

OSAWATOMIE CITY COUNCIL
AGENDA

August 24, 2023

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. August 24, 2023 Agenda
 - B. Meeting Minutes – August 9, 2023
 - C. Pay Application(s)
 - D. Special Event Permit(s)
6. Comments from the Public
 - Citizen participation will be limited to 5 minutes. Stand & be recognized by the Mayor.*
7. Public Hearing
 - A. Hearing to Exceed the Revenue Neutral Rate for 2024 Budget
 - i) Resolution 1158 – ROLL CALL Vote to Exceed Revenue Neutral Rate
 - B. Hearing to Adopt the 2024 Budget for the City of Osawatomie, Kansas
8. Presentations, Proclamations, and Appointments
9. Unfinished Business
 - A. Ordinance 3836 – Adopting the 2024 Budget & Levying a Tax for the Purpose Thereof
 - B. Resolution 1159 – Providing Staff Direction on Sale of Lots in Hickory Valley
10. New Business
 - A. Resolution 1160 – Waiving GAAP for 2024 Fiscal Year
 - B. Resolution 1161 – Lease Purchase of Pro Core 648 Aerator
11. Council Report
12. Mayor’s Report
13. City Manager & Staff Report
14. Adjourn

NEXT REGULAR MEETING – September 14, 2023

Osawatomie, Kansas. **August 10, 2023.** 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: Schasteen, Macek, Diehm, Dickinson, LaDuex and Bratton. Council members Filipin and Caldwell were absent. City Staff present at the meeting were: City Manager Bret Glendening, City Clerk Tammy Seamands, City Attorney Jeff Deane, Utility Director Terry Upshaw and Public Works Director Michele Silsbee. Members of the public were: Bo Gerken and Derek Henness.

INVOCATION. – Bo Gerken, Living Proof Church

CONSENT AGENDA. Approval of August 10, 2023 Agenda, July 27th Council Meeting Minutes, Pay Application – Killough Construction – Brown Ave - \$274,906.72, Pay Application – 18th/Main St. Terr/Walnut - \$967,263.90, Special Event Permit – Third Saturdays – August, September, October, Special Event Permit – Homecoming Parade for Osawatomie High School. **Motion** made by LaDuex, seconded by Dickinson to approve the consent agenda as presented. Yeas: All

COMMENTS FROM THE PUBLIC.

Pastor Bo Gerken – It has been going very well busing youth students on Wednesdays to youth group. We send a 55-passenger bus over to the middle school to pick up the kids and it is usually full. We take them over to youth group, feed them, have a service and then take them back. We are getting ready to break ground on a gymnasium for youth programs. We are hoping to offer this to the communities to use at no cost if they are short a gym to use for their youth programs. We have had a lot of luck reaching kids in the Osawatomie community.

PUBLIC HEARINGS. – None.

PRESENTATIONS, PROCLAMATIONS AND APPOINTMENTS. – None.

UNFINISHED BUSINESS. – None.

NEW BUSINESS.

ORDINANCE 3831 – FRANCHISE FEE FOR COMMERCIAL REFUSE CUSTOMERS – In August of 2020, the council adopted Ordinance 3784 establishing a solid waste utility. Shortly thereafter, the city entered into a contract with Waste Management to provide solid waste collection services throughout the city. Residential properties are assessed on the property taxes and waste management bills commercial customers.

Contractually, the intent was for WM to collect a franchise fee on the commercial customers they bill, but that language was inadvertently left out of the contract and they have not been collecting it. This ordinance incorporates authorizing language to incorporate the franchise fees on both residential and non-residential properties alike, and allows WM to collect the fee on behalf of the city and remit that fee. It also subjects the solid waste service provider to audits. **Motion** made

by Dickinson, seconded by LaDuex to approve Ordinance 3831 – Amending Chapter XV. Article 5. Solid Waste Utility of the Code of the City of Osawatomie as presented. Yeas: All.

ORDINANCE 3833 –EXTENDING NRP FOR 10 YEARS – The Osawatomie Neighborhood Revitalization Plan was approved in December 2008 with a 10-year sunset clause. It would have expired at the end of 2019. The plan offers an incremental tax rebate for new construction with a minimum increase of \$15,000 in appraised value.

All property within city limits is eligible for the program except the property in Parkview East, Parkview West, Hickory Valley, Slayman Heights, Northland and South of the Pottawatomie Creek Levee System. In the event of a transfer of ownership of a parcel during the eligible rebate period, such parcel and the new owner thereof shall remain eligible to apply for the rebate. Rebates shall be made payable only after the application is made and approved. Rebates approved for payment shall be made within 30 days of the June 5th distribution.

According to Kansas Statutes, the plan may be extended by the Council, as is, at a regular council meeting. If the Council desires to make any amendments to the plan, the Council must conduct a public hearing and publish notice of public hearing at least once for two consecutive weeks prior to. Any extension or amendments made to the Neighborhood Revitalization Program must be made by the passage of a new ordinance.

For the last 4 years, the council has authorized 1-year extensions of the program. Extending the program for 10 years does not preclude us from revisiting that plan and making amendments to it at any time during that 10-year period. **Motion** made by Schasteen, seconded by LaDuex to approve Ordinance 3833 – Extending the current neighborhood revitalization plan for a period of ten years from and after January 1, 2024 as presented. Yeas: All.

RESOLUTION 1155 – ACCEPTING THE ANNUAL ELECTRIC REPORT FOR THE US DEPT. OF ENERGY – Terry Upshaw discussed the report and answered questions regarding the report. **Motion** made by LaDuex, seconded by Dickinson to approve Resolution 1155 – accepting the 2022 Annual Electric Report to the U.S. Department of Energy as submitted by staff as presented. Yeas: All.

ORDINANCE 3834 – ADOPTING BY INCORPORATION THE 2023 STANDARD TRAFFIC ORDINANCE - The Standard Traffic Ordinance (STO) for Kansas Cities have been published by the League of Kansas Municipalities. They are designed to provide a comprehensive traffic code for Kansas Cities. Motion made by LaDuex, seconded by Schasteen to approve Ordinance 3834 – Regulating traffic within the corporate limits of the City of Osawatomie, Kansas; incorporating by reference the “Standard Traffic Ordinance for Kansas Cities” edition of 2023, with certain omissions, changes, and additions; prescribing additional regulations; amending Chapter 14, Article 1, of the City of Osawatomie Municipal Code; and repealing existing provisions as presented. Yeas: All.

ORDINANCE 3835 - ADOPTING BY INCORPORATION THE 2023 UNIFORM PUBLIC OFFENSE CODE - The Uniform Public Offense Code (UPOC) for Kansas Cities have

been published by the League of Kansas Municipalities. They are designed to provide a comprehensive criminal code for Kansas Cities. **Motion** made by Bratton, seconded by Schasteen to approve Ordinance 3835 –Regulating public offenses within the corporate limits of the City of Osawatomie, Kansas; incorporating by reference the “Uniform Public Offense Code for Kansas Cities” Edition of 2023; amending and repealing Chapter 11, Article 2, Section 201 of the City of Osawatomie Municipal Code; and repealing existing provisions as presented. Yeas: All.

RESOLUTION 1156 - REQUESTING EXTENSION FOR CDBG GRANT AT WWTP -
All projects that are funded with CDBG monies must be completed within the initial time frame as described in the application for the grant as well as that grant’s agreement. Due to the ongoing and previously discussed delays to equipment deliveries (see Change Order #1 to this project) our project which is currently scheduled for completion on 2/28, will not be completed by this date.

Please note that this is NOT a change order. It is only a request to one of the funding agencies to extend the window of time we have in order to request reimbursement from the CDBG program that is administered by the Kansas Department of Commerce. **Motion** made by Bratton, seconded by LaDuex to approve Resolution 1156 – Authorizing a request to the Community Development Block Grant Program requesting an extension of time to complete the wastewater treatment plant project for the City of Osawatomie as presented. Yeas: All.

COMMON CONSUMPTION AREAS – 500 BLOCK OF MAIN AND TRAIL HEAD – INTEREST? – Michele Silsbee discussed the difference between creating a common consumption area(s) verses passing a resolution and obtaining a permit from the state for each special event that wants allow alcohol in those areas.

No action was taken on this item.

OFFER TO PURCHASE TWO LOTS IN HICKORY VALLEY – There has been an offer by an individual to purchase two lots in Hickory Valley. These two lots do not have full street access and do not have utilities extended to them as of yet. Given the number of projects we have currently and the importance of developing Hickory Valley out in a planned manner and not randomly, it is staff’s recommendation that we pause any sale of platted lots in the Hickory Valley subdivision until such time as the infrastructure can be designed and permitted and a financing plan put into place.

No action was taken no this item.

EXECUTIVE SESSION – **Motion** made by Dickinson, seconded by LaDuex that the City Council recess into closed, executive session for the purpose of discussing personnel matters of nonelected personnel pursuant to the exception K.S.A. 75-4319 (b)(1). The closed meeting will last 10 minutes and will resume here in Memorial Hall at 7:45 p.m. Also attending will be City Manager Bret Glendening, City Clerk Tammy Seamands and City Attorney Jeff Deane. Yeas: All.

The council meeting resumed to open session at 7:45 p.m. with no action taken

COUNCIL REPORTS

Kevin Schasteen ~ Thanks to the public works department glad to see that there is progress going down Brown St now.

Lawrence Dickinson ~ Thank you to public works for fixing the sidewalk that had buckled in front of my house.

Dale Bratton ~ We cleaned up limbs after the storm. How many complaints did we have about torn up yards? I'm glad to see that we did this.

MAYOR'S REPORT

Congratulations to Teri Auten on her receiving a \$250,000 CDBG Grant for commercial rehabilitation at 525 Main. It will aid her in the rehabilitation of this building and is the second CDBG grant we've received for our downtown.

Kirk and Sheila Wright continue to move forward on the work at their buildings at 538 – 544 Main. They have been awarded two grants. One CDBG grant and one HEAL Grant.

Thank you to the public works and electric crews for working to restore electricity to the community as well as assist citizens with debris cleanup. These are the things that help a community come together.

Also, I've noticed that the charging stations have started going up around town. Thank you to the electric crew for that as well.

CITY MANAGER & STAFF REPORTS.

Bret Glendening - Mike Scanlon and I met with the planning commission and had the public hearing for 10 acres. There were 5-6 people show up to ask questions. We have put those questions together with answers and put those into a document that we will distribute. The end result of the planning commission was 2-for and 2-against. The two that voted against it wanted answers to the questions.

We will have the RNR hearing at the next council meeting followed by the budget hearing.

Michele Silsbee – Terry and I put together a report showing the cost of the storm response.

We will be burning the brush at the forestry site tomorrow

Main Street Terrace and 18th Street will get its last lift of asphalt tomorrow. Walnut is getting its last set of concrete tomorrow. Brown Street was milled yesterday and today.

We opened up Main Street at 10th and removed the pipe that was there and then found that a 30” pipe will not fit. It is too big for the box on the north side of the street. We called BG about this and they also found a similar situation at 8th street. BG has provided us with a redesign of 10th

Street and we have installed two 18” parallel pipes that will carry the same amount of flow. The mistake was on BG’s side so they will help pay for some of this.

Mike Scanlon – Senator Marshall wanted to come to Osawatomie this Saturday but we delayed the visit until August 25th.

We were able to get bullets from the original Battle of Osawatomie donated to the city to use. We are going to do shadowboxes. The Battle of Osawatomie was August 30, 1856. There were three houses still standing and one of those houses are still standing today we believe. It is located at 324 Main Street. It was built in 1850. The idea is to pull this house into the history of Osawatomie. We will be applying for a Patterson grant for upgrades and maintenance of this structure.

OTHER DISCUSSION/MOTIONS.

Motion made by Bratton, seconded by LaDuex to adjourn. Yeas: All. The mayor declared the meeting adjourned at 08:24 p.m.

 /s/ Tammy Seamands
Tammy Seamands, City Clerk

Contractor's Application for Payment

Owner: <u>City of Osawatomie, KS</u>	Owner's Project No.: _____
Engineer: <u>BG Consultants</u>	Engineer's Project No.: <u>20-1414L</u>
Contractor: <u>Crossland Heavy Contractors</u>	Contractor's Project No.: <u>22K05SP</u>
Project: <u>2022 Osawatomie WWTF Improvements</u>	
Contract: _____	
Application No.: <u>10</u>	Application Date: <u>8/3/2023</u>
Application Period: From <u>7/1/2023</u> to <u>7/31/2023</u>	

1. Original Contract Price	\$ 2,538,564.00
2. Net change by Change Orders	\$ 16,111.00
3. Current Contract Price (Line 1 + Line 2)	\$ 2,554,675.00
4. Total Work completed and materials stored to date (Sum of Column G Lump Sum Total and Column J Unit Price Total)	\$ 2,515,831.00
5. Retainage	
a. <u>5%</u> X <u>\$ 2,515,831.00</u> Work Completed	\$ 125,791.55
b. <u>5%</u> X <u>\$ -</u> Stored Materials	\$ -
c. Total Retainage (Line 5.a + Line 5.b)	\$ 125,791.55
6. Amount eligible to date (Line 4 - Line 5.c)	\$ 2,390,039.45
7. Less previous payments (Line 6 from prior application)	\$ 2,349,094.44
8. Amount due this application	\$ 40,945.01
9. Balance to finish, including retainage (Line 3 - Line 4)	\$ 38,844.00

Contractor's Certification

The undersigned Contractor certifies, to the best of its knowledge, the following:

(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;

(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such liens, security interest, or encumbrances); and

(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

Contractor: Crossland Heavy Contractors

Signature:  **Date:** 8/3/2023

Recommended by Engineer	Approved by Owner
By: <u>Paul Owings, PE</u>	By: _____
Title: <u>Project Manager</u>	Title: _____
Date: <u>August 8, 2023</u>	Date: _____
Approved by Funding Agency	
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

Progress Estimate - Lump Sum Work

Contractor's Application for Payment

Owner: City of Osawatomie, KS
 Engineer: BG Consultants
 Contractor: Crossland Heavy Contractors
 Project: 2022 Osawatomie WWTF Improvements
 Contract: _____

Owner's Project No.: _____
 Engineer's Project No.: 20-1414L
 Contractor's Project No.: 22K05SP

Application No.: 10 Application Period: From 07/01/23 to 07/31/23 Application Date: 08/03/23

A Item No.	B Description	C Scheduled Value (\$)	D + E Work Completed		F Materials Currently Stored (not in D or E) (\$)	G Work Completed and Materials Stored to Date (D + E + F) (\$)	H % of Scheduled Value (G / C) (%)	I Balance to Finish (C - G) (\$)
			(D + E) From Previous Application (\$)	This Period (\$)				
Original Contract								
1	General Conditions	107,542.00	107,542.00	-	-	107,542.00	100%	-
2	Sitework	24,500.00	24,500.00	-	-	24,500.00	100%	-
3	Concrete	43,300.00	43,300.00	-	-	43,300.00	100%	-
4	Metals	367,800.00	367,800.00	-	-	367,800.00	100%	-
5	Thermal & Moisture Protection	4,100.00	-	4,100.00	-	4,100.00	100%	-
6	Openings	15,000.00	15,000.00	-	-	15,000.00	100%	-
7	Coatings	14,000.00	5,000.00	9,000.00	-	14,000.00	100%	-
8	Electrical	345,000.00	316,000.00	16,000.00	-	332,000.00	96%	13,000.00
9	Earthwork	122,622.00	121,500.00	-	-	121,500.00	99%	1,122.00
10	Utilities	152,600.00	152,600.00	-	-	152,600.00	100%	-
11	Conveying Systems	10,100.00	10,100.00	-	-	10,100.00	100%	-
12	Process Gas & Liquid Handling Equipment	350,000.00	320,578.00	14,000.00	-	334,578.00	96%	15,422.00
13	Water & Wastewater Equipment	982,000.00	972,700.00	-	-	972,700.00	99%	9,300.00
						-		-
						-		-
						-		-
						-		-
						-		-
						-		-
						-		-
Original Contract Totals		\$ 2,538,564.00	\$ 2,456,620.00	\$ 43,100.00	\$ -	\$ 2,499,720.00	98%	\$ 38,844.00

Progress Estimate - Lump Sum Work

Contractor's Application for Payment

Owner:	City of Osawatomie, KS	Owner's Project No.:	
Engineer:	BG Consultants	Engineer's Project No.:	20-1414L
Contractor:	Crossland Heavy Contractors	Contractor's Project No.:	22K05SP
Project:	2022 Osawatomie WWTF Improvements		
Contract:			

Application No.: 10 **Application Period:** From 07/01/23 to 07/31/23 **Application Date:** 08/03/23

