

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

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

Absent: Kelly Vance

Also present: City Clerk Carol Eddington, City Supt. Calvin Jurgensen, Police Chief George Elliott, City Attorney Rick Tucker, Deputy Clerk Renee Cochran, Officer Joe Royer, Larry Richardson, Jan Owens, Bill Farris, Paula Kern and Meta Titel.

### **OPENING PRAYER AND PLEDGE OF ALLEGIANCE**

Councilmember Newby led the Pledge of Allegiance.

### **PETITIONS AND DELEGATIONS**

#### **2015 Audit Report - Meta Titel with Jarred, Gilmore & Phillips**

Meta Titel, of Jarred, Gilmore & Phillips, attended the meeting to go over the 2015 audit report. Each fund was reviewed and there were no internal control weaknesses or difficulties found. Titel reported the City was in compliance with the Kansas cash basis laws however there was a violation of K.S.A. 79-2934, as the City had expenditures in excess of the budget in the Airport Fund. Clerk Eddington explained that came about due to how the auditor wanted to handle the purchase of fuel. Neil Phillips recommended making a transfer to move fuel purchases from Municipal Equipment into the Airport Fund at the end of the year. Due to an over-sight the transfer was not included in the year end transfers. When the auditors made the adjusting entry, it caused the violation. There is no penalty for the violation. The expense and revenues are already adjusted to allow for the fuel in the 2016 budget.

Council discussed the use of the Electric Fund to pay the bond and interest payments for Stone Hill Estates. Strickland asked about using the proceeds from the sale of the Grainger property instead. Clerk Eddington said that she had planned on using those funds next year since the Electric Fund will be depleted. As far as expensing the payments this year though, it was a Council decision to utilize the Electric money for these payments and that is how it was budgeted. The proceeds for the Grainger property was put into a separate Housing Development Fund as the Council had not decided what they wanted to do with it yet. Eddington said she consulted with the auditor about utilizing these funds to make the payment with once the Electric funds are depleted and he said that it was fine, however, he wanted the city to continue making the payments out of the Electric Fund. Therefore, the city needs to transfer enough money from the Housing Development Fund into the Electric Fund each year for the payments. This is how Clerk Eddington has it in the 2017 Budget.

Council discussed options on what can be done about the airport losing money on the sale of fuel. Supt. Jurgensen said part of the problem is that the fuel was purchased when the prices were high. Now that prices have dropped other airports are selling their fuel at much lower prices. Also the credit card companies are charging large fees regardless of how much fuel is sold. Council asked if the city could discontinue selling fuel. Clerk Eddington stated that the city is under contract with the fuel company and since the project was a grant project, the City

would have to maintain the fuel farm. Council asked Attorney Tucker to take a look at the contracts and see what it would take to get out of selling fuel. Clerk Eddington will send him copies of the contracts and Tucker said he would report back to the Council next month.

#### **CITY ATTORNEY**

##### **Ordinance – Mowing 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 MOWING IN SAID CITY THROUGH June 7, 2016 was presented for approval. The ordinance covers unpaid mowing charges through June 7, 2016. Newby made a motion and Tynan seconded to approve the ordinance. Motion carried. Clerk assigned the Ordinance number 1363.

##### **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 OF 638 Merchant, 710 Illinois, 710 Michigan and 1206 1<sup>st</sup> St was presented for approval. The ordinance covers unpaid condemnation and demolition charges for the four houses 638 Merchant, 710 Illinois, 710 Michigan and 1206 1<sup>st</sup> St. Tynan made a motion and Newby seconded to approve the ordinance. Motion carried. Clerk assigned the Ordinance number 1364.

##### **Ordinance – Insurance Proceeds Fund**

AN ORDINANCE CONCERNING PAYMENT OF INSURANCE PROCEEDS AND REPEALING ORDINANCE 1037 was presented for approval. The Legislature passed a new law that expands the ability of cities to place a lien on the proceeds of any covered claims for damage to a structure in excess of 75% of the face value of the insurance policy. Previously, the law covered fire damage only. This new law went in to effect on July 1, 2016. The ordinance has been reviewed and approved by Attorney Tucker. Tynan made a motion and Davis seconded to approve the ordinance. Motion carried. Clerk assigned the Ordinance number 1365.

