

OSAWATOMIE CITY COUNCIL

REVISED AGENDA

March 13, 2014

6:30 p.m., Memorial Hall

1. Call to order
2. Roll Call
3. Pledge of Allegiance
4. Invocation – ***Virginia Adams, Osawatomie Community of Christ Church***
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. Approve March 13 Agenda
 - B. Approve Minutes of February 13 and February 27 Council Meetings
 - C. Approve Appropriation Ordinance 2014-2
6. Presentations; Comments from the Public
 - Citizen participation will be limited to 5 minutes. Please stand & be recognized by the Mayor.*
 - A. ***Virginia Adams, Osawatomie Community of Christ Church***
 - B. Special Recognition – W. L. Rivers
7. Public Hearing – None
8. Unfinished Business
 - A.
9. New Business
 - A. Dempsey Re-plat – 500 12th Street
 - B. USD 367 Re-plat – Trojan School
 - C. IRB Policy & Application
 - D.
10. Council Reports
11. Mayor’s Report
12. City Manager’s Report
13. Executive Session
14. Other Discussion/Motions
15. Adjournment

REGULAR MEETING – March 27, 2014

REGULAR MEETING – April 10, 2014

Osawatomie, Kansas. **February 13, 2014.** The Council meeting was held in Memorial Hall. Mayor Govea called the meeting to order. Council members present were Dickinson, Farley, Hampson, Hunter, LaDuex, and Maichel. Absent was Walmann. Also present were City Manager Cawby, City Attorney Wetzler and City Clerk Elmquist. Visitors were Pastor Wayne Ova, Amanda Martin, Brian Kingsley, Travis Perry, Phil Dudley, Mike Moon and Colleen Truelson.

INVOCATION. Pastor Wayne Ova of Faith Baptist Church delivered the invocation.

CONSENT AGENDA. Approval of the minutes of January 9 and January 23 Council Meetings, approval of February 13 Agenda, and approval of Appropriation Ordinance 2014-1. Motion made by LaDuex, seconded by Hunter to approve the Consent Agenda. Yeas: All.

Presentations, Comments from the Public:

Pastor Wayne Ova said the Church will be celebrating their 60th year on Labor Day and he has been there 27 years. The ministries at the church include teenagers and the prime-timers, over 50. Thanked the City Council for their work.

Amanda Martin, 416 14th Street, didn't know if she was doing the right thing by coming to the meeting. She wanted to say what her intentions were. She admitted she made mistakes but has struggled with the way things have been handled. What would have happened if they had sat down and talked? Comments were twisted and false and there was absolutely no reason it should have happened. She wanted an apology from the Council and said it has effected every person in this community.

Public Hearings: none

Unfinished Business:

MAIN STREET PROJECT – WATER AND STREET PROJECT PLANNING. Brian Kingsley, BG Consultants, spoke on the proposed water relocation project for Main Street since the water lines need to be relocated before any more improvements should be made to Main Street. Financing mechanisms for both the water line replacement and the Main Street repair/reconstruction were discussed. Kingsley presented a schedule for improvements based on maximizing grant funding to provide the best scenario for successful grant submissions. Motion made by Hunter, seconded by Maichel to approve the engineering services contract with BG for the Main Street Water Distribution System Improvements 1st to 5th Street and 7th to 12th Street Project. Yeas: All.

New Business:

ANNOUNCEMENT OF COUNCIL RESIGNATION. Mayor Govea notified the Council that he had received and accepted a letter of resignation from Ward 2 Council Member Amanda Martin. Following procedure, he established the Nominating Committee comprised of the Mayor, the President of the Council and the remaining member from the same ward as the vacant seat. Their task is to seek out candidates and make a recommendation within 40 days of the notification. Individual Council Members may also nominate individuals. Upon approval by the Council the successor will complete the remainder of Martin's term, April 2015.

APPOINTMENTS.

Parks & Recreation	Sara Carter	2014
	Amy Johnson	2015

Motion made by Farley, seconded by Maichel to approve the appointments. Yeas: All.

Planning Commission	Mike Gorman
---------------------	-------------

Motion made by Hunter, seconded by Farley to approve the appointment. Yeas: All.

Public Housing Authority Ben Maimer

Motion made by LaDuex, seconded by Hunter to approve the appointment. Yeas: All.

Tourism Committee Marti McDougal 2014
Travis Perry 2014

Motion made by Hunter, seconded by Farley to approve the appointments. Yeas: Dickinson, Farley, Hampson, Hunter and Maichel. Nay: LaDuex.

SELECTION OF POLICE RADIO TOWER & EQUIPMENT BIDS. Part of the Police Station project includes needed upgrades to the radio system and relocation of the radio tower. The attached bids are for new base radios and all connecting hardware and antennas. The project included \$27,000 for this item. The current radio system is not narrow-band compliant. The new unit will include a repeater system that will extend the range for the Fire Department. The 800 MHz hardware will allow communication across the state in case of a disaster. The bids received were:

Commenco	Kansas City, MO	\$17,892.35
TBS Electronics	Topeka, KS	\$19,672.00
TFM Comm	Topeka, KS	\$27,769.30

Motion made by Hunter, seconded by LaDuex to approve the purchase of radio equipment from TBS electronics for \$19,672. Yeas: All.

2013 PRELIMINARY FINANCIALS. The 2013 financials are complete. City Manager Cawby put together a report to show where the City stands heading into 2014. Included were comparisons for both the Approved and Revised 2013 budgets. Generally, the ending balances from 2012 were maintained and the non-budgeted funds (mostly capital improvement funds), increased the balances by another 7.0%. The total fund balances look worse for 2013 due to a negative \$301,000 balance in the CIP-Sewer Fund, a result of a request for disbursement from the KDHE Loan not being received until 2014. The final numbers for 2013 will be in the auditor's report.

2014 APPROPRIATIONS RESOLUTION. A change was made about a year ago on how the City processes payroll and claims. After the City Manager discussed this at a Council meeting, and with no objection, he implemented the change. The City now handles claims on a weekly basis which has become the standard among municipalities. Purchases over \$10,000 will still be brought to the Council as stated in the financial policies. The appropriation ordinance listing the warrant checks that were issued each month will continue to be distributed to the Council. The resolution provides for the appropriation, by fund, of the budget of the City for the year beginning January 1, 2014 and appropriating money from the funds to pay payrolls and claims. Motion made by Hunter, seconded by LaDuex to approve the resolution providing appropriation of the 2014 budget and the City Manager appropriating money from the various funds to pay payroll and claims against the City for 2014. Yeas: All. The Resolution was assigned No. 678.

Council Reports:

Hampson: The Parks & Recreation will hold their first skate party this weekend. They had 110 people sign up. Youth golf sign-up ends tomorrow.

Maichel: Would like business cards to use when doing things for the Council. The Legislative Breakfast will be hosted by the City on Saturday. There needs to be a schedule of events on the Parks & Recreation's Face book page.

Mayor's Report:

Will be a moderator at the Legislative Breakfast Saturday.

City Manager's Report:

Projects:

Rail-banking for Trail. A request for an extension on the rail-banking was sent to the Surface Transportation Board. Hoping to meet with the UP at the site in several weeks to walk the trail with them.

State Legislation. There are again several bills circulating the Statehouse that seek to limit the home rule authority of cities. There is a House bill to move elections to November.. Another bill seeks to limit the ability of cities to regulate firearms or knives. Also, the Senate bill to limit municipal involvement in bringing broadband to their communities has not been scheduled for a hearing at this time.

Levees. Was contacted by FEMA's consultant to kick off the pilot project on the LAMP procedures for the levy. Planning a true kickoff meeting in March to start the project.

Crumbling Building Facade. At 505 6th Street, the northwest corner of the building is crumbling from snow and ice melt getting in between the bricks. For public safety purposes, the parking area directly in front of Don's Barber Shop and the sidewalk have been blocked off. The owner was notified and he should have a plan by tomorrow. The plan for temporary stabilization may include having to brace the corner of the wall by putting a support out into the sidewalk and attaching it to the sidewalk. Should such a plan be allowed, the City will put time restrictions on this temporary fix until permanent repairs can be made.

Industrial Revenue Bond Policy. The IRB policy will be presented to the Economic & Community Development Committee for their consideration.