A	B	C	D		E	F	G	H	I
Item No.	Description	Scheduled Value (\$)	Work Completed		Materials Currently Stored (not in D or E) (\$)	Work Completed and Materials Stored to Date (D + E + F) (\$)	% of Scheduled Value (G / C) (%)	Balance to Finish (C - G) (\$)	
			(D + E) From Previous Application (\$)	This Period (\$)					
Change Orders									
14	CO-02 Clarifier Wall Demo	6,574.00	6,574.00	-	-	6,574.00	100%	-	
15	CO-02 12" Overflow Line	11,133.00	11,133.00	-	-	11,133.00	100%	-	
16	CO-03 Misc Electrical	2,798.00	2,798.00	-	-	2,798.00	100%	-	
17	CO-03 4" Forcemain Removal	(4,394.00)	(4,394.00)	-	-	(4,394.00)	100%	-	
Change Order Totals		\$ 16,111.00	\$ 16,111.00	\$ -	\$ -	\$ 16,111.00	100%	\$ -	
Original Contract and Change Orders									
Project Totals		\$ 2,554,675.00	\$ 2,472,731.00	\$ 43,100.00	\$ -	\$ 2,515,831.00	98%	\$ 38,844.00	

Stored Materials Summary

Contractor's Application for Payment

Owner: City of Osawatomie, KS		Owner's Project No.:	
Engineer: BG Consultants		Engineer's Project No.:	20-1414L
Contractor: Crossland Heavy Contractors		Contractor's Project No.:	22K05SP
Project: 2022 Osawatomie WWTF Improvements			
Contract:			

Application No.: 10	Application Period: From 07/01/23	to 07/31/23	Application Date: 08/03/23
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A	B	C	D	E	F	G	H	I	J	K	L	M
Item No. (Lump Sum Tab) or Bid Item No. (Unit Price Tab)	Supplier Invoice No.	Submittal No. (with Specification Section No.)	Description of Materials or Equipment Stored	Storage Location	Application No. When Materials Placed in Storage	Materials Stored			Incorporated in Work			Materials Remaining in Storage (I-L) (\$)
						Previous Amount Stored (\$)	Amount Stored this Period (\$)	Amount Stored to Date (G+H) (\$)	Amount Previously Incorporated in the Work (\$)	Amount Incorporated in the Work this Period (\$)	Total Amount Incorporated in the Work (J+K) (\$)	
4	22K05SP-01	054400-001 Steel Trusses	Steel Trusses		1	16,000.00	-	16,000.00	16,000.00	-	16,000.00	-
4	22K05SP-01	074113-001 Metal Building Panel	Metal Panels		1	15,000.00	-	15,000.00	15,000.00	-	15,000.00	-
11	110898-2	412223-001 Chain Hoist & Motorized Trolley	Chain Hoist		1	2,353.00	-	2,353.00	2,353.00	-	2,353.00	-
12	5544700	433269-001 Chemical Feed Equipment	Chem Feed Skid		1	38,739.00	-	38,739.00	38,739.00	-	38,739.00	-
4	22K05SP-02	061600-001 Plywood Sheathing	Plywood Sheathing		2	5,000.00	-	5,000.00	5,000.00	-	5,000.00	-
4	22K05SP-02	081113-001 Hollow Metal Doors & Hardware	HM Doors & Windows		2	12,000.00	-	12,000.00	12,000.00	-	12,000.00	-
13	901894572	466601-001 UV Equipment	UV Equipment		4	189,550.00	-	189,550.00	189,550.00	-	189,550.00	-
12	5551607	431133-001A Rotary Lobe Blowers	Process Blowers		4	199,642.00	-	199,642.00	154,722.50	44,919.50	199,642.00	-
13	3556C55038	466601-001 SBR Equipment	SBR Mechanical Equipment		4	199,959.00	-	199,959.00	199,959.00	-	199,959.00	-
11	3R02190	462363-001A Grit Screw Conveyor	Grit Equipment		7	68,922.00	-	68,922.00	68,922.00	-	68,922.00	-
						-		-	-		-	-
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Totals						\$ 747,165.00	\$ -	\$ 747,165.00	\$ 702,245.50	\$ 44,919.50	\$ 747,165.00	\$ -

Osawatomie WWTF Improvements Schedule of Values

ITEM	DESCRIPTION	QTY	CONTRACT ITEMS		Work Previous Applications	Work Completed this Period	Material Presently Stored	Completed and Stored to Date		Balance to Finish	Retention to Date	
			UNIT	TOTAL PRICE				Amount	%			Amount
General Conditions												
001	Mobilization/Bonds/Insurance	1	LS	\$ 107,542.00	\$ 107,542.00	\$ 107,542.00	\$ -	\$ -	100%	\$107,542	\$0.00	\$5,377
General Conditions Total				\$ 107,542.00	\$ 107,542.00	\$ 107,542.00	\$ -	\$ -	100%	\$107,542	\$0.00	\$ 5,377.10
Division 02 - Sitework												
002	Bypass Pumping	1	LS	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ -	\$ -	100%	\$ 4,000.00	\$ -	\$ 200.00
003	UV Structure Demo	1	LS	\$ 2,700.00	\$ 2,700.00	\$ 2,700.00	\$ -	\$ -	100%	\$ 2,700.00	\$ -	\$ 135.00
004	SBR Basin Demo	1	LS	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ -	\$ -	100%	\$ 11,000.00	\$ -	\$ 550.00
005	Sludge Basin Demo	1	LS	\$ 3,100.00	\$ 3,100.00	\$ 3,100.00	\$ -	\$ -	100%	\$ 3,100.00	\$ -	\$ 155.00
006	Grit Classifier Demo	1	LS	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ -	\$ -	100%	\$ 2,500.00	\$ -	\$ 125.00
007	SWPPP	1	LS	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ -	\$ -	100%	\$ 1,200.00	\$ -	\$ 60.00
Sitework Total				\$ 24,500.00	\$ 24,500.00	\$ 24,500.00	\$ -	\$ -	100%	\$ 24,500.00	\$0.00	\$ 1,225.00
Division 03 - Concrete												
008	UV Structure Concrete	1	LS	\$ 33,000.00	\$ 33,000.00	\$ 33,000.00	\$ -	\$ -	100%	\$ 33,000.00	\$0.00	\$ 1,650.00
009	Chemical Feed Concrete	1	LS	\$ 6,200.00	\$ 6,200.00	\$ 6,200.00	\$ -	\$ -	100%	\$ 6,200.00	\$0.00	\$ 310.00
010	Sludge Basin Concrete	1	LS	\$ 4,100.00	\$ 4,100.00	\$ 4,100.00	\$ -	\$ -	100%	\$ 4,100.00	\$0.00	\$ 205.00
Concrete Total				\$ 43,300.00	\$ 43,300.00	\$ 43,300.00	\$ -	\$ -	100%	\$ 43,300.00	\$0.00	\$ 2,165.00
Division 05 - Metals												
011	Install UV Structure Metals	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	100%	\$ 5,000.00	\$ -	\$ 250.00
012	Install Sludge Basin Metals	1	LS	\$ 8,800.00	\$ 8,800.00	\$ 8,800.00	\$ -	\$ -	100%	\$ 8,800.00	\$ -	\$ 440.00
013	UV Building Complete	1	LS	\$ 354,000.00	\$ 354,000.00	\$ 354,000.00	\$ -	\$ -	100%	\$ 354,000.00	\$ -	\$ 17,700.00
Metals Total				\$ 367,800.00	\$ 367,800.00	\$ 367,800.00	\$ -	\$ -	100%	\$ 367,800.00	\$0.00	\$ 18,390.00
Division 07 - Thermal & Moisture Protection												
014	Joint Sealants Complete	1	LS	\$ 4,100.00	\$ 4,100.00	\$ -	\$ 4,100.00	\$ -	100%	\$ 4,100.00	\$ -	\$ 205.00
Thermal & Moisture Protection Total				\$ 4,100.00	\$ 4,100.00	\$ -	\$ 4,100.00	\$ -	100%	\$ 4,100.00	\$0.00	\$ 205.00
Division 08 - Openings												
015	Install Overhead Door	1	LS	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	100%	\$ 15,000.00	\$ -	\$ 750.00
Openings Total				\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ -	\$ -	100%	\$ 15,000.00	\$0.00	\$ 750.00
Division 09 - Coatings												
016	Coatings	1	LS	\$ 14,000.00	\$ 14,000.00	\$ 5,000.00	\$ 9,000.00	\$ -	100%	\$ 14,000.00	\$ -	\$ 700.00
Coatings Total				\$ 14,000.00	\$ 14,000.00	\$ 5,000.00	\$ 9,000.00	\$ -	100%	\$ 14,000.00	\$0.00	\$ 700.00
Division 26 - Electrical												
017	Electrical Work Complete	1	LS	\$ 345,000.00	\$ 345,000.00	\$ 316,000.00	\$ 16,000.00	\$ -	96%	\$ 332,000.00	\$ 13,000.00	\$ 16,600.00
Electrical Total				\$ 345,000.00	\$ 345,000.00	\$ 316,000.00	\$ 16,000.00	\$ -	96%	\$ 332,000.00	\$13,000.00	\$ 16,600.00
Division 31 - Earthwork												
018	UV Structure Earthwork	1	LS	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ -	\$ -	100%	\$ 4,000.00	\$ -	\$ 200.00

019	Chemical Feed Earthwork	1	LS	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ -	\$ -	100%	\$ 4,000.00	\$ -	\$ 200.00
020	Final Clean & Grading	1	LS	\$ 6,122.00	\$ 6,122.00	\$ 5,000.00	\$ -	\$ -	82%	\$ 5,000.00	\$ 1,122.00	\$ 250.00
021	SBR Sludge Transfer	1	LS	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	100%	\$ 5,000.00	\$ -	\$ 250.00
022	Sludge Removal & Disposal	1	LS	\$ 103,500.00	\$ 103,500.00	\$ 103,500.00	\$ -	\$ -	100%	\$ 103,500.00	\$ -	\$ 5,175.00
Earthwork Total				\$ 122,622.00	\$ 121,500.00	\$ -	\$ -	99%	\$ 121,500.00	\$1,122.00	\$ 6,075.00	
Division 33 - Utilities												
023	UV Structure Piping Complete	1	LS	\$ 51,000.00	\$ 51,000.00	\$ 51,000.00	\$ -	\$ -	100%	\$ 51,000.00	\$ -	\$ 2,550.00
024	Sludge Basin Piping Complete	1	LS	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	100%	\$ 30,000.00	\$ -	\$ 1,500.00
025	WAS Piping Complete	1	LS	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	100%	\$ 30,000.00	\$ -	\$ 1,500.00
026	Chemical Feed Piping	1	LS	\$ 39,000.00	\$ 39,000.00	\$ 39,000.00	\$ -	\$ -	100%	\$ 39,000.00	\$ -	\$ 1,950.00
027	Pipe Testing	1	LS	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ -	\$ -	100%	\$ 2,600.00	\$ -	\$ 130.00
Utilities Total				\$ 152,600.00	\$ 152,600.00	\$ -	\$ -	100%	\$ 152,600.00	\$0.00	\$ 7,630.00	
Division 41 - Conveying Systems												
028	Install Motorized Hoist	1	LS	\$ 10,100.00	\$ 10,100.00	\$ 10,100.00	\$ -	\$ -	100%	\$ 10,100.00	\$ -	\$ 505.00
Conveying Systems Total				\$ 10,100.00	\$ 10,100.00	\$ -	\$ -	100%	\$ 10,100.00	\$0.00	\$ 505.00	
Division 43 - Process Gas & Liquid Handling Equipment												
029	Install SBR Basin Blowers	1	LS	\$ 112,000.00	\$ 112,000.00	\$ 95,839.00	\$ 14,000.00	\$ -	98%	\$ 109,839.00	\$ 2,161.00	\$ 5,491.95
030	Install Sludge Basin Blowers	1	LS	\$ 156,000.00	\$ 156,000.00	\$ 156,000.00	\$ -	\$ -	100%	\$ 156,000.00	\$ -	\$ 7,800.00
031	Install Chemical Feed Equipment	1	LS	\$ 82,000.00	\$ 82,000.00	\$ 68,739.00	\$ -	\$ -	84%	\$ 68,739.00	\$ 13,261.00	\$ 3,436.95
Process Gas & Liquid Handling Equipment Total				\$ 350,000.00	\$ 320,578.00	\$ 14,000.00	\$ -	96%	\$ 334,578.00	\$15,422.00	\$ 16,728.90	
Division 46 - Water & Wastewater Equipment												
032	Install Grit Equipment	1	LS	\$ 91,000.00	\$ 91,000.00	\$ 91,000.00	\$ -	\$ -	100%	\$ 91,000.00	\$ -	\$ 4,550.00
033	SBR Basin 1 Equipment Install	1	LS	\$ 302,000.00	\$ 302,000.00	\$ 302,000.00	\$ -	\$ -	100%	\$ 302,000.00	\$ -	\$ 15,100.00
034	SBR Basin 2 Equipment Install	1	LS	\$ 302,000.00	\$ 302,000.00	\$ 302,000.00	\$ -	\$ -	100%	\$ 302,000.00	\$ -	\$ 15,100.00
035	Install UV Equipment	1	LS	\$ 252,000.00	\$ 252,000.00	\$ 242,700.00	\$ -	\$ -	96%	\$ 242,700.00	\$ 9,300.00	\$ 12,135.00
036	Install Parshall Flume	1	LS	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ -	\$ -	100%	\$ 35,000.00	\$ -	\$ 1,750.00
Water & Wastewater Equipment Total				\$ 982,000.00	\$ 972,700.00	\$ -	\$ -	99%	\$ 972,700.00	\$9,300.00	\$ 48,635.00	
Change Orders												
037	CO-02 Clarifier Wall Demo	1	LS	\$ 6,574.00	\$ 6,574.00	\$ 6,574.00	\$ -	\$ -	100%	\$ 6,574.00	\$ -	\$ 328.70
038	CO-02 12" Overflow Line	1	LS	\$ 11,133.00	\$ 11,133.00	\$ 11,133.00	\$ -	\$ -	100%	\$ 11,133.00	\$ -	\$ 556.65
039	CO-03 Misc Electrical	1	LS	\$ 2,798.00	\$ 2,798.00	\$ 2,798.00	\$ -	\$ -	100%	\$ 2,798.00	\$ -	\$ 139.90
040	CO-03 4" Forcemain Removal	1	LS	\$ (4,394.00)	\$ (4,394.00)	\$ (4,394.00)	\$ -	\$ -	100%	\$ (4,394.00)	\$ -	\$ (219.70)
Water & Wastewater Equipment Total				\$ 16,111.00	\$ 16,111.00	\$ -	\$ -	100%	\$ 16,111.00	\$0.00	\$ 805.55	
Project Totals				\$ 2,554,675.00	\$ 2,472,731.00	\$ 43,100.00	\$ -	98%	\$ 2,515,831.00	\$ 38,844.00	\$ 125,791.55	

August 3, 2023

 Bret Glendening, Deputy City Manager
 City of Osawatomie, Kansas
 439 Main Street
 Osawatomie, KS 66064

Re: 20-1414L - Osawatomie WWTP Improvements

-----Invoice for Consulting Services-----

 This invoice is for services which were performed during the month of **July** as follows:

Engineering Services:

<u>Task</u>	<u>Lump Sum Amount</u>	<u>Completion Progress</u>	<u>Total</u>
1. Preliminary Design Phase	\$ 117,000.00	100.0%	\$ 117,000.00
2. Final Design Phase*	\$ 92,000.00	100.0%	\$ 92,000.00
3. Bidding and Negotiating Phase	\$ 20,000.00	100.0%	\$ 20,000.00
4. Approvals and Permitting	\$ 15,000.00	100.0%	\$ 15,000.00
5. Construction Substantial Completion	\$ 5,000.00	0.0%	\$ 0.00
*Updated, refer to Contract Amendment 01			
Subtotal Amount Due:			\$ 0.00
Total Completed to date:			\$ 244,000.00
Prior Billings to Date:			\$ 244,000.00

Resident Project Observation

Contract Amount	\$	234,000.00	
Work Completed to Date	\$	217,936.11	93%
Work Previously Billed	\$	213,520.11	
Subtotal		\$4,416.00	

Additional Services

Contract Amount	\$	5,000.00	
Work Completed to Date	\$	5,000.00	100%
Work Previously Billed	\$	5,000.00	
Subtotal		\$0.00	
Total Amount Due:			\$4,416.00

Sincerely,

BG CONSULTANTS, INC.



