

Regular Council Meeting
January 11, 2016 6:30 p.m.
City of Oswego, KS 67356

Present: Councilmembers Bill Owens, Darren Tynan, Caleb Strickland, Kelly Vance, David Newby and Scott Grassl with Mayor Bill Cunningham presiding.

Also present: City Clerk Carol Eddington, City Attorney Rick Tucker, Deputy Clerk Renee Cochran, Officer Joe Royer, George Elliott, Heather Brown, Larry Richardson, Carole McKinley, Paula Kern, Pat Hendrickson, Steve McBrien, Galen Manners and Gary Tomey .

OPENING PRAYER AND PLEDGE OF ALLEGIANCE

Steve McBrien, Assembly of God church, gave the opening prayer and Councilmember Newby led the Pledge of Allegiance.

SERVICE AWARD

Councilmember Jane Rea

Councilmember Jane Rea has resigned from the Council, the Tree Board and the Housing Committee. She has served on the Council for 10 ½ years, four of which as the first woman Council President. Rea has served on the Housing Committee since May 2003 (9 of those years as Chairman) and the Tree Board since 2011. She continues to serve on the Airport Board.

APPOINTMENT OF COUNCIL MEMBER

Council Appointment – Scott Grassl

Mayor Cunningham submitted for approval the appointment of Scott Grassl to fill the unexpired term of Councilmember Rea. Vance made a motion and Tynan seconded to approve the appointment of Scott Grassl. Motion carried. Clerk Eddington administered the Oath of Office. Grassl's term will expire April 2017.

CITY ATTORNEY

Ordinance – Vacating Alleys – Rodney Kelly

An ordinance to vacate the alleys on two properties owned by Rodney Kelly was presented. Clerk Eddington reported that the Planning and Zoning Commission held a public hearing on December 19th to hear comments on Kelly's request to vacate the platted alley running through the block that has the old Junior High on it and the platted alley running through the block that the old hospital is on. Eddington said that neither one of these alleys have been used as an alley but they had never been vacated either. There was no opposition to the vacations at the public hearing.

The Planning Commission recommended Council approve vacating both platted alleys and Attorney Tucker approved of the summary to be published. Tynan made a motion and Vance seconded to approve the Ordinance to vacate the alleys. Motion carried. Clerk assigned the Ordinance #1357.

Lease Agreement – Freddie White

Council reviewed a Lease Agreement prepared by Attorney Tucker, between the City and Freddie White. At the December 14th Council Meeting, Council determined to accept White's offer of \$500 per year to farm the land the city owns in the Industrial Park. Mr. White had been

Regular Council Meeting
January 11, 2016 6:30 p.m.
City of Oswego, KS 67356

paying \$390 each year with no increases and no written agreement. Council asked Attorney Tucker to draw up an agreement. The lease is for one year that automatically renews unless either party notifies the other in writing within thirty (30) days prior to the end of the term. Newby made a motion and Strickland seconded to approve the lease agreement with a payment due of \$500 per year. Motion carried.

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).

Council asked about a check to CDL Electric in excess of \$5,000. Clerk Eddington said the invoice was for work done on the water tower Christmas lights. She said she was unaware of the work until after it was done and the bill had been received. Supt. Jurgensen was unable to attend the meeting so could not provide any details. Vance made a motion and Strickland seconded to approve the Consent Agenda with the condition that Supt. Jurgensen provide a more detailed explanation of the expense at the next meeting. Motion carried.

Bill Owens entered the meeting at 6:48 p.m.

OLD BUSINESS

Condemnations – 638 Merchant, 710 Illinois, 710 Michigan and 1206 1st St.

Clerk Eddington reported that the property owners of 638 Merchant and 710 Illinois have again inquired if the Council is interested in taking over ownership of their properties. Both properties have back taxes due and 710 Illinois is set to be on the next County tax sale. Attorney Tucker stated at the December Council meeting, that it would cost approximately \$100 each to do a quit-claim deed to transfer ownership. Council asked whether the owners were going to take care of the back taxes that are due. Clerk Eddington said the owners had indicated they did not plan to pay any of the taxes. It was the consensus of the Council not to accept the offer since the city did not want to pay the taxes.

