSWEGO, KANSAS FOR THE COST AND EXPENSE OF CONDEMNATION AND DEMOLITION CHARGES THROUGH JUNE 2015 was presented. The ordinance covers unpaid condemnation and demolition expenses of 115 Union and the demolition expenses of 321 Commercial and 705 4th. Council questioned the amount for 705 4th Street. Clerk Eddington said she would check to make sure the amount was correct and bring it back next month.

Alternate Water Pit

Clerk Eddington reported on the pit property owned by the city as requested by Mayor Cunningham at the previous Council Meeting. The city purchased the property in 1998 from Walter Fox for \$68,000 as a potential alternate water source should the need ever arises. The property consists of 81.22 acres with 19.3 acres of surface being the water pit. The city entered into a 99 year lease with Edwin and Everett Becker in July of 1998 for the purpose of running cattle on the property provided they permit no more than 20 head of adult cattle to be pastured on the property at any time. In the lease agreement, it states that the Lessee shall have the first option to purchase the property at the asking price, that the city must notify them in writing of the decision to place the property for sale and they shall have 30 days in which to exercise the option by notifying the city in writing of their desire to purchase the property at the asking price. A right of way easement was also granted to Edwin and Susan Becker that states it shall be considered a covenant running with the land in effect until released in writing.

Council discussed whether this alternate water source was still needed since rural water lines are now near the city limits. The city had been advised that it would be expensive to treat the water as it would take more chemicals since the water is so clear. Council decided the feasibility of the city utilizing a different water source as an alternate water source needs to be determined before discussing sale of the water pit. Council asked Mayor Cunningham and Supt. Jurgensen to

Regular Council Meeting
August 10, 2015 6:30 p.m.
City of Oswego, KS 67356

contact the water district supplying water from Big Hill Lake to find out and report back at the next Council Meeting. Attorney Tucker recommended hiring an appraiser if the council decided they really do want to sell the property.

CONSENT AGENDA

The Consent Agenda including minutes from regular and any special meetings, accounts payables check registers for the month, payroll checks and utility deposit refund checks for the month were presented. (Copies of the warrants were available for review).

Mayor Cunningham requested corrections to the minutes. The minutes of the Regular Meeting on 7/13/15 listed Mayor Fischer as appointing Steve Lewis to the Housing Committee. Cunningham asked that be corrected to Mayor Cunningham instead. The minutes of the Special Meeting 7/20/15 needed to be corrected to list Mayor Cunningham in attendance. After some additional discussion Rea made a motion and Owens seconded to approve the consent agenda with the corrections as requested. Motion carried.

OLD BUSINESS

Stone Hill Estates

At the previous meeting Council determined to check in to what would be involved in vacating the plats in the event the city decides to sell the property. Clerk Eddington provided the information from Attorney Tucker in the packet. The cost involved is attorney fees and publications.

Council discussed the sale of the approximate 14 acres of the Grainger Property. The closing was July 24th and the net proceeds were \$59,121.98. Clerk Eddington said those funds could be used to make the bond and interest payment on the remaining 37 acres.

Clerk Eddington reported that the general consensus of the Housing Committee was that they hope the city does not sell off all of its potential housing property. Councilmember and Housing Committee Chair, Jane Rea, agreed and said they would like to retain the acreage for Phase 1. Housing Committee member, Steve Lewis, provided Council with a press release about Great Plains Industrial Park. They have seven prospects right now and feel it is only a matter of time before industry moves in. The city has been told all along that cities with available housing and/or property for housing will be the one who benefits the most.

Council discussed the benefits of waiting another month to see what happens with Great Plains. Strickland made a motion to go ahead and list the remaining acreage with area realtors with a 3% commission. The motion died for lack of a second. However, Mayor Cunningham will talk to the area realtors about the current market.

