

Regular Council Meeting
January 12, 2015 6:30 p.m.
City of Oswego, KS 67356

Present: Councilmembers, Susan Bringle, Bill Owens, Jane Rea, Dee Brown, Darren Tynan, Kelly Vance, with Mayor Glenn Fischer presiding.

Also present: City Attorney Rick Tucker, City Superintendent Calvin Jurgensen, City Clerk Carol Eddington, Police Chief George Elliott, Asst. Police Chief Brandon Conrad, Deputy Clerk Renee Cochran, Heather Brown, Bob Conway, DeRhonda Newby, Eugene & Sherice Knight, Marna George, Larry Richardson, Brandon & Katie Lane, Adrian Brown, Colton, Lynette & Chris Goddard, John & Cindy Williams, Cindy Meek and Jan Owens.

OPENING PRAYER AND PLEDGE OF ALLEGIANCE

Bob Conway, Methodist Church, gave the opening prayer and Councilmember Rea led the Pledge of Allegiance.

PETITIONS AND DELEGATIONS

If I Were Mayor Contest Winners - LKM

Cindy Meek, Seventh Grade English Teacher, chose three winners out of the class for the “If I Were Mayor” contest. Christopher Goddard and Adrian Brown attended the meeting and read their winning essays. Summer Moreland was unable to attend.

Christopher’s essay said that although the city was a good place to live if he was Mayor he would improve the Atmosphere, Environment and Entertainment of the city. He would improve the atmosphere by adding a graffiti wall; the environment by restoring the nature trail; and entertainment by adding a theatre and bowling alley. He felt adding businesses and services were important. His plan would include giving tax and utility breaks to businesses, adding “no kill” animal shelters and child care for the community. He said people “need a nice community”.

Adrian Brown also believed Oswego was a good place to live but felt more entertainment was needed. He suggested a skate park and arcade for the younger generation and group sewing and outdoor activities for the older generation. If he was Mayor he would focus on “city improvement” by adding a homeless shelter, restoring the downtown, fixing cracks in the sidewalk and restoring the nature trails. Adrian also felt a good education was important.

Mayor Fischer congratulated the winners on a job well done and presented them with a certificate of accomplishment and individual swim pass for the 2015 Season.

CITY ATTORNEY

Ordinance – Annexation

At the December 8th Council Meeting, an ordinance to expand the city boundary by annexing a few properties was presented for Council consideration. Mayor Fischer stated that expanding the tax base was one of the objectives of the Strategic Plan and annexing properties into the city would help to achieve that goal. The annexation ordinance included four properties that adjoin the city boundary and have property owners that signed consent to annex forms. Council heard comments from all property owners that were in attendance at that meeting. They tabled the issue until this meeting.

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Mayor Fischer again allowed comments from the affected property owners. John Williams said that the legal description in the ordinance refers to only a strip of his property that is already in the city limits.

Harold Knight asked if the legal description on the consent to annex form included his entire 40 acres or only the portion of land where his father moved his house on to the property. Clerk Eddington will have the County Mapping map it out. It was discussed whether the city could annex just a portion of the property. Attorney Tucker said the law does allow that. Sherice Knight reiterated that she had an issue with the signatures on the consent form. Both Clerk Eddington and Attorney Tucker said the innuendo was offensive and unfounded.

DeRhonda Newby said that she doesn't feel like the city should "pick and choose" who was being annexed. Clerk Eddington said that all of the properties that met the criteria for this type of annexation were included in the ordinance.

Mayor Fischer then asked for discussion from Council. The issue was discussed as to whether annexation in to the city limits would allow all the property owners to be able to switch electric service from Twin Valley to Westar. Mayor Fischer said that Twin Valley just put in new electric lines and are unwilling to give up any of their customers. Westar told the city that after looking into it, they are not interested in entering in to negotiations with Twin Valley. They felt it would be too costly to get service to the Vet Clinic anyway. Fischer did say that Twin Valley was willing to enter into a Franchise Agreement with the city.