 Paul Owings, P.E.
 Project Engineer

Construction Administration and Observation

Position	Hours/Miles/Units	Hourly Rate	Total Cost
Principal		\$ 244.00	\$ -
Project Engineer 4	23.0	\$ 192.00	\$ 4,416.00
Project Engineer 3		\$ 178.00	\$ -
Project Engineer 1		\$ 152.00	\$ -
Design Engineer		\$ 130.00	\$ -
Architect		\$ 185.00	\$ -
Design Architect		\$ 117.00	\$ -
Technician II		\$ 99.50	\$ -
Senior Construction Observer		\$ 146.00	\$ -
Certified Construction Observer		\$ 121.00	\$ -
Drexel Planroom Expense		\$ 201.56	\$ -
Mileage		\$ 0.63	\$ -
Total			\$ 4,416.00

Additional Services

Position	Hours	Hourly Rate	Total Cost
Principal		\$ 222.00	\$ -
Project Engineer 4		\$ 177.00	\$ -
Project Engineer 3		\$ 167.00	\$ -
Project Engineer 1		\$ 135.00	\$ -
Architect		\$ 185.00	\$ -
Design Architect		\$ 117.00	\$ -
Technician II		\$ 99.50	\$ -
Senior Construction Observer		\$ 140.00	\$ -
Certified Construction Observer		\$ 114.00	\$ -
Mileage		\$ 0.63	\$ -
Total			\$ -

Notes:

Construction phase services.

* **by email only** *

City of Osawatomie
 Attn: Bret Glendening, Deputy City Manager
 439 Main Street
 Osawatomie, KS 66064

August 5, 2023

INVOICE #12

Re: 2023 Osawatomie Water Distribution Improvements
 Osawatomie, Kansas

BG Project No. 22-1195L

-----**Invoice for Consulting Services**-----

This Invoice is for services performed during the month of July 2023 as follows:

	Lump Sum	% Complete	
	Amount	Progress	Subtotal
Basic Services			
Preliminary Design.....	\$ 613,800.00	66.00%	\$ 405,108.00
Final Design.....	\$ 502,200.00	25.50%	\$ 128,061.00
Bidding.....	\$ 40,000.00	12.00%	\$ 4,800.00
Construction Phase.....	\$ 229,000.00	3.00%	\$ 6,870.00
Post-Construction.....	\$ 15,000.00	0.00%	\$ -
		Subtotal #1 =	\$ 544,839.00

Resident Project Representative (RPR)

RPR Services (Not to Exceed).....	\$ 974,000.00		
Engineer IV.....	0.0 hrs @ \$ 144.00 /hr	\$	-
Engineer II.....	0.0 hrs @ \$ 130.00 /hr	\$	-
Senior Construction Observer.....	0.0 hrs @ \$ 120.00 /hr	\$	-
Certified Construction Observer.....	0.0 hrs @ \$ 103.00 /hr	\$	-
		Subtotal #2 =	\$ -
Total Construction Observation Services Billed Thru this Invoice.....		\$	-
Contract Value of Construction Observation Services Remaining.....		\$	974,000.00

Total Amount of Services Complete (Subtotals #1 + #2).....	\$ 544,839.00
Less Previous Amount Billed (Thru Invoices: #11).....	\$ 537,306.00
Total Amount Owed this Invoice.....	\$ 7,533.00
Plus Previous Invoices Unpaid (<i>none</i>).....	\$ -
Total Amount Owed to Date.....	\$ 7,533.00
TOTAL AMOUNT DUE THIS INVOICE	\$ 7,533.00

For questions, please contact me at 785-749-4474 or paul.owings@bgcons.com.

Sincerely,



Paul Owings, P.E.
 Project Manager

* *by email only* *

City of Osawatomie
 Attn: Bret Glendening, Deputy City Manager
 439 Main Street
 Osawatomie, KS 66064

August 6, 2023

INVOICE #6

Re: John Brown and South Levee Loop
 Osawatomie, Kansas

BG Project No. 23-1109L

-----**Invoice for Consulting Services**-----

This Invoice is for services performed during the month of July 2023 as follows:

	Lump Sum		
	Amount	% Complete	Subtotal
<u>Design Phase Services</u>			
Design Services (Lump Sum Fee).....	\$ 214,200.00	32.75%	\$ 70,150.50
		Subtotal #1 =	\$ 70,150.50
Total Professional Services Billed Thru this Invoice.....			\$ 128,305.80
Contract Value of Professional Services Remaining.....			\$ 85,894.20

Reimbursable Expenses

None this month.....			\$ -
		Subtotal #2 =	\$ -

Total Amount of Services Complete (Subtotals #1 + #2).....			\$ 70,150.50
Less Previous Amount Billed (Thru Invoices: #5).....			\$ 47,124.00
Total Amount Owed this Invoice.....			\$ 23,026.50
Plus Previous Invoices Unpaid (<i>none</i>).....			\$ -
Total Amount Owed to Date.....			\$ 23,026.50

TOTAL AMOUNT DUE THIS INVOICE **\$ 23,026.50**

For questions, please contact me at 785-749-4474 or diane.rosebaugh@bgcons.com.

Sincerely,



Diane Rosebaugh, P.E.
 Project Manager | Associate Principal

* **by email only** *

City of Osawatomie
 Attn: Bret Glendening, Deputy City Manager
 439 Main Street

August 6, 2023

INVOICE #18

Re: Brown Street Improvements (16th to 18th Street) BG Project No. 22-1139L
 Main Street Terrace (18th Street to 16th Street) / Walnut Avenue (6th Street to 4th Street)
 18th Street (Main Street to Brown Avenue) / Brown Avenue (12th Street to 7th Street)
 6th Street (Lincoln Avenue to Kelly Avenue)
 Osawatomie, Kansas

-----**Invoice for Consulting Services**-----

This Invoice is for services performed during the month of July 2023 as follows:

<u>Design Phase Services</u>	Lump Sum Amount	% Complete Progress	Subtotal
Design, Bid, and Const. Eng. Services (Lump Sum Fee)*.....	\$ 773,000.00	97.15%	\$ 750,969.50
		Subtotal #1 =	\$ 750,969.50
Contract Value of Design Phase Services Remaining.....			\$ 22,030.50

*Includes Supplemental No. 1 dated 5/26/2023

<u>Construction Observation</u>			
Observation Services (Not to Exceed).....	\$ 120,000.00		
Principal II.....	0.0 hrs @ \$	226.00 /hr	\$ -
Engineer IV.....	0.0 hrs @ \$	144.00 /hr	\$ -
Engineer II.....	0.0 hrs @ \$	130.00 /hr	\$ -
Engineer I.....	0.0 hrs @ \$	111.00 /hr	\$ -
Senior Construction Observer.....	2.0 hrs @ \$	120.00 /hr	\$ 240.00
Certified Construction Observer.....	0.0 hrs @ \$	103.00 /hr	\$ -
		Subtotal #2 =	\$ 240.00
Total Construction Observation Services Billed Thru this Invoice.....			\$ 3,360.00
Contract Value of Construction Observation Services Remaining.....			\$ 116,640.00

<u>Reimbursable Expenses</u>	
Concrete Testing.....	\$ 526.25
	Subtotal #3 = \$ 526.25

Total Amount of Services Complete (Subtotals #1 + #2 + #3).....	\$ 751,735.75
Less Previous Amount Billed (Thru Invoices: #17).....	\$ 723,422.00
Total Amount Owed this Invoice.....	\$ 28,313.75
Plus Previous Invoices Unpaid (<i>none</i>).....	\$ -
Total Amount Owed to Date.....	\$ 28,313.75

TOTAL AMOUNT DUE THIS INVOICE	\$ 28,313.75
--------------------------------------	---------------------

For questions, please contact me at 785-749-4474 or diane.rosebaugh@bgcons.com.

Sincerely,



Diane Rosebaugh, P.E.
 Project Manager | Associate Principal

KRUGER TECHNOLOGIES, INC.8271 Melrose Drive
Lenexa, KS 66214**Invoice**Phone # 913-498-1114 abaar@ktionline.com
Fax # 913-498-1116 www.ktionline.com**Invoice #:** 10133
Invoice Date: 7/15/2023
Due Date: 8/14/2023
Project: 423130C**Bill To:**BG Consultants Inc.
Accounts Payable
Re: 2022 Street Rehab 22-1139L
1405 Wakarusa Drive
Lawrence, KS 66049

Project/ PO Number

Date	Description	Hours/Qty	Rate	Technician	Report No.	Amount
6/27/2023	Concrete Testing	2.5	65.00	MCB	.001	162.50
6/27/2023	Compressive Strength Specimen - Concrete - C39	5	20.00	MCB	.002	100.00
6/27/2023	Transportation, per trip	1	50.00	MCB		50.00
6/28/2023	Sample Retrieval	1.75	65.00	MCB	.002	113.75
6/28/2023	Transportation, per trip	1	50.00	MCB		50.00
	Professional Engineer - Report Review	0.25	150.00			37.50
	Report Generation	0.25	50.00			12.50

Total \$526.25**Payments/Credits** \$0.00**Balance Due** \$526.25

Roll Call Vote

City of Osawatomie, Kansas

(Name of Taxing Entity)

Date of Hearing to Exceed Revenue Neutral Rate: August 24, 2023

Resolution # 1158

Governing Body Member (Please Print)	Yes	No	Abstain or Absent
Nick Hampson, Mayor (if req'd to break tie)			
Lawrence Dickinson, Ward I			
Kenny Diehm, Ward I			
Daniel Macek, Ward II			
Kevin Schasteen, Ward II			
Karen LaDuex, Ward III			
Dale Bratton, Ward III			
Cathy Caldwell, Ward IV			
Tammy Filipin, Ward IV			

RESOLUTION NO. 1158

BY THE CITY OF OSAWATOMIE, KANSAS

A RESOLUTION OF THE CITY OF OSAWATOMIE, KANSAS REGARDING THE GOVERNING BODY LEVYING A PROPERTY TAX IN EXCESS OF THE REVENUE NEUTRAL RATE

WHEREAS, the Revenue Neutral Rate for the City of Osawatomie was calculated as 71.321 mills by the Miami County Clerk; and

WHEREAS, the budget proposed by the Governing Body of the City of Osawatomie will require the levy of a property tax rate exceeding the Revenue Neutral Rate; and

WHEREAS, the Governing Body's intent as detailed in Resolution 1145, adopted on June 22, 2023 is to lower the mill levy to 78.000 mills; and

WHEREAS, the Governing Body intends to use the property taxes generated by these mills for the purposes outlined in Resolution 1145; and

WHEREAS, the Governing Body has held a hearing to hear testimony from all interested taxpayers desiring to be heard as required by state law.

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

Section 1. The Governing Body of the City of Osawatomie hereby approves a tax rate in excess of the revenue neutral rate as calculated by the Miami County Clerk.

Section 2. This resolution shall take effect and be in force immediately upon its adoption.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas, this 24th day of August, 2023, a majority voting in favor of.

APPROVED and signed by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk

CERTIFICATE
To the Clerk of Miami, State of Kansas
We, the undersigned, officers of
Osawatomie

certify that: (1) the hearing mentioned in the attached publication was held; (2) after the Budget Hearing this budget was duly approved and adopted as the maximum expenditures for the various funds for the year 2024; and (3) the Amount(s) of 2023 Ad Valorem Tax are within statutory limitations.

			2024 Adopted Budget		
		Page No.	Budget Authority for Expenditures	Amount of 2023 Ad Valorem Tax	Final Tax Rate (County Clerk's Use Only)
Table of Contents:					
Allocation of MVT, RVT, 16/20M Vehicle Tax		2			
Schedule of Transfers		3			
Statement of Indebtedness		4			
Statement of Lease-Purchases		5			
Computation to Determine State Library Grant		6			
Fund	K.S.A.				
General	12-101a	6	3,735,385	1,208,215	
Debt Service	10-113	8	1,638,075	716,709	
Library	12-1220	8	65,099		
Employee Benefits	12-16,102	9	988,600	905,882	
Industrial Promotion	12-1617h	9	30,551		
Public Safety Equipment	12-110b	10	206,070		
		10			
Special Highway		11	797,337		
Refuse		11	402,000		
Tourism		12	164,871		
Special Parks & Rec		12	41,000		
Electric Reserve Debt Svc.		13	432,000		
Water		13	1,449,857		
Electric		14	5,146,231		
Sewer		14	1,220,960		
Golf Course		15	567,380		
Non-Budgeted Funds-A		16			
Non-Budgeted Funds-B		17			
Totals		xxxxx	16,885,416	2,830,806	
Budget Hearing Notice		18		Final County Assessed Valuation	County Clerk's Use Only
Combined Rate and Budget Hearing Notice		18			
RNR Hearing Notice		18		Miami	
Neighborhood Revitalization Rebate				0	
				0	
				0	
				Nov 1, 2023 Total Assessed Valuation	

Assisted by:
Bret Glendening
City Manager
Address:
439 Main St; PO Box 37
Osawatomie, KS 66064
Email:
bglendening@osawatomi.ks.org

Revenue Neutral Rate 71.321

Attest: _____ 2023

County Clerk

Governing Body

CPA Summary

Osawatomie

Allocation of MV, RV, 16/20M, Commercial Vehicle, and Watercraft Tax Estimates

Budgeted Fund for 2023	Ad Valorem Levy Tax Year 2022	Allocation for Year 2024				
		MVT	RVT	16/20M Veh	Comm Veh	Watercraft
General	917,298	52,071	855	388	586	81
Debt Service	786,453	44,643	734	331	502	69
Library						
Employee Benefits	854,814	48,524	797	360	546	75
Industrial Promotion	5,118	291	5	2	3	0
Public Safety Equipme	24,713	1,403	23	10	16	2
TOTAL	2,588,396	146,932	2,414	1,091	1,653	227

County Treas Motor Vehicle Estimate 146,932

County Treas Recreational Vehicle Estimate 2,414

County Treas 16/20M Vehiele Estimate 1,091

County Treas Commercial Vehicle Tax Estimate 1,653

County Treas Watercraft Tax Estimate 227

Motor Vehicle Factor 0.05677

Recreational Vehicle Factor 0.00093

16/20M Vehicle Factor 0.00042

Commercial Vehicle Factor 0.00064

Watercraft Factor 0.00009

Osawatomie

2024

Schedule of Transfers

Expenditure Fund Transferred From:	Receipt Fund Transferred To:	Actual Amount for 2022	Current Amount for 2023	Proposed Amount for 2024	Transfers Authorized by Statute
Water	General	12,250	50,000	0	KSA 12-825d
Water	Employee Benefit	60,000	0	0	KSA 12-16,102
Water	Bond & Interest	94,500	97,365	66,515	KSA 13-1270
Electric	General	56,237	250,000	312,000	KSA 12-825d
Electric	Tourism	0	0	0	KSA 12-825d
Electric	Golf Course	50,000	0	0	KSA 12-825d
Electric	CIP - General	0	0	0	KSA 12-1,118
Electric	Employee Benefit	26,500	0	0	KSA 12-16,102
Electric	Electric Debt Service	450,000	450,000	426,900	KSA 12-1,118
Electric	Spec. Park & Rec.	27,600	20,000	0	KSA 12-825d
Electric	Refuse	5,500	0	0	KSA 12-825d
Sewer	General	33,750	45,000	60,000	KSA 12-825d
Sewer	CIP - Sewer	0	0	0	KSA 12-1,118
Sewer	Employee Benefit	60,000	0	0	KSA 12-16,102
Sewer	Bond & Interest	131,250	470,958	418,852	KSA 13-1270
Special Highway	CIP - Streets	52,625	0	400,000	KSA 12-1,119
Public Safety Equip	CIP - Technology	13,524	0	14,000	KSA 12-1,118
Public Safety Equip	Bond & Interest	0	0	7,105	KSA 12-1,118
Employee Benefits	Cafeteria 125/HRA		5,000	5,000	KSA 12-16,102
Totals		1,073,736	1,388,323	1,710,372	
Adjustments*					
Adjusted Totals		1,073,736	1,388,323	1,710,372	

*Note: Adjustments are required only if the transfer is being made in 2023 and/or 2024 from a non-budgeted fund.