Mayor Cunningham asked Council if they wanted to go out for demolition bids now and have the bids come back in time for approval at the February Council meeting. The deadline for owners to have the structures torn down themselves is January 20th, except for 710 Michigan, and that one is February 19th. Council discussed that there were also three additional property owners interested in having a structure razed at the same time the city had the demo company in town. Attorney Tucker recommended tabling going out for bids until next month. Council agreed. No action was taken.

Alternate Water Source

At the Mayor's request, Council discussed the strategy of retaining the water pit as an alternate water source. At the September 2015 Council meeting, it was reported that KMU (Kansas Municipal Utilities) had been consulted on the value of having an alternate water source. They said it would depend on why an alternate water source was needed. If it was due to

contamination of the main water source, it would be good to have the water pit as an alternative. If it was due to a drought, then it may require an additional solution since drought conditions would also affect the water pit. Also at that meeting, Newby said that he had talked to a rural water district that indicated they may be able to supply water to the city if needed.

In response to Mayor Cunningham asking about the possibility of selling the water pit property but retaining the water rights, Attorney Tucker researched the issue. He reported that the property (approximately 81 acres) was purchased in 1998 for \$68,000. Twenty (20) acres of the pit are on Edwin Becker's land. Becker granted the city a 99 year lease including a right of first refusal. The city also granted Becker certain rights to use the land. The lease can be terminated with written notice. Attorney Tucker recommended meeting with the Becker's to discuss the lease and see what they may be willing to agree upon if the city wanted to sell the property.

Council suggested the Mayor and Supt. Jurgensen meet with the water district first to see if it would even be feasible to connect to them as an alternate water source. It was pointed out that if hooking to the water district is not an option, then there would be no point in moving forward with selling the water pit. The Mayor agreed.

Water Tower Space Lease Agreement

Last month, Council decided to have Councilmember Vance meet with Galen Manners of Wave Wireless in regards to the services he is proposing in lieu of an increase to the water tower lease. Superintendent Jurgensen, Chief Elliott and Councilmember Vance met with Galen on January 7th. Councilmember Vance reported that Manners has already upgraded the service to the public works barn and plans to upgrade the service to the Community Center and Kamp Siesta soon. She stated that these services are worth more than the higher rent paid by Rural I-net and recommended no increase.

Vance also said Manners is willing to provide free installation of security cameras in the park. Council discussed several options for internet service that Manners proposed for the cameras. Chief Elliott said they have security cameras at the airport and they are just set to record. Manners said that was also an option for the park and then there would be no charge for internet services. Chief Elliott said he wanted to look in to the security cameras some more and will report back what he feels is needed. Newby made a motion and Tynan seconded to leave the water tower space rent for Wave Wireless as is, as long as the proposed upgrades and services discussed were included. Motion carried.

Airport Apron Project

An invoice for \$14,915 from ADG was presented for the final payment on the Apron Project. Clerk Eddington said this will close out the project and the city will then be able to submit the drawdown for reimbursement. Eddington recommended approving the invoice contingent upon receiving the as-builts and confirmation from the FAA that ADG has sent in all necessary paperwork to them. Owens made a motion and Newby seconded to approve the invoice contingent on receiving the as-builts and verification that everything has been received. Motion carried with Tynan and Strickland opposing.

Housing Grant

Clerk Eddington reported that the one-month grant extension request was approved by CDBG. Ewing Construction has completed the work at 615 Illinois and submitted an invoice for \$19,700. The inspector has signed off on the punch list as being complete. Grant Administrator Galemore needs for Ewing to pay for the lead test before Ewing can be paid. Staff recommends approving payment to Ewing Construction contingent upon the okay from Galemore. It was brought up that the packet said the payment is for \$19,750. Eddington reported that the figure she put in the packet came right off of the bid instead of the invoice. She didn't know why they were different. Owens made a motion and Tynan seconded to approve payment to Ewing Construction for \$19,700 or \$19,750 whichever is correct, pending release by Administrator Galemore. Motion carried.

Final invoices from SEKRPC for grant administration and inspections were presented. Clerk Eddington reported that now that the project is finished, these invoices can also be approved for payment. They will be paid for by the grant but must be approved by the City.