Brown made a motion and Rea seconded to approve the annexation ordinance and if the Williams property is already included in the city limits to just remove that property. Mayor Fischer called for a vote with Brown, Rea and Bringle voting yea, and Vance, Tynan and Owens voting nay. Mayor Fischer broke the tie with a yea vote. Motion carried. Clerk assigned the Ordinance #1334.

Standard Traffic Ordinance

AN ORDINANCE AMENDING ARTICLE 5, SECTION 23 AND ARTICLE 19, SECTION 200 OF THE STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES, EDITION OF 2014, WHICH WAS INCORPORATED BY ORDINANCE NO. 1331 was submitted for approval. The ordinance was to amend the original ordinance the League prepared for traffic regulations. Chief Elliott said the revision mostly concerned the wording of securing insurance. Attorney Tucker has reviewed the ordinance and recommends approval. Brown made a motion and Rea seconded to approve the ordinance. Motion carried. Clerk assigned the Ordinance # 1335.

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 was presented. (Copies of the warrants were available for review).

Appointments

Public Building Commission – Mayor Fischer submitted for re-appointment Chris Brown and Donnie Allison to the Public Building Commission, with Council approval. Their 3-year terms will end January 2018.

Tree Board – Mayor Fischer submitted for re-appointment Jane Rea and Suzie Fitzsimmons to the Tree Board, with Council approval. Their terms will end January 2018.

Resolution – GAAP Waiver

K.S.A. 75-1120(a) requires municipalities to use accounting principles generally accepted in the USA (or GAAP), in the preparation of their financial statements and reports. The Governing Body of any municipality may waive the statutory GAAP requirement. The city's auditor has recommended that the city waive GAAP. These reporting requirements are more for the large cities as they are very cumbersome and time intensive. The city is required to present financial statements and reports prepared on cash basis receipts and disbursements to show compliance with the cash basis and budget laws of Kansas. This is what the city does. The resolution to waive the GAAP requirements for the 2015 year was presented (Resolution #1-12-15A).

Cereal Malt Beverage License – Golf Course

A CMB application for 2015 was submitted from the Golf Course. The application has been provided to Police Chief Elliott, Fire Chief Strickland and City Attorney Tucker as required.

Rea made a motion and Tynan seconded to approve the Consent Agenda as presented. Motion carried.

OLD BUSINESS

Utility Rates

Sewer Ordinance

At the Special Council Meeting on January 6, 2015, Beth Warren was present to answer questions about the proposed sewer rate increases. Warren said the rate study showed approximately a \$17,000 deficit for the upcoming year and proposed a 7½% increase to cover the forecasted expenditures and debt service.

Clerk Eddington presented an ordinance to adopt the proposed sewer rate increase. With the 7½% increase residential customers will see an increase of \$1.31 for a monthly base charge of \$18.71. The Step 1 will increase from \$1.35 to \$1.45 so the bill for an average customer using 5,000 gallons per month will increase from \$22.80 to \$24.51. Attorney Tucker has approved the ordinance. Tynan made a motion and Rea seconded to approve the Ordinance. Mayor Fischer called for a vote with Tynan, Rea, Brown and Vance voting yea and Owens and Bringle voting nay. Motion carried. Clerk assigned the Ordinance #1336.

Water

Clerk Eddington provided Council with the revised Water Rate Summary prepared by Beth Warren. At the Special Council Meeting January 6th, Council had asked Warren to remove the option that required apartments to pay a minimum on each unit and add back in the 3% inflation allowance. Council also asked Staff to check into area water rates and have those figures available.