Osawatomic

2024

Adopted Budget General Fund - Detail Expend	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Expenditures:			
Administration			
Personnel	368,064	421,009	384,821
Contractual	243,420	172,618	265,250
Commodities	277,456	41,800	129,050
Capital Outlay	668	10,000	0
Other	42,386	0	1,750
Total	931,994	645,427	780,871
Code Enforcement			
Personnel	125,322	120,790	123,000
Contractual	54,419	93,100	92,500
Commodities	28,813	21,700	24,150
Capital Outlay	318	6,000	0
Total	208,872	241,590	239,650
Police			
Personnel	867,903	934,900	989,284
Contractual	66,907	23,100	69,300
Commodities	80,849	69,500	60,500
Capital Outlay	5,617	85,500	107,500
Total	1,021,276	1,113,000	1,226,584
Cabin			
Personnel	50,482	55,084	54,000
Contractual	8,031	6,750	14,385
Commodities	39	0	750
Capital Outlay	0	5,000	5,500
Total	58,552	66,834	74,635
Streets & Alleys			
Personnel	247,134	255,115	213,200
Contractual	46,270	13,525	46,500
Commodities	86,655	53,500	80,500
Capital Outlay	3,311	50,000	22,500
Total	383,370	372,140	362,700
Parks, Cemeteries & Levees			
Personnel	97,394	98,850	142,600
Contractual	217,871	172,850	219,600
Commodities	36,985	33,450	34,700
Capital Outlay	14,135	20,000	36,000
Total	366,385	325,150	432,900
Fire			
Personnel	55,751	76,777	79,000
Contractual	42,046	19,600	30,800
Commodities	10,130	14,277	14,450
Capital Outlay	0	6,000	12,500
Total	107,927	116,654	136,750
Municipal Court			
Personnel	51,746	0	54,242
Contractual	123,496	0	126,650
Commodities	875	0	850
Capital Outlay	16,410	0	15,000
Total	192,527	0	196,742
Page Total	3,270,903	2,880,795	3,450,832

Osawatomic

2024

Adopted Budget General Fund - Detail Page 2	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Expenditures:			
Library			
Personnel	136,274	133,395	155,103
Contractual	29,811	20,900	26,650
Commodities	17,533	19,195	33,800
Capital Outlay	17	0	4,000
Total	183,635	173,490	219,553
Technology			
Personnel	0	0	0
Contractual	115,946	0	0
Commodities	6,855	0	0
Capital Outlay	41,564	0	0
Total	164,365	0	0
Page 2 -Total	348,000	173,490	219,553
Page 1 -Total	3,270,903	2,880,795	3,450,832
Grand Total	3,618,903	3,054,285	3,670,385

(Note: Should agree with general sub-totals.)

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Osawatomie

2024

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Debt Service			
Unencumbered Cash Balance Jan 1	309,905	479,644	367,615
Receipts:			
Ad Valorem Tax	805,614	786,453	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax	21,660	15,000	15,000
Motor Vehicle Tax	36,351	42,577	44,643
Recreational Vehicle Tax	567	1,200	734
16/20M Vehicle Tax	183	190	331
Commercial Vehicle Tax	365	460	502
Watercraft Tax	0	70	69
Transfer In from Water	94,500	97,365	66,515
Transfer In from Sewer	131,250	470,958	418,852
Transfer In from Public Safety	0	0	7,105
Neighborhood Revitalization Rebate	0	0	0
Miscellaneous	0	1,500	0
Does miscellaneous exceed 10% of Total R			
Total Receipts	1,090,490	1,415,773	553,751
Resources Available:	1,400,395	1,895,417	921,366
Expenditures:			
Bond Principal	520,000	1,051,445	1,204,675
Bond Interest	397,950	473,557	363,660
Bond Registration Fees	1	0	0
Cash Basis Reserve (2024 column)	0	0	65,000
Miscellaneous	2,800	2,800	4,740
Does miscellaneous exceed 10% of Total E			
Total Expenditures	920,751	1,527,802	1,638,075
Unencumbered Cash Balance Dec 31	479,644	367,615	XXXXXXXXXXXXXXXXXXXX
2022/2023/2024 Budget Authority Amount	1,400,000	1,732,201	1,638,075
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			1,638,075
Tax Required			
			716,709
Delinquent Comp Rate: 0.0%			
			0
Amount of 2023 Ad Valorem Tax			
			716,709

Adopted Budget	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Library			
Unencumbered Cash Balance Jan 1	113,332	121,431	42,599
Receipts:			
Ad Valorem Tax	0	0	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax	0	0	
Motor Vehicle Tax	0	0	
Recreational Vehicle Tax	0	0	
16/20M Vehicle Tax	0	0	
Commercial Vehicle Tax	0	0	
Watercraft Tax	0	0	
Grant Receipts	30,149	20,000	20,000
Donations	5,848	2,000	2,000
Interest on Idle Funds	75	500	500
Interest on Idle Funds			
Neighborhood Revitalization Rebate			0
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	36,072	22,500	22,500
Resources Available:	149,404	143,931	65,099
Expenditures:			
Personnel	0	0	0
Contractual Services	16,660	25,500	25,500
Commodities	7,780	13,250	13,250
Capital Outlay	3,533	62,582	26,349
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	27,973	101,332	65,099
Unencumbered Cash Balance Dec 31	121,431	42,599	XXXXXXXXXXXXXXXXXXXX
2022/2023/2024 Budget Authority Amount	50,000	101,332	65,099
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			65,099
Tax Required			
			0
Delinquent Comp Rate: 0.0%			
			0
Amount of 2023 Ad Valorem Tax			
			0

CPA Summary

Osawatimie

2024

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget Employee Benefits	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Unencumbered Cash Balance Jan 1	83,794	161	17,416
Receipts:			
Ad Valorem Tax	471,870	854,814	XXXXXXXXXXXXXXXXXX
Delinquent Tax	25,722	15,000	15,000
Motor Vehicle Tax	42,081	38,139	48,524
Recreational Vehicle Tax	657	709	797
16/20M Vehicle Tax	209	179	360
Commercial Vehicle Tax	426	272	546
Watercraft Tax	0	43	75
Transfer In from Water	60,000	0	0
Transfer In from Electric	26,500	0	0
Transfer In from Sewer	60,000	0	0
Neighborhood Revitalization Rebate	0	0	0
Miscellaneous	2,463	0	0
Does miscellaneous exceed 10% of Total			
Total Receipts	689,928	909,156	65,302
Resources Available:	773,722	909,317	82,718
Expenditures:			
Personnel Services	753,292	865,500	928,600
Contractual Services	20,269	26,401	35,000
Cash Forward (2024 column)	0	0	25,000
Miscellaneous	0	0	0
Does miscellaneous exceed 10% of Total			
Total Expenditures	773,561	891,901	988,600
Unencumbered Cash Balance Dec 31	161	17,416	XXXXXXXXXXXXXXXXXX
2022/2023/2024 Budget Authority Amount	900,000	891,901	988,600
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	988,600
		Tax Required	905,882
		Delinquent Comp Rate: 0.0%	0
		Amount of 2023 Ad Valorem Tax	905,882

Adopted Budget Industrial Promotion	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Unencumbered Cash Balance Jan 1	11,113	2,828	0
Receipts:			
Ad Valorem Tax	4,707	5,118	XXXXXXXXXXXXXXXXXX
Delinquent Tax	236	132	250
Motor Vehicle Tax	419	350	291
Recreational Vehicle Tax	7	7	5
16/20M Vehicle Tax	2	2	2
Commercial Vehicle Tax	4	3	3
Watercraft Tax	0	0	0
Sale of Real Property	37,507	20,000	20,000
Building Lease	5,625	6,000	6,000
Reimbursed Expense	250	4,000	4,000
Neighborhood Revitalization Rebate	0	0	0
Miscellaneous	13,820	0	0
Does miscellaneous exceed 10% of Total	Exceed 10% Rule		
Total Receipts	62,577	35,612	30,551
Resources Available:	73,690	38,440	30,551
Expenditures:			
Contractual Services	52,583	38,440	26,030
Commodities	0	0	0
Capital Outlay	18,279	0	0
Cash Forward (2024 column)			4,521
Miscellaneous			0
Does miscellaneous exceed 10% of Total			
Total Expenditures	70,862	38,440	30,551
Unencumbered Cash Balance Dec 31	2,828	0	XXXXXXXXXXXXXXXXXX
2022/2023/2024 Budget Authority Amount	71,997	47,021	30,551
		Non-Appropriated Balance	
		Total Expenditure/Non-Appr Balance	30,551
		Tax Required	0
		Delinquent Comp Rate: 0.0%	0
		Amount of 2023 Ad Valorem Tax	0

CPA Summary

Osawatimie

2024

FUND PAGE FOR FUNDS WITH A TAX LEVY

Adopted Budget Public Safety Equipment	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Unencumbered Cash Balance Jan 1	1,471	97,541	121,070
Receipts:			
Ad Valorem Tax	23,485	24,713	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax	1,226	290	1,000
Motor Vehicle Tax	2,096	1,898	1,403
Recreational Vehicle Tax	33	35	23
16/20M Vehicle Tax	10	9	10
Commercial Vehicle Tax	21	14	16
Watercraft Tax	0	2	2
Sales Tax Receipts	98,912	75,000	85,000
Bond Proceeds	85,000	0	0
Reimbursed Expense	763	0	0
Neighborhood Revitalization Rebate	0	0	0
Miscellaneous	9,360	0	0
Does miscellaneous exceed 10% of Total			
Total Receipts	220,906	101,961	87,454
Resources Available:	222,377	199,502	208,524
Expenditures:			
Contractual Services	0	0	0
Commodities	0	0	0
Capital Outlay	62,178	0	120,000
Debt Service	49,134	78,432	39,965
Transfer Out to Tech	13,524	0	14,000
Transfer Out to Bond & Interest	0	0	7,105
Cash Forward (2024 column)	0	0	25,000
Miscellaneous	0	0	
Does miscellaneous exceed 10% of Total			
Total Expenditures	124,836	78,432	206,070
Unencumbered Cash Balance Dec 31	97,541	121,070	XXXXXXXXXXXXXXXXXXXX
2022/2023/2024 Budget Authority Amount	125,959	101,961	206,070
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			206,070
Tax Required			0
Delinquent Comp Rate:			0.0%
Amount of 2023 Ad Valorem Tax			0

Adopted Budget	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
0			
Unencumbered Cash Balance Jan 1		0	0
Receipts:			
Ad Valorem Tax		0	XXXXXXXXXXXXXXXXXXXX
Delinquent Tax			
Motor Vehicle Tax			
Recreational Vehicle Tax			
16/20M Vehicle Tax			
Commercial Vehicle Tax			
Watercraft Tax			
Interest on Idle Funds			
Neighborhood Revitalization Rebate			0
Miscellaneous			
Does miscellaneous exceed 10% of Total			
Total Receipts	0	0	0
Resources Available:	0	0	0
Expenditures:			
Cash Forward (2024 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total			
Total Expenditures	0	0	0
Unencumbered Cash Balance Dec 31	0	0	XXXXXXXXXXXXXXXXXXXX
2022/2023/2024 Budget Authority Amount	0	0	0
Non-Appropriated Balance			
Total Expenditure/Non-Appr Balance			0
Tax Required			0
Delinquent Comp Rate:			0.0%
Amount of 2023 Ad Valorem Tax			0

CPA Summary

Osawatomie

2024

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Special Highway	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Unencumbered Cash Balance Jan 1	104,463	205,629	414,365
Receipts:			
State of Kansas Gas Tax	114,994	155,900	154,740
County Transfers Gas	0	0	0
Connecting Links Payment	5,100	5,100	5,100
City Sales / Compensating Use Tax	66,769	216,000	216,000
County Sales / Compensating Use Tax	24,076	48,000	48,000
Sale of Surplus Equipment	22,443	0	
Miscellaneous	1,754	0	
Does miscellaneous exceed 10% of Total R			
Total Receipts	235,136	425,000	423,840
Resources Available:	339,599	630,629	838,205
Expenditures:			
Contractual Services	0	0	0
Commodities	48,727	45,000	45,000
Capital Outlay	11,354	150,000	300,000
Debt Service	21,264	21,264	21,264
Transfer to CIP Street	52,625	0	400,000
Cash Forward (2024 column)			31,073
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	133,970	216,264	797,337
Unencumbered Cash Balance Dec 31	205,629	414,365	40,868
2022/2023/2024 Budget Authority Amount	165,595	226,073	797,337

Adopted Budget Refuse	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Unencumbered Cash Balance Jan 1	1,222	176	0
Receipts:			
Administration Fee	17,289	12,000	16,500
Sales/Charges	354,093	465,800	425,000
Customer Late Charge	15	0	0
Transfer in from Electric	5,500	0	7,500
Interest on Idle Funds	0	0	0
Miscellaneous	1,470	2,200	1,500
Does miscellaneous exceed 10% of Total R			
Total Receipts	378,367	480,000	450,500
Resources Available:	379,589	480,176	450,500
Expenditures:			
Contractual Services	379,413	480,000	400,000
Commodities	0	0	0
Cash Forward (2024 column)	0	176	2,000
Miscellaneous	0	0	0
Does miscellaneous exceed 10% of Total E			
Total Expenditures	379,413	480,176	402,000
Unencumbered Cash Balance Dec 31	176	0	48,500
2022/2023/2024 Budget Authority Amount	480,000	481,222	402,000

CPA Summary

Osawatomic

2024

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget	Prior Year	Current Year	Proposed Budget
Tourism	Actual for 2022	Estimate for 2023	Year for 2024
Unencumbered Cash Balance Jan 1	44,887	47,237	18,116
Receipts:			
Transient Guest Tax	15,359	15,000	15,000
Sponsorship Fees & Donations	125,898	110,750	122,150
Transfer in From Electric	0	0	0
Grants	110,000	0	0
Interest on Idle Funds	0	0	0
Miscellaneous		10,000	10,000
Does miscellaneous exceed 10% of Total F			
Total Receipts	251,257	135,750	147,150
Resources Available:	296,144	182,987	165,266
Expenditures:			
Contractual Services	219,166	98,800	98,800
Commodities	27,159	48,000	48,000
Capital Outlay	488	10,000	10,000
Cash Forward (2024 column)	0	8,071	8,071
Miscellaneous	2,094	0	0
Does miscellaneous exceed 10% of Total E			
Total Expenditures	248,907	164,871	164,871
Unencumbered Cash Balance Dec 31	47,237	18,116	395
2022/2023/2024 Budget Authority Amount	254,245	164,871	164,871

Adopted Budget	Prior Year	Current Year	Proposed Budget
Special Parks & Rec	Actual for 2022	Estimate for 2023	Year for 2024
Unencumbered Cash Balance Jan 1	160	17,820	37,660
Receipts:			
Local Alcoholic Liquor Tax	4,604	5,000	4,600
Transfer in from Electric	27,600	20,000	0
Transfer in from Recreation	0	0	0
Donations	25,425	0	0
Interest on Idle Funds	0	0	0
Miscellaneous	0	0	0
Does miscellaneous exceed 10% of Total F			
Total Receipts	57,629	25,000	4,600
Resources Available:	57,789	42,820	42,260
Expenditures:			
Contractual Services	31,038	0	35,000
Commodities	7,618	3,500	6,000
Capital Outlay	1,313	1,660	0
Debt Service	0	0	0
Cash Forward (2024 column)			
Miscellaneous			
Does miscellaneous exceed 10% of Total E			
Total Expenditures	39,969	5,160	41,000
Unencumbered Cash Balance Dec 31	17,820	37,660	1,260
2022/2023/2024 Budget Authority Amount	49,787	5,160	41,000

CPA Summary

Osawatomie

2024

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget	Prior Year	Current Year	Proposed Budget
Electric Reserve Debt Svc.	Actual for 2022	Estimate for 2023	Year for 2024
Unencumbered Cash Balance Jan 1	164,635	261,475	274,675
Receipts:			
Transfer In from Electric	450,000	450,000	426,900
Interest on Idle Funds	0	0	0
Miscellaneous	0	0	0
Does miscellaneous exceed 10% of Total R			
Total Receipts	450,000	450,000	426,900
Resources Available:	614,635	711,475	701,575
Expenditures:			
Debt Service	353,160	436,800	432,000
Cash Forward (2024 column)	0		0
Miscellaneous	0		0
Does miscellaneous exceed 10% of Total E			
Total Expenditures	353,160	436,800	432,000
Unencumbered Cash Balance Dec 31	261,475	274,675	269,575
2022/2023/2024 Budget Authority Amount	615,638	436,800	432,000

Adopted Budget	Prior Year	Current Year	Proposed Budget
Water	Actual for 2022	Estimate for 2023	Year for 2024
Unencumbered Cash Balance Jan 1	55,948	43,091	99,055
Receipts:			
Water Sales	1,188,052	1,350,000	1,350,000
Water Tower Lease	6,000	0	0
Water Protection Tax	10,840	11,000	11,000
Reimbursed Expense	2,043	1,000	1,000
Interest on Idle Funds	0	0	
Miscellaneous	0	0	
Does miscellaneous exceed 10% of Total R			
Total Receipts	1,206,935	1,362,000	1,362,000
Resources Available:	1,262,883	1,405,091	1,461,055
Expenditures:			
Personnel Services	586,249	489,619	679,692
Contractual Services	149,671	247,470	282,200
Commodities	309,265	284,950	354,200
Capital Outlay	3,620	149,632	1,250
Transfer Out to General Fund	12,250	25,000	0
Transfer Out to Employee Benefit Fund	60,000	0	0
Transfer Out to Bond & Interest Fund	94,500	97,365	66,515
Cash Forward (2024 column)	0	0	50,000
Miscellaneous	4,237	12,000	16,000
Does miscellaneous exceed 10% of Total E			
Total Expenditures	1,219,792	1,306,036	1,449,857
Unencumbered Cash Balance Dec 31	43,091	99,055	11,198
2022/2023/2024 Budget Authority Amount	1,300,000	1,431,404	1,449,857