EXECUTIVE SESSION – NON-ELECTED PERSONNEL. At 8:39 p.m. motion was made by Hunter, seconded by Hampson to recess into executive session for the purpose of discussing non-elected personnel, with City Manager Cawby and City Attorney Wetzler to be present; and that the Council would reconvene the open meeting in this room at 8:48 p.m. Yeas: All. Meeting reconvened at 8:46 p.m. No action taken.

Motion made by Hunter, seconded by LaDuex to adjourn. Yeas: All.

Ann Elmquist, City Clerk

Osawatomie, Kansas. **February 27, 2014.** The Council meeting was held in Memorial Hall. Mayor Govea called the meeting to order at 6:30 p.m. Council members present were Dickinson, Farley, Hampson, Hunter, LaDuex, Maichel and Walmann. Also present were City Manager Cawby, City Attorney Wetzler and City Clerk Elmquist. Visitors were Jim & Katie Mitzner, Joseph Mitzner, Cristina Ramirez and Colleen Truelson.

INVOCATION. In the absence of Debra Huss, Hunter did the invocation.

CONSENT AGENDA. Approval of the February 27 Agenda. Motion made by LaDuex, seconded by Hunter to approve the February 27 agenda. Yeas: All.

Presentations, Comments from the Public:

Jim Mitzner, 1504 Parker, applied for the Public Safety Committee. He has years of experience in law enforcement, including the County Sheriff’s Department and he would appreciate their vote.

Public Hearings: none

Unfinished Business:

CITY MANAGER’S CONTRACT. The changes include an increase in the annual salary to \$86,259.60, a one-time salary bonus of \$2,000, and an increase in deferred compensation to \$3,500. The City will pay the membership for: 1) a single-membership, with cart, to the Golf Course and 2) a family membership to the O-Zone. Motion made by Hunter, seconded by Maichel to approve the contract as presented. Yeas: All.

CONSIDERATION OF COUNCIL VACANCY. The Nominating Committee, comprised of Mayor Govea, President Hunter, and Ward 2 Councilmember Farley, met and considered three candidates: Cristina Ramirez, Jamie Wilson, and Kurt Wright. The Committee recommended Cristina Ramirez. LaDuex nominated Kurt Wright. Motion made by LaDuex, seconded by Hunter that nominations cease. There was discussion about the nominees. Ramirez was given the opportunity to talk. Dickinson called the question, seconded by Hampson. Yeas: All. Motion made to close the nominations. Yeas: All. Motion made by Farley, seconded by Hampson to elect Ramirez to fill the vacancy left by Amanda Martin’s resignation. Yeas: Dickinson, Farley, Hampson, Maichel, and Walmann. Nays: Hunter and LaDuex.

New Business:

APPOINTMENTS:

Public Safety Committee	Ward 1	Ben Maimer	2015
	Ward 2	Jim Mitzner	2015
	Ward 3	Danessa Mitzner	2014
	Ward 4	Pastor John Wastlund	2015
	At-large	Richard Canon	2014

Motion made by Maichel, seconded by Hampson to approve the appointments and the terms. Yeas: Dickinson, Hampson, LaDuex, Maichel, Martin, and Walmann. Nay: Hunter.

ORDINANCE – SPECIAL USE PERMIT FOR 337 E. PACIFIC. The owner, John Klein, requested the rezoning of the eastern half of the property from R2 (Medium Density Residential) to GB (General Business). The rezoning would be conditional on a lot-split between the two properties being filed and completed by the owner upon conditional approval of the zoning change. The Osawatomie Planning Commission held a public hearing February 5, 2014. Only Klein appeared at the hearing and one letter was received in opposition to the rezoning request based upon traffic and complaints about how the property was kept in the past. The Commission discussed issues involved with the rezoning and

subsequent lot-split. The Commission considered other alternatives. After the hearing, the Planning Commission recommended, without dissent, the issuance of a Special-Use Permit to affirm the continued use of the garage as a storage building to support the commercial business, subject to the execution of the lot split. The Special Use Permit would be issued to Klein for his use and would not be transferable with the property. No protest was filed during the 14-day protest period following the decision. Motion made by LaDuex, seconded by Walmann to go with the Planning Commission’s decision and approve the Special-Use Permit. Yeas: All. The Ordinance was assigned No. 3718.

MOSQUITO FOGGER PURCHASE. At the end of last season, the 20-year old mosquito fogger quit and parts are nonexistent. Alternatives were considered keeping in mind State inspections and liability. Looked at purchasing a new unit and came up with three options, all from Van Diest Supply Company. Would like to stay with Van Diest since they offer free calibration, certification, and education credits that meet Kansas Department of Agricultural requirements.

London Fogger 18-20	\$9,533.80
Clarke Cougar	\$10,097.10
Clarke Grizzly	\$12,081.40

The London Fogger machine is best suited for the City. Motion made by Hunter, seconded Hampson to approve the purchase of the London Fogger for \$9,533.80. Yeas: All.

Council Reports:

Maichel: Looking forward to Public Safety Committee starting.

Hampson: Youth golf training had a good turnout with 26 participating in the two sessions.

Dickinson: Attended the Gospel Concert. First Presbyterian Church is holding their annual Chili/Soup fundraiser Saturday.

Hunter: Economic Development Committee discussed a draft of an IRB policy and application process. Also, about having public education on the optic fiber coming in.

LaDuex: Miami County Tourism held a networking dinner to maximize opportunities.

Farley: Recreation youth programming is going pretty well. Janet McRae and Shelagh Wright held a welcome reception for the Rainbow Center. They are moving their services to the State Hospital.

Mayor’s Report:

Attended the Chamber of Commerce meeting. The Chamber plans to sponsor five Osawatomie High School students at the archeological dig this summer and asked if the City would also be interested in sponsoring five students. The Chamber talked about an essay question that would be handled by the High School. Those winning would be selected and the Council, if interested, would pay the \$5 per student sponsor fee. Walmann donated \$50 towards the sponsorships. Motion made by LaDuex, seconded by Maichel to use Walmann’s \$50 donation to sponsor students who want to participate in the dig. Yeas: All.

A Kansas City, Missouri representative will be putting items from Osawatomie in all the Big 12 Conference basketball tournament hotels.

Would like to do ice cream socials again this summer. Would like dates for each ward. Ward 4 will be holding theirs June 14.

City Manager’s Report:

Projects:

Rail-banking for Trail. Received a return call from the Union Pacific about having a walkthrough meeting on the trail March 7.

Levees Pilot Study Kickoff. Received confirmation from FEMA on the kickoff meeting for the Pilot project on the LAMP procedures on March 12.

Lake Shelter House Roof. Staff met with Dan and Christle Macek to discuss the work that needs to be done. The Maceks will be coordinating with the volunteers to get a schedule set so City employees can coordinate a time for demolition ahead of their work. The project scope and schedule will be approved by the Parks & Recreation Committee.

Building at Sports Complex. A grant request was submitted based upon the estimates and drawings provided by Shane Hall. If the City receives the grant, staff will start working on finalizing building designs and working with Parks & Recreation to come up with an approved project scope and budget. Those recommendations will come to the Council and if approved, the project will be put out for bid.

Issues:

State Legislation. A letter from the Council was sent to the two legislative committees and the Miami County delegation regarding moving city and school elections to November with the likeliness of them becoming partisan. The most recent information is that the House Bill is tight on the votes and so in a holding pattern. However, the Senate Bill is being pushed by their leadership and likely to pass when it gets out of Committee. There is a real desire in the Senate to have partisan elections.

Industrial Revenue Bond Policy. The Economic & Community Development Committee met to discuss the IRB policy. Several changes were made and need to be approved by the City's bond counsel and finance advisor before bringing it to the Council.

Planning Commission. The Planning Commission met last night to consider a requested rezoning from R-1 to R-2 for 412 Brown. The Commission decided to table the issue until March 19. They plan to invite all the residents of that block, the Council and other interested parties to talk about rezoning the entire block to R-2 and possibly other areas that surround the Central Business District to serve as a buffer zone for R-1.

RFP for Police Garage/Sallyport. A formal RFP on the Garage/Sallyport project has been sent out. Bids will be due in April.

Home for Sale. A flyer will soon be out to announce that the home at 501 1st Street will be open for bids to remove it. The deadline will be mid- to late March and a few people have already expressed interest. For the first bid cycle, the home will be for anyone to purchase and move off the property. If there are no acceptable bids, the City will look into moving the home to an available lot, placing it on a foundation and then putting it up for sale.