Clerk Eddington reported that Altamont does not treat their own water and as such, they have none of the associated costs. They purchase water from Big Hill who serves thousands of customers and the cost is distributed accordingly. Altamont also said that they are in contract negotiations with Big Hill now as Big Hill is increasing their rates. Chetopa passed an ordinance in December increasing their rates and the ordinance states that the rates will automatically increase by 5% each year until further action by the Governing Body. Below are the current rates:

City	Minimum	Per Thou	Rural Min	Rural Per Thou
Oswego	21.41	8.52	32.13	13.02
Chetopa	23.68	6.91	35.53	10.35
Altamont	9.65	7.65	11.85	9.85

Clerk Eddington also reported that the December financial statement shows that the Water fund ended the month in the red by \$13,005. Council was concerned over the fact that each of the three remaining options would require a significant increase and discussed at length some other possibilities that might allow them to spread the cost over more customers and so lower the base cost and cut overhead. However, Council concluded that the shortfall needed immediate action and all the possibilities discussed were too far down the road to make it feasible to take them in to consideration at this time. Council also discussed the reason for the shortfall was due both to an increase in expenses such as; the Streambank Project, new water lines; chemical increases and a decrease in revenue (usage).

Council felt that Option D which increases the rate of rural customers from 1½ times to 2 times the rate of residential customers was the best option. With this option the rate study showed a 25% increase was needed to cover costs. Tynan made a motion and Bringle seconded to approve a rate increase of 12% now and in six months implement the remaining 13% increase. Motion carried.

Refuse

At the January 6th Special Meeting Council reviewed the proposed refuse rate increase of \$1.00 for residential service and \$1.00 per cu yd for dumpster rates. Council felt that the increase for commercial users should be the same percentage of an increase (7%) as residential users and asked Staff to prepare a spreadsheet with a side by side comparison of the rates and how it would affect customers. The information was presented and Council agreed that the 7% increase across the board would be the most fair to all customers. Vance made a motion and Bringle seconded to approve a 7% increase to the refuse rates. Motion carried.

Condemnation – 115 Union

At the December Council meeting, Council passed the final condemnation resolution allowing 30 days to have the structures removed or the city would do so. The Resolution, setting the deadline as January 15th, was published and a copy was sent to the owner of record, Lauren West, and to the individuals purchasing the property, Mr. and Mrs. Stephens.

Supt. Jurgensen reported there has been no activity at the property and none of the interested parties have contacted the city. Staff recommended going out for bids for demolition of the structures once the deadline has passed. Tynan made a motion and Rea seconded to proceed by going out for demolition bids if no progress has been made by the 15th. Motion carried.

Streambank Project – Final Pay Request

A final pay request was presented for approval from R.A. Knapp Construction for \$171,065.55. Matt Eblen, engineer for the Streambank Project, has reviewed and approved the request. Supt. Jurgensen said that there had still been some work that needed to be done on the actuators at the water plant and that was the hold up on the final request. Jurgensen recommended Council approval. Clerk Eddington reported that the pay request was sent it in to Rural Development so that a request for a drawdown could be made in order to make the payment. Owens made a motion and Rea seconded to approve the pay request for \$171,065.55. Motion carried.

NEW BUSINESS

Housing – Stone Hill Estates

At the January 7, 2015, Special Housing Meeting the committee discussed whether the existing house and arena on the property should be sold. At the time the city purchased the property from Jennings, they were not provided the option to purchase only a portion of it. After careful consideration, the Housing Committee has recommended to the Council that all of the property to the west of the hedge row be sold and the proceeds be used to fund the first bond payment on the property and infrastructure costs for Phase I. The Committee felt that the remaining acreage would provide for future development for years to come

Clerk Eddington checked with Mapping and this property was a separate parcel of 14 acres before Jennings purchased it all and combined it. Council discussed whether they should include an easement to the north edge of the property in the event the city wanted to add a street to allow for an additional access to the housing addition. Council did not want to make a decision as where to apply the revenue at this time. Owens made a motion and Tynan seconded to approve putting up for sale the property previously owned by Grainger. Motion carried with Bringle opposing.

