

Regular Council Meeting
May 9, 2016 6:30 p.m.
City of Oswego, KS 67356

Present: Councilmembers Darren Tynan, David Newby, Scott Grassl, Kelly Vance and John Davis with Mayor Bill Cunningham presiding.

Absent: Caleb Strickland

Also present: City Clerk Carol Eddington, City Supt. Calvin Jurgensen, City Attorney Rick Tucker, Deputy Clerk Renee Cochran, Fire Chief John Strickland, Officer Toby Wertz, Elizabeth Rucker, Steve McBrien, Susan Galemore, Jon Eck, Larry Richardson, Brenda Richardson and Paula Kern.

OPENING PRAYER AND PLEDGE OF ALLEGIANCE

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

COUNCIL POSITION APPOINTMENT

Mayor Cunningham submitted for approval the appointment of John Davis to fill the unexpired term of Councilmember Owens. Tynan made a motion and Grassl seconded to approve the appointment of John Davis. Motion carried. Clerk Eddington administered the Oath of Office.

PETITIONS AND DELEGATIONS

Public Hearing – CDBG Grant – Downtown Building Demolition Grant

Mayor Cunningham opened the Public Hearing at 6:34 p.m. to allow public comment on the Downtown Building Demolition Grant. Administrator Galemore was in attendance to answer questions. Galemore stated that three buildings were torn down at a cost to the city of \$61,281.77 which was a 50/50 grant match. As there were no comments from the public Mayor Cunningham closed the public hearing at 6:36 p.m.

Council reviewed the final budget report and a summary of the project. Out of the \$122,934.00 grant money, on the city's side only \$61,281.77 was used. The initial project was to demolish three downtown buildings and skin the remaining shared walls. Discussions with KDOC about the condition of the building at 325 Merchant went on for months with KDOC determining in the end that the city should go ahead and skin the wall in accordance with recommendations from the Kansas State Historical Society. However, when the contractor tried to begin the work, the brick at 325 Merchant would not hold the necessary hardware to attach the metal skin to. KDOC then determined that the city did not have to skin the wall in light of this new information on the condition of the building. They directed all openings to be boarded up on the wall and that was done.

Clerk Eddington reported that all of the work that was required by the grant and approved by KDOC and the State Historical Society has been completed. Galemore has sent in all of the paperwork for the April 30th grant deadline, therefore, the last payment to SEKRPC has been issued. The last grant drawdown will be submitted now that the public hearing is closed.

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The following grant closeout documents were presented for Council approval: Certificate of Completion, Grantee's Contractor's Release Form, and Notice of Completion/Final Inspection Report. Newby made a motion and Tynan seconded to approve all of the grant close out documents. Motion carried. The Council thanked Administrator Galemore for all of her hard work.

Public Hearing – Condemnation – 325 Merchant

At the special meeting on March 28th, Council determined to move forward with the condemnation of 325 Merchant and passed a resolution that set May 9th as the public hearing date. Mayor Cunningham opened the public hearing at 6:39 p.m.

Clerk Eddington reported that a title search was completed, the resolution published and all of the parties of interest were notified as required by State Statute. The property owner was not in attendance and had not attempted to contact the city office in regards to the condemnation. As there were no comments from the public the hearing was closed at 6:41 p.m.

A second resolution, allowing another 30 days for the property owner to have the building removed on their own was presented for Council approval. Newby made a motion and Vance seconded to approve the resolution as presented. Motion carried. Clerk assigned the Resolution # 5-9-16A.

CITY ATTORNEY

Ordinance – Elections

An ordinance that determines city elected positions to be nonpartisan was presented for council approval. Clerk Eddington reported that not long after the city did the Charter Ordinances changing the election date (in order to be compliant with new State law), the League realized that the new law also requires that city ordinances declare whether the city's elected positions are partisan or nonpartisan. Attorney Tucker has approved the ordinance. Vance made a motion and Davis seconded to approve the ordinance. Motion carried. Clerk assigned the Ordinance #1360.

Ordinance – Municipal Court Fees

An ordinance to set out municipal court costs was presented for Council approval. Clerk Eddington stated that the city had been utilizing the Fees Resolution to make changes to charges for various fees including municipal court charges when in fact, municipal court charges need to be set by ordinance instead of resolution. Attorney Tucker has approved the ordinance. Tynan made a motion and Vance seconded to approve the ordinance. Motion carried. Clerk assigned the Ordinance #1361.

Resolution – City Fees

A new fees resolution was presented for Council approval. Changes were made to what the city charges for rock and culverts and changed the wording under the municipal court items stating the city fee is set by Ordinance and the state fee is set by the State. Clerk Eddington stated that the fees resolution is posted on the city's website.

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Mayor Cunningham asked about the fee to use the park for a wedding. He said he was approached by a couple that wanted a small, private ceremony at the bluff. They did not want a shelter, the park blocked off or any of the other amenities. Council consensus was that they did not have to pay the fee for a small ceremony and when no shelter or other services were requested of the city. After some additional discussion about other fees Tynan made a motion and Grassl seconded to approve the fee resolution. Motion carried. Clerk assigned the resolution #5-9-16B.

