

OSAWATOMIE CITY COUNCIL
AGENDA

November 10, 2022

6:30 p.m. | Memorial Hall | 411 11th Street

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Invocation
5. Consent Agenda
 - Consent Agenda items will be acted upon by one motion unless a Council member requests an item be removed for discussion and separate action.*
 - A. November 10th Agenda
 - B. October 27th Council Meeting Minutes
 - C. November 3rd Special Council Meeting Minutes
 - D. Pay Application(s) – Western Consultants - \$2,886.50 – WWTP Improvements.
 - E. Special Event Permit(s)
 - Miracle on Main Street Holiday Festival
 - F. Reschedule November 24th, 2022, Council Meeting Date to November 17th, 2022
 - City of Osawatomie Code -Chapter 1 Article2 Section 1-203
 - (a) *Regular meetings of the Governing Body shall be held on the second and fourth Thursday of each month at 6:30 p.m. In the event the regular meeting day shall fall on any legal holiday, any day observed as a holiday by the City offices, or conflict with a community event or other event of regional or national importance, the Governing Body at a prior meeting shall either cancel the meeting or reschedule the date and time of the meeting; however, if rescheduled, the new meeting date shall be no less than seven (7) days from the day the Governing Body approved the new meeting date.*
6. Comments from the Public
 - Citizen participation will be limited to 5 minutes. Stand & be recognized by the Mayor.*
7. Public Hearing
8. Presentations, Proclamations, and Appointments
9. Unfinished Business
 - A. Resolution 1070 – Award RFP for Auditing Services – 2023 through 2026
 - B. Resolution 1071 – City Hall Roof Bids
 - C. Resolution 1059 – Condemnation 127 Rohrer Heights
 - D. Resolution 1103 – Condemnation 1103 Chestnut Avenue
10. New Business
 - A. Resolution 1048 – Land Swap with Mark & Tammy Goddard
 - B. Resolution 1067 – Identifying Streets for 2024 and 2025
 - C. Ordinance 3817 – Amending Section 1-801 – Main Trafficways
 - D. Resolution 1068 – Accepting the Sewer Rate Study
 - E. Resolution 1072 – Osawatomie Golf Course Cart Purchase / Facility Master Plan
11. Council Report
12. Mayor’s Report
13. City Manager & Staff Report
14. Adjourn

NEXT MEETING (SPECIAL MEETING) – November 17, 2022

NEXT REGULAR MEETING – December 8, 2022

Osawatomie, Kansas. **October 27, 2022.** The Council Meeting was held at Memorial Hall located at 411 11th Street. Mayor Nick Hampson called the meeting to order at 6:30 p.m. Council members present were: Wright, Macek, Diehm Dickinson, LaDuex, Bratton, Filipin and Caldwell. City Staff present at the meeting were City Manager, Mike Scanlon, Deputy City Manager Bret Glendening, City Attorney Jeff Deane, Building Official Ed Beaudry, Assistant to the City Manager Sam Moon, Nuisance Officer David Ellis and Business Liaison Kari Bradley. Members of the public were: Jennifer McMahon, Charles Johnson, Hyun Ju Gil, Derek Henness, Michael Olsen and Shanna Olsen.

INVOCATION. – Reverend Hyun Ju Gil, First United Methodist Church

CONSENT AGENDA. Approval of October 27th Agenda, October 13th Council Meeting Minutes, Pay Application – Crossland Heavy Construction - \$221,575.35 – WWTP, August 2022 Council Report, September 2022 Council Report. **Motion** made by LaDuex, seconded by Dickinson to approve the consent agenda as presented. Yeas: All.

COMMENTS FROM THE PUBLIC. – David Ellis spoke on the behalf of Reverend Hyun Ju Gil. We have been busy this year at the First United Methodist Church. We have just finished the book of John for bible study. We also just finished a fish fry for the emergency first responder personnel. We are also participating in the community Thanksgiving Dinner sponsored by the Ministerial Alliance. Everyone is also invited to the Christmas Eve service at 11:00 p.m. Sunday from 3:00-5:00 we are also doing Trunk-or-Treat for the kids.

PUBLIC HEARINGS. – None.

PRESENTATIONS, PROCLAMATIONS AND APPOINTMENTS.

CONSIDER THE APPOINTMENT OF JIM STEFFENSMEIER TO THE LIBRARY BOARD – **Motion** made by Dickinson, seconded by Caldwell to approve Jim Steffensmeier to serve on the library board. Yeas: All.

UNFINISHED BUSINESS.

RESOLUTION 1059 – CONDEMNATION OF 127 ROHRER HEIGHTS – Jennifer McMahon spoke on behalf of Charles Johnson. Jennifer assured the council that they can meet the deadline to obtain an occupancy permit on this house in six months. **Motion** made by LaDuex, seconded by Wright to set aside consideration of Resolution 1059 until March 9, 2023 with the property owner given these conditions to be achieved by these dates – 1) an Irrevocable Letter of Credit to be given to the city by November 10, 2022 in the amount of \$15,000, 2) All Real Property taxes must be current by December 31, 2022 on the property located at 127 Rohrer Heights, 3) An Occupancy permit to be issued no later than March 1, 2023. Yeas: All.

RESOLUTION 1060 – CONDEMNATION OF 727 LINCOLN AVE – **Motion** made by Macek, seconded by LaDuex to approve Resolution 1060 – Finding that the structure located at Osawatomie, Block 20, Lot 8, LT 8, BLK 20 Section 11 Township 18 Range 22, in the City of Osawatomie, Miami County, Kansas; commonly known and referred to as 727 Lincoln Avenue,

Osawatomie, KS, is unsafe or dangerous and directing that the structure be removed and the premises made safe and secure as presented. Yeas: All.

RESOLUTION 1061 – CONDEMNATION OF 100 EAST PACIFIC AVENUE – **Motion** made by LaDuex, seconded by Dickinson to approve Resolution 1061 – Finding that the structure located at Youmans Addn. Osawatomie, Block 8, Lot 14, Lt 14 Blk 8 Youmans Addn section 11 Township 18 Range 22, in the city of Osawatomie, Miami County, Kansas; commonly known and referred to as 100 East Pacific Avenue, Osawatomie, Kansas, is unsafe or dangerous and directing that the structure be removed and the premises made safe and secure as presented. Yeas: All.

RESOLUTION 1062 – CONDEMNATION OF 1013 CHESTNUT AVENUE – **Motion** made by Bratton, seconded by Macek to approve Resolution 1062 – Finding that the structure located at Caffery & Sheldons Add. Osawatomie Block 8, Lot 6 & 7, LTS 6 & 7 Blk 8 Caffery Sheldon Addn section 10 Township 18 Range 22, in the City of Osawatomie, Miami County, Kansas; commonly know and referred to as 1013 Chestnut Avenue, Osawatomie, Kansas, is unsafe or dangerous and directing that the structure be removed and the premises made safe and secure as presented. Yeas: All.

RESOLUTION 1063 – CONDEMNATION OF 1103 CHESTNUT AVENUE – Michael Olsen assured the council that they will be able to obtain an occupancy permit within two months. **Motion** made by Wright, seconded by Macek to set aside consideration of Resolution 1063 until March 9, 2022, with the property owner given these conditions to be achieved by these dates – 1) an Irrevocable Letter of Credit to be given to the city by November 10, 2022 in the amount of \$10,000, 2) All Real Property taxes must be current by December 31, 2022 on the property located at 1103 Chestnut Avenue, 3) An Occupancy permit to be issued no later than March 1, 2023. Yeas: All.

NEW BUSINESS.

RESOLUTION 1057 – RESOLUTION TO ACCEPT MARC PSP GRANT– The City of Osawatomie was awarded an Implementation grant earlier this year and is eager to begin the next phase of the Oz Commons Downtown Revitalization proposal with more community engagement, deliberate planning, and implementation activities. **Motion** made by Dickinson, seconded by Macek approve Resolution 1057 – Directing staff to enter into an agreement with the Mid-America Regional Council for the administration of the planning sustainable places implementation grant for the Oz Commons downtown Osawatomie redevelopment projected as presented. Yeas: All.

RESOLUTION 1065 – CHANGE ORDER TO WWTP CONTRACT-EXTENSION ON TIME – On April 4, 2022, the city entered into an agreement with Crossland Heavy Contractors to perform certain improvements at the wastewater treatment facility. These improvements are to comply with a consent decree issued by the Kansas Dept. of Health and Environment. The funding agency approved construction contract requires issuance of a Notice to Proceed within 60 days of the bid letting. There are longer than normal lead times for equipment and this change order is a direct result of those long lead times. By adding an additional 98 days, this would move the original Substantial Completion date from October 8, 2022 to January 13, 2023 and the final

completion date from November 7, 2022 to February 13, 2023. Both dates are still within our compliance requirements of the consent decree. The consent decree must be complied with by February 28, 2023 and currently these dates are achievable. **Motion** made by LaDuex, seconded by Filipin to approve Resolution 1065 –Authorizing a change order request to grant schedule relief for the 2022 wastewater treatment plant project for the City of Osawatomie as presented. Yeas: All.

RESOLUTION 1066 – ACCEPTING CONTRACT OVERAGE AND FINAL PAYMENT FOR BROWN FROM 16TH TO 18TH – On September 8th, the council approved change order #1 in the amount of \$17,520 to deal with drainage issues at the intersection of 18th and Brown. As work progressed, certain portions of the subgrade required additional AB3 in order to get the base prepared for asphalt. Additionally, due to changes in grade in certain yards compared to the elevation of the sidewalk on the south side of Brown, some additional topsoil needed to be brought in to soften the grade from the sidewalk to the residential yards. This additional material cost \$11,281. There was sufficient underrun of materials that we also received credit for, and when you deduct the underruns from the original contract value and add back in the two change orders, the net impact on the final contract price is \$4,857.88 for a final contract value of \$735,254.23. The original contract value that was awarded was \$730,396.35. **Motion** made by Caldwell, seconded by Filipin to approve Resolution 1066 – Accepting the recommendation of BG Consultants for the award of the contract for Brown Avenue from 16th to 18th Street and authorizing the final payment to Killough Construction in the amount of \$463,695.23 as presented. Yeas: All.

EXECUTIVE SESSION – None.

COUNCIL REPORTS

Cathy Caldwell ~ Happy Anniversary to Mr. and Mrs. Scanlon. I don't know if any has noticed but the levy is looking beautiful. It is mowed everywhere. 10 Acres also has been mowed and they took some extra time and cleaned out some brush from a fence line.

Karen LaDuex ~ We had the 9th Annual Border War BBQ this past week end and it went smoothly. A lot of the credit goes to the Electric Department and the Public Works Department that helped with getting the park ready and providing the electricity and the amenities that was needed for the contest. I also want to thank Pride for going down and picking up trash right before the event. They also helped to pick up trash after the event. Our sponsors where wonderful this year.

Lawrence Dickinson ~ I drove down Main Street this afternoon and it looked nice. The Community Thanksgiving dinner is Sunday, November 20th.

Kenny Diehm ~ Tonight before the meeting, I walked around Memorial Hall and it looks really nice.

Kirk Wright ~ I have had a couple of people from out of town ask me about the bikes that Jeff and Sarah Dorsett have done. They thought that they were really neat.

MAYOR'S REPORT – This Saturday is shaping up as a big day in Osawatomie – I want to encourage as many of the City Councilmembers to attend that can. We will be welcoming people to our community, our Trails Taskforce will be receiving an award, Congresswoman Sharice Davids will be in town as well as the Secretary of the Kansas Department of Wildlife and Parks. Sam will get you out a full agenda and it's really shaping up to be a BIG DEAL. We will have a big breakfast and a small breakfast. We have over 80 Bike signed up for a Trail Ride to Ottawa that ends in with a BBQ.

As you see we were notified about a KDOT Cost Share Grant we received – and a little later Bret will talk about that.

I believe Mr. Scanlon passed on a list of items we're trying to finish out by the end of the year. The amount of work our staff is putting out is beyond impressive. So many thanks to Michele, Ed, Kari, Sam, Tammy, Bret, Terry, Trevor and our Attorney Jeff Deane – we don't get to where we are without them. Mr. Scanlon what do you have to share.

CITY MANAGER & STAFF REPORTS.

Scanlon - There are three grants that we want to get out the door in the next 45-60 days. A CDBG-Business Heal Grant that we will hold a hearing on November 10th, CDBG-Blight Heal and a Kansas Department of Wildlife and Parks Grant for a Mountain Bike Trail on the east side of the State Hospital.

Glendenning – On the November 10th agenda there is a couple of resolutions and one ordinance. One identifies the 2024 streets. A lot of those center around the middle school because those streets are really bad.

Cost Share Grant – We applied for this grant this last spring and we were not successful. We applied again in the fall after talking with the KDOT administrator. We were awarded the \$1.5 million maximum.

Each department head will do a 15–30-minute presentation at staff meeting on organizational development. Kari Bradley - selected her subject because she attended the LKM conference and there was a breakout on generational differences in the workplace. She found a Ted talk where a woman was questioning putting each generation in a box to classify their work ethic and way of thinking. Other countries do not categorize people in the same way. No one can agree where the generational line divide is. I think that we should be careful labeling based on age or generation and focus more on work performance.

OTHER DISCUSSION/MOTIONS.

Motion made by Dickinson seconded by LaDuex to adjourn. Yeas: All. The mayor declared the meeting adjourned at 7:57 p.m.

/s/ Tammy Seamands
Tammy Seamands, City Clerk

Osawatomie, Kansas. **November 3, 2022.** The Special Council Meeting was held at City Hall located at 439 Main Street. Mayor Nick Hampson called the meeting to order at 5:00 p.m. Council members present were: Wright, Macek, Diehm, Dickinson, LaDuex, Bratton, Caldwell and Filipin. City Staff present at the meeting were: City Manager Mike Scanlon, Deputy City Manager Bret Glendening, City Clerk Tammy Seamands and Business Liaison Kari Bradley.