It was also discussed that an appraisal should be done to get an idea on an asking price. Brown made a motion and Rea seconded to acquire an appraisal. Motion carried with Owens opposing. Clerk Eddington will send the legal description to Attorney Tucker so he can prepare the documents.

Dental Ins. Renewal

The renewal rates for the city's dental insurance provider, Blue Cross and Blue Shield, were submitted. Clerk Eddington reported that the rates have increased by 11.25% (\$3.70). In the 2015 budget only 5% was budgeted (\$1.50). After discussing it with employees the department heads agree that the employees would rather pay the cost of the increase over what was budgeted in order to be able to maintain their current level of coverage. This would mean an increase of \$1.50 in the monthly employee only premium for the city and an increase of \$2.20 in the monthly employee only premium for the employees. Owens made a motion and Tynan seconded to approve the dental insurance rates as presented. Motion carried with Bringle opposing.

Office Supply Bids

Bids for office supplies that are needed for the year were received. This allows the city to receive the best price and maintain that price throughout the year. Two bids were received (with a difference of \$104.10):

McCarty's, Parsons	\$2,292.04
Service Office Supply, Coffeyville	\$2,187.94

Clerk Eddington reported that both companies have always been very responsive. Service makes deliveries twice a week and McCarty's makes deliveries once a week. Council discussed the fact although McCarty's bid was slightly higher the business is located in the county whereas Service is not. Owens made a motion and Tynan seconded to approve the bid for McCarty's. Motion carried.

Questions on Agenda Item #8 – FYI

Brown – asked about the overtime for Officer Wertz. The overtime reports 111.5 hours for the pay period 12/12/14. Chief Elliott said he did not believe that was correct. Deputy Clerk Cochran agreed and said she believed it was a typo and the amount was actually 11.5 hours. She will check to verify that is correct.

INDIVIDUAL REPORTS

Mayor Fischer – asked about the letter the city received from Mr. Frogley. Clerk Eddington said the letter was received after the packet was prepared on Friday. The letter rescinded the offer that was previously made on a piece of city property.

Owens – asked about the 9% water loss. Supt. Jurgensen said there was problem with a valve at the water plant. Parts had to be ordered and with the holidays it took a little extra time to get the parts in and work done but the repair has been made.

- said Supt. Jurgensen had done a fine job on the bridge. He had meant to mention that sooner.

Brown – asked that the discussion on employee benefits not be overlooked.

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Rea – asked about the status on the house on 8th Street. Attorney Tucker said the issue is in litigation. Rea asked that the subject be put on the agenda for next month to see if further litigation could be avoided.

Eddington – said that the League has invited all city officials to City Hall Day in Topeka on February 4th, 2015. She asked anyone interested in attending the dinner to let her know so she can RSVP on their behalf.

-said that Westar had contacted the city to let them know that they are going to start replacing any failed streetlights with a new LED fixture. They also plan to prioritize the major thoroughfares for LED replacement on a yearly basis. They have estimated the process will take approximately 6-7 years to fully complete the changeover to LED.

-said that the article in the newspaper advertising the availability of 112 Iowa was disappointing. The location of the article and photo selection was not advantageous and information about the Grant Program was not correct. Eddington said that a more detailed article and photo album was now on the city's website and Face Book page. Eddington also said she had questioned Susan Galemore, Grant Administrator, about the "Low to Moderate" Income Guidelines. She said after breaking down the income rate to qualify that it appeared we should be advertising "Low" income rather than "Low to Moderate". Galemore said that "Low to Moderate" was the correct terminology. Eddington discussed the concern that it may be very difficult for an applicant who qualifies based on the income guidelines to also be eligible to qualify for a bank loan.

ADJOURNMENT

Mayor Fischer asked if there were any comments from the public. There being no comments or further business Rea made a motion and Tynan seconded to adjourn the meeting at 8:53pm. Motion carried.

Mayor Glenn Fischer

Attest:

Deputy City Clerk Renee Cochran