Motion made at 8:13 p.m. by Hunter, seconded by Hampson to adjourn. Yeas: All.

Ann Elmquist, City Clerk

Record of Ordinances

ORDINANCE NO. 2014-02

DATE WARRANTS ISSUED:
February 28, 2014

Page No. 1

AN ORDINANCE MAKING APPROPRIATION FOR THE PAYMENT OF CERTAIN CLAIMS.

Be it ordained by the Governing Body of the City of Osawatomie, Kansas

Section 1. That in order to pay the claims hereinafter stated which have been properly audited and approved, there is hereby appropriated out of the respective funds in the city treasury the sum required for each claim.

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Postmaster	Utility Billing	43151	1,000.00
American Safety Utility Corporation	Carharrt Flame-Resistant Denim	43152	288.98
Beachner Grain, Inc.	Ice Melt	43153	103.00
Bollings Bargain	Master Locks	43154	65.94
Brewer's Automotive Repair	Tire Tube	43155	26.16
BSN Sports	Steel Chain Basketball Net	43156	34.42
CenturyLink	Services	43157	2,339.56
City of Osawatomie	Utilities	43158	14,429.88
Coleman Equipment	Bucket Teeth and Flex Pins, Bolt Kit	43159	101.31
Ecolab	Limeaway	43160	153.38
Environmental Laboratories, Inc.	Wastewater Sample Analysis	43161	1,310.00
Family Center	Hot Water Heater, Conduit, Shovels	43162	1,320.00
Fastenal	West Lift Pump Parts	43163	11.52
Goodyear Wholesale	Tire	43164	162.70
Hach Company	2100 N. Turbimeter, Chlorine	43165	2,658.03
Hanes Florist & Greenhouse	Flowers	43166	35.00
HD Supply Waterworks, LTD	Water Meter Registers, Clamps	43167	1,003.68
Home Depot	Filters, Wire	43168	233.58
John Deere Landscapes	Ice Melt	43169	557.62
Kansas City Wilbert	Grave Openings	43170	3,381.00
Kansas Department of Agriculture	Restaurant License	43171	225.00
Kansas Department of Commerce	JTC Oil Lease-March 2014	43172	1,000.00
Kansas One Call Concepts	Membership, Locates	43173	95.80
Kansas State Treasurer	Training Funds	43174	811.50
L&K Services, Inc.	Refuse	43175	32,985.97
Lybarger Oil	Fuel	43176	7,242.23
Martin Pringle	City Prosecutor, Municipal Matters	43177	3,213.34
Mississippi Lime Company	Lime	43178	1,869.00
O'Reilly Auto Parts	Tensioner, Hub Assembly, Core Dep	43179	945.99
Quill	Ink Pens, Business Cards, Binder	43180	61.48
Rural Water District #1	Service	43181	162.38
Suddenlink	Internet	43182	134.19
Superior Signals, Inc.	Tube Assembly	43183	34.52
Van Wall Equipment	Ice Melt	43184	109.89
Wade Quarries	Gravel	43185	592.24
Zep Sales	Paper Towels, Ice Melt, Liner	43186	393.50
KMEA	WAPA Hydro Electricity	1432	9,323.95
KMEA	GRDA Electricity	1433	80,040.36
Fort Scott Community College	Wastewater Treatment Course	43187	1,275.00
Jeff Boyle	Consulting Services	43188	3,058.98

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
ABA Pump Supply	Shaft Repair, Bearings	43189	1,067.50
ACE Pest Control, LLC	Pest Control	43190	475.00
AT&T	RTU'S	43191	221.96
Batteries Plus	Flashlight Battery	43192	23.95
C&G Merchants Supply, Inc.	Popcorn Kits, Candy	43193	193.08
Dish Network	Service	43194	100.12
Donna & Viola's Shirts	Shirts	43195	60.98
EMG, Inc.	Energy Consulting	43196	1,799.12
Kansas Association of Chiefs of Police	Membership Dues	43197	110.00
Kansas Rural Water Association	KRWA Conference	43198	150.00
Kelcon Technologies, Inc.	Fix Registry Errors	43199	382.50
Knapheide Truck Equipment Center	Hand Held Control Kits	43200	642.39
Lang Chevrolet	Pin Kit	43201	19.95
Logan Contractors Supply	Locate Paint	43202	47.40
Miami County Sheriff's Office	Prisoner Care	43203	1,930.00
Miami County Solid Waste	Tire Disposal	43204	46.00
Moon's IGA	Cleaning Supplies, Pop, Water, Coffee	43205	445.82
National Sign Company, Inc.	Road Closed Sign	43206	102.60
NEKLS	Xerox Work Center, Barcode Scanner	43207	593.21
NPG Newspapers, Inc.	Planning Commission Hearing	43208	119.54
Oil Patch Pump & Supply, Inc.	PVC Tee, PVC Caps	43209	2.73
Paola Do It Best Hardware	Thoroct Concrete Patch, Hardware	43210	65.96
Ray's Lawn & Garden, Inc.	Installed New Carburetor	43211	211.62
Superior Lamp, Inc.	Led Lights, 4' Bulbs	43212	1,224.96
Tyler Technologies, Inc.	Computer Maintenance	43213	4,522.46
Visa	Books, Postage, Continuing Education	43214	1,092.46
Visa	Boos, DVD's, T-Shirts, Craft Supplies	43215	1,545.60
Brad Waggoner	Pro Shop-January	43216	74.40
Winkler, Domoney & Schultz	Municipal Court Judge	43217	2,060.00
Winterscheid Auto Parts	Filters, Battery, Belts, Wheel Seal	43218	778.71
KMEA	EMP Electric Transmission	1434	46,497.83
Cheevers Radiator & A/C Service	Repair Radiator	43219	245.00
Chris Café	Employee Breakfast	43220	570.00
Alamar Uniforms	Cargo Pants, Trousers, Belts, Shirts	43221	464.41
Apparatus Services, LLC	Adjust Packing for Drip Rate	43222	52.50
Applied Maintenance	Ear Plugs, Safety Glasses	43223	206.27
BG Consultants, Inc.	Consulting Service	43224	4,539.00
Design Mechanical, Inc.	Ignition Module and Pilot Assembly	43225	611.98
Elliott Insurance, Inc.	Quarterly Premium	43226	47,635.00
Entersect	Police Online	43227	79.00
Fastenal	Lockout Kits	43228	882.64
Gallagher Benefit Services, Inc.	Administrative Fee	43229	382.00
Hanes Florist & Greenhouse	Repot Plant	43230	10.00
Kriz-Davis Co.	Ballast, Dust Till Dawn Lights	43231	1,454.76
KSGFOA	Membership	43232	50.00

Record of Ordinances

DATE WARRANTS ISSUED:
February 28, 2014

Page No. 3

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Miami County Health Department	Hepatitis B	43233	55.00
Miami County Treasurer	Vehicle Registration	43234	1,137.00
NPG Newspapers	Old Stone Vespers, Visitors Guide	43235	462.50
Olathe Winwater Works	Clamps, 2" Saddles	43236	574.50
Red Bud Supply, Inc.	Safety Glasses	43237	70.93
Ricoh	Copier Lease-PD	43238	183.90
Ricoh	Copier Lease	43239	289.00
Ricoh	Copies	43240	194.44
RMI Golf Carts	Golf Cart Rental	43241	637.50
Ruan Logistics Corporation	Freight for Lime	43242	1,507.49
United Laboratories	Grunge Grippers, Polymerge	43243	695.96
United Rentals	Safety Shoring	43244	4,093.00
USA Blue Book	Water Safety Bottles, Cal Gas	43245	291.39
KMEA	Nearman Electricity	1435	45,757.21
Kansas Department of Revenue	Sales Tax	1436	10,853.92
Kansas Department of Revenue	Compensating Use Tax	1437	561.06
Kansas Department of Revenue	Sales Tax	1438	48.64
Kansas Department of Revenue	Sales Tax	1439	539.37
City of Osawatomie	Petty Cash Reimbursement	1440	4,226.78
Kansas State Treasurer	Bond Interest	1441	72,332.50
Bowes Automotive Products	Valve Caps, Filters, Clamps	43246	120.55
Brenntag Mid-South, Inc.	Ammonium Sulfate	43247	934.83
Campbell Protection	Replace and Inspect Fire Extinguishers	43248	1,620.20
CenturyLink	RTU'S	43249	236.56
Conrad Fire Equipment	Line Deployment SCB Kit	43250	1,837.19
Delta Dental	Dental Insurance	43251	2,876.16
Richard Fisher, Jr. LLC	Attorney Fees	43252	525.00
Fishnet Security	Tokens	43253	50.84
Galls	Trousers, Citation, Cuff Case, Shirt	43254	352.32
Grainger	Floor Sign, Danger Sign	43255	172.27
HD Supply Waterworks	Clamps	43256	354.32
Home Depot	Paint, Rollers, Outlet, Wallplates	43257	418.34
Hoover's Upholstery	Recover Truck Seat	43258	240.00
Intoximeters	Repair Intoximeters	43259	262.80
Kansas City Power & Light	Service	43260	1,376.95
Kansas Department of Revenue	Tax Warrant	43261	1,461.50
Kansas Gas Service	Service	43262	12,363.94
League of Kansas Municipalities	Public Safety Office Ad, Webinar	43263	90.00
Terry Long	Install Garage Door	43264	3,730.00
Miami County Highway Department	Salt	43265	5,050.00
Midwest Industrial Lighting	150 W Rough Surface Bulbs	43266	403.80
Pat's Signs	Sign	43267	54.75
Quill	Highlighters, Binders, Towels, Paper	43268	71.69
Rejis Commission	LEWeb Subscription	43269	31.50
Skate 4 Fitness	Skate Night Rental	43270	500.00