EXECUTIVE SESSION – Motion made by Dickinson, seconded by Wright to recess into closed, executive session for the purpose of discussing of company recruitment pursuant to the financial affairs or trade secrets of corporations, partnerships, trusts and individual proprietorships exception in K.S.A. 75-4319 (b)(4). The closed meeting will last 30 minutes and will resume here in City Hal Conference Room at 5:30 p.m. Also attending will be City Manager Mike Scanlon, Deputy City Manager Bret Glendening, City Clerk Tammy Seamands and Business Liaison Kari Bradley. Yeas: All.

The council meeting resumed to open session at 5:30 p.m. with no action taken.

OTHER DISCUSSION/MOTIONS.

Motion made by Dickinson, seconded by Macek to adjourn. Yeas: All. Mayor declared the meeting adjourned at 5:30 p.m.

/s/ Tammy Seamands
Tammy Seamands, City Clerk

Western Consultants

PO Box 187
Lawrence, KS 66044
816.805.9183

Date: 10/1/22 – 10/31/22

Bill To: City of Osawatometie
439 Main St
Osawatometie, KS 66064

**For: Wastewater Treatment Plant Improvements
CDBG 21-PF-027**

DESCRIPTION	AMOUNT
Correspondence with contractor regarding payrolls issues – restitution owed, labor classifications, Section 3 guidance and form assistance, working weeks, etc.	
Review of sub contractor payrolls – correspondence regarding apprenticeship and payroll authorization form needed	
Sent payrolls to KDOC for review and approval	
File Updates	
Bookkeeping updates	
Section 3 worker certification forms requested – awaiting approval	
23 hrs @ \$125.50 per hour	\$2,886.50
Balance carried from 9/30/22 Invoice	\$2,635.50
TOTAL	\$5,522.00

***Please make check payable to Western Consultants**

**Osawatomie**

KANSAS

439 Main Street | P.O. Box 37

Osawatomie, KS 66064

(913) 755-2146

SPECIAL EVENT PERMIT APPLICATION

Office Use Only

Date Record

Submitted _____

Tourism Approved _____

Council Approved _____

1. NAME OF APPLICANT AND/OR ORGANIZATION

City of Osawatomie / Osawatomie Chamber

2. EVENT CONTACT INFORMATION INCLUDING PHONE NO., ADDRESS, AND EMAIL

(913) 755-4114

Kari Bradley kbradley@osawatomieks.org

3. TYPE OF SPECIAL EVENT APPLICANT IS APPLYING FOR (DESCRIBE YOUR EVENT)

Annual Christmas Festival - Miracle on Main Street

4. ROAD CLOSURES ☒ YES ☐ NO

LOCATION AND TIMING OF BARRICADES

RR Tracks → City Auditorium 4pm - 5pm
500 Block of Main → Auditorium 5pm - 6pm**5. LOCATION OR ADDRESS OF SPECIAL EVENT**

Downtown Osawatomie

6. DATE(S) AND TIME(S) FOR PERMIT, INCLUDING SET UP AND TEAR DOWNGingerbread Race 4pm - 5pm
Tree Lighting 5pm - 6pmSaturday,
December 3, 2022**7. ENTRY TO EVENT: FEE** YES ☐ NO ☒PUBLIC ☒ OR PRIVATE ☐**8. TRAFFIC OR POLICE ASSISTANCE REQUESTED?**YES ☒ NO ☐

IF YES, TIMEFRAME AND NUMBER OF OFFICERS REQUESTED

9. # OF EXPECTED

ATTENDEES:

200

10. WILL ALCOHOL OR CMB FOR PERSONAL CONSUMPTION BE ALLOWED AT THE EVENT? YES ☐ NO ☒WILL CMB BE SOLD AT THE EVENT? YES ☐ NO ☒WILL THERE BE AN ENTRY FEE TO THE AREA WHERE CMB IS PROVIDED BY A THIRD PARTY? YES ☐ NO ☒

IF YES TO ANY OF THE ABOVE, APPLICANT DATE OF BIRTH IS REQUIRED _____

11. APPLICANT AGREES TO ABIDE BY ANY RULES OF CONDUCT AND OPERATIONS POLICIES FOR THE DURATION OF THEIR EVENT, OR RISKS PENALTY AND FORFEITURE OF ANY DEPOSITS☒ YES ☐ NO**12. IS THERE LIABILITY INSURANCE COVERAGE FOR THE EVENT** ☒ YES ☐ NO

IF YES, NAME OF INSURANCE COMPANY, AGENT _____

AMOUNT OF COVERAGE: _____

STATEMENT OF APPLICANT

I HAVE REVIEWED THIS APPLICATION COMPLETELY AND EVERYTHING CONTAINED HEREIN IS TRUE AND CORRECT. I AGREE TO HOLD THE CITY OF OSAWATOMIE HARMLESS FROM AND AGAINST ANY LOSS, COST OR DAMAGE OF ANY NATURE ARISING OUT OF ANY ACTION OR CLAIM AGAINST THE CITY OF OSAWATOMIE OR ITS EMPLOYEES, IN CONNECTION WITH THE EVENT. I ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF ALL ORDINANCES AND ATTACHMENTS AND I FULLY UNDERSTAND THAT I WILL BE HELD RESPONSIBLE FOR ANY VIOLATIONS OF STATE LAWS, CITY OF OSAWATOMIE ORDINANCES, AND ANY RESTRICTIONS OR REQUIREMENTS ASSOCIATED WITH THIS PERMIT AT THE LOCATION AND TIME SPECIFIED ON THIS PERMIT.

SIGNATURE Kari Bradley DATE 11/7/2022

PERMIT APPLICATION: APPROVED _____ DENIED _____

DECISION BY: _____ DATE OF DECISION: _____

COMMENTS: _____



ACTION ITEM SUMMARY	Item Number:	10.A.
	Date:	November 1, 2022
Deputy City Manager	From:	Bret Glendening

RE: Resolution 1070 – Award auditing services RFP for 2022-2024

RECOMMENDATION: The council take action on the proposed resolution

DETAILS: On September 8, 2022 the council directed staff to issue an RFP for Auditing Services. They RFP was placed on the website as well as sent to several auditing firms in the KC Metro Area. We received two proposals. One from our current auditor and one from another firm, whose principal was at the city's former auditing firm, Lowenthal, Singleton Webb and Wilson.

The bids are as follows:

- 1.) Jarred, Gilmore and Phillips P.A.
 - a. 2022 - \$9,650; 2023 - \$9,650; 2024 - \$9,650; Cost for single audit if applicable - \$2,100/yr.
 - b. Total Cost for 2022-2024 - \$28,950 (single audit not included)

- 2.) Gordon CPA LLC
 - a. 2022- \$13,395; b. 2023 - \$13,930; c. 2024 - \$14,485; Cost for single audit if applicable - \$3,500/yr.
 - b. Total Cost for 2022-2024 - \$41,810 (single audit not included)

Related Statute / City Ordinances	N/A
Line Item Code/Description	N/A
Available Budget:	N/A

RESOLUTION NO. 1070

**A RESOLUTION AWARDING AN RFP FOR AUDITING SERVICES
FOR THE CITY OF OSAWATOMIE, KANSAS TO JARRED,
GILMORE AND PHILLIPS P.A.**

WHEREAS, the City of Osawatomie, Kansas, required on an annual basis to undergo an independent financial audit; and

WHEREAS, the City of Osawatomie recently issued an RFP's for auditing services in and received two competent bids for the service.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Osawatomie, Kansas, accepts the recommendation of city staff and awards the RFP for auditing services to Jarred, Gilmore and Phillips P.A. in the amount of \$9,650/yr. for the years 2022, 2023 and 2024 and in the event the city spends enough federal funds to need a single audit, an additional amount of \$2,100.

PASSED AND ADOPTED by the Governing Body of the City of Osawatomie, Kansas this 10th day of November, 2022, a majority being in favor thereof.

APPROVED AND SIGNED by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk



ACTION ITEM SUMMARY	Item Number:	
Resolution 1071	Date:	November 10, 2022
Director of Community Development	From:	Ed Beaudry

RE: Accepting bids for City Hall repair and coating.

RECOMMENDATION: Osawatomie City Council accept the bid from Hensley Coating.

DETAILS: City staff requested sealed bids from roofing companies for the repair and recoating of the City Hall and Auditorium roofs.

City staff received two bids from the request, the bids were from:

1. Hensley Coating \$95,373.70
2. Cordray Roofing \$93,800.00

No other bids were submitted.

COUNCIL ACTION NEEDED: Discuss and Consider and provide city staff with direction.

STAFF RECOMMENDATION: Accept the bid from Hensley Coating.

RESOLUTION NO. 1071

BY THE CITY OF OSAWATOMIE, KANSAS

A RESOLUTION OF THE CITY COUNCIL OF OSAWATOMIE, KANSAS, ACCEPTING THE BID FROM HENSLEY COATING FOR THE REMOVAL AND REPAIR OF THE ROOF AT CITY HALL AND THE CITY AUDITORIUM.

WHEREAS, city staff requested sealed bids for the removal and repair of the roof; and

WHEREAS, city staff received two bids, a bid from Cordray Roofing \$93,800.00 and a bid from Hensley Coating \$95,373.70; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS:

SECTION ONE: The City Council directs staff to prepare a contract with Hensley Coating for the removal and repair of the roof at City Hall and the Auditorium.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas, this 10th day of November, 2022, a majority voting in favor of.

APPROVED and signed by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk

HENSLEY COATING inc.

Conklin Master Contractor

SPECIALIZING IN COMMERCIAL AND INDUSTRIAL ROOFING.

31899 Somerset Road

Paola, KS 66071

913-294-2550 ph 913-594-0434 cell



PROPOSAL SUBMITTED TO City of Osawatomie KS		PHONE FAX	DATE 11-01-2022
STREET 509 5th Street		JOB NAME City Hall/Auditorium Reroof	
CITY, STATE, ZIP Osawatomie, KS 66064		JOB LOCATION Osawatomie, KS 66064	
CONTRACTOR: Dan Hensley	ROOF SYSTEM: Foam recoat system		

We hereby submit specifications and estimates for.

Foam Roof Recoat and repairs. (City Hall)

1. Pressure wash and prepare remainder of the foam roof.
2. Apply primer to the roof surface.
3. Remove and replace with new foam the delaminated areas.
4. Add additional foam to aid in drainage on the roof.
5. Apply Benchmark base coat to the foam.
6. Complete all flashing details.
7. Apply Benchmark white topcoat for final application.
8. Issue 10-material warranty. (Based on cold weather coatings)
9. Issue 5-year labor warranty.

Estimated start dates the week of November 14, 2022. Completion time is approximately 2 ½ - 4 weeks based on current time of year and lower temperatures.

We Propose hereby to furnish material and labor complete in accordance with above specifications, for the sum of:
Nineteen Thousand Five Hundred Twenty-Six Dollars and 50/100(\$ 19,526.50)

Payment to be made as follows: Payment terms to be determine at contract agreement. ½ due 10 days prior to target start date of the roof work, \$
 . The balance at the completion of the job \$_____. If the balance is not paid within 10 days, 1.5% interest will be added monthly until paid, and all
 collection cost will be added to the amount. Checks should be made payable to HENSLEY COATING INCORPORATED -

All material is guaranteed to be as specified. All work to be completed according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Not responsible for water damage before or during project. All agreements are contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance.

Authorized
Signature

Dan Hensley - President
 Dan Hensley

NOTE: This proposal may be
 withdrawn by us if not accepted with 30 days.

Acceptance of Proposal. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to complete the work as specified. Payment will be made as outlined above.

Signature _____

Signature _____

Date of Acceptance: _____

HENSLEY COATING inc.

Conklin Master Contractor

SPECIALIZING IN COMMERCIAL AND INDUSTRIAL ROOFING.

31899 Somerset Road

Paola, KS 66071

913-294-2550 ph 913-594-0434 cell



PROPOSAL SUBMITTED TO City of Osawatomie KS		PHONE FAX	DATE 11-01-2022
STREET 509 5th Street		JOB NAME City Hall/Auditorium Reroof	
CITY, STATE, ZIP Osawatomie, KS 66064		JOB LOCATION Osawatomie, KS 66064	
CONTRACTOR: Dan Hensley	ROOF SYSTEM: Foam recoat system		

We hereby submit specifications and estimates for.

Foam Roof Recoat and repairs. (Auditorium)

1. Remove damaged foam at the east and west valleys
2. Inspect decking and roof drains.
3. Install new foam to the deck and add valley crickets to drain to internal drains.
4. Pressure wash and prepare remainder of the foam roof.
5. Apply primer to the roof surface.
6. Remove and replace with new foam the delaminated areas.
7. Apply Benchmark base coat to the foam.
8. Complete all flashing details.
9. Apply Benchmark white topcoat for final application.
10. Issue 10-material warranty. (Based on cold weather coatings)
11. Issue 5-year labor warranty.

Estimated start dates the week of November 14, 2022. Completion time is approximately 2 ½ - 4 weeks based on current time of year and lower temperatures.

We Propose hereby to furnish material and labor complete in accordance with above specifications, for the sum of:
Seventy-Five Thousand Eight Hundred Forty-Seven Dollars and 20/100(\$ 75,847.20)

Payment to be made as follows: Payment terms to be determine at contract agreement. ½ due 10 days prior to target start date of the roof work, \$
. The balance at the completion of the job \$_____. If the balance is not paid within 10 days, 1.5% interest will be added monthly until paid, and all
collection cost will be added to the amount. Checks should be made payable to HENSLEY COATING INCORPORATED. -

All material is guaranteed to be as specified. All work to be completed according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. Not responsible for water damage before or during project. All agreements are contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance.

Authorized
Signature

Dan Hensley - President
Dan Hensley

NOTE: This proposal may be
withdrawn by us if not accepted with 30 days.

Acceptance of Proposal. The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to complete the work as specified. Payment will be made as outlined above.