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).

Appointments

Tree Board – Mayor Cunningham submitted Gayle Brown for appointment to the Tree Board to fill the unexpired term of Susie Fitzsimmons. Term expiring January 2018.

Mayor Cunningham asked for any additions or corrections to the Consent Agenda. As there were none, Tynan made a motion and Davis seconded to approve the Consent Agenda as presented. Motion carried.

OLD BUSINESS

Sales Tax Discussion

Council discussed information on why the sales tax is needed. The Fire Chief and Assistant Chief were in attendance to provide input on the fire department's needs and address questions. The preliminary draft of a flyer was reviewed that would inform the public of the proposed tax increase. Clerk Eddington said that it could be distributed with the water bills but felt Council should determine the amount that will be used for water bill relief first. Eddington reported that based on what she has heard on the street, this will make the difference as to whether people support the sales tax increase or not.

Chief John Strickland reported that the motor of one of the grass trucks has blown. The truck is 32 years old which makes repairs problematic. The other grass trucks are anywhere from 35 – 48 years old. Clerk Eddington stated that this was an unexpected cost and not included in the estimate provided by the fire department of its immediate needs which exceeds \$50,000. With all of the equipment being so old it is difficult to predict what the expenses will be in the next four years. Clerk Eddington said that even though it cannot be a promised specific amount, the Council can still let the public know what their intentions are.

Council agreed that they would like to see at least 70 – 75% of the revenue go the fire department with the remaining amount going to water bill relief. Based on the current sales tax revenue a half cent sales tax would generate approximately \$90,000 annually. A 75/25% split would allow for a little less than \$2.50 per month credit on each utility customer within the city limits. Newby made a motion and Vance seconded that the Council's intentions are to split the

proposed sales tax revenue with 75% going to the fire department and the remaining 25% going for water bill relief as a credit on the monthly utility bills. Motion carried. These figures are generalities not tied to a specific amount as the amount received each month for sales tax differs month to month.

Council discussed ways to inform the public of the proposed sales tax. In addition to the flyer, articles for the newspaper and website, it was suggested the city hold public meetings. Clerk Eddington asked Council if they would like to appoint a committee to speak to local organizations. Council did not take any action. Clerk Eddington will get some available dates together and consult Council as to what date in June to have the public meeting.

Fire Barn/Garage Repairs

Clerk Eddington reported that staff had not been able to acquire an outside estimate on what it would cost to have these two buildings repaired. Staff estimates that repairs can be done for less than their initial estimate of between \$20,000 and \$30,000 and suggested the roofing be bid out separately as it would be easier to find contractors that do one type of work or the other, but not both. Kyle Denham, PLJBD, was contacted about an estimate on what it would cost to write bid specs for going out for the necessary work. He quoted \$3,500 and said they could start on it within a week.

Council discussed options including demolition of the building and replacing it with a new structure. Council decided that with the structure being attached to a building owned and used by Labette Bank that would not be a good option. Supt. Jurgensen said that there is a gap between the two buildings allowing water to come in and cause damage. It was noted that it would not be fair to expect other property owners to take care of their buildings if the city wasn't willing to do the same.

Clerk Eddington reported that there is money in the Capital Improvement Fund that can be used for building repairs. There is no specific line item for the buildings so a repayment schedule could be set up during budget time. Vance made a motion and Grassl seconded to have Kyle Denham, PLJBD, draw up specs for the project. Motion carried.

County Building – 4th & Merchant

Clerk Eddington reported that County Counselor Johnson has prepared a quit claim deed that has been approved by Attorney Tucker. Council discussed that they didn't want to take possession of the property until the Sheriff's Department gets the building cleaned out. It was the consensus of the Council for Mayor Cunningham to contact the commissioners to let them know they would like to take ownership as soon as possible and then allow a 30 day time frame to have them empty the building. Mayor Cunningham will contact the County Commissioners.

Clerk Eddington said someone interested in purchasing the building has contacted her. Council discussed options on how to go about selling it after taking ownership. The Council determined to offer the building for sale by sealed bids and discussed ways to make the public aware.

NEW BUSINESS

Annual Appointments - Staff

The Mayor presented a list of staff appointments for Council approval.

City Clerk	Carol Eddington
City Superintendent	Calvin Jurgensen
Police Chief	George Elliott
Fire Chief	John Strickland
City Treasurer	Peggy Strickland
City Attorney	Rick Tucker
Municipal Judge	Fred Johnson
Enforcing Officer	City Supt. Jurgensen & Police Chief Elliott
Zoning Officer	City Supt. Jurgensen

Newby made a motion and Vance seconded to approve the staff appointments. Motion carried. Mayor Cunningham administered the oaths of office to the City Attorney and Department Heads in attendance.

At 7:50 p.m. the Mayor called for a 10 minute break. The meeting resumed at 8:00 p.m.