Record of Ordinances

DATE WARRANTS ISSUED:
February 28, 2014

Page No. 4

CLAIMANT	NATURE OF CLAIM OR SERVICE	CLAIM NUMBER	AMOUNT
Sprint	Service	43271	30.37
Suddenlink	Internet	43272	59.95
Superior Vision	Vision Insurance	43273	582.32
Debbie Talley	Memorial Hall Janitorial	43274	375.00
TBS Electronics, Inc.	System Check - PD Repeater	43275	636.50
Tri County Ice Co., Inc.	Car Wash Tokens, Ice Machine	43276	250.00
United Healthcare	Health Insurance	43277	29,261.54
Van Wall Equipment	Air Filters, Oil Filters	43278	506.41
Walmart	Vacuum, Chairs, Safety Vest, Coax	43279	842.94
Westfall GMC Truck, Inc.	Heater Core, Shield	43280	170.05
Wycoff's Locksmithing	Adjust Latch on Dispatcher Office	43281	65.00
Zep Sales	Towels, Aerosolve, Cherry Bomb	43282	593.25
Payroll 02/07/14			94,598.73
Fica 02/07/14			6,746.65
Payroll 02/21/14			92,423.33
Fica 02/21/14			6,599.46
KPERS			16,630.55
			726,601.14
GO	182,327.44		
WTR	44,820.78		
EL	265,339.31		
Emp Ber	55,192.32		
Refuse	33,085.97		
LIB	370.82		
Rural Fir	4,133.66		
IND	1,423.07		
SP&R	18,331.17		
St. Imp.	5,172.76		
B&I	72,332.50		
Sewer	22,851.19		
Golf	13,452.73		
Trsm	853.33		
Evid. Lial	1,461.50		
Grant-Se	4,539.00		
Grant-PC	531.59		
CAF	382.00		
	726,601.14		



STAFF AGENDA MEMORANDUM

DATE OF MEETING: March 13, 2014

AGENDA ITEM: **Dempsey Re-plat**

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: Approximately a year ago, Susan Dempsey approached Mayor Govea about an issue with her back property line at 500 12th Street. The line, which is off of Brown Circle Drive, was well into her lot with the rest of the property being City right-of-way. She stated that several years ago, the Council had approved the City to give her that property back.

I was able to locate in the minutes from December 12, 1999, where the Council approved to give her the property but was not precise in saying how much. It appears that nothing was done with this matter after the vote.

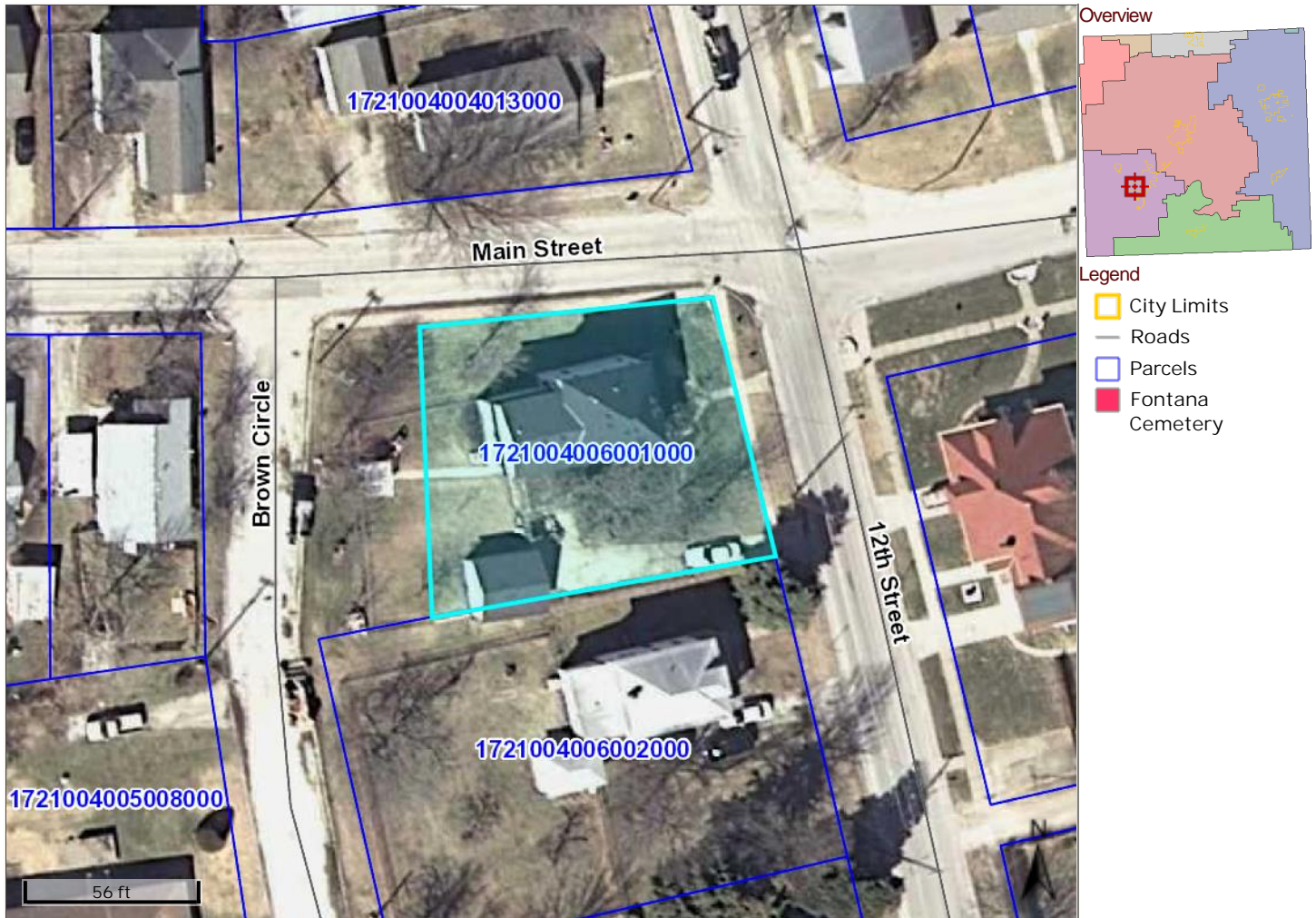
In getting the title information, we ran across some very confusing language concerning right-of-ways around the property. We finally decided to have the property surveyed and then re-plat the property to create a right-of-way along Brown Circle Drive that was equal to the rest of the block. The remaining land would then be given back to Susan Dempsey's for her property. The benefit of re-platting would be to clean-up right-of-way issues on all sides of the property and to also clean up the legal description that had already become quite lengthy.

What resulted from this effort was the City giving about 25 to 21 feet along the backside of Ms. Dempsey's property. Her arbor and fence will also be located within the property, so there are no current set-back issues on her property.