Signature _____

Signature _____

Date of Acceptance: _____

Cordray Roofing LLC

105 S Sycamore St
Gardner, KS 66030
+1 9138567663



ADDRESS
City Of Osawatomie
820 Lincoln Ave. Osawatomie Ks

ESTIMATE 9673
DATE 09/13/2022

SALES REP
Ryan Beckman

ACTIVITY	QUANTITY	RATE	AMOUNT
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Anticipated start date 12/1/2022
Anticipated finish date 12/31/2022

Roof	1	93,800.00	93,800.00
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Auditorium Roof:

- Remove damaged foam on the East and West valleys of the Auditorium roof,
- Inspect decking and roof drains,
- Install new foam to the deck and add valley crickets to the drain to the internal drain
- Pressure wash and prepare foam roof,
- Apply primer to the roof surface,
- Remove and replace with new foam in the delaminated areas,
- Apply base coat to the foam,
- Complete all flashing details,
- Apply White topcoat for final application

City Hall Roof:

- Pressure wash and prepare remainder of foam roof,
- Apply primer to roof surface,
- Remove and replace with new foam in the delaminated areas,
- Add additional foam to aid in the drainage on the roof,
- Apply Basecoat to the foam,
- Complete all flashing details,
- Apply white topcoat for final application.

The Auditorium is approximately 100 feet x 140 feet, City Hall is approximately 40 feet x 115 feet.

Roof warranty	1	0.00	0.00
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Manufacture warranty on materials - 10 year workmanship warranty

Class A licensed contractor # 2022-8853
KS Registration # 13-118257

TOTAL

\$93,800.00

Accepted By

Accepted Date

Ryan Beckman Project Manager
[Signature] Project Manager
10/24/2022
913-731-7814
rbeckman@kcroofing.com

RESOLUTION NO 1059

A RESOLUTION FINDING THAT THE STRUCTURE LOCATED AT ROHRER HEIGHTS BLK 1 OSAWATOMIE, LTS 1-3 BLK 1 ROHRER HTS SECTION 10 TOWNSHIP 18 RANGE 22, IN THE CITY OF OSAWATOMIE, MIAMI COUNTY, KANSAS; COMMONLY KNOWN AND REFERRED TO AS **127 ROHRER HEIGHTS**, OSAWATOMIE, KANSAS, IS UNSAFE OR DANGEROUS AND DIRECTING THAT THE STRUCTURE BE REMOVED AND THE PREMISES MADE SAFE AND SECURE.

WHEREAS, the Enforcing Officer of the City of Osawatomie, Kansas, did on the 25th day of August, 2022, file with the Governing Body of said City a statement in writing that a certain structure, hereinafter described was abandoned or unsafe and dangerous; and

WHEREAS, the Governing Body did by Resolution No.1042, dated the 25th day of August, 2022 fix the time and place of a hearing at which the owner, his or her agent, and lienholders, any occupants and all other parties in interest of such structure would appear and show cause why such structure should not be condemned and ordered repaired or demolished and provided for giving notice thereof as provided by law; and,

WHEREAS, Resolution No. 1042 was published in the official City newspaper on the 31st day of August, 2022, and a copy of said resolution was served upon all persons entitled thereto as provided by law; and,

WHEREAS, on the 13th day of October, 2022, the Governing Body did conduct the hearing scheduled in Resolution No.1042 and took evidence from the following: The Enforcing Officer on behalf of the City (Ed Beaudry). The following party did appear to present evidence: Jennifer McMahon on behalf of Charles Johnson, the owner.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS, THAT:

1. The Governing Body hereby finds that the structure located at ROHRER HEIGHTS BLK 1 OSAWATOMIE, LTS 1-3 BLK 1 ROHRER HTS SECTION 10 TOWNSHIP 18 RANGE 22, in the City of Osawatomie, Miami County, Kansas, commonly known and referred to as **127 Rohrer Heights**, Osawatomie, Kansas, is unsafe and dangerous based on the following findings:

- a. The structure is dilapidated and in need of immediate repair.
- b. Unsafe Structure
- c. Missing and or damaged Shingles

- d. Rotten or damaged fascia, and/or soffit.
- e. Damaged or missing gutter drain.
- f. Damaged and or rotten door sash
- g. Rotten window sash
- h. Unknown interior damage.
- i. Unmaintained weeds, trees
- j. Accessory Structure damage
- k. Damaged and/or Missing, Dangerous fence
- l. Damaged or faulty brick on front porch
- m. Possible rodent infestation

2. The owner of such structure is hereby directed to commence the removal of the property within 14 days from the date of publication of this resolution (not later than the 24th day of November, 2022), and to have the removal completed within 30 days of the commencement. Provided, that upon due application by the owner and for good cause shown, the Governing Body, in its sole discretion, may grant the owner additional time to complete the removal of the property.

3. If the owner fails to commence the repair of the structure within the time stated herein, or any additional time granted by the Governing Body, or fails to diligently prosecute the same until the work is completed, the Governing Body will cause the structure to be razed and removed and the costs of razing and removing, less salvage if any, shall be collected in the manner provided by K.S.A. 12-1755, and amendments thereto or shall be assessed as a special assessment against the lot or parcel of land upon which the structure is located or by both, all as provided by law.

BE IT FURTHER RESOLVED, that the City Clerk shall cause this Resolution to be published once in the official city paper and a copy mailed to the owners, agents, lienholders, occupants and other parties of interest.

PASSED AND ADOPTED by the Governing Body of the City of Osawatomie, Kansas this 27th day of October, 2022, a majority being in favor thereof.

APPROVED AND SIGNED by the Mayor.

Nick Hampson
Mayor

(SEAL)

ATTEST:

Tammy Seamands
City Clerk

RESOLUTION NO 1063

A RESOLUTION FINDING THAT THE STRUCTURE LOCATED AT CAFFERY & SHELDONS ADD. OSAW. , BLOCK 7 , Lot 13 - 16 , LTS 13 THRU 16 BLK 7 CAFFREY SHELDON SECTION 10 TOWNSHIP 18 RANGE 22, IN THE CITY OF OSAWATOMIE, MIAMI COUNTY, KANSAS; COMMONLY KNOWN AND REFERRED TO AS **1103 CHESTNUT AVENUE**, OSAWATOMIE, KANSAS, IS UNSAFE OR DANGEROUS AND DIRECTING THAT THE STRUCTURE BE REMOVED AND THE PREMISES MADE SAFE AND SECURE.

WHEREAS, the Enforcing Officer of the City of Osawatomie, Kansas, did on the 25th day of August, 2022, file with the Governing Body of said City a statement in writing that a certain structure, hereinafter described was abandoned or unsafe and dangerous; and

WHEREAS, the Governing Body did by Resolution No.1042, dated the 25th day of August, 2022 fix the time and place of a hearing at which the owner, his or her agent, and lienholders, any occupants and all other parties in interest of such structure would appear and show cause why such structure should not be condemned and ordered repaired or demolished and provided for giving notice thereof as provided by law; and,

WHEREAS, Resolution No. 1042 was published in the official City newspaper on the 31st day of August, 2022, and a copy of said resolution was served upon all persons entitled thereto as provided by law; and,

WHEREAS, on the 13th day of October, 2022, the Governing Body did conduct the hearing scheduled in Resolution No.1042 and took evidence from the following: The Enforcing Officer on behalf of the city (Ed Beaudry). The following party did appear to present evidence: Michael Olsen, the owner.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS, THAT:

1. The Governing Body hereby finds that the structure located at, CAFFERY&SHELDONS ADD. OSAW. , BLOCK 7 , Lot 13&14 , LTS 13 THRU 16 BLK 7 CAFFREY SHELDON ADDN SECTION 10 TOWNSHIP 18 RANGE 22, in the City of Osawatomie, Miami County, Kansas, commonly known and referred to as **1103 CHESTNUT AVENUE** , Osawatomie, Kansas, is unsafe and dangerous based on the following findings:

- a. Siding maintenance issues,
- b. Exterior siding issues,
- c. Window maintenance,

- d. Door(s) Maintenance,
- e. Fascia, soffit defects and overhangs,
- f. Roof defects,
- g. No utilities since 07/21/2018

2. The owner of such structure is hereby directed to commence the removal of the property within 14 days from the date of publication of this resolution (not later than the 24th day of November, 2022), and to have the removal completed within 30 days of the commencement. Provided, that upon due application by the owner and for good cause shown, the Governing Body, in its sole discretion, may grant the owner additional time to complete the removal of the property.

3. If the owner fails to commence the repair of the structure within the time stated herein, or any additional time granted by the Governing Body, or fails to diligently prosecute the same until the work is completed, the Governing Body will cause the structure to be razed and removed and the costs of razing and removing, less salvage if any, shall be collected in the manner provided by K.S.A. 12-1755, and amendments thereto or shall be assessed as a special assessment against the lot or parcel of land upon which the structure is located or by both, all as provided by law.

BE IT FURTHER RESOLVED, that the City Clerk shall cause this Resolution to be published once in the official city paper and a copy mailed to the owners, agents, lienholders, occupants and other parties of interest.

PASSED AND ADOPTED by the Governing Body of the City of Osawatomie, Kansas this 27th day of October, 2022, a majority being in favor thereof.

APPROVED AND SIGNED by the Mayor.

Nick Hampson
Mayor

(SEAL)

ATTEST:

Tammy Seamands
City Clerk



ACTION ITEM SUMMARY	Item Number:	10.A.
	Date:	October 26, 2022
Deputy City Manager	From:	Bret Glendening

RE: Resolution 1048 - Land Swap with Mark & Tammy Goddard

RECOMMENDATION: The council take action on the proposed resolution

DETAILS: In the early part of September, Mark Goddard approached me about the city's willingness to trade 3 city properties (attached) hereto with him in exchange for full ownership of the gravel road (i.e. city owned right of way) that is currently only built as a result of easements that the city has obtained over the course of the years, beginning in 1974.

Mark is interested in using the properties to harvest hay off of them. They will be fenced off and in the late summer he would utilize them to allow cattle to graze (no more than 20 cow/calf pairs, but on average 12-15 pair). Ultimately, the number is going to be dependent on weather conditions.

Additionally, the upper left parcel is just under 4 acres (3.81), the parcel adjacent to it is just under 8 acres (7.94), and the southern most parcel is slightly over 8 acres (8.33). Nothing can be built on these parcels. The highest and best use for them would be for an agricultural purpose and currently the city is mowing these three parcels approximately once a month when we mow the levee.

Finally, the property is zoned Agricultural and the proposed use is permissible under the city's zoning regulations and is not otherwise prohibited in the Osawatomie City Code.

Related Statute / City Ordinances	N/A
Line Item Code/Description	N/A
Available Budget:	N/A

RESOLUTION NO. 1048

**A RESOLUTION APPROVING THE EXCHANGE OF LAND BETWEEN THE
CITY OF OSAWATOMIE AND MARK & TAMMY GODDARD**

WHEREAS, on or about December of 1974 the city acquired an easement to access and maintain a powerline along the western edge of the Goddard Property; and

WHEREAS, on or about June of 1987 the city obtained an extension of this easement to use additional land to site and maintain a lift station for the city's wastewater treatment system; and

WHEREAS, In September of 2022, the owner of the adjacent property, Mark Goddard approached the city and offered to convert the easement into full right of way access and in exchange for full right of way access, he requested the city deed to him three tracts of unplatted land that resides in the floodplain and/or land that was acquired as a part of the construction of the city's levee system.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS:

SECTION ONE: The Governing Body of the City of Osawatomie, Kansas hereby directs city staff to take the necessary steps to affect the exchange of property with Mr. and Mrs. Goddard to convert the easement into city-owned right of way and ensure that all title work is completed and filed with the Miami County Register of Deeds.

SECTION TWO: The Governing Body also directs city staff to ensure that the city has clear and unabated access to continue its maintenance responsibilities for the levee system as well as annual inspections with the US Army Corps of Engineers and in the event of a flood emergency.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas this 10th day of November 2022, a majority being in favor thereof.

APPROVED AND SIGNED by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk

CITY OWNED PROPERTY TO MARK GODDARD



EASEMENT CONVERTED TO RIGHT OF WAY FROM MARK GODDARD



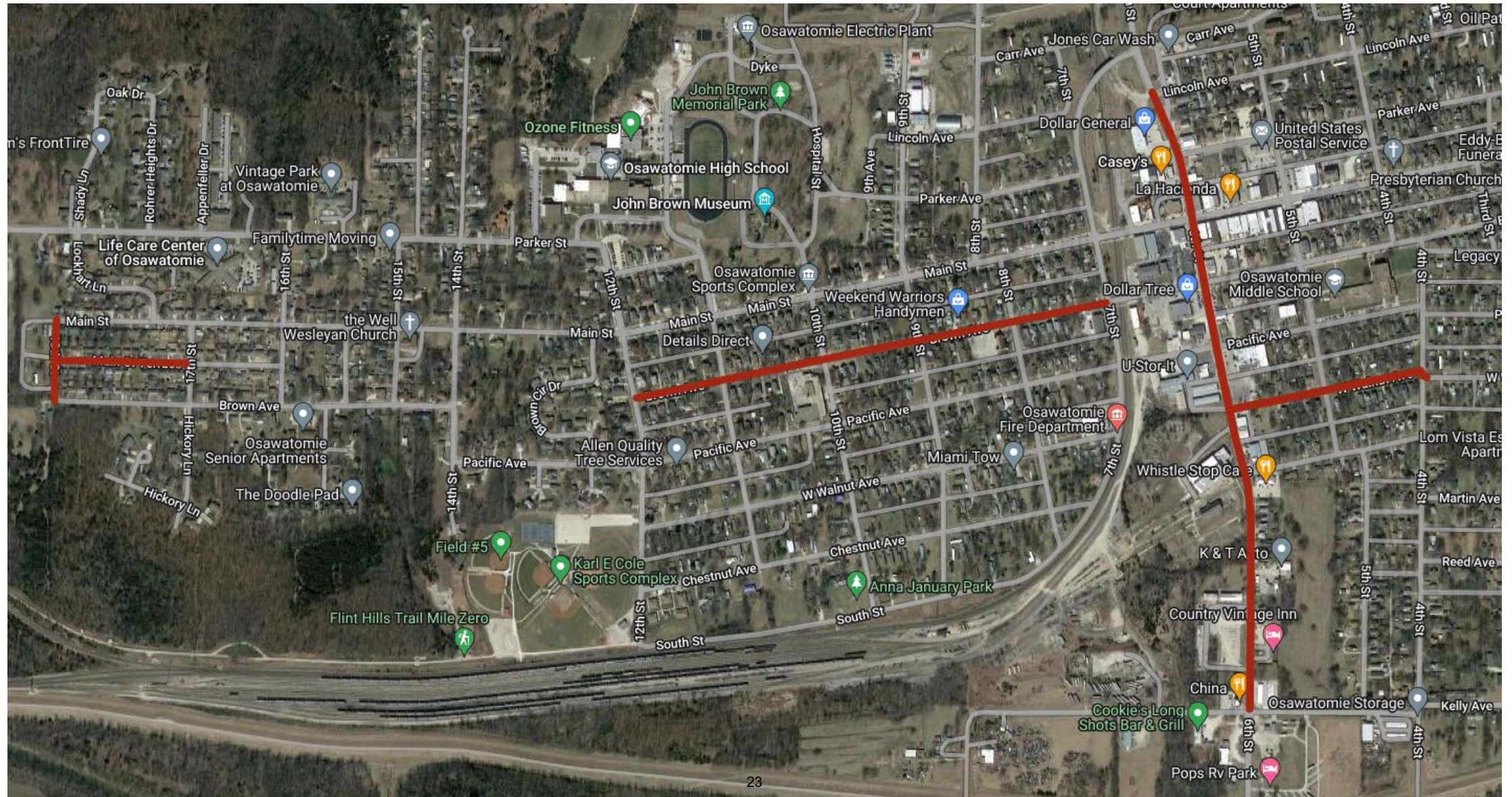
This will satisfy the Goddard's and any issue related to annexation/de-annexation. We move on.