CPA Summary

Osawatomic

2024

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Electric	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Unencumbered Cash Balance Jan 1	478,614	690,399	435,311
Receipts:			
Pole Attachment Agreements	19,142	18,000	18,000
Electric Sales & Late Charges	4,217,920	4,125,000	4,667,950
Sales Tax Collections	155,663	150,000	193,000
Sale of Surplus Equipment	19,574	0	0
Interest on Idle Funds	205	1,500	205
Miscellaneous	4,127	6,000	0
Does miscellaneous exceed 10% of Total R			
Total Receipts	4,416,631	4,300,500	4,879,155
Resources Available:	4,895,245	4,990,899	5,314,466
Expenditures:			
Personnel Services	561,749	526,442	678,704
Contractual Services	2,342,931	2,057,385	2,663,405
Commodities	274,228	437,630	436,208
Capital Outlay	9,376	358,631	6,572
Debt Service	70,885	0	78,392
Transfers Out (to all funds)	679,837	720,000	738,900
Cash Forward (2024 column)	0	175,000	250,000
Miscellaneous	265,840	280,500	294,050
Does miscellaneous exceed 10% of Total R			
Total Expenditures	4,204,846	4,555,588	5,146,231
Unencumbered Cash Balance Dec 31	690,399	435,311	168,235
2022/2023/2024 Budget Authority Amount	4,173,327	4,555,588	5,146,231

See Tab A

Adopted Budget Sewer	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Unencumbered Cash Balance Jan 1	90,338	201,864	357,026
Receipts:			
Charges for Service	1,332,811	1,200,000	1,215,000
Reimbursed Expense	555	0	0
Interest on Idle Funds			
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Receipts	1,333,366	1,200,000	1,215,000
Resources Available:	1,423,704	1,401,864	1,572,026
Expenditures:			
Personnel Services	252,412	247,360	322,275
Contractual Services	186,914	175,770	258,600
Commodities	40,844	87,950	86,233
Capital Outlay	3,620	6,800	0
Transfer Out to (all Funds)	249,000	515,958	478,852
Debt Service	489,050	0	0
Cash Forward (2024 column)		11,000	75,000
Miscellaneous			
Does miscellaneous exceed 10% of Total R			
Total Expenditures	1,221,840	1,044,838	1,220,960
Unencumbered Cash Balance Dec 31	201,864	357,026	351,066
2022/2023/2024 Budget Authority Amount	1,248,514	1,044,838	1,220,960

CPA Summary

Osawatomie

2024

FUND PAGE FOR FUNDS WITH NO TAX LEVY

Adopted Budget Golf Course	Prior Year Actual for 2022	Current Year Estimate for 2023	Proposed Budget Year for 2024
Unencumbered Cash Balance Jan 1	139,779	243,164	140,230
Receipts:			
Green Fees/Driving Range Fees	150,198	90,500	134,000
Membership Fees	52,615	62,000	63,000
Cart Rental	109,074	83,500	95,200
Tournament Revenue	50,967	35,000	44,000
Transfer In from Electric	50,000	0	0
Food & Drinks	75,054	47,000	61,500
Proshop	15,678	10,000	13,500
Sales Tax Collections	19,162	15,000	15,000
Interest on Idle Funds	0	0	0
Note Proceeds	223,416	0	0
Miscellaneous	1,839	9,492	950
Does miscellaneous exceed 10% of Total R			
Total Receipts	748,003	352,492	427,150
Resources Available:	887,782	595,656	567,380
Expenditures:			
Personnel Services	174,545	261,826	280,144
Contractual Services	63,564	75,700	70,150
Commodities	128,687	82,900	143,450
Capital Outlay	163,583	5,000	0
Debt Service	81,725	30,000	48,636
Cash Forward (2024 column)	0	0	0
Miscellaneous	32,514	0	25,000
Does miscellaneous exceed 10% of Total E			
Total Expenditures	644,618	455,426	567,380
Unencumbered Cash Balance Dec 31	243,164	140,230	0
2022/2023/2024 Budget Authority Amount	654,078	455,426	567,380

CPA Summary

2024

NON-BUDGETED FUNDS (B)
(Only the actual budget year for 2022 is reported)

Osawatomie

Non-Budgeted Funds-B

(1) Fund Name:		(2) Fund Name:			(3) Fund Name:			(4) Fund Name:			(5) Fund Name:		
CIP - Special projects		CIP - Technology											
Unencumbered		Unencumbered		Unencumbered		Unencumbered		Unencumbered		Unencumbered		Total	
Cash Balance Jan 1	0	Cash Balance Jan 1	28,850	Cash Balance Jan 1		Cash Balance Jan 1		Cash Balance Jan 1		Cash Balance Jan 1		28,850	
Receipts:													
None													
		Tech Fees	37,203										
		Transfer In	13,524										
Total Receipts	0	Total Receipts	50,727	Total Receipts	0	Total Receipts	0	Total Receipts	0	Total Receipts	0	50,727	
Resources Available:	0	Resources Available:	79,577	Resources Available:	0	Resources Available:	0	Resources Available:	0	Resources Available:	0	79,577	
Expenditures:													
Closing Fund													
		Principal	54,906										
		Interest	964										
Total Expenditures	0	Total Expenditures	55,870	Total Expenditures	0	Total Expenditures	0	Total Expenditures	0	Total Expenditures	0	55,870	
Cash Balance Dec 31	0	Cash Balance Dec 31	23,707	Cash Balance Dec 31	0	Cash Balance Dec 31	0	Cash Balance Dec 31	0	Cash Balance Dec 31	0	23,707	

**Note: These two block figures should agree.

CPA Summary												
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NOTICE OF HEARING TO EXCEED REVENUE NEUTRAL RATE AND BUDGET HEARING

2024

The governing body of
Osawatomic
will meet on August 24, 2023 at 6:30 PM at Memorial Hall; 411 11th Street; Osawatomic, KS 66064 for the purpose of hearing and answering objections of taxpayers relating to the proposed use of all funds, the amount of ad valorem tax and the Revenue Neutral Rate. Detailed budget information is available at City Hall; 439 Main St. Osawatomic, KS 66064 and will be available at this hearing.

SUPPORTING COUNTIES
Miami (home county)

BUDGET SUMMARY

Proposed Budget 2024 Expenditures and Amount of 2023 Ad Valorem Tax establish the maximum limits of the 2024 budget. Estimated Tax Rate is subject to change depending on the final assessed valuation.

FUND	Prior Year Actual for 2022		Current Year Estimate for 2023		Proposed Budget for 2024		
	Expenditures	Actual Tax Rate *	Expenditures	Actual Tax Rate *	Budget Authority for Expenditures	Amount of 2023 Ad Valorem Tax	Proposed Estimated Tax Rate*
General	3,618,903	28.663	3,054,285	28.354	3,735,385	1,208,215	33.291
Debt Service	920,751	31.667	1,527,802	24.310	1,638,075	716,709	19.748
Library	27,973		101,332		65,099		
Employee Benefits	773,561	18.545	891,901	26.423	988,600	905,882	24.961
Industrial Promotion	70,862	0.185	38,440	0.158	30,551		
Public Safety Equipment	124,836	0.923	78,432	0.764	206,070		
Special Highway	133,970		216,264		797,337		
Refuse	379,413		480,176		402,000		
Tourism	248,907		164,871		164,871		
Special Parks & Rec	39,969		5,160		41,000		
Electric Reserve Debt Svc.	353,160		436,800		432,000		
Water	1,219,792		1,306,036		1,449,857		
Electric	4,204,846		4,555,588		5,146,231		
Sewer	1,221,840		1,044,838		1,220,960		
Golf Course	644,618		455,426		567,380		
Non-Budgeted Funds-A	3,350,016						
Non-Budgeted Funds-B	55,870						
Totals	17,389,287	79.983	14,357,351	80.009	16,885,416	2,830,806	78.000
						<i>Revenue Neutral Rate**</i>	<i>71.321</i>
Less: Transfers	1,073,736		1,388,323		1,710,372		
Net Expenditure	16,315,551		12,969,028		15,175,044		
Total Tax Levied	2,144,713		2,588,396		XXXXXXXXXXXXXXXXXX		
Assessed Valuation	26,814,880		32,351,356		36,292,243		
Outstanding Indebtedness, January 1,	2021		2022		2023		
G.O. Bonds	8,880,369		8,567,289		13,961,000		
Revenue Bonds	5,010,000		4,750,000		4,480,000		
Other	1,085,842		2,360,500		2,360,500		
Lease Purchase Principal	594,128		412,238		422,268		
Total	15,570,339		16,090,027		21,223,768		

*Tax rates are expressed in mills
** Revenue Neutral Rate as defined by KSA 79-2988

Bret Glendening
City Official Title: City Manager

CITY OF OSAWATOMIE, KANSAS

ORDINANCE NO. 3836

AN ORDINANCE ADOPTING THE 2024 BUDGET OF THE CITY OF OSAWATOMIE, KANSAS.

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

SECTION 1. Adoption of Authority. The City of Osawatomie hereby adopts its budget for the year 2024. Copies of said State budget shall be open for inspection in the office of the City Clerk during business hours. Upon filing of the budget with the County Clerk of Miami County, Kansas, said budget shall constitute an appropriation for each fund, and the appropriation thus made shall not be used for any other purpose, pursuant to K.S.A. 79-2934. A detailed, line-item budget document will be available to the public on January 31, 2024.

SECTION 2. Take Effect. This Ordinance shall be in full force and effect from and after its passage, approval and publication in the official City newspaper, all as provided by law.

PASS BY THE CITY COUNCIL, this 24th day of August, 2023.

APPROVED BY THE MAYOR this 24th day of August, 2023.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk



ACTION ITEM SUMMARY	Item Number:	9.B.
	Date:	August 15, 2023
City Manager	From:	Bret Glendening

RE: Directing Staff on the Sale of Vacant Lots in Hickory Valley

RECOMMENDATION: That the City Council pass Resolution 1159

DETAILS: As was discussed at the council meeting on August 9th, we’ve had a request to purchase two lots (pictured below) in Hickory Valley. As was also discussed, these lots do not have full street access and do not have utilities extended to them as of yet.

Given the number of projects we have going currently and the importance of developing Hickory Valley out in a planned manner and not randomly, it is staff’s recommendation that we pause any sale of platted lots in the Hickory Valley subdivision until such time as the infrastructure can be designed and permitted and a financing plan put into place.



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

RESOLUTION NO. 1159

**A RESOLUTION OF THE CITY OF OSAWATOMIE, KANSAS
PROVIDING DIRECTION TO STAFF REGARDING VACANT LOTS IN
HICKORY VALLEY.**

WHEREAS, the Governing Body wishes to promote planned growth and development on property known as Hickory Valley; and

WHEREAS, the Governing Body has approved the sale of multiple city-owned, vacant lots in the past for the purpose of constructing new homes on infill lots; and

WHEREAS, there are platted lots in the Hickory Valley Subdivision that do not have all public infrastructure extended to them; and

WHEREAS, The City intends to build out the Hickory Valley Subdivision in the future and do so in a cost-efficient manner.

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

SECTION ONE: In the interests of promoting planned and cost-effective growth in certain subdivisions within the City of Osawatomie, the Governing Body hereby directs the City Manager to pause the sale of any lots owned by the City of Osawatomie in the Hickory Valley Subdivision until such time as electric, gas, water and sewer utilities can be permitted as necessary and extended and street(s) can be designed and constructed.

SECTION TWO: This Resolution shall be in full force and effect from and after its adoption.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas this 24th day of August, 2023, 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:	August 15, 2023
Deputy City Manager	From:	Bret Glendening

RE: Request to waive the generally accepted account principles (GAAP).

RECOMMENDATION: That the City Council pass the Resolution as presented to allow all financial statements and financial reports of the municipality to be prepared on the basis of cash receipts and disbursements, as adjusted to show compliance with the cash-basis and budget laws of Kansas.

DETAILS: K.S.A. 75-1120 requires the governing body of each municipality in Kansas to utilize generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. However, the statute allows the Director of Accounts and Reports to waive the requirements upon the request of the governing body of any city.

Prior to requesting the waiver, the governing body must annually pass a resolution, finding that financial statements and financial reports prepared in conformity with GAAP are not relevant to the requirements of the cash-basis and budget laws of Kansas and are of no significant value to the governing body or members of the general public of the municipality.

The law does state that the waiver cannot be requested if the provisions of revenue bond ordinances or resolutions, or other ordinances or resolutions of the municipality, require financial statements and financial reports to be prepared in conformance with GAAP.

If the waiver is granted, all financial statements and financial reports of the municipality are required to be prepared on the basis of cash receipts and disbursements, as adjusted to show compliance with the cash-basis and budget laws of Kansas.

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

RESOLUTION NO. 1160

**A RESOLUTION WAIVING THE GAAP REQUIREMENTS
OF K.S.A. 75-1120A(a) FOR THE YEAR ENDED 2024.**

WHEREAS, the City of Osawatomie, Kansas, has determined that the financial statements and financial reporting requirement for the year ending 2024 to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the Governing Body or the members of the general public of the City of Osawatomie; and

WHEREAS, K.S.A. 75-1120a(c) allows municipalities to waive Generally Accepted Accounting Principles (GAAP), but they must do so on an annual basis; and

WHEREAS, The City of Osawatomie, Kansas has historically waived the GAAP requirements in lieu of preparing our financial statements in accordance with Generally Accepted Auditing Standards and the Kansas Municipal Audit and Accounting Guide.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Osawatomie, Kansas, in regular meeting duly assembled this 24th day of August, 2023 that the Governing Body waives the requirements of K.S.A. 75-1120a(a) as they apply to the City of Osawatomie for the year ended 2024.

BE IT FURTHER RESOLVED that the Governing Body shall cause the financial statements and financial reports of the City of Osawatomie to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

PASSED AND ADOPTED by the Governing Body of the City of Osawatomie, Kansas this 24th day of August, 2023, a majority being in favor thereof.

APPROVED AND SIGNED by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk



City of Osawatomie

ACTION ITEM SUMMARY	Item Number:	10.B.
	Date:	08/24/23
Golf Course Superintendent	From:	Eric Draper

RE: Purchase of new Pro Core 648 Aerator for the Osawatomie Golf Course

RECOMMENDATION: Approve resolution 1082

DETAILS: Currently we contract out our aeration service once a year, however there is a need for more frequent aeration on the golf greens and tee boxes than what we are currently able to do with a contractor. This need is driven by increased daily golf rounds, junior rounds, and tournament rounds. The purchase of the Pro Core 648 gives us the ability to perform aeration on our own timeline, and provide better and more consistent playing conditions. Professional Turf Products has offered to finance the Pro Core 648 however, First Option Bank was able to provide us with a better interest rate giving us a lower payment.

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

RESOLUTION NO. 1082

**A RESOLUTION AUTHORIZING THE LEASE/PURCHASE
OF A NEW PRO CORE 648 AERATOR FOR THE
OSAWATOMIE GOLF COURSE**

WHEREAS, we currently contract out this service once a year, and

WHEREAS, with the significant increase of daily golf rounds, junior rounds, and tournament rounds which has increased the foot and cart traffic making a need for more frequent aeration throughout the year on our own timeline, and

WHEREAS, the purchase of an aerator allows us to aerate the greens and tee boxes on a regular basis to allow for improved playing conditions, and

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City Osawatomie, Kansas, in regular meeting duly assembled this 24th day of August, 2023 that the Governing Body authorizes the purchase of a new Pro Core 648 Aerator or equivalent in an amount not to exceed \$50,000.

BE IT FURTHER RESOLVED that the Governing Body of the City of Osawatomie, Kansas authorizes the Mayor and city staff to enter into an agreement with First Option Bank to finance the purchase of the described equipment under a lease/purchase agreement.

PASSED AND ADOPTED by the Governing Body of the City of Osawatomie, Kansas this 24th day of August, 2023, a majority being in favor thereof.

APPROVED AND SIGNED by the Mayor.

Nick Hampson, Mayor

(SEAL)

ATTEST:

Tammy Seamands, City Clerk



Professional Turf Products, L.P.