The final plat was presented to Ms. Dempsey and was signed by her. The plat has been approved by the other owner (the City) and the Planning Commission. Once approved by the City Council, it will be forwarded on to the County for their approvals and signatures.

COUNCIL ACTION NEEDED: Review the plat.

STAFF RECOMMENDATION TO COUNCIL: Approve the plat as presented.



Parcel ID	1721004006001000	Alternate ID	n/a	Owner Address	DEMPSEY, SUSAN E
Sec/Twp/Rng	10-18-22	Class	R - Residential		500 12TH ST
Property Address	500 12TH ST	Acreage	n/a		OSAWATOMIE, KS 66064
	Osawatomie				
District	004 Osawatomie				
Brief Tax Description	WALKERS OSAWATOMIE , TR BEG SE/C LT 22 SWLY113.8 NLY95 NELY95.3 SELY91.5 TO POB WALKERS ADDN SECTION 10 TOWNSHIP 18 RANGE 22				
	(Note: Not to be used on legal documents)				

Last Data Upload: 3/11/2014 5:27:12 AM

Public Housing Authority	Larry Ratley
Recreation Commission	Bill Calvin
Tourism Committee	Evelyn Gabbert Web Hawkins Norma Stephens Jacci Stewart
Miami County Economic Development Corporation	Larry Bailey Darrel Franklin

Motion made by Corner and seconded by Pearce to approve the appointments. Yeas: All.

APPROVE CEREAL MALT BEVERAGE LICENSES FOR 2000. The following applications have been submitted for renewal in 2000:

Casey's General Store – East Main
Casey's General Store – 6th & Parker
DCH, Inc. (Osawatomie Golf Course)
G.O.Y.A. Inc. (Bits & Peaces)
Pizza Hut
Vista Stores (U-Do)
Willard's IGA

Motion made by Corner and seconded by Benner to approve the 2000 cereal malt beverage licenses. Yeas: All.

CONSIDER ORDINANCE NO. 3482 ADOPTING ADULT ENTERTAINMENT CODE. There has been concern about an adult entertainment club opening with the City limits. City Attorney Powell said that he was requested by the Mayor to prepare one. It is a mirror of Johnson County and Miami County. Mayor Cole said there had been concern that the old Smoke 'n Hope at Highways 169 and 7 might be an adult entertainment club. That is not true. It did cause the City to look at what was on the books. Didn't have anything. Motion made by Benner and seconded by Corner to approve Ordinance No. 3482. Yeas: All.

APPROVE ORDINANCE NO. 3483 PERTAINING TO THE SALE OF FIREWORKS. At the previous meeting the Council approved the selling and discharging of fireworks December 28, 1999 to January 1, 2000. City Attorney Powell explained that the City normally requires a vendor to file an application and fee. Won't have time to issue applications or license. The ordinance provides for those vendors already approved but not the fee. Currently the fee is \$25 for the Fourth of July. Motion made by Reed and seconded by Pearce to approve Ordinance No. 3483 with a fee of \$25.00. Yeas: All.

DISCUSS LIBRARY ROOF. The Library has a flat roof and is in need of repair. City Clerk Elmquist said there has been discussion about foam like what was done at City Hall or changing the pitch of the roof. Mayor Cole said trying to get bids to see what the cost benefit ratio would be by changing the pitch. No action taken.

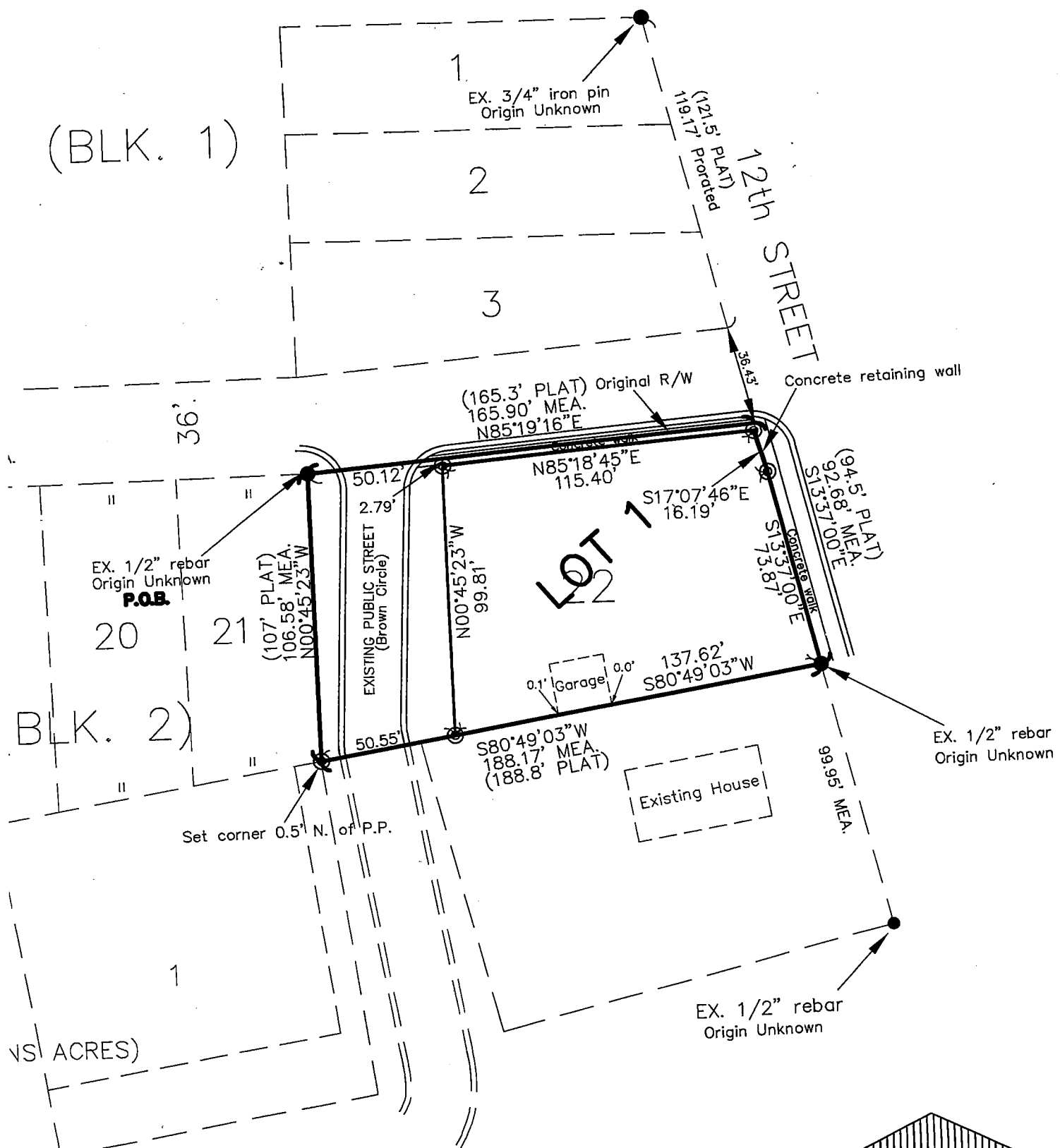
CONSIDER REQUEST TO OBTAIN CITY LAND. Susan Dempsey at 500 12th Street has been maintaining the City owned land adjoining the west side of her property. When Brown Circle Drive was put in, there remained an approximate 32 foot portion of lot 22 lying to the east of the street's right of way that belongs to the City. She requested that the land be turned over to her. Benner said that there is not a benefit to the City to keep the property. Motion made by Corner and seconded by Reed to approve the transfer of property to Susan Dempsey. Yeas: All.

CONSIDER APPROVAL OF UNION CONTRACT. The major item negotiated was a two-year agreement with a 20 cents per hour increase for the year 2000 and a wage reopener for 2001. July 1, 1999 there was a monthly increase in the medical insurance of \$4.78 for family and \$2.02 for single. This agreement would have the City pick up the increase from January 2, 2000 to July 1, 2000. Mayor Cole said that people have to understand that the City employees really worked hard, willing to work hard since hardship of City. Kenny Diehm said that it was not until the meeting that he realized the problem the City was in. Mayor Cole thanked the City employees. Motion made by Pearce and seconded by Corner to approve the contract with the local union. Yeas: All.