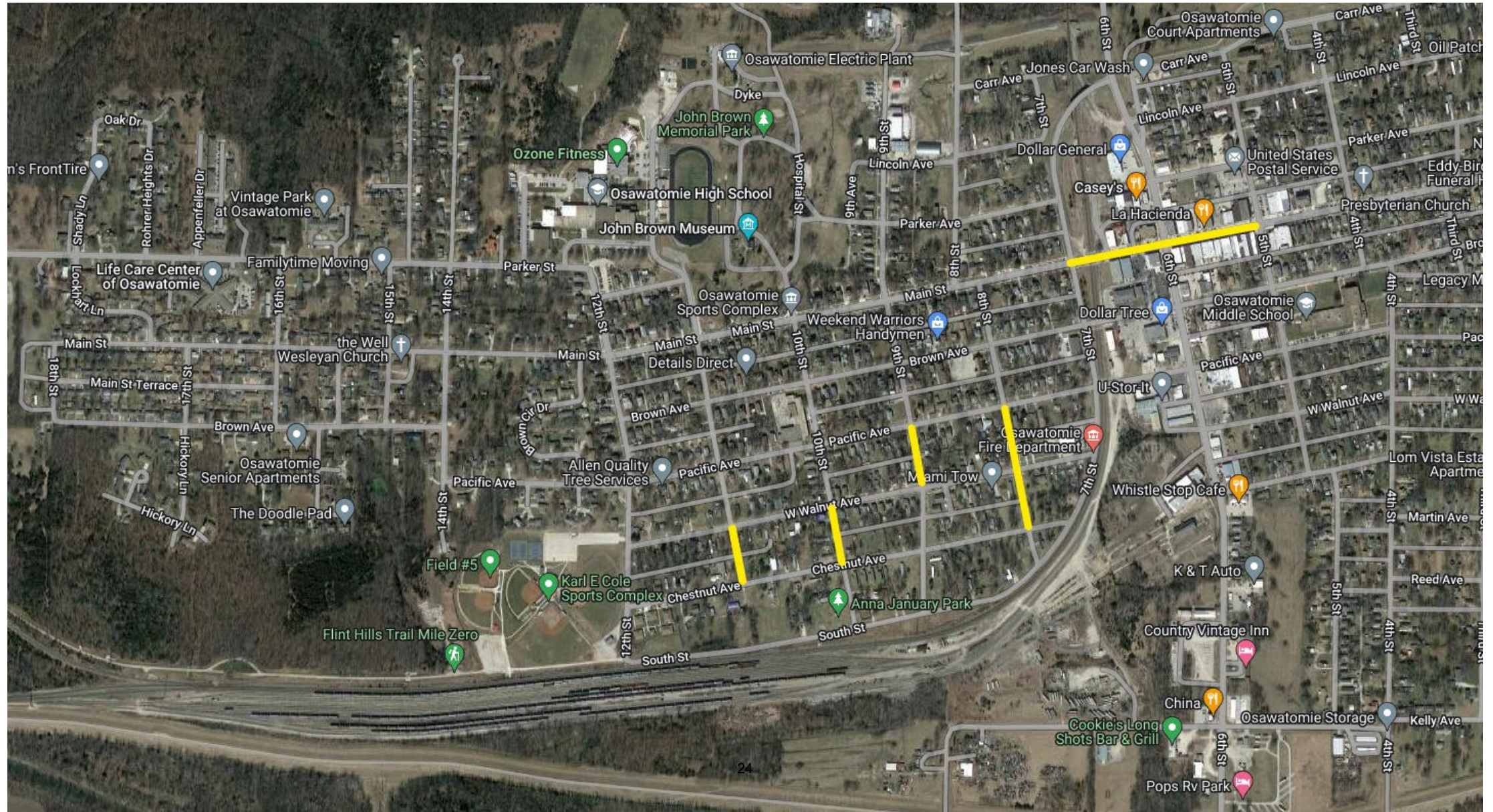
Street Rehab Mill and Overlay

2023 - 2026

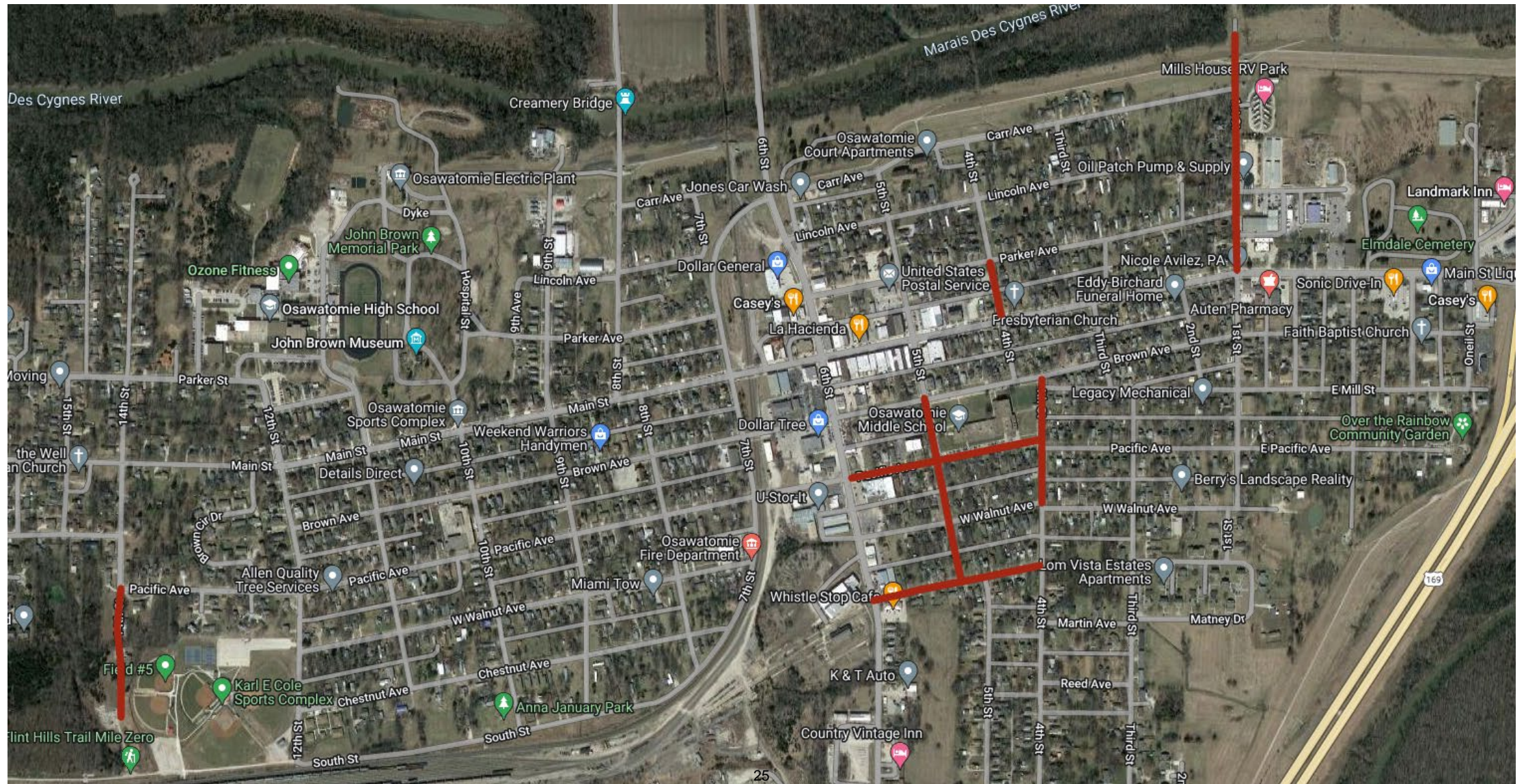
2023 Full Depth Rehab



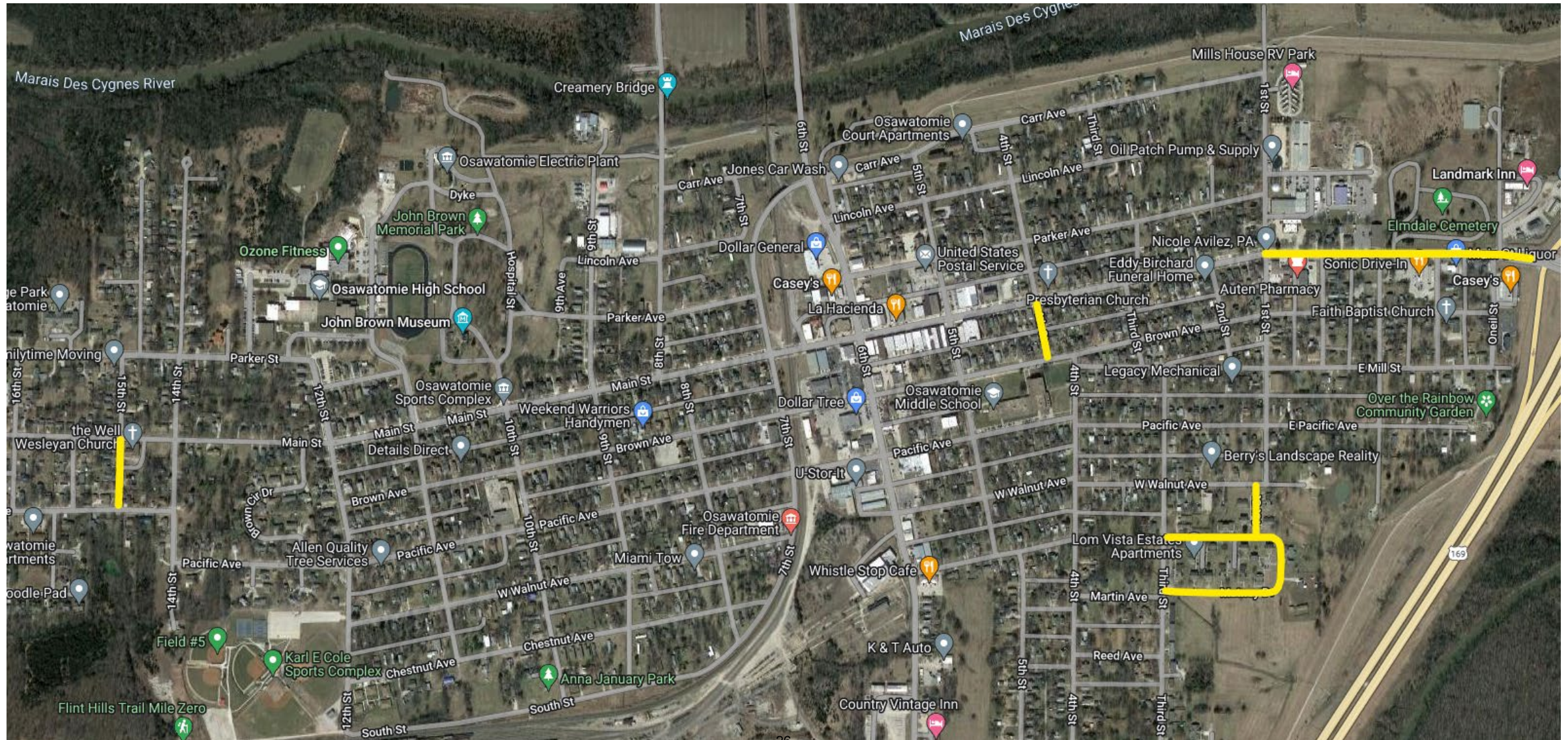
2023 Mill and Overlay



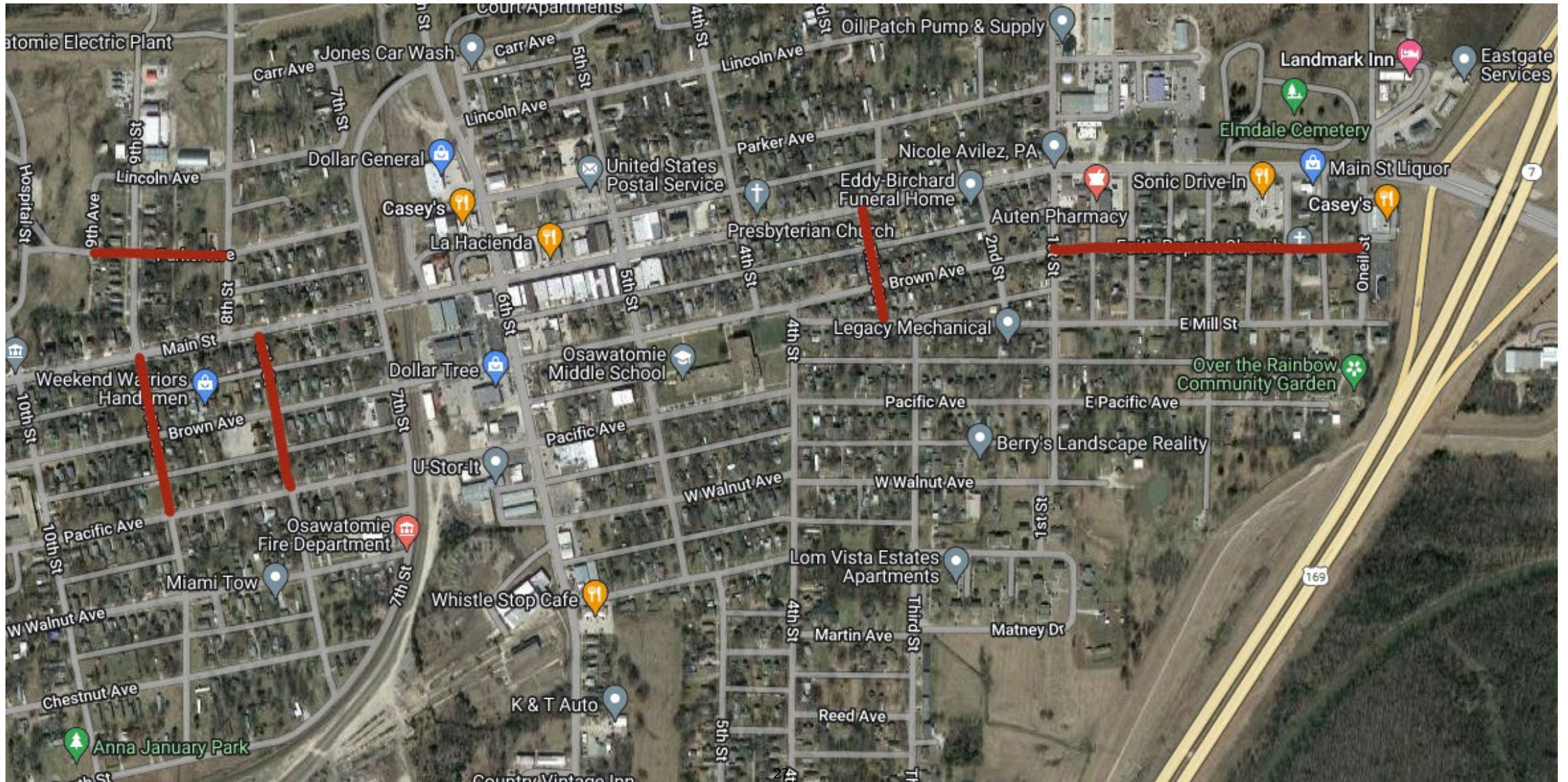
2024 Full Depth Rehab



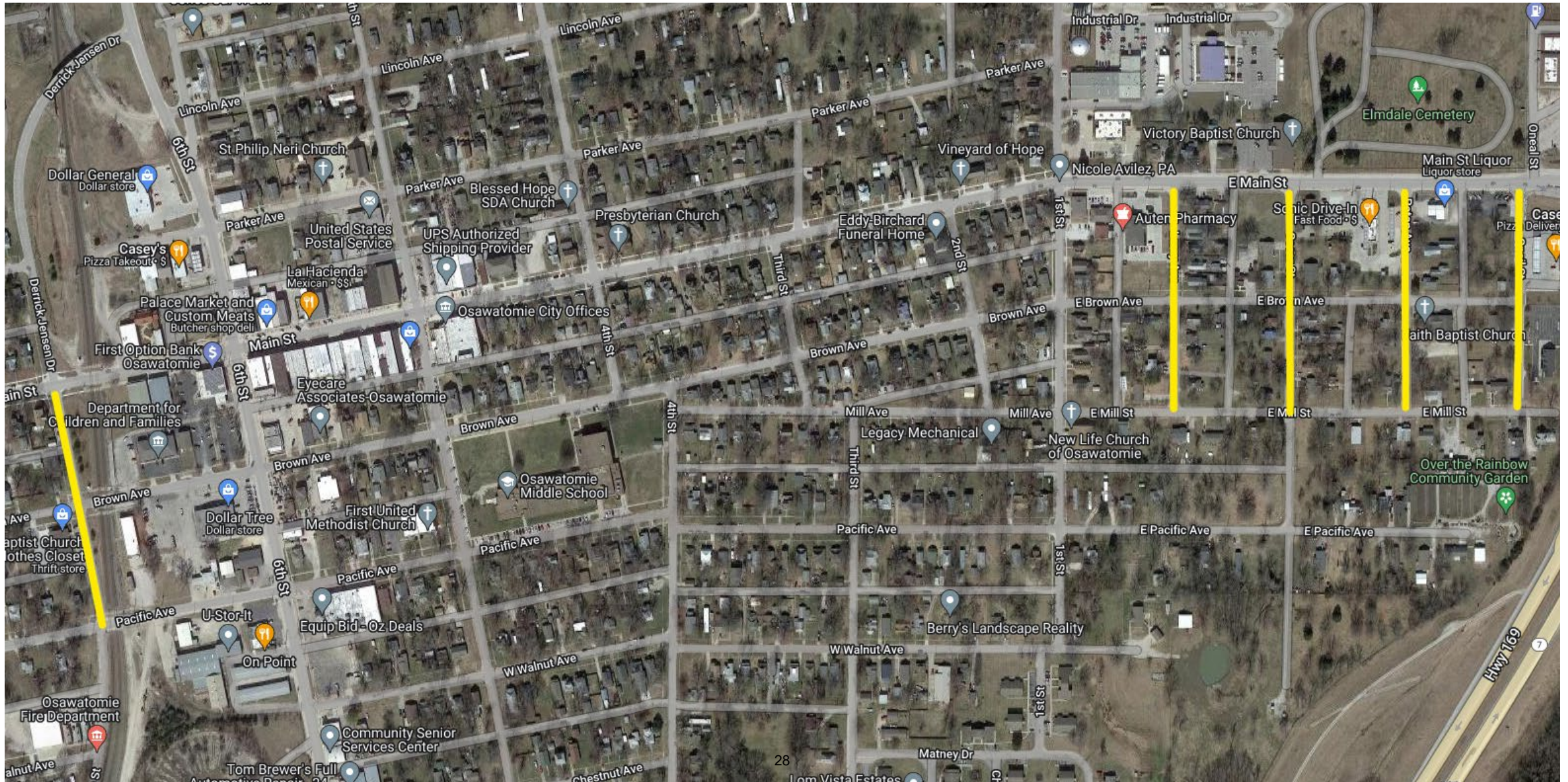
2024 Mill and Overlay