10935 Eicher Dr.
 Lenexa, Kansas 66219
 Mark Newton, CGCS
 (913) 449-8238
 newtonm@proturf.com



Ship To	Osawatomie Golf Course	Date:	8/11/2023
Quotation		Tax Rate	TBD
Contact	Eric Draper	Destination	Included
Address	439 Main Street; PO Box 37 Osawatomie, KS 66064	Trade-In	\$0.00
		Finance	de lage landen
Phone	(913) 755 4769	Account Type	STD
Email	edraper@osawatomiex.org	QMS: ID	Q138800
Comments:	Finance proposal with estimated financing rates through DLL based on a Conditional Sales Contract, lessee would own equipment at end of term for \$1 buyout. Proposal inclusive of all setup and delivery to Osawatomie Golf Course. Any and all applicable property/sales tax not included.		

Finance Proposal (Includes Destination)

Qty	Model #	Description	48 Month	60 Month	Selling Price
1	09200	ProCore 648			
3	09737	Mini-tine Head Set (1 row of 6)			
3	09796	4 Tine 3/4 Inch Head Set			
2	120-1045	Guard-Turf, 4 Tine, Short			
1	120-1046	Guard-Turf, 4 Tine, Long			
2	120-1050	Turf Guard, Short			
1	120-1053	Turf Guard, Long			
		ProCore 648	\$ 1,094.99	\$ 912.56	\$ 44,493.66

CSC_New

	48-Month CSC	60-Month CSC	Outright Selling Price
Monthly Payments (CSC)	\$ 1,094.99	\$ 912.56	\$ 44,493.66
Tax (Estimated)	\$ -	\$ -	\$ -
TOTAL	\$ 1,094.99	\$ 912.56	\$ 44,493.66

Comments:

For all New Equipment, Demo units may be available for up to 20% savings.
 For all New Equipment, Refurbished units may be available for up to 40% savings.
 Due to unexpected issues with much of our supply chain, we are experiencing longer lead times than we have seen in the past. We are doing everything we can to get products to you as quickly as possible.

Terms & Conditions:

- Prices & Finance Rates are subject to change at any time. Monthly Payments are Estimates based on Prices & Rates when quoted.
- Due to the volatility of inflation, rising transportation costs, and supply shortages, some orders may incur additional cost increases that are beyond the control of PTP and the vendors we represent. These pricing adjustments may be made from the time the order is entered through equipment delivery. Any adjustments will be communicated to customers with orders in the system with a new sale price as they occur.
- Order cancellations are subject to fees up to 10% of the original order value.
- Equipment delivery time is estimated once credit is approved & documents are executed & is contingent on Manufacturer availability.
- Payments by Credit Card are subject to convenience fee.
- Used and Demo equipment is in high demand and availability is subject to change.
 - Upon firm customer commitment to purchase & credit is approved, said equipment availability will be determined.
 - In the event equipment is unavailable at time of order, PTP will employ every resource to secure an acceptable substitute.
 - PTP strongly advises the customer to issue a firm PO as quickly as possible after acceptance of quotation.
- "Trade In Allowances" will be treated as a credit for future parts purchases on PTP account unless other arrangements have been made.

Returns Policy:

- All returns & Canceled PO's are subject to restocking, refurbishing, usage, and shipping fees.
- All returns must be able to be sold as new.
- Items missing parts are non returnable.

Payment:

- Terms are net 10 unless prior arrangements have been made.
- Quoted prices are subject to credit approval.
 - PTP will work with third party financial institutions to secure leases when requested to do so.
 - When using third party financiers, documentation fees & advance payments may be required.
 - For convenience, monthly payments are estimated based on third party rate factors in effect at time of the quotation.
 - PTP assumes no liability in the event credit becomes unavailable or rates change during the approval process.
- There will be a service charge equal to 1.5% per month (18% per annum) on all past due invoices.
- By Law we are required to file a "Notice to Owner" of our intent to file lien in the event of payment default. This notice must be sent within 60 days of the date the original invoice and will happen automatically regardless of any special payment arrangements that may have been made.

Authorized Signature: _____ Date: _____

LEASE WITH OPTION TO PURCHASE AGREEMENT

The Lease with Option to Purchase Agreement, dated as of August 24, 2023, by and between FIRST OPTION BANK, of Osawatomie, Kansas, hereinafter referred to as LESSOR, and City of Osawatomie, KANSAS, a Municipal Corporation, hereinafter referred to as LESSEE. Lessor desires to lease the Equipment described in Exhibit “A” to Lessee, and Lessee desires to lease the Equipment from Lessor subject to the terms and conditions of this Agreement which are set forth below.

I. Lessee Warranties

Section 1.1. Lessee represents, warrants and covenants as follows for the benefit of Lessor or its assignees:

- (a) Lessee is a public body corporate and politic and is duly organized and existing under the Constitution and laws of the State. Lessee will do or cause to be done all things necessary to preserve its existence as a body corporate and politic. Lessee is a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the “Code”) or a constituted authority authorized to issue obligations on behalf of a state or local government unit within the meaning of Treasury Regulation 1.103-1(b).
- (b) Lessee is authorized under the Constitution and laws of the State to enter into this Agreement. Lessee has duly authorized the execution and delivery of this Agreement by appropriate official action. Lessee has complied with all the proper procedures, regulations, requirements and actions of its governing body. The Officer of Lessee executing this Agreement has the authority to execute and deliver this Agreement. This Agreement constitutes a legal, valid, binding and enforceable obligation of the Lessee in accordance with its terms.
- (c) Lessee has complied with all public bidding laws and requirements and all other similar State or Federal laws which may be applicable to this Agreement.
- (d) Lessee will take no action that would cause the Interest Portion of the Rental Payments it pays to Lessor to become includible as gross income for federal income tax purposes under the Internal Revenue Code of 1986.

- (e) Lessee shall use the Equipment only for traditional government purposes. Lessee shall not make any use the Equipment or any proceeds associated with the Equipment in any manner that would cause the creation of an unqualified “Private Activity Bond” as defined under Section 103(b)(1) of the “Code” or an “Arbitrage Bond” as defined under Section 103(b)(2) of the “Code”.
- (f) Should Lessee fail to use the Equipment for traditional government purposes and IRS disallows the tax-exempt status of the Interest Portion of the Rental Payments as a result of such failure, then Lessee shall be required to pay additional sums to the Lessor or its assignees so as to bring the after tax yield on this Agreement to the same level as the Lessor or its assignees would attain if the transaction continued to be tax-exempt.
- (g) Lessee hereby designates the Agreement as a “qualified tax-exempt obligation” as defined in Section 265(b)(3)(B) of the Internal Revenue Code of 1986. The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501 (c)(3) bonds issued or to be issued by the Lessee and all subordinate entities thereof during the Issuance Year is not reasonably expected to exceed ten million (\$10,000,000) dollars.
- (h) Upon request by Lessor, Lessee will annually provide Lessor with current financial statements, budgets, proofs of appropriation for the ensuing budget year and such other financial information relating to the ability of Lessee to continue this Agreement.
- (i) Lessee has never non-appropriated funds under an Agreement similar to this Agreement.
- (j) Lessee warrants that there is no pending litigation in any tribunal which challenges Lessee’s authority to enter into this agreement.

II. Acquisition of Equipment, Rental Payments, and the Purchase Option Price

Section 2.1. Acquisition. Lessee shall order the Equipment, cause the Equipment to be delivered and installed and pay all costs connected therewith.

Section 2.2. Rental Payments. Lessee shall pay Rental Payments exclusively to Lessor or its assignees in lawful, legally available money of the United States of America.

The payments shall be sent to the location specified by the Lessor or its assignees. The amount and date of each Rental Payment shall be paid as set forth on Exhibit "B".

Section 2.3. Rental Payments Constitute a Current Expense.

Lessor and Lessee understand and intend that the obligations of the Lessee to pay Rental Payments under this Agreement shall constitute a current expense of Lessee for such budget year and shall not constitute an indebtedness under the statutory laws of the State. Nothing herein shall constitute a pledge by Lessee of any taxes or other moneys other than the moneys lawfully appropriated by Lessee in Lessee's annual budget.

Section 2.4 Purchase Option Price. Upon 30 days written notice and provided there is no Event of Default, Lessee shall have the option to pay the Purchase Option Price which corresponds to the current Payment Date set forth on Exhibit "B". If Lessee chooses this option and pays the Purchase Option Price to Lessor, then Lessor will transfer any and all of its rights, title and interest in the Equipment to Lessee as is, without warranty, express or implied, except that Lessor will warrant to Lessee that the Equipment is free and clear of any liens created by Lessor.

III. Non-Appropriation

Section 3.1. Non-Appropriation. If insufficient funds are available in Lessee's budget for the next budget year to make the Rental Payments for the next Renewal Term and the funds to make such Rental Payments are otherwise unavailable by any means whatsoever, then Lessee shall have the option to non-appropriate the funds to pay the Rental Payments for the next Renewal Term. If Lessee chooses this option, then all obligations of the Lessee under this Agreement regarding Rental Payments for all remaining Renewal Terms shall be

terminated at the end of the then current Original Term or Renewal Term without penalty, liability or expense to the Lessee of any kind. Lessee agrees that its Budget Officer or other person(s) in charge of preparing the annual budget shall include in its tentative budget the appropriation request for the funds to make the Rental Payments for the Equipment for the next Renewal Term.

Section 3.2. Notice. Lessee shall notify Lessor or its assignees ninety (90) days before the end of the then current Original Term or Renewal Term if Lessee has chosen not to appropriate the funds for the Rental Payments for the next Renewal Term. If Lessee chooses to non-appropriate the funds within ninety (90) days of the then current Original Term or Renewal Term, then Lessee shall notify Lessor or its assignees immediately after such decision is made.

Section 3.3. Lessee Intent. Lessee fully intends to budget and appropriate the funds necessary to pay all the Rental Payments for the original Term and each successive Renewal Term until all Rental Payments listed on Exhibit "B" have been paid. Lessee will use all reasonable and lawful means available to secure the appropriation of money for each successive Renewal Term.

IV. Insurance, Damage to Equipment, Insufficiency or Proceeds, Lessee Liability, Indemnification

Section 4.1. Insurance. Lessee shall maintain both casualty insurance and liability insurance at its own expense. Lessee shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Lessee is required to make Rental Payments.

- (a) Lessee shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonable required by Lessor in an amount at least equal to the then applicable Purchase Price of the Equipment. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies which cover not only the Equipment but also other properties.
- (b) The liability insurance shall insure Lessor from liability and property damage in any form and amount satisfactory to Lessor.
- (c) With Lessor's prior written consent, Lessee may self-insure against the casualty risks and liability risks described above.
- (d) All insurance policies issued or affected by this Section shall be so written or endorsed such that the Lessor and its assignees are named insureds and loss payees and that all losses are payable to Lessee and lessor or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Lessor or its assignees. Lessees shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term.

Section 4.2. Damage to or Destruction of Equipment. Lessee assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged or destroyed by fire or other casualty, Lessee will immediately report all such losses to all possible insurers and take the proper procedures to attain all insurance proceeds. Lessee and Lessor will cause the Net Proceeds of any insurance claim to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment. Alternatively, Lessee may apply the Net Proceeds towards the Purchase Option Price. Any balance of the Net Proceeds remaining after such work has been completed or after the Purchase Option Price has been paid shall belong to Lessee. The term "Net Proceeds" shall mean the amount remaining from gross proceeds of any

insurance payment after deducting all expenses, including attorney's fees, incurred in the collection thereof.

Section 4.3. Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then lessee shall complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds. If Lessee chooses to apply the Net Proceeds to the Purchase Option Price and the Net Proceeds are insufficient to pay the Purchase Option Price, then Lessee shall pay the deficiency.

Section 4.4. Lessee Liability. Lessee assumes all risks and liabilities for injury to or death of any person or damage to any property in any manner arising out of the installation, operation, possession, storage or use of the Equipment whether such injury or death or property damage be with respect to agents or employees of Lessee or with respect to third parties.

Section 4.5. Indemnification. To the extent permitted by law, Lessee shall protect, hold harmless and indemnify Lessor and its assignees from all liability, obligation, losses, claims and damage whatsoever, regardless of the cause thereof arising out or as a result of the entering into this Agreement, the ownership of the Equipment and the ordering, acquisition, installation, operation, possession, storage, or use of any item of the Equipment. This would include all expenses incurred by Lessor in defending any claims or actions filed against them including attorney fees. The indemnification arising under this

paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

V. Maintenance, Permits, Licenses, Liens and Personal Property

Section 5.1. Maintenance. Lessee shall keep the Equipment in good repair and working order. Lessor shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Upon the request of Lessor, Lessee will enter into a maintenance contract for the Equipment with Vendor. Lessee will be liable for all damage to the Equipment, other than normal wear and tear, caused by Lessee, its employees or its agents.

Section 5.2. Permits, Licenses, Taxes and Utilities. Lessee shall obtain all permits and licenses necessary for the installation, operation, possession, storage or use of the Equipment. Lessee shall pay all taxes and other charges of any kind which are lawfully assessed against or with respect to the Equipment. Lessee shall pay all gas, water, steam, electricity, heat, power and other charges incurred in the installation operation, possession, storage or use of the Equipment. Lessee shall pay all other charges lawfully made by and governmental body that may be secured by a lien or encumbrance of the Equipment.

Section 5.3 Liens or Encumbrances. Lessee shall not during the term of this Agreement create, incur or assume any levies, liens and encumbrances of any kind except those created by this Agreement. Lessee shall take all proper measures to promptly release any levies, liens or encumbrances against the Equipment. Lessee shall be liable to Lessor for any costs incurred by Lessor in discharging such levies, liens or encumbrances.

Section 5.4. Personal Property. The Equipment is and shall at all times be and remain personal property regardless whether Equipment or any part thereof may become in any manner affixed or attached to real property.

Section 5.5 Inspection of Equipment. Lessee shall allow Lessor to examine and inspect the Equipment at all reasonable times.

VI. Title and Security Interest

Section 6.1. Title. Title to the Equipment shall vest in Lessee when Lessee acquires and accepts the Equipment. Title to the Equipment will automatically revert back to the lessor in the event Lessee non-appropriates or in the event Lessee defaults. In either of such events, Lessee shall execute and deliver to lessor such documents as Lessor may request to evidence the passage of legal title to the Equipment to Lessor. Once title reverts back to Lessor, lessee has no further interest in the Equipment.

Section 6.2 Security Interest. To secure the payment of all Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a Security Interest under this Agreement, Lessee hereby grants to Lessor a Security Interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit "A". The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment, but also all proceeds therefrom. Lessee agrees to execute such additional documents which Lessor deems necessary or appropriate to establish and maintain its security interest and the security interest of any assignee of Lessor in the Equipment.

VII. Warranties.

Section 7.1. Lessee Assumes Responsibility. The Equipment and the Vendor have been selected by Lessee. Lessor shall have no responsibility for the selection of the Equipment, its suitability for the use intended by Lessee, the acceptance by the Vendor or its sales representative of the order submitted, or any delay or failure by the Vendor or its sales representative to manufacture, deliver or install the Equipment for use by Lessee.

Section 7.2. Disclaimer of Warranties. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY LESSEE. LESSEE'S SOLE REMEDY FOR THE BREACH OF SUCH WARRANTIES SHALL BE AGAINST THE VENDOR OF THE EQUIPMENT AND NOT THE LESSOR.

VII. Default

Section 8.1. Events of Default Defined. The following events shall constitute an "Event of Default" under this Agreement:

- (a) Failure by Lessee to pay any Rental Payment listed on Exhibit "B" for ten (10) days after such payment is due according to the Payment Date listed on Exhibit "B".
- (b) Failure to pay any other payment required to be paid under this Agreement at the time specified herein and a continuation of said failure for a period of three

(3) days after telephonic notice by Lessor that such payment must be made. If Lessee continues to fail to pay any payment after the three day telephonic notice by Lessor that such payment must be made. If Lessee continues to fail to pay any payment after the three day telephonic notice expires, then Lessor may, but will not be obligated to, make such payments and charge Lessee for all costs incurred plus interest at the highest lawful rate.

- (c) Failure by Lessee to observe and perform any covenant, condition, promise or duty under this Agreement for a period of thirty (30) days after written notice specifying such failure is given to Lessee by Lessor, unless Lessor agrees in writing to an extension of time. Lessor will not unreasonably withhold its consent to an extension of time if corrective action is instituted by lessee. Subsection (c) does not apply to Rental Payments and other payments discussed above.
- (d) Any statement, representation or warranty made by Lessee in or pursuant to this Agreement which proves to be false, incorrect or misleading on the date when made regardless of Lessee's intent and which materially adversely affects the rights or security of Lessor under this Agreement.
- (e) Any provision of this Agreement which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Lessor.
- (f) Lessee admits in writing its inability to pay its obligations. Lessee defaults on one or more of its other obligations. Lessee applies or consents to the appointment of a receiver or a custodian to manage its affairs. Lessee makes a general assignment for the benefit of creditors.