\$3,850 – Admin services

\$4,000 – Inspections for 615 Illinois and 602 Wisconsin

\$3,000 – Preliminary specs write up, inspection and lead assessments on 619 Kansas and 1806 5th St. (the owners of these properties pulled out of the program after this work was already done by SEKRPC)

Council discussed the success of the program. Fourteen houses were rehabbed in this program. One was a purchase and thirteen were assistance to homeowners for necessary improvements. The city used street project and water project funds to establish the match for the grant. Council agreed that it was a very successful program but said in the future they would prefer to avoid purchasing a home to rehab and sell due to the difficulties caused by income restrictions. Owens made a motion and Strickland seconded to pay the invoices to SEKRPC as long as there is grant money to pay them. Motion carried.

Downtown Demolition Grant

Clerk Eddington reported that she has spoken with Administrator Galemore and the Architectural/Engineering firm (PLJBD, Inc.) has written up the specs for the skinning of the two buildings. The specs were approved by the State Historical Society and the bid notice has been sent out. Bids are due at 1:00 p.m. on February 8th. The grant administrator and PLJBD, Inc. will look at them and unless there are questions that cannot be answered before the Council meeting, Council should be able to award the bid that evening.

Council asked about funding for the project. Eddington said the city's 50/50 match is \$122,934 and has spent \$48,207 so far. Council has approved paying for the project with a bond issue up to \$150,000. The Bond Counsel will have a bond ordinance prepared for the February meeting. The amount of the bond will be inserted after the bids are received so it will not be for more than what is actually needed.

Administrator Galemore and the State Historical Society have determined that the skinning work to be done on the apartment building is much more complex than anticipated and requires someone with an engineering background to be the inspector. Galemore asked for a quote from PLJBD, Inc. for this service. They quoted \$1,250, which includes: Assist in bidding, plan distribution and prepare contract; Provide construction observation including three site visits during construction; Review and certify contractor's pay requests.

Clerk Eddington stated the inspection would be paid for by the city and count as grant match. Grant Administrator Galemore considered this a very reasonable quote for these services and recommends Council approval. Vance made a motion and Strickland seconded to approve the \$1,250 to be paid to PLJBD, Inc. for inspection work. Motion carried.

NEW BUSINESS

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 for much larger cities with separate financial departments. They are cumbersome and time intensive. If the city waives GAAP, it is required to prepare financial statements and reports in 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 2016 year was presented (Resolution #1-11-16A). Tynan made a motion and Owens seconded to approve Res.#1-11-16A to waive the GAAP requirement. Motion carried.

Larry Allen Pavilion Policy

As directed by Council, a policy for the use of the Larry Allen Pavilion was developed and presented for review. The policy covers reservations, fees, hours, clean-up, alcohol use and the use of tables and chairs. Vance made a motion and Tynan seconded to approve the policy as presented. Motion carried.

2014 Write Offs of Unpaid Utility Bills from Current Accounts Receivables

A listing of unpaid utility accounts to be written off from current accounts receivables was presented and reviewed. Clerk Eddington stated that efforts will continue to collect on these outstanding accounts through the State Set-off Program, the debt collection agency we work with or upon any of these customers returning to live in the city. Owens made a motion and Newby seconded to approve the write offs. Motion carried.

Records Management – Destroy Records

A listing of documents that may be destroyed at this point in time under the city's record management policy was presented. Council asked about the procedure. Clerk Eddington said any documents that have confidential data are shredded, otherwise they are disposed of through normal trash service. Tynan made a motion and Owens seconded to approve the document destruction. Motion carried.

Blue Cross/Blue Shield Dental Ins. – Renewal Rates

The dental insurance renewal for 2016 came in at a 13.3% increase. A 5% increase was budgeted for. BC/BS offers a lesser plan but the benefits of the plan are not nearly as good as the current plan. When the Dept. Heads polled the employees, the consensus was that they would rather pay the balance of the increase than switch plans. The budgeted 5% increase to the city would be \$1.58 per employee. The balance of the increase would be \$3.24 per month for the employee. The annual increase for the city is \$284.40. Newby made a motion and Tynan seconded to approve the 5% budgeted increase to retain the current BC/BS Dental Insurance plan and allow the employees to pay the difference. Motion carried.