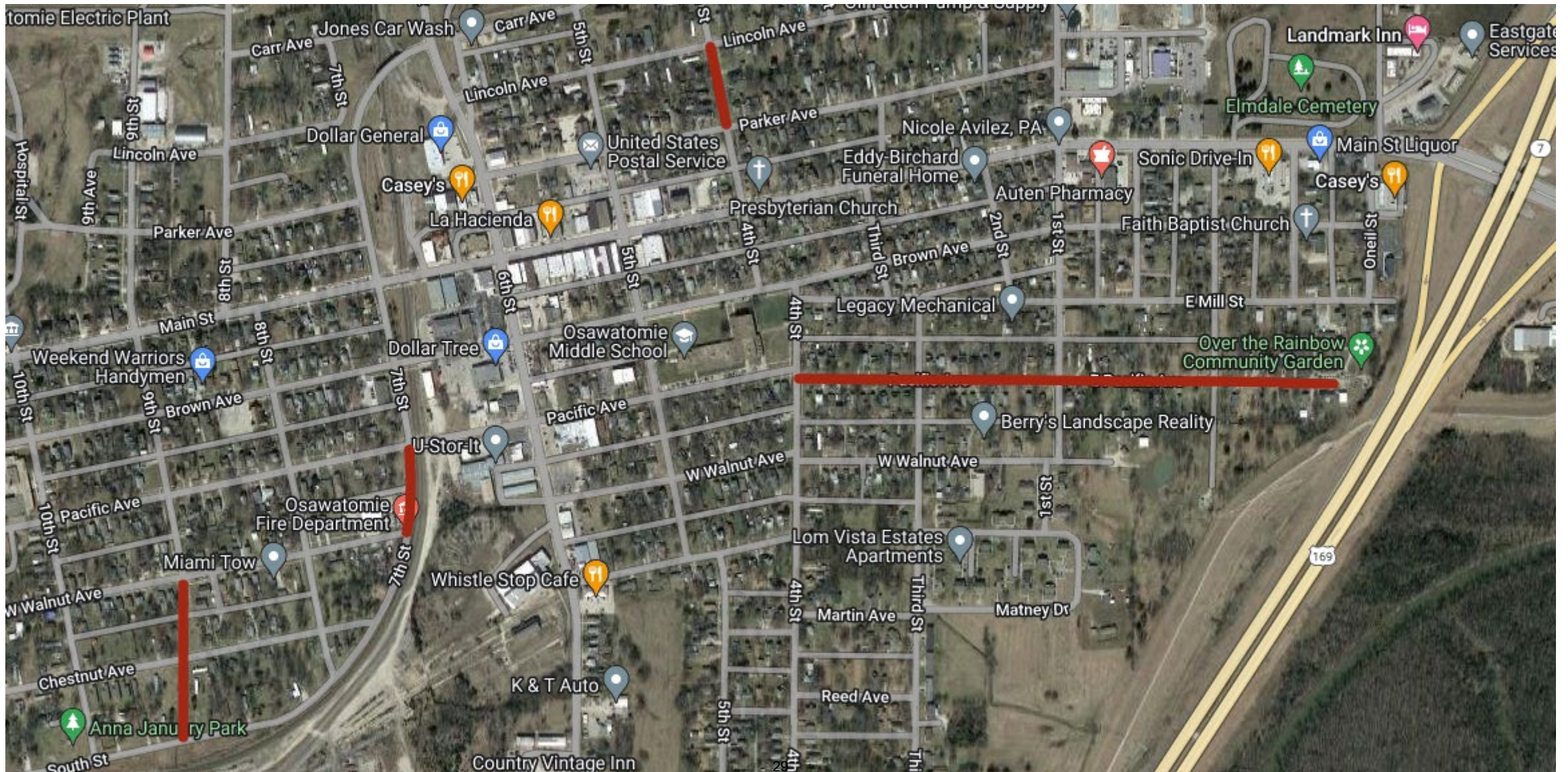
2025 Full Depth Rehab



2025 Mill and Overlay



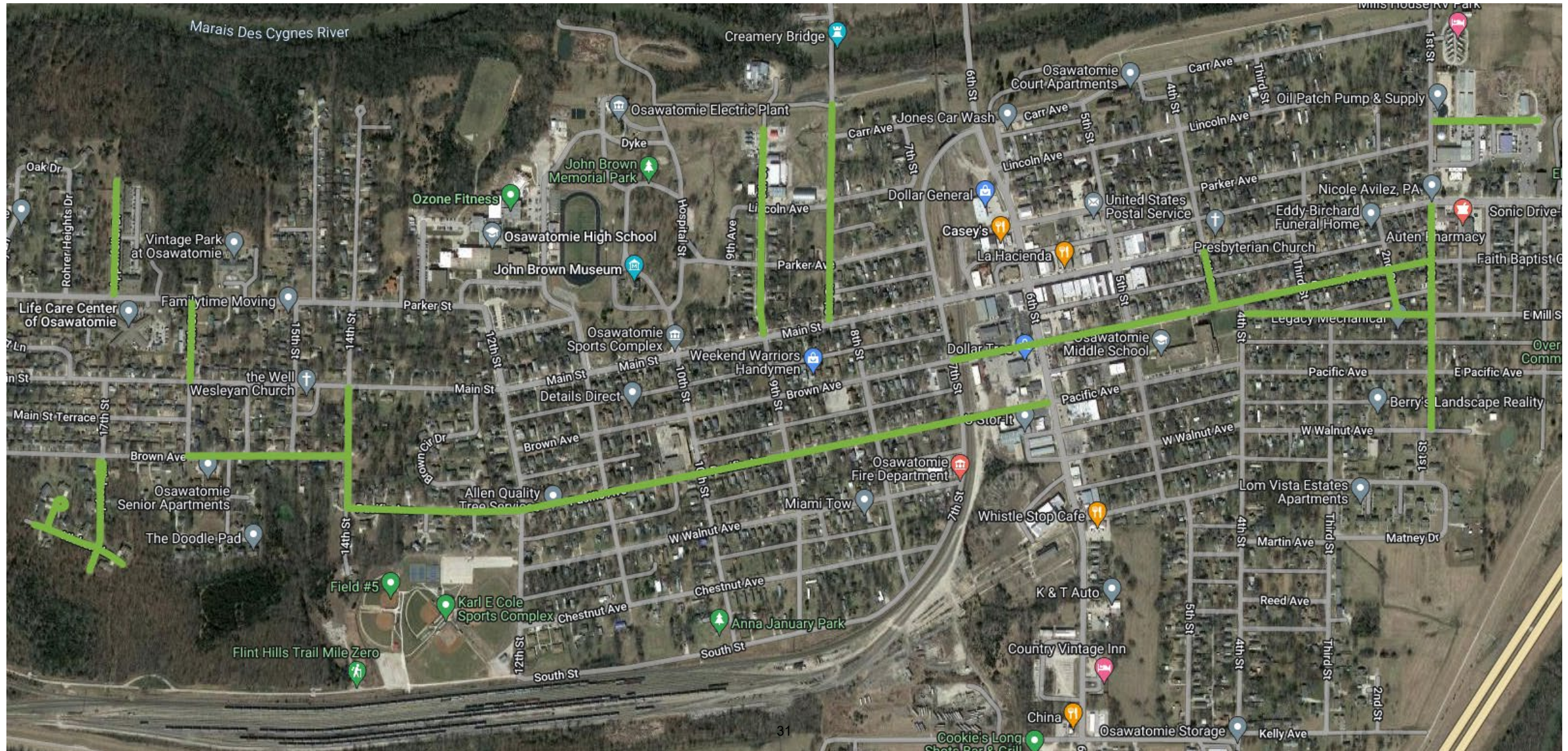
2026 Full Depth Rehab



2026 Mill and Overlay



Sealcoat





ACTION ITEM SUMMARY	Item Number:	10.A.
	Date:	October 19, 2022
Deputy City Manager	From:	Bret Glendening

RE: Setting List of Streets to be designed and constructed for 2024 and 2025.