Downtown Demolition Grant

Apartment Building – Council was provided an Inspection Report from City of Parsons Building Inspector, Rick Hizey. Clerk Eddington sent the report to Grant Administrator Susan Galemore. Galemore said she has sent the report to Salih Doughramaji, with CDBG, at the Kansas Dept. of

Commerce. He has said the city will need to make their case in writing if they want to try to include this building in the grant. The report shows that the building is severely substandard with 3-4 major items in need of repair. Chief Elliott said if the roof doesn't get fixed it will continue to deteriorate and will have to be condemned. The property owner was also provided a copy of the report and has said she does not intend to do any work on the building.

Clerk Eddington said that the city has \$70,000 remaining in grant funds. If the city does decide to condemn the building the remaining tenants will need to be relocated. The state has a formula of what the city and grant would have to pay towards this.

Council discussed the advantages of purchasing the building rather than skinning it since it appears the building may not be worth the cost to skin it. The State Historical Preservation has recommended repairing and stabilizing the wall before skinning. Clerk Eddington said a structural engineer may need to be hired to see what would be involved in stabilizing the wall. Council asked Eddington to check into whether a structural engineer would be required, how many individuals are living there and the price of the building. Attorney Tucker said if the city does decide to purchase and condemn the building they need to make sure they can get use grant funds if they own the building. The issue will be revisited at next month's council meeting.

2016 Preliminary Budget

As the Council made no changes to the 2016 budget at the last budget meeting, a Notice of Public Hearing, reflecting the same figures was presented for approval. There must be at least 10 days between the publication of the notice and the hearing itself. The notice will be published on August 12th with the public hearing on Monday, August 24th. Owens made a motion and Vance seconded to set the Public Hearing for Monday, August 24th at 6:30 p.m. Motion carried.

Patrol Car Purchase

Chief Elliott presented three quotes for the purchase of a police vehicle; Ford Explorer Interceptor 2WD- \$30,688, Ford Explorer 4 Dr Sedan - \$27,500 and a Dodge Ram 1500 4WD- \$24,000. Elliott recommended the purchase of the 2016 Dodge Ram 1500 4WD for \$24,000 plus up to \$3,000 to outfit the vehicle. It was discussed that the purchase could be made out of Municipal Equipment and payments would be made to repay the fund. Strickland said that he had found a used 2013 Police Ford Interceptor Sedan, all-wheel drive with 49,705 miles for \$18,000 delivered. Elliott said that he would like to look at the vehicle. Council determined to revisit the issue at the Special Meeting on August 24th.

NEW BUSINESS

Boot Block Request – Friends of the Library

A Boot Block request was presented from Friends of the Library to be held Saturday, September 12, 2015 from 8:00 a.m. – 1:00 p.m. Clerk Eddington reported they have submitted the required personal insurance verification on the individuals that will be participating. Rea made a motion and Owens seconded to approve the Boot Block Request. Motion carried.

Concrete Quotes – Culvert on North St.

Supt. Jurgensen said he had obtained quotes for stem walls at a culvert on North Street between Nebraska and Tomahawk. Two quotes were received; John Spriggs-\$7,690 and Joe Spriggs-\$7,696. Jurgensen said that there was enough left in the Sales Tax Streets Fund to cover the expense. Rea made a motion and Owens seconded to approve the bid from John Spriggs for \$7,690. Motion carried.

Bushhog Purchase

Supt. Jurgensen reported that the gear box on the bushhog went out and the cost to repair it was going to be over \$800. It is 8-9 years old and also needs a new arm and the bottom deck is cracked. He got quotes to replace it for a John Deere MX6-\$2,650, Frontier Mower-\$1,850, Bushhog-\$3,200 and Bushwacker-\$3,600. The mowers have a 6 ft cut. Jurgensen said he was recommending the John Deere for \$2,650 since he felt the quality was much better than the Frontier Mower.