Attorney Tucker left the meeting at 7:45 p.m.

Office Supply Bids

The city went out for office supply bids for the year. Two bids were received – McCarty's \$5,780.18 and Midwest Office \$4,768.07. Council asked if the staff has a preference. Clerk Eddington said the office is currently using McCarty's and would like to stay with them. Midwest Office (which used to be Service Office out of Independence) was purchased by a company headquartered out of Springfield, Illinois and depending on what the item is there may be some shipping charges. In addition, when previously using Midwest (Service) the quality of paper they supplied was a cheaper quality paper than what they bid and it would not work properly in our machines.

McCarty's is out of Parsons and delivers twice a week, whereas Midwest delivers once a week. McCarty's is also very accommodating whenever something is needed quickly. Clerk Eddington stated that the quantities are an estimate and if the city doesn't use that much, there wouldn't be that big of a difference since the difference between price per item is not that large. Council discussed that even though Midwest is out of state that there was too much difference between the two quotes. Tynan made a motion and Strickland seconded to go with Midwest Office for the office supplies. Motion carried with Grassl opposing.

INDIVIDUAL REPORTS

Strickland– welcomed new Councilmember Scott Grassl. Said he would like to see more progress on the water line project to Matt Vail and David Newby's businesses. Mayor Cunningham agreed but said he understood that the weather has been a problem.

- asked why, for the second month, there were no Airport or Housing meeting minutes in the packet. Clerk Eddington reminded him that they did not meet in November or December due to the Holidays since there was no pressing business for them to take care of. She said that these committees are not required to meet every month. They will meet when they have business to conduct. Both the housing grant and the airport grant are being closed out.

- said Diamond Coach has sold and have new owners but the company is staying in Oswego.

Tynan – suggested compensating Council members for their service. He proposed giving them 20% off on their utility bill. Clerk Eddington said that some cities do compensate their council members but she wasn't sure whether discounts on utility bills were allowed. She said she would check in to it.

Grassl – thanked Council for the opportunity to serve with them. Said he agreed that the water line project needs to be completed so staff doesn't have to continually monitor the area to make sure items aren't stolen, etc.

Eddington – wanted Council to know how the city was going to handle the issue of citizens also wanting houses torn down by the same contractor as the city will use for condemnations so when someone asks them or anyone from the city, everyone tells them the same thing. The contractor awarded the bids for the condemnation demolitions will only receive the name and number of the other property owners in town who are interested in tearing down a structure. The city will not be involved in any way in negotiations between the property owners and the demolition contractor.

- said at the last meeting it was suggested that the city waive the community building rent for Bill Trotnic's business anniversary event in March, as an appreciation of his long-standing business, however, no action was taken. Eddington said he has paid the deposit for use of the building and had also requested the setup/cleanup service (\$260) and use after 10pm (\$25). The rent for the building is \$150 and all together is a total of \$435. Does the Council wish to waive all or part of these fees? Owens made a motion and Grassl seconded to waive all of the fees except for the refundable deposit that has already been paid. Motion carried.

- said that Craw-Kan is still talking about the possibility of providing service to the city.

- said she still need the NIMS certification from Councilmember Strickland and will now need the certification from new member Grassl. Grassl said he has already been NIMS certified and would get her his certificate.

- said Jay Trower called and said he was told that the city wants to make improvements to Kamp Siesta electric. He said the city would need to put in an application for a new service as it would take a new meter. The cost would be determined after the application is received. Newby said the call may be the result of the Fair Board contacting Westar.

- said Supt. Jurgensen's computer went down so he couldn't provide the monthly airport fuel reports.

PUBLIC DISCUSSION

Mayor Cunningham asked if there were any comments from the public. There were none.

Regular Council Meeting
January 11, 2016 6:30 p.m.
City of Oswego, KS 67356

ADJOURNMENT

There being no further business Owens made a motion and Tynan seconded to adjourn the meeting at 8:16 p.m. Motion carried.

Mayor F. W. Cunningham, Jr.

Attest:

Deputy City Clerk Renee Cochran