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

#### **OLD BUSINESS**

##### **325 Merchant Condemnation**

At the June meeting, Council determined to move forward and go out for bids for the condemnation of 325 Merchant. The Bid Opening was July 6th at 1:00 p.m. The city received

three bids: B-3 Construction - \$21,500, G&G Dozer - \$44,500 and Moates Excavating - \$137,428. Supt. Jurgensen recommended accepting the low bid of \$21,500 from B-3. Council was very pleased that the low bid from B-3 was much lower than anticipated. Strickland made a motion and Tynan seconded to accept the low bid of \$21,500 from B-3 Const. Motion carried. Supt. Jurgensen stated that he had considered having the city crews fill in the basement to save on demolition costs but since the bid came in so low it was not worth pulling his crews off of other projects for that amount. Clerk Eddington stated that a letter will be sent to the property owner notifying them of the approximate date of demolition.

Council discussed the option to do another demolition project since the bid came in so low. The approved bond issue amount for the downtown demolition project is \$150,000. The city has only spent \$61,281.77 leaving an unused balance of \$88,718.23. The payment for this bond issue is already included in the budget and figured on the full \$150,000. At an interest rate of 4% for 10 years an estimated payment would be \$18,347/yr. If there are no change orders to the demolition project for 325 Merchant, the city would be spending approximately \$87,281.77 (including estimated bond cost). A bond issue for \$87,500, using the same number of years and interest rate would be an around \$10,788/ yr.

Council discussed the old Oswego Independent building on 4<sup>th</sup> Street. Clerk Eddington said that Phil Blair had thought the Historical Society and Museum might be interested in the building for additional storage but may have changed their minds due to the condition of the building. She also stated that the contractor for the company that was going to skin the 325 Merchant building looked at this building and said that it would cost less money to tear it down and put up a metal building than to try to save part of the building. Chief Elliott and Supt. Jurgensen agreed that the west side of the building where the mural is located is in pretty good shape but the east side can't be repaired and will have to be removed. The owner of the building did not respond to a letter sent to her by the Mayor. Council agreed to wait until the next meeting to make a decision and set the amount for the bond issue.

### **Fire Barn/Garage Repairs**

Councilmember Strickland said he had met with Supt. Jurgensen and had been in contact with Kyle Denham, who drew up the specs for the repairs to Fire Barn and Garage. The previous specs included roof repairs and redoing the full facade of the building. Strickland said that Denham had agreed that it would be possible to maintain the integrity of the building by only fixing the header board and not make other changes to the facade or door openings. Strickland said Denham had estimated the cost of the modified plan to be around \$8,500. Chief Elliott asked if that included the cost for the roof. Strickland said no and discussion followed as to whether roof repair was necessary. Chief Elliott said the roof leaks so repairs are needed or it will continue to cause damage to the building as well as the adjacent building owned by Labette Bank. He said the shingles look to be around 25 years old so they need to be replaced.

Council discussed that the building needed to be cleaned out so that it can be better utilized and perhaps move in one of the fire trucks. Discussion was held on how to pay for the project. Clerk Eddington reported that there is money in the Capital Improvement Fund that can be used.

However, since there is no specific line item for that a repayment schedule would need to be set up. Eddington suggested keeping the existing repay for renovations to city hall, the police dept. and the fire dept. in the budget (even though it ends in 2017) and using that to repay the Capital Improvement Fund. The amount of that transfer is \$11,089. That way there would be no increase to the budget. Council liked that idea but didn't want to wait that long to do the project. Eddington stated that the project could be done now as there are sufficient funds in Capital Improvement to do so. The repay could be later. Tynan made a motion and Davis seconded to approve Strickland's recommendation. Motion carried. Council asked staff to see if Denham could have the bid specs prepared for the August Council meeting for their review.

#### **Code Enforcement – Environmental Code - Eisenbrandt Building**

Council granted Mr. Eisenbrandt time to make repairs to his downtown building at 403 Commercial. The deadline was June 30<sup>th</sup>. As of July 1st, there had been no work done on the building, however, over the July 4th weekend, someone began working on it. Council viewed a photo of the repairs and decided not to move forward on issuing a violation since progress is being made. Council acknowledged that they would like to see the repair work continue.