CONSIDER BOILER BIDS. Last week the boiler went down at City Hall. One of them has been repaired enough to get by. It was recommended by the company that has been maintaining the City's boilers to replace the four existing boilers with two new boilers. Bids were received. Benner said that the auditorium is not air conditioned. There are several functions held their in the summer that are unbearable. Thinks the City needs to look at upgrading the system to heat and air. The cost to air condition the high school gym was \$74,000. Mayor Cole said would need to call a special Council meeting. City Clerk Elmquist wasn't sure how long this could be delayed. Understood one boiler is going but if it gets very cold there could be a problem. The school uses American Boiler and comes highly recommended. Benner said the old windows and doors are one of the reasons that it gets so cold. Need to look at getting insulated windows and an air lock door at the front office.

Council Members' Reports:

LOT 22 BLOCK 2 WALKER'S ADDITION MI COUNTY, KANSAS





STAFF AGENDA MEMORANDUM

DATE OF MEETING: March 13, 2014

AGENDA ITEM: Trojan Re-plat

PRESENTER: Don Cawby, City Manager

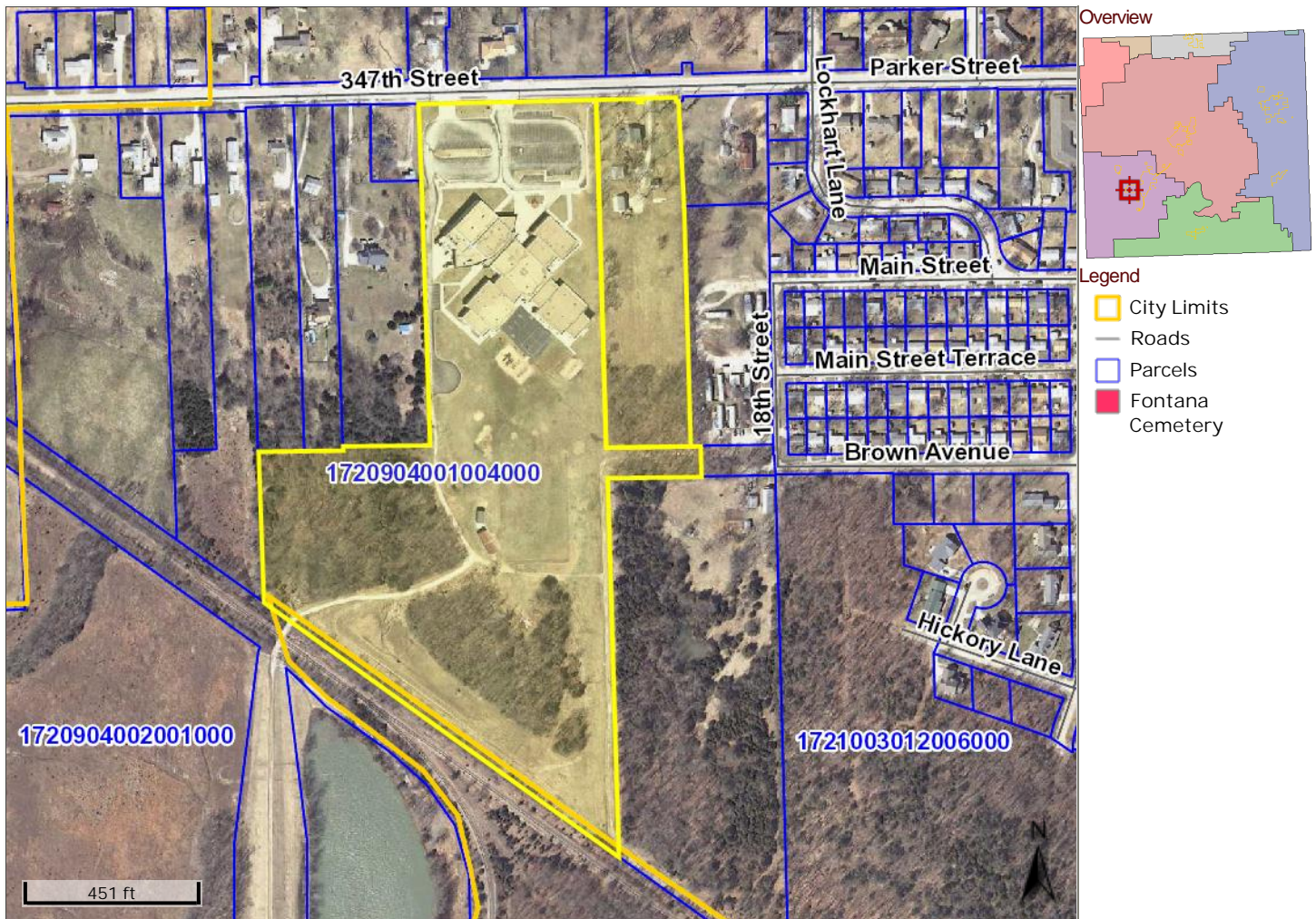
ISSUE SUMMARY: The School District has presented the City with a re-plat to join two properties currently owned by the District. This re-plat simply joins the two lots it currently owns into one, so that they can build on top of the property line for the new addition.

The final plat has been signed by the District and approved by the Planning Commission. Once approved by the City Council it will be forwarded on to the County for their approvals and signatures.

COUNCIL ACTION NEEDED: Review the plat.

STAFF RECOMMENDATION TO COUNCIL: Approve the plat as presented.

Date Created: 3/11/2014



Parcel ID	1721004003006000	Alternate ID	n/a	Owner Address	USD #367
Sec/Twp/Rng	10-18-22	Class	E - Exempt		1200 TROJAN DR
Property Address	PARKER ST	Acreage	n/a		OSAWATOMIE, KS 66064
	Osawatomie				

District 004 Osawatomie
 Brief Tax Description WEBER & BELL'S SUBD BLK 2 OSAW , BLOCK 2 , Lot 1 - 2 , LT 1 & 2 BLK 2 BELL & WEBER S-D SECTION 10 TOWNSHIP 18 RANGE 22

(Note: Not to be used on legal documents)

Last Data Upload: 3/11/2014 5:27:12 AM



STAFF AGENDA MEMORANDUM

DATE OF MEETING: March 13, 2014

AGENDA ITEM: Industrial Revenue Bond (IRB) Policy

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: A couple of economic development projects have mentioned their interest in issuing an Industrial Revenue Bond (IRB) as part of their financing plan. An IRB is an economic development mechanism which allows a private enterprise to get both property tax abatements and lower cost financing through the issuance of debt. A city or county can issue an IRB, but the burden of repayment is on the company to make payments from the revenues generated by the facilities they construct with the bonds. The local government is not liable for repayment.

Attached is a policy for IRBs which will put in place the safeguards I believe are needed to issue such bonds. Our last policy was adopted in 2006 and is missing some of the items I believe are necessary for this activity. Furthermore, I have created an IRB application to accompany the policy.

Most of the policy is taken from other cities, but with a high reliance on Miami County's policies. The policy and application will eventually be included in a more encompassing economic development incentives policy. However, the time necessary to update that entire policy would have slowed this down considerably.

Currently our bond counsel and financial advisor are reviewing this final draft. If there are concerns or suggested changes, you will be provided with those at the meeting.

COUNCIL ACTION NEEDED: Review the new IRB Policy.

STAFF RECOMMENDATION TO COUNCIL: Adopt the IRB policy as presented.

RESOLUTION NO. 679

GOVERNING THE ISSUANCE OF INDUSTRIAL REVENUE BONDS
BY THE CITY OF OSAWATOMIE

The following policy of the Governing Body of the City of Osawatomie, Kansas (the “City”) regarding Industrial Revenue Bonds will be applied upon receipt of a request for the issuance of such bonds.

Section 1. PURPOSES OF INDUSTRIAL REVENUE BONDS

The primary aim of Industrial Revenue Bond financing is to promote, stimulate, and develop the general economic welfare of the community. Consideration will be given to all applications where it appears that the applicant will create new jobs or preserve existing jobs in the community, stimulate the local economy, or add to the diversification of the area’s economy, without unfairly competing with existing businesses.

In accordance with KSA 12-1740 et seq., (the “IRB Act”), the principal and interest on the industrial revenue bonds shall be payable solely and only from the revenues permitted by the Act for such payments, and the revenue bonds shall not in any respect be a general obligation of the City, nor shall they be payable in any manner by taxation.