RECOMMENDATION: That the city council establish the listed streets as priorities for 2024 and 2025.

DETAILS: In last month's Operations Report, I previewed what streets staff is recommending for replacement in 2024 and 2025. Those streets are as follows:

2024 Full Replacement

4th Street – Parker to Brown

1st - Main to North Levee

5th - Alley to Chestnut

Pacific – 4th to 6th

Chestnut- 4th to 6th

4th Street – Brown to Walnut

**Yellow highlight indicates Main Trafficway Ord. needs amended*

2025 Full Replacement

8th – Main to Pacific

9th Main to Pacific

3rd – Main to Mill St.

Brown – O'Neal to 1st

Parker – 8th to John Brown Park

Staff is confident that these streets should be next on the list based on their assessment and use. All of the listed streets ranked either a 4 or 5 on the street assessment with the exception of 3rd - Main to Mill St and Brown - O'Neal to 1st. The only street ranked a 5 that is not covered in this list is 7th - Pacific to Walnut which was moved to 2026. The streets on the 2024 and 2025 list will also allow us to finish replacing the streets around the middle school, which we all agree are in dire need of replacement.

Related Statute / City Ordinances	N/A
Line Item Code/Description	N/A
Available Budget:	TBD – Engineers' Estimate / Next Bond Issue

RESOLUTION NO. 1067

**A RESOLUTION OF THE CITY OF OSAWATOMIE, KANSAS DIRECTING
CITY STAFF TO FOLLOW THE STREET PRIORITY PLAN PRESENTED FOR
THE 2024 and 2025 CALENDAR YEARS**

**BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE,
KANSAS AS FOLLOWS:**

WHEREAS, the City of Osawatomie, Kansas has identified maintaining and rebuilding streets has one of five important goals for the community; and

WHEREAS, City staff has identified street priorities for future years; and

WHEREAS, it is the intention of the Governing Body to accept staff's recommendation and to set certain streets for replacement in the 2024 and 2025 calendar years.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY
OF OSAWATOMIE, KANSAS:**

SECTION ONE: The Governing Body of the City of Osawatomie, Kansas directs the City Staff to work with BG Consultants to develop budgets for design and construction for the following streets in 2024 and 2025:

2024: 4th Street – Parker to Brown
2024: 1st Street – Main to North Levee
2024: 5th Street – Alley to Chestnut
2024: Chestnut – 4th to 6th
2024: 4th Street – Brown to Walnut
2025: 8th Street – Main to Pacific
2025: 9th Street – Main to Pacific
2025: 3rd Street – Main to Mill St.
2025: Brown Ave. – O'Neal to 1st
2025: Parker Ave. – 8th to John Brown Park

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas, this 10th day of November, 2022, a majority voting in favor of.

APPROVED and signed by the Mayor.

L. Mark Govea, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk



ACTION ITEM SUMMARY	Item Number:	10.B.
	Date:	October 18, 2022
Deputy City Manager	From:	Bret Glendening

RE: Ordinance 3817 - Modifying Art. 1, Section 1-801 of the Osawatomie City Code – Main Trafficways

RECOMMENDATION: That the city council approve Ordinance 3817.

DETAILS: Around this time last year, the council considered Charter Ordinance 20 which exempted the City of Osawatomie from certain state statutes pertaining to debt issuance and established a CIP program by which bonds could then be issued to finance the purchase of certain pieces of equipment (radios), refinance an outstanding debt obligation (work at the WWTP) and reconstruct certain streets as defined in Resolution 931 (the 2022 and 2023 street project). The debt issued under Charter Ord. #20 was not subject to our statutory debt limitation of 30% of assessed valuation. Components of that charter expire at the end of 2022. Part of the reason for financing the streets in this manner was the limited amount of “ceiling” we had left in our debt limit. Now that valuations have increased and we have also made bond payments on debt that is subject to that limit, we have freed up enough room we believe to issue bonds as the city has typically done in the past – i.e. designating certain streets as either “main trafficways” or “main trafficway connectors”.

Ordinance 3817 makes modifications to Article 1, Section 1-801 of the Osawatomie City Code by expanding the code to incorporate certain streets slated for replacement in 2024 and 2025.

Related Statute / City Ordinances	N/A
Line-Item Code/Description	N/A
Available Budget:	N/A

ORDINANCE NO. 3817

AN ORDINANCE DESIGNATING CERTAIN ADDITIONAL STREETS AS MAIN TRAFFICWAYS AND EXTENDING PORTIONS OF EXISTING MAIN TRAFFICWAYS WITHIN THE CITY OF OSAWATOMIE, KANSAS, UNDER THE AUTHORITY OF K.S.A. 12-685 ET SEQ.; AMENDING ARTICLE 1-801. MAIN TRAFFICWAY DESIGNATIONS FOR BOND FINANCING PURPOSES OF THE MUNICIPAL CODE OF THE CITY OF OSAWATOMIE OF KANSAS.

WHEREAS, the Governing Body of the City of Osawatomie, Kansas, (the "City") is empowered pursuant to K.S.A. 12-685 et seq. (the "Act") to designate as main trafficways and trafficway connections certain existing or proposed streets, boulevards or avenues, or parts thereof, the primary function of which is, or shall be, the movement of through traffic between areas of concentrated activity within the City or between such areas within the City and traffic facilities outside the City performing the function of main trafficways and to provide adequate connections with and between such main trafficways; and

WHEREAS, in the judgment of the Governing Body of the City, such streets, as hereinafter designated, qualify for designation as main trafficway and traffic way connections within the City; and

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS:

SECTION ONE: CODE AMENDED. Chapter 1, Article 8, Section 801, of the Code of the City of Osawatomie is hereby amended to read as follows:

- 1-801. **MAIN TRAFFICWAYS.** In order to facilitate the movement of through traffic between areas of concentrated activity within the city, the following public streets are hereby designated and established as Main Trafficways and Trafficway Connections:
- (a) Main Street, 1st Street to 18th Street;
 - (b) Main Street, Terrace from 18th to 16th.
 - (c) Brown Avenue, O'Neal Street to 12th Street;
 - (d) Brown Avenue, 14th Street to 18th Street;
 - (e) **Chestnut Avenue, 4th Street to 12th Street;**
 - (f) Pacific Avenue, 1st Street to 14th Street;
 - (g) Parker Avenue, 11th Street to west city limits;
 - (h) Walnut Avenue, 1st Street to 12th Street;
 - (i) 1st Street, Carr Avenue to Walnut Avenue;
 - (j) **3rd Street, Carr Avenue to Kelly Avenue;**
 - (k) 4th Street, Carr Avenue to Kelly Avenue;

- (l) 5th Street, Carr Avenue to Kelly Avenue;
- (m) 6th Street, north city limits to south city limits;
- (n) 8th Street, Carr Avenue to Chestnut Avenue;
- (o) 9th Street, South Street to northern levee;
- (p) 10th Street, Main Street to Walnut Avenue;
- (q) 11th Street, Osawatomie Power Plant to Pacific Avenue;
- (r) 12th Street, Parker Avenue to Walnut;
- (s) 14th Street, Main Street to Pacific Avenue;
- (t) 18th Street, Main Street to Brown Avenue;
- (u) Intersection of 14th and Parker Avenue;
- (v) Oscar Street, E. Mill Street to E. Pacific Avenue; and
- (w) Industrial Drive;
- (x) Parker Avenue 1st to 6th John Brown Park.

(Ord. 3148; Ord. 3158; Code 1977; Ord 3301; Ord. 3313; Ord. 3434; Ord. 3487; Ord. 3518; Ord. 3596; Ord. 3653; Code 2008; Code 2010, 14-209; Ord.3719; Code 2018; Ord. 3801)

SECTION TWO: EFFECTIVE DATE. This ordinance shall take effect and be in force from and after its passage and publication in the official City newspaper.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Miami County, Kansas, a majority being in favor thereof, this 10th day of November, 2022.

APPROVED and signed by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk



ACTION ITEM SUMMARY	Item Number:	10.D.
Accepting Sewer Rate Study from KMEA	Date:	October 27, 2022
Deputy City Manager	From:	Bret Glendening

RE: Resolution 1068 – Accepting the Sewer Rate Study from KMEA.

RECOMMENDATION: Approve Resolution 1068

DETAILS: The last time the city conducted a full rate study of each of its utilities was in 2008. This needs to be performed every 4-5 years to ensure that the rates being charged cover operating expenses, debt service, as well as put a reasonable amount funds in reserve for capital improvements. It is also advisable that each utility have sufficient funds on hand to cover six months of operating expenses in the event of an emergency.

All this being said, the Sewer Fund is in dire need of a rate increase. A copy of the study has been provided as part of the council packet, but to summarize, the debt obligations of the utility are almost 50% of its annual expenditures. There is one final segment of sewer main that needs to be cleaned, videoed, and then rehabilitated. Rehabilitation of the collection system started in the mid 1990's and the last rehab was completed around the fall of 2006/spring of 2007. KMEA recommended 6 options to structure the rate increase. They are:

1. 100% on the customer charge (19% increase);
2. 100% on the volumetric charge (19% increase);
3. 50% on the customer and 50% on the volumetric charge (19% increase);
4. 100% on the customer charge (spread over 3 years: Yr. 1-8%, Yr. 2-7%, Yr. 3-7%);
5. 100% on the volumetric charge (spread over 3 years: Yr. 1-8%, Yr. 2-7%, Yr. 3-7%);
6. 50% to the customer charge and volumetric charge (spread over 3 years: Yr. 1-8%, Yr. 2-7%, Yr. 3-7%);

Staff recommends option 3. That rate increase looks like this:

SEWER SERVICE CHARGES							
15-126	3744	Inside City Limits					
		Fixed Charges					
			Monthly user charge	\$5.00	1-May-21	\$6.00	<u>\$9.92</u>
			Monthly net capital charge	\$23.25	1-May-21	\$24.25	<u>No Change</u>
			Minimum monthly charge (user charge + net capital charge)	\$28.25 per housing unit	1-May-21	\$30.25 per housing unit	<u>\$34.17</u>
		Volume Charges					
			Volume charge per 100 gallons of metered water	\$0.29 per 100 gallons	1-May-21	\$0.32 per 100 gallons	<u>0.43 per 100 gal.</u>
		Residential Charge	Volume charge based on metered water used during two month winter average (Dec-Jan). No charge for water meters dedicated to lawns or other non-sewer users. Staff may delay 1-2 months for weather event.		12-May-16	Based on two month winter average	<u>No Change</u>
			If winter history average is not yet established.			Bill based on 4,000 gallon usage	<u>No Change</u>
		Non-Residential Charge	Based on actual water usage. No charge for water meters dedicated to lawns or other non-sewer users.		"	Based on Actual Usage	<u>No Change</u>
		Outside City limits			14-Dec-06	50% over rates listed above	<u>No Change</u>
		Service to the State Hospital					
			Monthly user charge	\$5.00	1-May-21	\$6.00	<u>\$1,527.00</u>
			Monthly net capital charge	\$9,545.93	1-May-21	\$12,544.93	<u>No Change</u>
			Minimum monthly charge (user charge + net capital charge)	\$9,550.93	1-May-21	\$12,550.93	<u>\$14,072.00</u>
			Volume charge per 100 gallons of metered water	\$0.29 per 100 gallons	1-May-21	\$0.32 per 100 gallons	<u>\$0.46 per 100 gal.</u>

A \$30 sewer charge will become \$35.70; \$40 would be: \$47.60; and \$50 would be: \$59.50.

RESOLUTION NO. 1068

**A RESOLUTION ACCEPTING THE SEWER RATE STUDY AS
PRESENTED BY THE KANSAS MUNICIPAL ENERGY AGENCY (KMEA)
AND DIRECTING CITY STAFF TO UPDATE CITY FEE TABLE
ACCORDINGLY**

WHEREAS, the City of Osawatomie, Kansas, owns and operates a wastewater treatment and collections utility; and

WHEREAS, it is a best management practice to have an outside agency perform rate studies periodically to ensure that the utility is financially sound; and

WHEREAS, as a member of KMEA the City of Osawatomie can have rate studies performed at no cost.

NOW, THEREFORE, BE IT RESOLVED:

SECTION ONE. The Governing Body of the City of Osawatomie, Kansas, hereby accepts the rate study performed by KMEA and acknowledges the rate study's conclusion and recommendation that sewer rates need to be increased in order to keep pace with current expenses to operate the utility and retire any debt issued for improvements to the utility.

SECTION TWO. The Governing Body of the City of Osawatomie, Kansas directs city staff to update the city's sewer charges in the Fee Table adopted by Resolution 1019 on June 23rd, 2022 in accordance with Attachment A to this Resolution 1068.

SECTION THREE. The new sewer fees shall take effect on the 15th day of November, 2022 and will be in effect for the December billing cycle.

SECTION FOUR. All other fees as adopted by Resolution 1019 shall remain in effect.

PASSED AND ADOPTED by the Governing Body of the City of Osawatomie, Kansas this 10th day of November, 2022, a majority being in favor thereof.

APPROVED AND SIGNED by the Mayor.