Clerk Eddington said since this piece of equipment is used for jobs that have to do with the water, sewer and highway, the purchase could be expensed out of surplus funds in water and sewer and funds set aside in municipal equipment for highway equipment. That way the burden is not all in one fund. Owens made a motion and Newby seconded to approve the purchase of the John Deere for \$2,650 with the expense coming out of the municipal equipment or highway funds. Motion carried with Strickland opposing.

City Owned Property

As requested a list of city owned property that is vacant was provided to Council. Clerk Eddington reported that as recently as October of last year, the Council took a look at vacant lots owned by the city and determined to sell or get rid of the ones that were of no value to the city. The properties that are left were determined to be good for housing, commercial or industrial development (except for the strip at 2nd & Kansas and the strip pit). Council took no action.

Pay Plan Policy

A request was made by the Department Heads for Council to consider changing the current pay plan from merit only at anniversary dates to either merit only at the first of the year for everyone, or a split between a COLA given at the first of the year and a merit at their anniversary date. Clerk Eddington said since employees did not receive a raise last year those that have an anniversary date at the end of 2016 will have to go almost 2 years without a raise. After some discussion Owens made a motion and Newby seconded to make the raises for 2016 based on merit only and be effective on April 1, for everyone, regardless of their anniversary date. Motion carried with Vance and Rea opposing. It was clarified that this is not a change to the policy, just a change for this year.

Uniform Policy

At the previous Council Meeting a question was raised about employees being able to wear shorts at work. Clerk Eddington said the city participates in a safety incentive program through KMIT, the city's work comp carrier and if we perform well the city receives 10% off of their

Regular Council Meeting
August 10, 2015 6:30 p.m.
City of Oswego, KS 67356

insurance premium. The city has achieved this for the past several years and reaped the benefits of the discounted premium. Eddington agreed to consult with them to get their recommendation. Clerk Eddington reported that the Loss Control Specialist for IMA, (the insurance underwriter) recommended that the employees only be allowed to wear shorts at work on days they read meters and they must have long pants on hand in case they get called to perform other tasks. He also suggested the stipulation be made that the privilege will be rescinded if employees do not follow these procedures. Council discussed changing the policy would only affect one day per month. Owens made a motion to make the policy change to allow shorts on meter reading days. The motion died for lack of a second.

INDIVIDUAL REPORTS

Jurgensen— said work has begun on the Kingsley hangar at the airport. Water and electric lines are relocated and they plan to get the sewer done Wednesday.

- said the county hasn't been able to get the chip and seal done since the rock crusher is down.

Vance – asked about the new internet service that had rented the West Water Tower. Jurgensen said that they had some of the equipment mounted and expect to be up and running around November.

Eddington - said Council had asked whether pool improvements could be paid out of Sales Tax Parks? She checked on this and yes they can.

- said someone is interested in the old Video Store property. They are a co-owner of a successful beauty parlor business in Parsons and are interested in moving their business to Oswego. Eddington said they would like to construct a very nice metal building on the lot and Supt. Jurgensen said the front needed to be rock or brick. Council asked what the city had in the price of the property. Eddington said \$4,000. The consensus of the Council was that they would entertain the idea of giving the property to the individual if they agreed to construct the building and open a business as it would add to the tax base and would be an asset to downtown. Clerk Eddington said she would report to the individual and if they are still interested, ask that they submit a proposal in writing for the Council.

- said the owners of 120 Wisconsin asked if the city would forgive the \$4,244 in condemnation assessments and \$1,320 in mowing assessments on 115 Union. They are interested in purchasing the lot. Council discussed that the property doesn't tie to the theirs and was not interested in forgiving the assessments at this time.

Cunningham – commended Officer Davis for going above and beyond to assist an elderly lady.

ADJOURNMENT

There being no more comments or further business Rea made a motion and Vance seconded to adjourn the meeting at 10:29 p.m. Motion carried.

Regular Council Meeting
August 10, 2015 6:30 p.m.
City of Oswego, KS 67356

Mayor F. W. Cunningham, Jr.

Attest:

Deputy City Clerk Renee Cochran