Section 8.2. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Agreement, Lessor may declare all Rental Payments and other amounts payable by Lessee hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Agreement, Lessor may require Lease to promptly redeliver any or all of the Equipment to Lessor. For such portions of the Equipment freight prepaid on board a carrier as Lessor shall specify to the location specified by Lessor. For equipment which cannot be easily packaged and shipped, Lessee shall deliver the Equipment at Lessee's cost to such place within the State as Lessor shall specify. If Lessee fails to redeliver the Equipment, Lessor may enter the premises where the Equipment is located and

retake possession of the Equipment and charge Lessee for cost incurred. Notwithstanding that Lessor has taken possession of the Equipment, Lessee shall still be obligated to pay the remaining Rental Payments due up until the end of the then current Original Term or Renewal Term. Lessee will be liable for any damage to the Equipment caused by Lessee or its employees or agents.

- (c) Lessor will have the right to resell or release the Equipment. If Lessor releases the Equipment for an amount less than the amount they received from Lessee, then Lessor can continue to hold the Lessee liable for the difference in payments up until the end of the then current Original Term or Renewal Term. If Lessor sells the Equipment for an amount less than the then applicable Purchase Option Price, then Lessor can hold Lessee liable for as much of the deficiency as can be paid from the aggregate of the remaining payments in the then current Original Term or Renewal Term.
- (d) Lessor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights as the owner of the Equipment.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Lessor and Lessee have caused this Agreement to be executed in their names by their duly authorized representatives.

Nicholas G. Hampson, Mayor

Mark K. Fuchs, Community President
FIRST OPTION BANK
Osawatomie, Kansas

Exhibit "B" to Lease with Option To Purchase Agreement dated August 24, 2023

AMORTIZATION SCHEDULE

Principal \$44,743.66	Loan Date 08-24-2023	Maturity 08-16-2028	Loan No 19650	Call / Coll 10b / 051	Account ****	Officer MKF	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: City Of Osawatomi
439 Main St
Osawatomi, KS 66064-1330

Lender: FIRST OPTION BANK
Osawatomi
P O Box 277
601 Main
Osawatomi, KS 66064

Disbursement Date: August 24, 2023
Interest Rate: 5.750

Repayment Schedule: Installment
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	09-16-2023	860.54	164.37	696.17	44,047.49
2	10-16-2023	860.54	211.06	649.48	43,398.01
3	11-16-2023	860.54	214.88	645.66	42,752.35
4	12-16-2023	860.54	204.86	655.68	42,096.67
2023 TOTALS:		3,442.16	795.17	2,646.99	
5	01-16-2024	860.54	208.44	652.10	41,444.57
6	02-16-2024	860.54	205.21	655.33	40,789.24
7	03-16-2024	860.54	188.93	671.61	40,117.63
8	04-16-2024	860.54	198.64	661.90	39,455.73
9	05-16-2024	860.54	189.06	671.48	38,784.25
10	06-16-2024	860.54	192.04	668.50	38,115.75
11	07-16-2024	860.54	182.64	677.90	37,437.85
12	08-16-2024	860.54	185.37	675.17	36,762.68
13	09-16-2024	860.54	182.03	678.51	36,084.17
14	10-16-2024	860.54	172.90	687.64	35,396.53
15	11-16-2024	860.54	175.26	685.28	34,711.25
16	12-16-2024	860.54	166.32	694.22	34,017.03
2024 TOTALS:		10,326.48	2,246.84	8,079.64	
17	01-16-2025	860.54	168.43	692.11	33,324.92
18	02-16-2025	860.54	165.00	695.54	32,629.38
19	03-16-2025	860.54	145.93	714.61	31,914.77
20	04-16-2025	860.54	158.02	702.52	31,212.25
21	05-16-2025	860.54	149.56	710.98	30,501.27
22	06-16-2025	860.54	151.02	709.52	29,791.75
23	07-16-2025	860.54	142.75	717.79	29,073.96
24	08-16-2025	860.54	143.96	716.58	28,357.38
25	09-16-2025	860.54	140.41	720.13	27,637.25
26	10-16-2025	860.54	132.43	728.11	26,909.14
27	11-16-2025	860.54	133.24	727.30	26,181.84
28	12-16-2025	860.54	125.45	735.09	25,446.75
2025 TOTALS:		10,326.48	1,756.20	8,570.28	
29	01-16-2026	860.54	126.00	734.54	24,712.21
30	02-16-2026	860.54	122.36	738.18	23,974.03
31	03-16-2026	860.54	107.22	753.32	23,220.71
32	04-16-2026	860.54	114.97	745.57	22,475.14
33	05-16-2026	860.54	107.69	752.85	21,722.29
34	06-16-2026	860.54	107.56	752.98	20,969.31
35	07-16-2026	860.54	100.48	760.06	20,209.25
36	08-16-2026	860.54	100.06	760.48	19,448.77
37	09-16-2026	860.54	96.30	764.24	18,684.53
38	10-16-2026	860.54	89.53	771.01	17,913.52
39	11-16-2026	860.54	88.70	771.84	17,141.68
40	12-16-2026	860.54	82.14	778.40	16,363.28
2026 TOTALS:		10,326.48	1,243.01	9,083.47	
41	01-16-2027	860.54	81.02	779.52	15,583.76
42	02-16-2027	860.54	77.16	783.38	14,800.38
43	03-16-2027	860.54	66.19	794.35	14,006.03
44	04-16-2027	860.54	69.35	791.19	13,214.84
45	05-16-2027	860.54	63.32	797.22	12,417.62
46	06-16-2027	860.54	61.48	799.06	11,618.56
47	07-16-2027	860.54	55.67	804.87	10,813.69
48	08-16-2027	860.54	53.54	807.00	10,006.69
49	09-16-2027	860.54	49.55	810.99	9,195.70
50	10-16-2027	860.54	44.06	816.48	8,379.22
51	11-16-2027	860.54	41.49	819.05	7,560.17

**AMORTIZATION SCHEDULE
(Continued)**

Loan No: 19650

Page 2

52	12-16-2027	860.54	36.23	824.31	6,735.86
2027 TOTALS:		10,326.48	699.06	9,627.42	
53	01-16-2028	860.54	33.35	827.19	5,908.67
54	02-16-2028	860.54	29.26	831.28	5,077.39
55	03-16-2028	860.54	23.52	837.02	4,240.37
56	04-16-2028	860.54	21.00	839.54	3,400.83
57	05-16-2028	860.54	16.30	844.24	2,556.59
58	06-16-2028	860.54	12.66	847.88	1,708.71
59	07-16-2028	860.54	8.19	852.35	856.36
60	08-16-2028	860.54	4.18	856.36	0.00
2028 TOTALS:		6,884.32	148.46	6,735.86	
TOTALS:		51,632.40	6,888.74	44,743.66	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

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Exhibit "A"

To Lease with Option to Purchase

Dated August 24, 2023

City of Osawatomie

Purchase Money Security Interest in a Toro ProCare 648 Aerator, Model 9200, with attachments; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

FIRST OPTION BANK
P O Box 277
601 Main
Osawatomie, KS 66064

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
City Of Osawatomie

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 439 Main St	CITY Osawatomie	STATE KS	POSTAL CODE 66064-1330	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
FIRST OPTION BANK

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS P O Box 277, 601 Main	CITY Osawatomie	STATE KS	POSTAL CODE 66064	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

Purchase Money Security Interest in a Toro ProCare 648 Aerator, Model 9200, with attachments; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing. .

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME City Of Osawatomie	
OR	
9b. INDIVIDUAL'S SURNAME	
FIRST PERSONAL NAME	
ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME				
OR				
10b. INDIVIDUAL'S SURNAME				
INDIVIDUAL'S FIRST PERSONAL NAME				
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				SUFFIX
10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

<p>13. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)</p> <p>15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):</p>	<p>14. This FINANCING STATEMENT: <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing</p> <p>16. Description of real estate:</p>
---	---

17. MISCELLANEOUS:

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

FIRST OPTION BANK
P O Box 277
601 Main
Osawatomie, KS 66064

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
City Of Osawatomie

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 439 Main St	CITY Osawatomie	STATE KS	POSTAL CODE 66064-1330	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
FIRST OPTION BANK

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS P O Box 277, 601 Main	CITY Osawatomie	STATE KS	POSTAL CODE 66064	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:
Purchase Money Security Interest in a Toro ProCare 648 Aerator, Model 9200, with attachments; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing. .

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME City Of Osawatomie	
OR	
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FIRST PERSONAL NAME	
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10a. ORGANIZATION'S NAME				
OR				
10b. INDIVIDUAL'S SURNAME				
INDIVIDUAL'S FIRST PERSONAL NAME				
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				SUFFIX
10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

<p>13. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)</p> <p>15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):</p>	<p>14. This FINANCING STATEMENT: <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing</p> <p>16. Description of real estate:</p>
---	---

17. MISCELLANEOUS:

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

**FIRST OPTION BANK
P O Box 277
601 Main
Osawatomie, KS 66064**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
City Of Osawatomie

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 439 Main St	CITY Osawatomie	STATE KS	POSTAL CODE 66064-1330	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
FIRST OPTION BANK

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
3c. MAILING ADDRESS P O Box 277, 601 Main	CITY Osawatomie	STATE KS	POSTAL CODE 66064	COUNTRY USA

4. COLLATERAL: This financing statement covers the following collateral:

Purchase Money Security Interest in a Toro ProCare 648 Aerator, Model 9200, with attachments; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing. .

5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
 Public-Finance Transaction Manufactured-Home Transaction A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

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11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

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 covers timber to be cut covers as-extracted collateral is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

16. Description of real estate:

17. MISCELLANEOUS:

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

**FIRST OPTION BANK
P O Box 277
601 Main
Osawatomie, KS 66064**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

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City Of Osawatomie

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
1c. MAILING ADDRESS 439 Main St	CITY Osawatomie	STATE KS	POSTAL CODE 66064-1330	COUNTRY USA

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY USA

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
FIRST OPTION BANK

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
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5. Check only if applicable and check only one box: Collateral is held in a Trust (see UCC1Ad, item 17 and Instructions) being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
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6b. Check only if applicable and check only one box:
 Agricultural Lien Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): Lessee/Lessor Consignee/Consignor Seller/Buyer Bailee/Bailor Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because Individual Debtor name did not fit, check here

9a. ORGANIZATION'S NAME City Of Osawatomie	
OR	
9b. INDIVIDUAL'S SURNAME	
FIRST PERSONAL NAME	
ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME				
OR				
10b. INDIVIDUAL'S SURNAME				
INDIVIDUAL'S FIRST PERSONAL NAME				
INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S)				SUFFIX
10c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

11. ADDITIONAL SECURED PARTY'S NAME or ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX	
11c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral):

<p>13. <input checked="" type="checkbox"/> This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)</p> <p>15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):</p>	<p>14. This FINANCING STATEMENT: <input type="checkbox"/> covers timber to be cut <input type="checkbox"/> covers as-extracted collateral <input type="checkbox"/> is filed as a fixture filing</p> <p>16. Description of real estate:</p>
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17. MISCELLANEOUS:

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$44,743.66	08-24-2023	08-16-2028	19650	10b / 051	***	MKF	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: City Of Osawatomie
439 Main St
Osawatomie, KS 66064-1330

Lender: FIRST OPTION BANK
Osawatomie
P O Box 277
601 Main
Osawatomie, KS 66064

THIS BUSINESS LOAN AGREEMENT dated August 24, 2023, is made and executed between City Of Osawatomie ("Borrower") and FIRST OPTION BANK ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of August 24, 2023, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

Organization. Borrower is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Kansas. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 439 Main St, Osawatomie, KS 66064-1330. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: **None.**

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of incorporation or organization, or bylaws, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During

**BUSINESS LOAN AGREEMENT
(Continued)**

Loan No: 19650

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the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, or an OCBOA acceptable to Lender, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP or an OCBOA acceptable to Lender.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

**BUSINESS LOAN AGREEMENT
(Continued)**

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Operations. Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies. Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Environmental Compliance and Reports. Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Capital Expenditures. Make or contract to make capital expenditures, including leasehold improvements, in any fiscal year in excess of \$ _____ or incur liability for rentals of property (including both real and personal property) in an amount which, together with capital expenditures, shall in any fiscal year exceed such sum.

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge or restructure as a legal entity (whether by division or otherwise), consolidate with or acquire any other entity, change its name, convert to another type of entity or redomesticate, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) pay any dividends on Borrower's stock (other than dividends payable in its stock), provided, however that notwithstanding the foregoing, but only so long as no Event of Default has occurred and is continuing or would result from the payment of dividends, if Borrower is a "Subchapter S Corporation" (as defined in the Internal Revenue Code of 1986, as amended), Borrower may pay cash dividends on its stock to its shareholders from time to time in amounts necessary to enable the shareholders to pay income taxes and make estimated income tax payments to satisfy their liabilities under federal and state law which arise solely from their status as Shareholders of a Subchapter S Corporation because of their ownership of shares of Borrower's stock, or purchase or retire any of Borrower's outstanding shares or alter or amend Borrower's capital structure.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

BUSINESS LOAN AGREEMENT (Continued)

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Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Right to Cure. If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include all reasonable costs incurred in the collection of the Loan, including but not limited to, court costs, attorneys' fees and collection agency fees, except that such costs of collection shall not include recovery of both attorneys' fees and collection agency fees.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Kansas without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Kansas.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to

BUSINESS LOAN AGREEMENT (Continued)

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demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in making the Loan, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loan and delivery to Lender of the Related Documents, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means City Of Osawatomie and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or

**BUSINESS LOAN AGREEMENT
(Continued)**

Loan No: 19650

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waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means FIRST OPTION BANK, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means the Note dated August 24, 2023 and executed by City Of Osawatomie in the principal amount of \$44,743.66, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

OCBOA. The term "OCBOA" means Other Comprehensive Basis of Accounting, as designated by Lender in writing as an acceptable alternative to GAAP.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

Borrower's Initials _____	<p>NO ORAL AGREEMENTS. This written agreement is the final expression of the agreement between Lender and Borrower and may not be contradicted by evidence of any prior oral agreement or of a contemporaneous oral agreement between Lender and Borrower.</p> <p>NONSTANDARD TERMS. The following space contains all nonstandard terms, including all previous oral agreements, if any, between Lender and Borrower:</p>
Lender's Initials _____	<p>By initialing the boxes to the left, Lender and Borrower affirm that no unwritten oral agreement exists between them.</p>

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED AUGUST 24, 2023.

BORROWER:

CITY OF OSAWATOMIE

By: _____
Nicholas G Hampson, Mayor of City Of Osawatomie

LENDER:

FIRST OPTION BANK

By: _____
Authorized Officer

COMMERCIAL LOAN APPLICATION

USA PATRIOT ACT NOTICE: IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account (for this law a loan is considered an account).

What that means for you: When you open an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents. Additional identifying information or documents will be requested from entities (such as a corporation, partnership, trust, or other entity).

CREDIT REQUESTED				
Amount Requested	Term of Credit Requested	Loan Type		
44,493.66	60 Monthly Pmts	Fixed - Installment		
Purpose of Credit Request				
APPLICANT INFORMATION:				
Name of Applicant (Business Name or Last Name if Individual)		Applicant First Name (If individual)		SSN/TIN#
City Of Osawatomie				48-6037846
Assumed Business Names (If Any)			DBA Name	
Street Address	City	ST	Zip Code	Phone Number
439 Main St	Osawatomie	KS	66064-1330	(913) 755-2146
Mailing Address	City	ST	Zip Code	
Principal Office Address (if not listed above)	City	ST	Zip Code	
State of Organization	Applicant is: <input type="checkbox"/> An Individual <input type="checkbox"/> A Proprietorship <input type="checkbox"/> A Partnership <input checked="" type="checkbox"/> A Corporation <input type="checkbox"/> Non-Profit			
KS	<input type="checkbox"/> An Association <input type="checkbox"/> A Trust <input type="checkbox"/> A Gov't Entity <input type="checkbox"/> A LLC			
SCHEDULE OF COLLATERAL OFFERED BY THIS APPLICANT				
Description			Value	
Described UCC Collateral			\$44,493.66	
			\$	
			\$	
			\$	
APPLICANT SIGNATURES				

I hereby apply for the loan or credit described in this application on behalf of the applicant business. I certify that I made no misrepresentation in this loan application or in any related documents, that all information is true and complete, and that I did not omit any important information. I agree that any property securing the loan or credit will not be used for any illegal or restricted purpose. Lender is authorized to verify with other parties and to make any investigation of my credit, either directly or through any agency employed by the Lender for that purpose. Lender may disclose to any other interested parties information as to Lender's experiences or transactions with my account. I understand and agree that Lender may obtain, use and share my state and federal tax return information for purposes of: 1) reviewing and responding to this loan application; 2) originating the loan; 3) servicing the loan; and 4) selling or transferring all or a part of the loan or any interest in it. I understand that Lender will retain this application and any other credit information Lender receives, even if no loan or credit is granted. These representations, tax return information consent, and authorizations extend not only to Lender, but also to Third Parties, including loan servicers, any insurer of the loan, government agency loan guarantors, and to any investor to whom Lender may sell all or any part of the loan, as well as to the affiliates, agents, and any successors and assigns of Lender and Third Parties. I further authorize Lender to provide any such insurer or investor any information and documentation that they may request with respect to my application, credit or loan.