Section 2. AUTHORITY TO ISSUE INDUSTRIAL REVENUE BONDS

Council Decision Process. The authority and decision to approve the issuance of Industrial Revenue Bonds is within the sole discretion of the City Council. The Council’s decision for approval or disapproval will be based on an analysis made by the City staff, Bond Counsel, the City’s bond counsel and the City’s financial advisor, and a review of all the pertinent data relating to the request for bond issuance. If the Council adopts a resolution of intent for the bonds, it shall state in the resolution the conditions the issue is subject to, and for how long it is valid. A resolution of intent may be renewed, subject to the review of the project status, until the bonds are issued. A resolution of intent may be rescinded by action of the Council if the applicant fails to pursue the matter, provide the required information, or for any misrepresentation on the application or other documents. The Council is under no obligation to approve an application, nor does the Council relinquish its authority to initiate projects by whatever other financing means it deems necessary to promote the general health and welfare of the City.

Authority to Accept or Reject. This policy is intended to provide a guide for the City Council in considering applications to issue industrial revenue bonds and outline the policies and procedures to be followed by applicants. The City Council reserves the right to reject any request or application at any time in the review process when it considers such action to be in the best interest of the City. Approval of the application based on the information presented does not constitute an implied or other approval of a site plan,

special use permit, plat, rezoning or other land development requirement. All proposals for development are subject to land use approvals by the appropriate body.

State Statute Compliance. The policy for considering applications for Industrial Revenue Bonds used for economic development is in accordance with the “IRB Act”.

Section 3. REVIEW OF AN APPLICATION FOR INDUSTRIAL REVENUE BOND ISSUANCE

Upon the receipt of an application for Industrial Revenue Bonds, the City Manager, City Attorney, the City’s bond counsel and the City’s financial advisor shall review the application with all the supporting documents. The review will utilize the criteria as set forth in this policy as standards on which to base the analysis. Based on the review, the City Manager will forward the application and all comments from these reviews to the Economic & Community Development Committee (ECDC). The application will be reviewed by the Economic & Community Development Committee and the Committee will both provide its recommendations, along with staff recommendations and those of bond counsel and the City’s financial advisor, to the Governing Body based upon its analysis of the proposed project. The City Council may designate a different committee to review the issuance if the ECDC is not in existence, or if designation to the ECDC would create conflicts which would not allow a quorum to be convened to consider the matter.

Section 4. PROPERTY TAX EXEMPTION

Cost-Benefit Analysis. If an ad valorem tax abatement is requested by the applicant in connection with the IRBs the applicant will provide data as requested by the City necessary to perform a cost-benefit analysis as required by state law. This analysis will include the economic impact upon the impacted taxing districts taking into account the public costs (tax abatement and other) and the public benefits (property tax base, sales tax base and other spin-off benefits). Generally, such a cost-benefit analysis will examine a ten-year timeframe, however such timeframe may be shorter or longer depending upon the term requested and the term of any other economic incentives contemplated for the applicant. The cost-benefit analysis will be reviewed by the Economic & Community Development Committee, City staff, the City’s bond counsel and the City’s financial advisor as part of its review of the entire project.

Notice to Taxing Jurisdictions/Public Hearing. Prior to the granting of any tax abatement, the City Clerk shall notify in writing the impacted taxing districts about the public hearing and the proposed abatement at least seven days prior to the public hearing but as early as possible, and provide the taxing jurisdictions with a copy of the cost-benefit analysis and background materials. The impacted taxing districts will be encouraged to provide input to the City regarding the impact of the proposed abatement on the property tax base as well as other issues.

Resolution and Performance Provisions. After the public hearing, the City may adopt a resolution specifying the annual abatement and the length of the abatement. The resolution shall outline any annual job creation and investment targets which the Applicant must meet for all or a portion of the abatement to continue. The resolution shall also outline the method for decreasing the abatement if the annual job creation targets are not met. The resolution may make reference to terms of a PILOT Agreement, defined herein.

Property Tax Abatement. It is the policy of the City to grant property tax abatements for projects financed by IRBs if the applicant meets or exceeds the criteria established in this policy and receives approval of the governing body.

Payment in Lieu of Taxes (PILOT) Agreement. In order to grant an abatement, a PILOT Agreement between the City and the Applicant will be required. The PILOT Agreement is the mechanism whereby the City establishes the level of abatement (by setting the payment in lieu of taxes) and any performance standards (e.g. levels of payroll, investment and numbers of employees). The PILOT Agreement will establish a PILOT payment required of the business on an annual basis. The PILOT payment usually is a certain percentage of the taxes the Applicant would have paid without the Abatement. The PILOT Agreement may include a claw-back provision as addressed below.

Claw-back Provisions. A claw-back provision allows the City Council to modify or eliminate the tax exemption if they find that the business is not in compliance with the provisions of the PILOT. The tax exemption may be modified or eliminated as the Council deems appropriate, and the County Appraiser and Board of Tax Appeals shall be notified of such action. Provisions requiring specified performance as a condition for granting and maintaining the Abatement may be considered as part of the agreement; and the time within which construction on the abated property must begin and be completed.

Submission of Application to the Kansas Board of Tax Appeals. After the applicant has completed and submitted all necessary documentation to the City Clerk and IRBs for the project are issued, the Clerk will forward all necessary documentation to the County Appraiser's Office, which will then be filed with the Kansas Court of Tax Appeals. Any tax abatement to be granted in connection with issuing IRBs is subject to the final determination and approval of the Kansas Court of Tax Appeals.

Annual Certification. After the first year of the abatement and by February 1 each year thereafter, the City will review the abatement to certify that use of the property is still in accordance with Kansas law and that all other provisions of the abatement and PILOT agreement are being met. The applicant will be required to complete and submit all necessary documentation to the City Clerk for annual submission to the County Appraiser's Office and the Kansas Court of Tax Appeals. It is the applicant's obligation to see that the appropriate annual information is filed for the abatement to continue.

Annual Report to the Board. Prior to December 31 of each calendar year, the City Clerk staff shall prepare an annual report for the City Council to review. Such report will include the status of all outstanding tax abatements and achievement of job creation targets.

Documents. All documents related to tax abatements, including the annual certifications, will be kept on file with the County Clerk.

Section 5. REQUIREMENTS FOR REQUESTING INDUSTRIAL REVENUE BONDS

Application Required. No request for IRBs will be considered unless the applicant has completed and signed the application form, copies of which are available in the City Manager's office. Each application shall be filed with the City Manager's office. A non-refundable fee of \$1,000 shall accompany the application.

Bond Counsel. Applicants will be asked to utilize the City's designated bond counsel in connection with issuing IRBs. Use of other bond counsel must be approved by the City Council. In the event that other bond counsel is selected, the City may require its designated bond counsel to be involved in the transaction in a review capacity, depending upon the amount of the transaction and the project involved. All bond counsel fees, other legal fees and other fees associated with the transaction shall be paid by the applicant.

Escrow Fund. Upon filing an application, the applicant shall establish an escrow fund in the amount of five thousand dollars (\$5,000) to be deposited with the City in order to insure the prompt and timely payment of charges incurred by the City related to the IRB application. These accounts will be replenished by the applicant as needed. The City shall use the fund to pay for City Bond Counsel, financial advisors and other professional consultants' fees and other hourly fees incurred by the City's professional consultants for work on the IRBs and application.

Section 6. CRITERIA FOR THE ISSUANCE OF INDUSTRIAL REVENUE BONDS

The criteria for judging the feasibility of each application for Industrial Revenue Bonds may be divided into four (4) classifications.

- a. THE FINANCIAL RESPONSIBILITY OF THE RESPECTIVE TENANT.
- b. THE MARKETING OF THE BONDS.
- c. THE TYPE OF TENANT.
- d. THE NATURE OF THE IMPROVEMENTS TO BE FINANCED.

The four (4) classifications are more particularly defined as:

- a. FINANCIAL RESPONSIBILITY:

The prospective tenant shall be required to show substantial financial responsibility.