(SEAL)

Nick Hampson, Mayor

Tammy Seamands, City Clerk

Attachment A

**OSAWATOMIE FEE SCHEDULE
Resolution No. 1068
Effective - December 15, 2022**

CODE REF.	ORD. #	DESCRIPTION	PREVIOUS FEE(S)	LAST CHANGED	CURRENT FEE	PROPOSED
SEWER SERVICE CHARGES						
15-126	3744	Inside City Limits Fixed Charges				
		Monthly user charge	\$5.00	1-May-21	\$6.00	<u>\$9.92</u>
		Monthly net capital charge	\$23.25	1-May-21	\$24.25	<u>No Change</u>
		Minimum monthly charge (user charge + net capital charge)	\$28.25 per housing unit	1-May-21	\$30.25 per housing unit	<u>\$34.17</u>
		Volume Charges				
		Volume charge per 100 gallons of metered water	\$0.29 per 100 gallons	1-May-21	\$0.32 per 100 gallons	<u>0.43 per 100 gal.</u>
		Residential Charge	Volume charge based on metered water used during two month winter average (Dec-Jan). No charge for water meters dedicated to lawns or other non-sewer users. Staff may delay 1-2 months for weather event. If winter history average is not yet established.	12-May-16	Based on two month winter average	<u>No Change</u>
		Non-Residential Charge	Based on actual water usage. No charge for water meters dedicated to lawns or other non-sewer users.	"	Based on Actual Usage	<u>No Change</u>
		Outside City limits		14-Dec-06	50% over rates listed above	<u>No Change</u>
		Service to the State Hospital				
		Monthly user charge	\$5.00	1-May-21	\$6.00	<u>\$1,527.00</u>
		Monthly net capital charge	\$9,545.93	1-May-21	\$12,544.93	<u>No Change</u>
		Minimum monthly charge (user charge + net capital charge)	\$9,550.93	1-May-21	\$12,550.93	<u>\$14,072.00</u>
		Volume charge per 100 gallons of metered water	\$0.29 per 100 gallons	1-May-21	\$0.32 per 100 gallons	<u>\$0.46 per 100 gal.</u>
		Extra Strength Sewage Surcharge	S=Vs x 0.00624 [\$.2364 (BOD-300) + \$.1734 (SS-350)]	18-Dec-14	S=Vs x 0.00624 [\$.2647 (BOD-300) + \$.1942 (SS-350)]	
		BOD	\$0.2364 per pound	"	\$0.2647 per pound	
		Suspended Solids	\$0.1734 per pound	"	\$0.1942 per pound	
15-403	Ord 3496	Service Connection		13-Dec-07		
		connection within existing districts	\$350.00	1-May-21	\$500.00	
		reconnection	\$50.00		\$50.00	
	Ord 3457	Amortization Assessment fee - outside the bounds of an assessed improvement district	\$1,000.00	14-May-98	\$1,000.00	
15-403		Private system inspection & permit fee - does not include regular plumbing permit fee		28-Jul-05	\$50.00	
		After Hours Repair		28-Apr-22	\$150/hr equipment charge + \$75/hour per employee (max 2 employees)	



OSAWATOMIE

WASTEWATER UTILITY RETAIL RATE STUDY

NOVEMBER 2022



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INTRODUCTION

The City of Osawatomie, Kansas (City), owns and operates its Wastewater Utility (Utility). The Wastewater Utility infrastructure assets include a wastewater treatment facility, pipes, manholes, and lift stations. These facilities serve approximately 1,571 customers inside and outside City limits. The City Staff requested Kansas Municipal Energy Agency (KMEA) to conduct a Wastewater Rate Study. KMEA is an electric joint action agency that provides a number of services to Members and electric retail rate studies is one of the services provided. The reason City Staff requested KMEA to conduct a Wastewater Rate Study is the similarity between the types of analyses used in an electric utility and wastewater utility rate study.

The report is organized in the following order. First, the process and analyses used in the evaluation of the City's Utility are described. Second, the results from the analyses are described. Third, the report concludes with some insights and paths forward.

PROCESS

Revenue Verification

The revenue calculation verifies the City's Utility retail rates collect the correct amount of revenue from customers. By applying the Utility's retail rates to each type of customer use of the system during a calendar year, in this case 2020, the result is the amount of revenue the City received. Once the total revenue calculation is complete, the results are compared against the City's internal bookkeeping and to what the City filed at the State of Kansas. A margin of error is to be expected due to timing issues, customers that are delinquent, and technical or human errors. If the error margin is greater than five percent, a more in-depth evaluation is done to locate the discrepancies. If the error margin is five percent or less, then the rate study process moves forward.

Budget Review

The next step in the process is a review of the Utility's budget, actual revenue, and expenses on an annual basis. The purpose of the budget review is to give the rate analyst an idea of what direction the revenue and expenses are headed. In this case, the first year reviewed was 2017 and the last year reviewed was 2021.

Forecast

The next step in the process is to develop an expense forecast for the year following the test year, so in this case the first year forecasted is 2023. The forecast was developed using several methods such as, 1) reviewing the differences between budgeted expenses and actual expenses, 2) using the 2022 budget, 3) using an average of the previous years, and 4) relying on City Staff expertise. By relying on all these methods, it is the goal of the rate analyst to produce a forecast that will have the smallest margin of error compared to actual future expenses. The forecast is then used to set the revenue requirement going forward.

Cost of Service Analysis

A cost-of-service (COS) analysis is a tool used to functionalize, classify, and allocate costs the Utility incurs to serve its customers. The purpose of a cost-of-service analysis is to make sure the customers causing the costs are paying the costs. COS analyses are subjective by nature and there are many open debates on how to classify the costs and allocate the costs. At the end of the day, COS of analyses become more of an art than a science and adoption is affected by the impact on each type of customer. In accordance with the amount of demand the customer class puts on the system during peak hours. The volumetric related costs will be allocated by the volumetric water consumption the customer class uses and customer related costs will be allocated by how many customers are in each class.

Rate Design

Ratemaking is a balancing act between a number of different principles. James Bonbright, an expert in ratemaking in the 20th century set forth eight principles to guide a rate analyst when designing rates. Shown below are a few to consider.

- Practical, simple, understandable, acceptable, and feasible to apply
- Uncontroversial as to interpretation
- Effective in meeting revenue requirements
- Stable from a revenue perspective
- Stable from a rate perspective
- Fairness among customer classes
- Avoidance of undue discrimination
- Efficient economically in discouraging wasteful use of services and promoting optimal offerings of services

Similar to the COS analysis, rate design is subjective and more of an art than anything else. The decision makers need to consider a number of principles when approving a rate design and the ones mentioned above are a great starting point.

RESULTS

Revenue Verification

The Utility has five different rate schedules, Residential – Inside City Limits, Residential – Outside City Limits, Non-Residential – Inside City Limits, Non-Residential – Outside City Limits, and the State Hospital. Using the billing reports and fee table provided by City Staff, the revenue from wastewater retail rates was calculated for 2020. The calculation discussed above when compared to the revenue filed in the 2020 Audit is 1.38% lower. As explained, a margin of difference between the calculation and what is filed is expected and if the margin is less than 5% no deeper review is needed regarding revenue.

Budget Review

The budget review considered expenses and revenues from 2017 through 2021. Overall, expenses increased on average 6% a year while revenue increased on average approximately 3% a year. Subsequently, the fund balance went from \$222K to \$124K. A fund balance of \$124K is approximately 41 days of cash on hand.

The expense accounts are divided into collections, debt service, and operating transfers to other funds. The collections accounts are further broken down into personal services, contractual services, commodities, capital outlay, and other expenses. The collections accounts make up about 35% of total expenses and from 2017 to 2021 fluctuated in a normal manner and on average increased 5% a year. The Utility's debt services averaged \$380K a year, which makes up approximately 40% of total expenses. The transfer out of the fund ranged from a low of \$165K, in 2017, to a high of \$213K in 2019 and made up approximately 20% of the Utility's expenses from 2017 to 2021. The operating statement from 2017 through 2021 is below in Table 1

Table 1

Summary of Historical Operating Statement					
Description	Actual				
	2017	2018	2019	2020	2021
Balance: January 1 (A)	\$157,253	\$226,860	\$215,173	\$134,599	\$198,766
OPERATING REVENUE					
Sewer Charges (B)	\$899,014	\$922,776	\$863,834	\$914,318	\$1,029,043
All Other Charges (C)	\$5,333	\$4,305	\$9,583	\$15,734	\$17,286
Operating Revenue (B + C)	\$904,347	\$927,081	\$873,418	\$930,052	\$1,046,328
TOTAL REVENUE (A + B + C) = D	\$1,061,600	\$1,153,942	\$1,088,590	\$1,064,651	\$1,245,095
OPERATING EXPENSES					
Collections	\$307,348	\$325,371	\$280,150	\$335,608	\$383,575
Debt Service	\$362,500	\$412,300	\$410,800	\$265,000	\$456,153
Capital Improvement Plan	\$-	\$20,022	\$50,000	\$75,000	\$75,000
TOTAL OPERATING EXPENSES	\$669,848	\$757,693	\$740,950	\$675,608	\$914,729
TRANSFERS	\$164,891	\$181,076	\$213,041	\$190,277	\$180,000
TOTAL EXPENSES PLUS TRANSFERS (E)	\$834,739	\$938,769	\$953,991	\$865,885	\$1,094,729
ANNUAL NET CASH BALANCE (B +C - E)	\$69,608	\$(11,688)	\$(80,573)	\$64,167	\$(48,400)
TOTAL BALANCE (D - E)	\$226,860	\$215,173	\$134,599	\$198,766	\$150,366

Forecast

The forecast looks out five years, starting in 2023 and ending in 2027. On the revenue side, the rates that went effective May of 2021 were used to calculate revenue starting in 2023. From 2024 to 2027 a growth rate of half a percent was applied each year. On the expenses side, inflation was taken into account, therefore for the forecast period, a five percent annual increase was factored into the collections account. The collections account forecast is \$100K greater than 2021 but \$180K less than what was budgeted for the collections account in 2022. The capital improvement plan (CIP) accounts increased when compared to 2021 and seem somewhat volatile through 2027. The main volatility occurs in 2026 and is due to the planned replacement of the west lift station. The budget numbers from 2022 were used for the debt service accounts from 2023 through 2027. As discussed above, the operating transfer to other accounts makes up over 20% of the expenses. Going forward operating transfers to other funds has been reduced down to 5% of revenue and then divided among the accounts equally.

The most significant expense is the debt service. Starting in 2022, the debt service consists of two loans and one bond issue. The debt service will remain at \$450K plus for at least 10 years. Approximately 10 years from 2022, \$104K will roll off the debt service obligation. The other debt service obligations are paid for in 2042 and 2061. Taking all these factors into account the Utility is forecasted to continue operating at a loss. As can be observed in Table 2 below, without an increase in rates, the Utility's fund balance will negative by the end of 2025. The following section provides a number of rate designs that will move the Utility's fund balance in the right direction.

Table 2

Osawatomie Forecasted Operating Statement					
Description	Actual				
	2023	2024	2025	2026	2027
Balance: January 1 (A)	\$191,951	\$155,129	\$65,189	\$(70,055)	\$(381,850)
OPERATING REVENUE					
Sewer Charges (B)	\$1,026,511	\$1,031,643	\$1,036,802	\$1,041,986	\$1,047,196
All Other Charges (C)	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Operating Revenue (B + C)	\$1,041,511	\$1,046,643	\$1,051,802	\$1,056,986	\$1,062,196
TOTAL REVENUE (A + B + C) = D	\$1,233,462	\$1,201,772	\$1,116,991	\$986,931	\$680,346
OPERATING EXPENSES					
Collections	\$485,000	\$509,250	\$534,713	\$561,448	\$589,521
Debt Service	\$467,333	\$467,333	\$467,333	\$467,333	\$467,333
Capital Improvement Plan	\$96,000	\$130,000	\$155,000	\$310,000	\$155,000
TOTAL OPERATING EXPENSES	\$1,048,333	\$1,106,583	\$1,157,046	\$1,338,781	\$1,211,854
TRANSFERS	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
TOTAL EXPENSES PLUS TRANSFERS (E)	\$1,078,333	\$1,136,583	\$1,187,046	\$1,368,781	\$1,241,854
NET CASH BALANCE (B + C - E)	\$(36,822)	\$(89,940)	\$(135,244)	\$(311,795)	\$(179,658)
TOTAL BALANCE (D - E)	\$155,129	\$65,189	\$(70,055)	\$(381,850)	\$(561,508)

Rate Design Options

As discussed above, rate design should consider certain principles. In the rate designs proposed below, the current rate structure will be maintained because the structure is simple, uncontroversial in interpretation, and applied to all customers in the same way. The main aspect to consider is that the current level of rates will not meet the Utility's revenue requirement, therefore, rates need to be increased. There will be a total of six different rate design options to review. The options are listed below and then will be followed by a rate design table detailing the new rates, operating statements considering the rate increases, , and a table showing the impact to customers' bills by type of customer.

Rate Design Options:

1. Rate Design One: The customer charge is increased to cover all of the revenue shortfall.
2. Rate Design Two: The volumetric charge is increased to cover all of the revenue shortfall.
3. Rate Design Three: The customer charge and volumetric charge are both increased to cover the shortfall and the allocation is a 50/50 split.
4. Rate Design One-A: The customer charge is increased to cover all of the revenue shortfall, but the increase is spread out over three years.
5. Rate Design Two-A: The volumetric charge is increased to cover all of the revenue shortfall, but the increase is spread out over three years.
6. Rate Design Three-A: The customer charge and volumetric charge are both increased to cover the revenue shortfall. The increase is allocated 50/50 between the two and spread out over three years.