APPLICANT:

CITY OF OSAWATOMIE

By: _____ Date _____
 Nicholas G Hampson, Mayor of City Of
 Osawatomie

RIGHT TO REQUEST SPECIFIC REASONS FOR DENIAL

If your application for business credit is denied, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact:

FIRST OPTION BANK
Osawatomie
Attn: _____
P O Box 277
601 Main
Osawatomie, KS 66064

within 60 days from the date you are notified of our decision. We will send you a written statement of reasons for the denial within 30 days of receiving your request for the statement.

EQUAL CREDIT OPPORTUNITY ACT NOTICE

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The Federal agency that administers compliance with this law concerning this creditor is:

FEDERAL RESERVE CONSUMER HELP CENTER
P O BOX 1200
MINNEAPOLIS, MN 55480
Toll-free: (888) 851-1920
Fax: (877) 888-2520
TDD: (800) 877-8339

AUTHORIZATION TO FILE UCC FINANCING STATEMENT

By signing this application you authorize lender to file a financing statement (Form UCC-1) naming the Borrower as debtor and covering the personal property described above as collateral.

FOR LENDER'S USE ONLY

Officer No. / Name MKF / Fuchs, Mark K.	Approved By	Concurrence By (If Needed)	Committee Date	Decision Date
Branch 1	Application Date 08-16-2023	Application No.	Commitment No.	Loan No. 19650

Decision and Comments: Approved Denied Incomplete Counteroffer Conditional Approval Withdrawal Other: _____

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$44,743.66	08-24-2023	08-16-2028	19650	10b / 051	***	MKF	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Grantor: City Of Osawatomie
439 Main St
Osawatomie, KS 66064-1330

Lender: FIRST OPTION BANK
Osawatomie
P O Box 277
601 Main
Osawatomie, KS 66064

THIS COMMERCIAL SECURITY AGREEMENT dated August 24, 2023, is made and executed between City Of Osawatomie ("Grantor") and FIRST OPTION BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the Indebtedness and performance of all other obligations under the Note and this Agreement:

Purchase Money Security Interest in a Toro ProCare 648 Aerator, Model 9200, with attachments; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing.

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

FUTURE ADVANCES. In addition to the Note, this Agreement secures all future advances made by Lender to Grantor regardless of whether the advances are made a) pursuant to a commitment or b) for the same purposes.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the Indebtedness against any and all such accounts.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. **This is a continuing Security Agreement and will continue in effect even though all or any part of the Indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.**

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management of the Corporation Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its certificate or articles of incorporation and bylaws do not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities

COMMERCIAL SECURITY AGREEMENT (Continued)

Loan No: 19650

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Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of Kansas, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the Indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the Indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the Indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the Indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor

COMMERCIAL SECURITY AGREEMENT (Continued)

Loan No: 19650

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for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Lender may file a copy of this Agreement as a financing statement.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of any Event of Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the Indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or ability to perform Grantor's obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Grantor's existence as a going business, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the Indebtedness or guarantor, endorser, surety, or accommodation party dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Cure Provisions. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Grantor demanding cure of such default: (1) cures the default within twenty (20) days; or (2) if the cure requires more than twenty (20) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Kansas Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 19650

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Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or of the time and place of any private sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include all reasonable costs incurred in the collection of the Indebtedness, including but not limited to, court costs, attorneys' fees and collection agency fees, except that such costs of collection shall not include recovery of both attorneys' fees and collection agency fees.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Kansas without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Kansas.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 19650

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Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means City Of Osawatomie and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means City Of Osawatomie.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof, asbestos, mining waste, drilling fluids and other wastes associated with the exploration, development and production of crude oil, fly ash, bottom ash, slag and flue emissions, and cement kiln dust.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents. Specifically, without limitation, Indebtedness includes the future advances set forth in the Future Advances provision of this Agreement together with all interest thereon.

Lender. The word "Lender" means FIRST OPTION BANK, its successors and assigns.

Note. The word "Note" means the Note dated August 24, 2023 and executed by City Of Osawatomie in the principal amount of \$44,743.66, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED AUGUST 24, 2023.

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Loan No: 19650

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GRANTOR:

CITY OF OSAWATOMIE

By: _____
Nicholas G Hampson, Mayor of City Of Osawatomie

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PAYMENT AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$44,743.66	08-24-2023	08-16-2028	19650	10b / 051	***	MKF	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: City Of Osawatomie
439 Main St
Osawatomie, KS 66064-1330

Lender: FIRST OPTION BANK
Osawatomie
P O Box 277
601 Main
Osawatomie, KS 66064

Please check the appropriate field:

Yes, I want to receive a coupon book with my new loan.

No. I do not want a coupon book.

I hereby authorize you to make my payment *automatically* from my **First Option Bank**

Checking Account # _____

Savings Account # _____

Beginning _____ in the amount of \$ _____

until further notice or the loan is paid in full.

Borrower

BORROWER:

CITY OF OSAWATOMIE

By: _____
Nicholas G Hampson, Mayor of City Of Osawatomie

AGREEMENT TO PROVIDE INSURANCE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$44,743.66	08-24-2023	08-16-2028	19650	10b / 051	***	MKF	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Grantor: City Of Osawatomie
439 Main St
Osawatomie, KS 66064-1330

Lender: FIRST OPTION BANK
Osawatomie
P O Box 277
601 Main
Osawatomie, KS 66064

INSURANCE REQUIREMENTS. Grantor, City Of Osawatomie ("Grantor"), understands that insurance coverage is required in connection with the extending of a loan or the providing of other financial accommodations to Grantor by Lender. These requirements are set forth in the security documents for the loan. The following minimum insurance coverages must be provided on the following described collateral (the "Collateral"):

Collateral: Purchase Money Security Interest in a Toro ProCare 648 Aerator, Model 9200, with attachments; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing. .
Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 10 days prior written notice to Lender.
Latest Delivery Date: By 10 days after the loan closing date.

INSURANCE COMPANY. Grantor may obtain insurance from any insurance company Grantor may choose that is reasonably acceptable to Lender. Grantor understands that credit may not be denied solely because insurance was not purchased through Lender. Grantor has the option of providing any insurance required under this Agreement through an existing policy or a policy independently obtained and paid for by Grantor, subject to Lender's right, for reasonable cause before credit is extended, to decline any insurance provided by Grantor.

FAILURE TO PROVIDE INSURANCE. Grantor agrees to deliver to Lender, on the latest delivery date stated above, proof of the required insurance as provided above, with an effective date of August 24, 2023, or earlier. Grantor acknowledges and agrees that if Grantor fails to provide any required insurance or fails to continue such insurance in force, Lender may do so at Grantor's expense as provided in the applicable security document. The cost of any such insurance, at the option of Lender, shall be added to the indebtedness as provided in the security document. GRANTOR ACKNOWLEDGES THAT IF LENDER SO PURCHASES ANY SUCH INSURANCE, THE INSURANCE WILL PROVIDE LIMITED PROTECTION AGAINST PHYSICAL DAMAGE TO THE COLLATERAL, UP TO AN AMOUNT EQUAL TO THE LESSER OF (1) THE UNPAID BALANCE OF THE DEBT, EXCLUDING ANY UNEARNED FINANCE CHARGES, OR (2) THE VALUE OF THE COLLATERAL; HOWEVER, GRANTOR'S EQUITY IN THE COLLATERAL MAY NOT BE INSURED. IN ADDITION, THE INSURANCE MAY NOT PROVIDE ANY PUBLIC LIABILITY OR PROPERTY DAMAGE INDEMNIFICATION AND MAY NOT MEET THE REQUIREMENTS OF ANY FINANCIAL RESPONSIBILITY LAWS.

AUTHORIZATION. For purposes of insurance coverage on the Collateral, Grantor authorizes Lender to provide to any person (including any insurance agent or company) all information Lender deems appropriate, whether regarding the Collateral, the loan or other financial accommodations, or both.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT TO PROVIDE INSURANCE AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED AUGUST 24, 2023.

GRANTOR:

CITY OF OSAWATOMIE

By: _____
Nicholas G Hampson, Mayor of City Of Osawatomie

FOR LENDER USE ONLY	
INSURANCE VERIFICATION	
DATE: _____	PHONE _____
AGENT'S NAME: Todd Foster	
AGENCY: Midwest Public Risk	
ADDRESS: 19400 E Valley View Pkwy, Independence, MO 64055	
INSURANCE COMPANY: _____	
POLICY NUMBER: _____	
EFFECTIVE DATES: _____	
COMMENTS: _____	

NOTICE OF INSURANCE REQUIREMENTS

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
	08-24-2023		19650	10b / 051	***	MKF	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Grantor: City Of Osawatomie
439 Main St
Osawatomie, KS 66064-1330

Lender: FIRST OPTION BANK
Osawatomie
P O Box 277
601 Main
Osawatomie, KS 66064

TO:

Midwest Public Risk
ATTN: Todd Foster
19400 E Valley View Pkwy
Independence, MO 64055

DATE: August 24, 2023

RE: Policy Number(s):
Insurance Companies/Company:

Dear Todd Foster:

Grantor, City Of Osawatomie ("Grantor") is obtaining a loan from FIRST OPTION BANK. Please send appropriate evidence of insurance to FIRST OPTION BANK, together with the requested endorsements, on the following property, which Grantor is giving as security for the loan.

- Collateral:** Purchase Money Security Interest in a Toro ProCare 648 Aerator, Model 9200, with attachments; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing. .
Type: All risks, including fire, theft and liability.
Amount: Full Insurable Value.
Basis: Replacement value.
Endorsements: Lender loss payable clause with stipulation that coverage will not be cancelled or diminished without a minimum of 10 days prior written notice to Lender.
Latest Delivery Date: By 10 days after the loan closing date.

GRANTOR:

CITY OF OSAWATOMIE

By: _____
Nicholas G Hampson, Mayor of City Of Osawatomie

RETURN TO:

Osawatomie
P O Box 277
601 Main
Osawatomie, KS 66064

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$44,743.66	08-24-2023	08-16-2028	19650	10b / 051	***	MKF	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: City Of Osawatomie
439 Main St
Osawatomie, KS 66064-1330

Lender: FIRST OPTION BANK
Osawatomie
P O Box 277
601 Main
Osawatomie, KS 66064

LOAN TYPE. This is a Fixed Rate (5.750%) Nondisclosable Loan to a Corporation for \$44,743.66 due on demand and, if no demand, on August 16, 2028.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
- Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: Municipal Lease - Purchase for golf course Aerator.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$44,743.66 as follows:

Amount paid to Borrower directly:	\$44,493.66
\$44,493.66 Lender's Check #	
Total Financed Prepaid Finance Charges:	\$250.00
\$250.00 Origination	
 	<hr style="width: 100px; margin: 0 auto;"/>
Note Principal:	\$44,743.66

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED AUGUST 24, 2023.

BORROWER:

CITY OF OSAWATOMIE

By: _____
Nicholas G Hampson, Mayor of City Of Osawatomie



CITY OF OSAWATOMIE

CITY MANAGER'S REPORT

August 24, 2023

Water Treatment Plant Status:

We are in receipt of our State Revolving Loan Fund paperwork for the water treatment plant and distribution system project. In speaking with Austin Masters with the USDA, he advised that as of August 11, the national office had called back all unspent/uncommitted funds for pooling and reallocation. They are still not hopeful that there will be adequate grant dollars remaining in the pooling process for our project to receive a Letter of Conditions and they further advised that we wait just a bit longer until the start of the new federal fiscal year (October 1) when their new appropriation becomes available, so that is what we are currently waiting on. Everything else is ready to go.

Wastewater Treatment Plant Status:

The UV System has been moved and rechecked by the manufacturer. After having exposed the source of the leak. This tank has a double wall (tank within a tank). The exterior tank is what was leaking and based on where the leak is located, the only way we discovered it was the contractor overfilled the inner tank. In consultation with our engineers, they do agree that a field repair would be acceptable in this instance. If you're curious, ferric chloride is used to remove impurities in the water and can also help in reducing odors. The contractor has submitted pay application #9 in the amount of roughly \$69,000. They are 97% billed out and we are still holding retainage in the amount of 5% of earned value (97%). Additionally, they have provided us with a schedule and according to that schedule, we have provided Crossland Heavy Contractors with a list of items that we need in order to process the substantial certificate, which as of June 14th, we are still waiting on a response to. Once that is issued, and all punch list items have been completed, we will issue the final completion certificates.

Our next issue will be to finish solving the inflow and infiltration (I&I) issue. BG Consultants issued an RFP for CCVT companies to bid to in order to identify sewer lines in the city that have not been part of the previous sewer main rehabilitation phases 1, 2 or 3. Unfortunately, we only received one bid, but they are the most reputable firm that provides this kind of service. Their price was \$110,250. This covers approximately 60,000 LF (<11 miles) of sewer mains. Once the Sewer Rate study is complete, we will be in a better position to make a recommendation as to what the best path forward is to address the balance of the collections system.

Evergy Solar Array Development:

We are having monthly progress meetings with Evergy for the engineering and construction progress. Construction is set to begin in October of this year with energization occurring in 2024. Evergy has submitted their application for a special use permit for the solar array. Notice and publication was made on August 9th for SUP hearing that will take place on September 5th. Once

the hearing is complete, the planning commission has 30 days to forward its recommendation to the city council for council action. That action can occur as soon as October 12th, which is the same day as the groundbreaking and this is the schedule we are working towards.

Levee Certification / Flood Insurance Rate Map Revisions – Status Update:

The flood hazard determination notice was published in the Federal Register on April 3. Pending FEMA approval, the local notices will be published in the Miami County Republic on May 31 and June 7, which starts the 90-day appeal period and we received word via email from the Kansas Department of Agriculture that we are now in that 90-day appeal period.

Anyone who would like to view the current flood insurance rate maps can view them here:

<https://gis2.kda.ks.gov/gis/osawatomic/>

August 8, 2022	Kickoff Meeting
September 8, 2022	Provide Review Comments to Certification Data
November 29, 2022	Distribute Preliminary Flood Insurance Rate Maps (FIRMs)
January/February 2023	Community Coordination & Outreach (CCO) meetings
February 2023	End CCO Meetings
Spring 2023	Appeals Period (90 days from date of last publication)
Winter 2023	Letter of Final Determination
Summer 2024	Final FIRMs established and effective

2023 Street Improvements:

Work has all but been completed on Main Street Terrace and 18th Street. Additionally, demolition of Walnut is complete and concrete has started. Once Killough Construction is finished with concrete work on Walnut, they will lay the new asphalt and put the final lift on Main St. Terrace and 18th Street. They will move over to Brown and work from east to west. iSolutions, which is the contractor installing the new water main on Brown Avenue, has finished installing the main and is now working service lines.

Stormwater design on 6th Street continues as well, and as you are aware, we have held our second of four meetings earlier this evening on the project. The next meeting is scheduled for June 22nd. A fourth meeting will be held at the public library on a date that does not coincide with a council meeting. That meeting will be held at the Osawatomie Public Library and be from 6 to 7 pm.

As a reminder, in 2024, the only street that will get reconstructed will be 6th Street and we will need to design the streets around Osawatomie Middle School.

AMI Meter Update:

Our Utilities Director, Terry Upshaw applied for and received \$1,500,000 loan (amount of loan forgiveness is still pending) to assist in the replacing the 20+ year old water and electric meters. This funding is through the Kansas Public Water Supply Loan Fund (KPWSLF).

Lead/Copper Inventory:

Our Utilities Director, Terry Upshaw also applied for and received \$500,000 in a forgivable loan from the same KPWSLF. The amount of loan forgiveness is approximately half (\$245,000). We have currently sent out an RFP to companies to assist in this effort and once those quotes are received, we will bring them to the council for an award.