#### **Code Enforcement – Nuisance - 404 Wisconsin**

A Resolution to have the city cleanup 404 Wisconsin was presented. Last month a violation letter was sent to 404 Wisconsin with a deadline to have the violations abated by June 27th. A weed letter was also sent to the property. Supt. Jurgensen checked the property on June 30th and reported there were still items that needed to be picked up. He also said that he sprayed the tall weeds they had not mowed.

Council viewed photos of the property taken July 11<sup>th</sup>. Council agreed that the property needed to be cleaned up and considered whether the buildings needed to be removed as well. Supt. Jurgensen said that the outbuilding would not pass housing codes but he wasn't sure about the house. Council agreed that they did not want to go to the expense of cleaning up the property if the buildings were going to be removed, especially since both could be done at the same time. Grassl made a motion and Strickland seconded to move forward with condemnation proceedings by having the code enforcement officer do an inspection of the buildings and report back next month. Motion carried.

#### **Sales Tax Question**

Council discussed that the Town Hall Meeting regarding the Sales Tax Question went well. Clerk Eddington reported that the flyer has been distributed to the public with the utility bills and have been placed in the banks and library. She asked those in attendance to remind everyone that the question is on the August 2nd ballot and not on the November ballot.

#### **Building at 4th & Merchant**

Clerk Eddington reported that the County finished cleaning out the building and has turned over the keys to the City. She said she received the deed today and asked if Council was ready to take sealed bids. After some discussion Council decided they would like to take another look at the building and set 6:00 p.m. at the August 8<sup>th</sup> Council Meeting for a walk through. In the

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meantime Mayor Cunningham said he would like to check with an area realtor as to the value of the building and what would be the best way to sell it. The issue will be discussed again next month.

At 8:14 Mayor Cunningham called for a 10 minute break. Attorney Tucker left the meeting. The meeting resumed at 8:24 p.m.

## **NEW BUSINESS**

### **2017 Preliminary Budget**

The Council went over the preliminary budget. Clerk Eddington stated it was important to estimate revenue on the low side and expenses on the high side to avoid getting caught in arrears at the end of the year. However, she said she did not estimate too high or low so that Council could have a truer picture, especially in the initial budget. Eddington said that there were a few figures not included yet since she had just received some additional information from the fire department today. A quick addition of the increases they are looking for amounts to only approximately a 1.119 mil increase.

After much reviewing each page of the budget worksheet, the Council decided to hold a special budget meeting on Monday, July 25<sup>th</sup> at 5:30 p.m. If a budget is approved at this meeting, Council could set the public hearing for the August 8<sup>th</sup> Council Meeting.

## **INDIVIDUAL REPORTS**

**Eddington** – reported on an invitation from the League to attend a KOMA/KORA training session on Friday, August 26<sup>th</sup> in El Dorado. Councilmember Tynan said that he would be interested in attending.

- said the annual League Meeting will be held on Oct. 8-10<sup>th</sup> in Overland Park. Mayor Cunningham said he and Clerk Eddington planned to attend and encouraged council members to attend.

- said an individual contacted the City Office about purchasing some land the city owns to put in a business. Eddington said the OEDC will have it on their agenda for their Thursday meeting.

**Newby**– said the Fair Board wanted to say “thank you” for the city’s support and their help with the new bathroom facility. After the fair, the Board plans to discuss the High School Rodeo event.

**Strickland** – said Cheynea Clifton plans to break ground on the new beauty salon building next week.

**Elliott** – said his department usually takes care of the intersections in town that have become dangerous because of visibility issues due to trees or overgrowth. He has three that he knows of now and he plans to have his officers go around town and make a list of the intersections where trees and/or bushes need to be trimmed.

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**Cunningham** – asked Staff and Chief Elliott if they were having any issues with employees carrying weapons due to the new conceal and carry regulations. No one reported any problems.

**Jurgensen** – said the chipper had sold on Purple Wave at a good price, better than expected. Jurgensen and the City of Altamont are looking at using the proceeds to purchase a camera for inspecting sewer lines. Neither one of the cities could justify the purchase alone, but together, it is more feasible. Council agreed to have him look in to the purchase.

### **ADJOURNMENT**

Due to the late hour there was no public discussion. There being no further business Strickland made a motion and Grassl seconded to adjourn the meeting at 10:29 p.m. Motion carried.

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Mayor F. W. Cunningham, Jr.

Attest:

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Deputy City Clerk Renee Cochran