Rate Design Tables

Table 3

RATE DESIGN ONE-THREE				
RESIDENTIAL	Current Rates	Rate Design One	Rate Design Two	Rate Design Three
Customer Charge	\$6.00	\$13.85	\$6.00	\$9.92
Net Capital Charge	\$24.25	\$24.25	\$24.25	\$24.25
Volume Charge (per 100 gallons)	\$0.32	\$0.32	\$0.54	\$0.43
NON-RESIDENTIAL				
Customer Charge	\$6.00	\$15.02	\$6.00	\$10.58
Net Capital Charge	\$24.25	\$24.25	\$24.25	\$24.25
Volume Charge (per 100 gallons)	\$0.32	\$0.32	\$0.48	\$0.40
STATE HOSPITAL				
Customer Charge	\$6.00	\$3,048	\$6.00	\$1,527
Net Capital Charge	\$12,545	\$12,545	\$12,545	\$12,545
Volume Charge (per 100 gallons)	\$0.32	\$0.32	\$0.59	\$0.46

Table 4

RATE DESIGN 1A				
RESIDENTIAL	Current Rates	2023	2024	2025
Customer Charge	\$6.00	\$9.20	\$12.40	\$15.60
Net Capital Charge	\$24.25	\$24.25	\$24.25	\$24.25
Volume Charge (per 100 gallons)	\$0.32	\$0.32	\$0.32	\$0.32
NON-RESIDENTIAL				
Customer Charge	\$6.00	\$10.08	\$13.91	\$17.99
Net Capital Charge	\$24.25	\$24.25	\$24.25	\$24.25
Volume Charge (per 100 gallons)	\$0.32	\$0.32	\$0.32	\$0.32
STATE HOSPITAL				
Customer Charge	\$6.00	\$1,270	\$2,534	\$3,798
Net Capital Charge	\$12,545	\$12,545	\$12,545	\$12,545
Volume Charge (per 100 gallons)	\$0.32	\$0.32	\$0.32	\$0.32

Table 5

RATE DESIGN 2A				
RESIDENTIAL	Current Rates	2023	2024	2025
Customer Charge	\$6.00	\$6.00	\$6.00	\$6.00
Net Capital Charge	\$24.25	\$24.25	\$24.25	\$24.25
Volume Charge (per 100 gallons)	\$0.32	\$0.41	\$0.50	\$0.59
NON-RESIDENTIAL				
Customer Charge	\$6.00	\$6.00	\$6.00	\$6.00
Net Capital Charge	\$24.25	\$24.25	\$24.25	\$24.25
Volume Charge (per 100 gallons)	\$0.32	\$0.39	\$0.46	\$0.53
STATE HOSPITAL				
Customer Charge	\$6.00	\$6.00	\$6.00	\$6.00
Net Capital Charge	\$12,545	\$12,545	\$12,545	\$12,545
Volume Charge (per 100 gallons)	\$0.32	\$0.43	\$0.55	\$0.66

Table 6

RATE DESIGN 3A				
RESIDENTIAL	Current Rates	2023	2024	2025
Customer Charge	\$6.00	\$7.60	\$9.20	\$10.80
Net Capital Charge	\$24.25	\$24.25	\$24.25	\$24.25
Volume Charge (per 100 gallons)	\$0.32	\$0.37	\$0.41	\$0.46
NON-RESIDENTIAL				
Customer Charge	\$6.00	\$8.04	\$10.08	\$12.13
Net Capital Charge	\$24.25	\$24.25	\$24.25	\$24.25
Volume Charge (per 100 gallons)	\$0.32	\$0.36	\$0.39	\$0.43
STATE HOSPITAL				
Customer Charge	\$6.00	\$638	\$1,270	\$1,902
Net Capital Charge	\$12,545	\$12,545	\$12,545	\$12,545
Volume Charge (per 100 gallons)	\$0.32	\$0.38	\$0.43	\$0.49

Table 7

Osawatomie Rate Design 1 - 3 Operating Statement					
Description	Actual				
	2023	2024	2025	2026	2027
Balance: January 1 (A)	\$191,951	\$316,277	\$388,293	\$415,813	\$267,596
OPERATING REVENUE					
Sewer Charges (B)	\$1,187,660	\$1,193,598	\$1,199,566	\$1,205,564	\$1,211,592
All Other Charges (C)	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Operating Revenue (B + C)	\$1,202,660	\$1,208,598	\$1,214,566	\$1,220,564	\$1,226,592
TOTAL REVENUE (A + B + C) = D	\$1,394,610	\$1,524,876	\$1,602,859	\$1,636,377	\$1,494,188
OPERATING EXPENSES					
Collections	\$485,000	\$509,250	\$534,713	\$561,448	\$589,521
Debt Service	\$467,333	\$467,333	\$467,333	\$467,333	\$467,333
Capital Improvement Plan	\$96,000	\$130,000	\$155,000	\$310,000	\$155,000
TOTAL OPERATING EXPENSES	\$1,048,333	\$1,106,583	\$1,157,046	\$1,338,781	\$1,211,854
TRANSFERS	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
TOTAL EXPENSES PLUS TRANSFERS (E)	\$1,078,333	\$1,136,583	\$1,187,046	\$1,368,781	\$1,241,854
ANNUAL NET CASH BALANCE (B + C - E)	\$124,327	\$72,015	\$27,521	\$(148,217)	\$(15,262)
TOTAL BALANCE (D - E)	\$316,277	\$388,293	\$415,813	\$267,596	\$252,334

Table 8

Osawatomie Rate Design 1A - 3A Operating Statement					
Description	Actual				
	2023	2024	2025	2026	2027
Balance: January 1 (A)	\$191,951	\$205,363	\$243,369	\$309,288	\$199,661
OPERATING REVENUE					
Sewer Charges (B)	\$1,076,745	\$1,159,589	\$1,237,964	\$1,244,154	\$1,250,375
All Other Charges (C)	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Operating Revenue (B + C)	\$1,091,745	\$1,174,589	\$1,252,964	\$1,259,154	\$1,265,375
TOTAL REVENUE (A + B + C) = D	\$1,283,696	\$1,379,952	\$1,496,334	\$1,568,442	\$1,465,036
OPERATING EXPENSES					
Collections	\$485,000	\$509,250	\$534,713	\$561,448	\$589,521
Debt Service	\$467,333	\$467,333	\$467,333	\$467,333	\$467,333
Capital Improvement Plan	\$96,000	\$130,000	\$155,000	\$310,000	\$155,000
TOTAL OPERATING EXPENSES	\$1,048,333	\$1,106,583	\$1,157,046	\$1,338,781	\$1,211,854
TRANSFERS	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
TOTAL EXPENSES PLUS TRANSFERS (E)	\$1,078,333	\$1,136,583	\$1,187,046	\$1,368,781	\$1,241,854
ANNUAL NET CASH BALANCE (B + C - E)	\$13,412	\$38,006	\$65,919	\$(109,627)	\$23,521
TOTAL BALANCE (D - E)	\$205,363	\$243,369	\$309,288	\$199,661	\$223,182

Table 9**Customer Bill Impact Tables**

RATE DESIGN 1-3 Bill Impacts				
RESIDENTIAL	Current Bill	Rate Design One	Rate Design Two	Rate Design Three
3500 Gallon Average Use				
Total Bill	\$41.45	\$49.30	\$49.23	\$49.26
Percentage Increase	NA	19%	19%	19%
NON-RESIDENTIAL				
3500 Gallon Average Use				
Total Bill	\$48.17	\$57.19	\$57.23	\$57.35
Percentage Increase	NA	19%	19%	19%
STATE HOSPITAL				
3500 Gallon Average Use				
Total Bill	\$16,071	\$19,113	\$19,086	\$19,099
Percentage Increase	NA	19%	19%	19%

Table 10

RATE DESIGN 1A - 3A Bill Impacts				
RESIDENTIAL	Current Bill	2023	2024	2025
3500 Gallon Average Use				
Total Bill	\$41.45	\$44.65	\$47.85	\$51.05
Percentage Increase	NA	8%	7%	7%
NON-RESIDENTIAL				
3500 Gallon Average Use				
Total Bill	\$48.17	\$52.25	\$56.08	\$60.16
Percentage Increase	NA	8%	7%	7%
STATE HOSPITAL	\$16,071			
3500 Gallon Average Use				
Total Bill	\$16,071	\$17,335	\$18,599	\$19,863
Percentage Increase	NA	8%	7%	7%

Rate Design Evaluation

Each rate design above has advantages and disadvantages. For example, Rate Design 2 and 2A incentivizes customers to use less since the consumption charge is higher which is good, but in turn causes revenue volatility for the Utility. Rate Design 1 and 1A, impacts low income and fixed income customers the most since only the customer charge was increased, but provides the most revenue stability to the Utility. A rate design usually relies on the principle of gradualism, which is slowly increasing rates over a certain number of years, resulting in less rate shock to customers. Rate Design 1, 2, and 3 do not apply gradualism while Rate Designs 1A, 2A, and 3A do apply gradualism, but result in overall higher rates at the end of three years. While Rate Designs 1A, 2A, and 3A result in a larger increase overall when compared to Rate Designs 1 – 3, the Utility is in a better position financially at the end of 2027 then under Rate Design 1 – 3. At the end of the day, all six rate designs recover the revenue the Utility needs to recover albeit in different fashions and different time frames.

Conclusion

The Utility's current rate level will not recover enough revenue to cover expenses, debt service, or provide transfers to any other City funds. As detailed above, the Utility's fund level has been slowly depleted from 2017 to the present. The trend in the bottom line will not reverse itself without action but instead will increase due to the debt service increasing in 2022 and beyond. The Utility's revenue needs to increase approximately 19%. The rate designs proposed accomplish that in one year and also over three years if the principle of gradualism is applied.



ACTION ITEM SUMMARY	Item Number:	10.F.
Temp. Easement Acquisition & Ditch Improvements	Date:	November 7, 2022
Osawatomie Golf Course Superintendent City Manager	From:	Eric Draper and Mike Scanlon

RE: Resolution 1072 – Osawatomie Golf Course Cart Purchase and Facility Master Plan

RECOMMENDATION: Approve Resolution 1072

DETAILS:

PART 1

On March 10, 2022 the City Council approved Resolution 982 for the purchase of new golf carts. As noted at that time there were supply chain disruptions that were going to lead to a 48-52 week wait for new golf carts. Additionally, as part of that agreement we allowed for a 5% cost increase over the coming year for these carts. We have a two-part problem that we are trying to solve for. Part 1, is the purchase of new golf carts – How do we keep the costs down and get the new carts in? Part 2, At what point do we eat a little more in costs to not lose the trade-in value of our existing fleet? If we go too long the existing carts, we want to trade in lose more value than we originally calculated (buyers are willing to pay less because our trade-in carts are older).

Cost Comparisons on Carts

March 10 Proposal		November 7 Proposal	
Purchase Carts (50 x \$5,350)	\$267,500	Purchase Carts (50 x \$5,617.50)	\$280,875
(allow for 5% increase) \$5,6		Premium Color (\$50 x \$100)	\$5,000
Trade-in Carts (38 x 3,600)	\$136,800	Trade-in Carts (38 x 3,420)	\$129,960
Net Cost to Golf Course	\$130,700	Net Cost to Golf Course	\$155,915

PART 2

As we looked at the golf cart fleet and planning for its replacement we also began a discussion about our current facilities and the need to replace them. But it's simply not a replacement issue. It's also an issue about future uses that could go beyond simply golf. Could this area (golf course / lake) also serve as a venue for other types of events, weddings, concerts, triathlons, kayaking etc. With that in mind we contacted Zingre and Associates to see if they could help us with a Facility Master Plan for our golf course. The second part of Resolution 1072 relates to developing a Facility Master Plan for the golf course.

RESOLUTION NO. 1072

A RESOLUTION UPDATING THE PROPOSAL OF YAMAHA (MASEK GOLF CAR COMPANY) AND DIRECTING THE CITY MANAGER TO EXECUTE THE PURCHASE OF FIFTY (50) GOLF CARTS AT THE OSAWATOMIE GOLF COURSE AND DIRECTING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH ZINGRE AND ASSOCIATES FOR A PRELIMINARY DESIGN FOR THE GOLF COURSE FACILITY MASTER PLAN.

WHEREAS, replacing golf carts on a regular basis ensures that the golf course is encouraging and maintaining revenues for the operation of the golf course; and

WHEREAS, the city needs to also try and maximize the amount of money that can be generated by the of golf course by looking at facility upgrades, adaptations and other potential uses.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE, KANSAS:

SECTION ONE: The Governing Body hereby accepts the bid of Masek Golf Car Company for the purchase of 50 Yamaha golf carts for the golf course at a cost \$5,717.50 per cart for a total of \$280,875.

SECTION TWO: The Governing Body hereby accepts the per cart trade-in value of \$3,420 per cart (38 total carts) for \$129,960.

SECTION THREE: The Governing Body hereby directs city staff to develop a 4- or 5- year lease purchase agreement for the payment on the balance owed if \$155,915.

WHEREAS, the City needs to also try and maximize the amount of money that can be generated by trade-ins of golf course.

The Governing Body hereby directs city staff to develop Golf Course Facility Master Plan in the amount of \$9,500. Said plan will explore facility upgrades, adaptations and other potential uses.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas, this 10th day of November, 2022, a majority voting in favor of.

APPROVED and signed by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk



Osawatomie Unified School District #367

1200 Trojan Drive • Osawatomie, Kansas 66064-1696

Office: 913-755-4172

Fax: 913-755-2031

Greg Clark,
Superintendent

Susan Gorman,
Director of Curriculum

School Board Members

Dr. Jeff Dorsett,
President

Josh Barnett,
Vice President

Marsha Adams

D.J. Needham

Ben Wendt

Krystal Powell

Richard Fisher

October 27, 2022

Mayor Hampson
Osawatomie City Hall
439 Main Street
Osawatomie, Kansas 66064

Dear Mayor Hampson & City Council Members:

Once again, I would like to express my sincere gratitude for the establishment of and funding provided over the years for the Governing Body of Osawatomie Scholarship. I am grateful Osawatomie High School has a scholarship program for our students, which will assist them in moving on from OHS and into the next phase of their education.

I believe the program recipients are each deserving and will be good representatives of OHS, the families, individuals and businesses that have provided for and/or serve as stewards of the scholarships. I am confident Christopher Daggett, the recipient of the Osawatomie Governing Body Scholarship, is appreciative of the support and recognition received through the scholarship award.

Please accept this thank you for the assistance provided to the graduates of Osawatomie High School through our local scholarship program. The benefits received will continue for generations to come.

Sincerely,

Elizabeth J. Stout-Rhine
OHS Local Scholarship Coordinator