Annual Appointments - Complimentary

Mayor Cunningham appointed Labette Avenue for the official newspaper, Labette Bank as official depositories for General, Special Grant Accounts, and Commercial Bank as the official depository for the Petty Cash Account. A list of individuals eligible to sign the checks for the accounts was included. Newby made a motion and Tynan seconded to approve the complimentary appointments. Motion carried.

Vehicle Purchase – Water/Sewer Departments

Supt. Jurgensen reported that the transmission on the 1990 Ford truck is going out and the front end is in very bad condition. He asked Council if he could start looking for a replacement vehicle. Clerk Eddington stated that there is \$14,463 set aside in the water and vehicle line items within Municipal Equipment that could be used to fund the purchase. Council agreed as long as he came back to Council for approval before purchasing the vehicle.

Accounting Manual Update

Council reviewed the draft of an updated Accounting Manual. Clerk Eddington reported that the city has needed to update the manual for a while but deadline items had taken precedence. The draft contained information required by the auditors, detailed city practices and included information required by grants and bond documents. Eddington said an index will be prepared after the final draft is approved.

Council discussed the city’s policy on accepting credit cards. Clerk Eddington said the city does not require ID since many customers make payments over the phone with their credit cards. She asked how the Council would like staff to handle a situation where someone wants to pay their bill with someone else’s credit card. It was the consensus of the Council that a customer could

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not use someone else's credit card to pay their bill unless permission can be verified or they are an immediate family member. Customers can still use their credit card to pay someone else's bill. Tynan made a motion and Grassl seconded to approve the updated Accounting Manual with the noted change. Motion carried.

2017 Budget Schedule

Council reviewed the 2017 Budget Schedule prepared by Clerk Eddington. She stated there will be a department head meeting on Wednesday, May 11th to discuss capital items that need to be considered in the next few years within each department. A preliminary budget will not be prepared until the July Council meeting because the city won't receive the necessary tax information from the County until June 20th. Between now and then staff will work on estimating increases based on information from: insurances, utilities, retirement programs, etc. They will look at what needs to be replaced; how the 2015 revenues and expenses came in compared to what was projected and research any large differences; evaluate salary information and changes that need to be made, and any other pertinent information such as changes in the laws that affect the budget.

Clerk Eddington also reported that she had just received word that the tax lid has passed with an effective date of January 2017. She stated this needs to be a consideration during budget time this year since it is the last chance for the city to prepare for that restriction.

Clerk Eddington said at the end of budget time last year, former Councilmember Owens said he would like to see a budget committee formed to work on the 2017 budget. Councilmember Newby said the committee was to look at other cities' budgets by this budget season but that didn't happen. Eddington asked if the Council wanted a committee to go over the budget or the whole Council as has been done the past few years. Consensus was for the preliminary budget to be presented to the whole Council.

INDIVIDUAL REPORTS

Jurgensen— said that Oswego and Altamont have a 50/50 ownership in a wood chipper. Jurgensen said he has been approached by Altamont about selling it, possibly on Purple Wave. He said it hasn't been used for 3-5 years by either city. Council asked how much it was worth. Jurgensen said he had checked around and thought it would sell for \$14,000 - \$15,000. Tynan made a motion and Newby seconded to sell the wood chipper. Motion carried.

Davis – asked if the new internet at the pool is grounded. Supt. Jurgensen said the grounding was inside the building. Davis said he wanted to make sure it is safe because of the lightning hazard. Jurgensen said the installer stated they did the same type of grounding at three different casinos and it was effective.

Tynan – suggested renting out the pasture at Stonehill Estates until it sells to bring in some revenue. Supt. Jurgensen reminded Council the city has leased the ground out for hay. No action was taken.

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Eddington – said the airport is going to have a budget violation in 2015 due to some fuel income and expense transfers that weren't done. These are changes that the auditor made last year during the audit. Clerk Eddington said there are no consequences to the violation and the 2016 budget already has it included.

- reminded Councilmembers that they need to turn in their Substantial Interest Form.
- Eddington said anyone interested in attending the Friends of the Library picnic needs to turn in their RSVP to the city by May 20th.
- said the city received a refund from EMC insurance in the amount of \$9,937.07.
- said the city has received the Consumer Confidence Report from KDHE. She said copies are available on the website, at city hall and a notice was printed on the city bills.
- said she would be attending a workshop on Friday and then would be on vacation next week.
- said the city received \$10,961 from the insurance company for the fire at the Concession Stand. The repair work is about done. Due to many volunteers doing the work they have only spent a little more than \$8,000. Eddington asked Council what they want to do with the balance of the insurance proceeds. Council consensus was to give the balance to the Summer Ball program for additional needs.

PUBLIC DISCUSSION

Mayor Cunningham asked if there were any comments from the public. A comment was made that the pond at the Golf Course looked nice.

Mayor Cunningham – said he thought the Arbor day event went well and thanked those that participated.

ADJOURNMENT

There being no further business Davis made a motion and Tynan seconded to adjourn the meeting at 8:30 p.m. Motion carried.

Attest:

Mayor F. W. Cunningham, Jr.

Deputy City Clerk Renee Cochran