Financial Information Required. The applicant will be asked to furnish, as part of the application, an accounting audit of its past three (3) fiscal years' operations, prepared by a Certified Public Accountant. Other items required for the evaluation shall be the number of years the applicant has been in business; financial statements and records; the amount of proposed equity the applicant will have in the project; the pledge of any other established businesses which might insure the financial success of the applicant; financial information relevant to the net worth of personal guarantors; pro forma and other relevant financial information requested by the City Manager, City Attorney, the City's bond counsel, or the City's financial advisor

Financial Soundness Required. Applicants must demonstrate financial soundness and in no event will issues be approved in which the applicant does not have a substantial equity interest in the proposed project. Industrial Revenue Bonds will not be used for risk capital. To insure soundness of the project and to guarantee lease payments, the applicant may be required to furnish to the City commercial insurance or other credit enhancements approved by the City guaranteeing lease payments. In those instances where the applicant is a subsidiary of another corporation, the parent corporation may also be required to guarantee the lease payments. In those instances where the applicant is privately held, the City will require the owners to personally guarantee the lease payments or provide other credit enhancement approved by the City.

b. MARKETING THE BONDS:

Where IRBs are proposed to be marketed through negotiation with a bond underwriter, such underwriter shall be required to submit to the City an analysis of the current market conditions which indicate that the bonds are marketable. The analysis must state that the marketability is based upon the financial soundness of the firm and its ability to meet the debt and obligations incurred by the proposed bond issue, as well as whether or not a market exists for the bonds. If the bonds are to be placed without the services of a reputable underwriter, the applicant must submit substantial evidence that the bonds will be placed as well as a description of the method of payment. It will be the applicant's responsibility to identify and engage a Bond Underwriter, subject to approval by the City. The City reserves the right to require that IRBs be sold via private placement to accredited investors.

c. TYPE OF TENTANT:

The nature of the tenant's business shall be such that its establishment or expansion will give measurable growth or diversification to the community's

economic base. The issuance of IRBs shall be most highly considered for manufacturing, processing, technology and service industries.

d. NATURE OF IMPROVEMENTS TO BE FINANCED:

IRBs shall generally be issued to finance the purchase of land, land improvements, and buildings. No IRBs will be issued where the nature of the project is primarily to refinance existing debt, except when a substantial expansion is planned in the refinancing of the debt. Refinancing of existing IRB debt for a project is permitted to restructure debt or achieve costs savings, but no such refinancing shall result in granting of additional tax abatements or other incentives. The inclusion of machinery and equipment costs will be approved when such assets have a life span equal to the term of the lease. Legal fees, trustee fees, service fees, and other administrative costs as well as capitalized interest and the cost of obtaining financing, such as underwriting fees, may be included as part of the bond issue if those fees are not excessive and their inclusion is based on sound financial management.

Section 7. SERVICE FEE TO THE CITY:

The applicant agrees to pay the City on the date specified in the bond documents an annual service fee of 1/20 of 1% of the principal amount of the bonds outstanding on the day prior to the anniversary date of the issue or \$250, whichever is greater; provided, however, that except as otherwise provided in this section, the annual fee shall not exceed \$2,000 in one year.

The annual fee will be based on the principal amount on the date of issue for the first year and on the day prior to the anniversary date of issue for all subsequent years. The service fee will be in addition to any payment by applicant as an application fee or to reimburse the City for its out-of-pocket expenses associated with processing the application and issuing the bonds. Provided, however, should the City be able to demonstrate that the yearly service fee in any one year was insufficient to cover the City's actual administrative and supervisory costs and expenses, then, in that event, said service fee shall be increased to cover actual costs.

Section 8. FEE OF ATTORNEYS AND CONSULTANTS

All appropriate and necessary documents relating to the issuance of the bonds will be prepared by the bond counsel. The applicant will pay all fees and expenses of bond counsel. All of the appropriate and necessary documents shall be subject to the review and approval of the City Attorney, with his fees to be paid by the applicant, along with fees of the City's financial advisor and the City's bond counsel, if the City's Bond Counsel is not serving as Bond Counsel on the IRBs. The City Attorney's fee will be based upon an hourly rate agreed upon by the City Manager and the City Attorney, plus out-of-pocket expenses.

Section 9. TRANSFERABILITY:

No abatement granted by the City as part of the IRB shall be transferred as a result of change in ownership of the exempted property. Any new owner shall file a new application for abatement. Further, the City shall be notified by the business of any substantive change in the use of the tax exempt property.

Section 10. PAYMENTS IN LIEU of SALES TAXES:

Labor and materials used in construction as well as equipment purchased with IRB proceeds are typically exempted from State and local sales tax. Payments-in-lieu of sales tax may be required and negotiated between the City and the applicant.

Section 11. CITY NOT BOUND BY POLICY:

This policy is intended to be a set of general guidelines only. Any provision herein may be waived or other requirements added to at the discretion of the City Council.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Miami County, Kansas, a majority being in favor thereof, this 27th day of February, 2014.

APPROVED and signed by the Mayor.

L. Mark Govea, Mayor

(SEAL)

ATTEST:

Ann Elmquist, City Clerk

INDUSTRIAL REVENUE BOND APPLICATION

CITY OF OSAWATOMIE, KANSAS

As stated in the City's IRB policy, no request for IRBs will be considered unless the applicant has completed and signed the Application Form, copies of which are available in the City Manager's office. Each application shall be filed with the City Manager's office. A non-refundable fee of \$1,000 shall accompany the application.

A. APPLICANT INFORMATION

Name of Corporation/Partnership _____

Date of Request _____

Address _____

Primary Contact _____

Address _____

Phone _____ Fax _____ E-mail _____

B. Name and addresses of all persons or corporations who would be obligated as either applicant or personal guarantors of loans:

Name: _____

Address: _____

Name: _____

Address: _____

Name: _____

Address: _____

C. Name and addresses of the principal officers and directors of the applicant:

Name: _____

Address: _____

Name: _____

Address: _____

Name: _____

Address: _____

Name: _____

Address: _____

D. Nature of applicant's business (Please feel free to attach a detailed overview):

E. Project Schedule (Please feel free to attach a detailed overview):

F. The products to be assembled or manufactured or services to be rendered:

G. Applicant's Attorney

Name _____
Phone Number _____

H. Applicant's Financial Advisor

Name _____
Phone Number _____

I. Applicant's Accountant

Name _____
Phone Number _____

J. Applicant's Bond Counsel

Name _____
Phone Number _____

K. Applicant's Bond Underwriter

Name _____
Phone Number _____

L. Industrial Revenue Bonds (IRB) Information:

Estimated amount of issue: _____
Number of Years to retire bonds: _____
Expected amount required for
bond reserve account: _____
List all previous IRB issues of applicant or
parent company or subsidiary _____

M. Use of Bond Proceeds:

Amount requested for purchase of land:	\$ _____
Site Development	\$ _____
Amount requested for land improvements (bldgs)	\$ _____
Amount requested for machinery and equipment:	\$ _____
Capitalized debt service:	\$ _____
Loan closing costs:	\$ _____
Working capital:	\$ _____
Other (specify): _____	\$ _____
TOTAL REQUEST	\$ _____

N. Sources of Funding

SOURCES	NAME	AMOUNT
Private Bank Loan		\$
Other Private Funds		
Equity – Cash		
Equity – Land		
State Grant/Loan		
Federal Grant/Loan		
Other Grants		
IRB Proceeds		
Other Sources		
TOTAL SOURCES		\$

O. Bond Proposal:

1. Will the bonds refinance an existing project? _____
2. Will the bond proceeds be used to expand or replace an existing facility? _____
3. Is the applicant presently located in the City of Osawatomie? _____
4. What type and size of building will be constructed? _____
5. Name and address of Contractor _____

Name and address of Architect: _____

6. What type of equipment will be financed? _____

7. If the applicant will be in direct competition with local firms,

(a) name of firms: _____

(b) describe nature of the competition: _____

P. Proposed Location:

1. Location of the proposed facility: _____

2. If the facility is a proposed expansion or replacement of another plant, state size and location of current operations:

3. What percentage of the facility will be occupied by the applicant? _____

4. Is the prospective location properly zoned? _____

5. If a zoning change is pending, cite application number and present status. If application has not been made, briefly describe what change will be needed and plans for submitting application:

6. If unusual demands for water or sewer services or police or fire protection will be made, specify the demands:

Q. Marketing of Bonds:

1. Has a bond underwriter submitted an analysis indicating that the applicant's bonds are marketable? If no, please provide a timeline for when this will be completed. _____

2. Will the bonds be sold as a public offering or privately placed? _____

3. Have arrangements for the marketing of the bonds been made? If no, please provide a timeline for when this will be completed. _____

4. Does the applicant intend to purchase all or any part of the industrial revenue bonds? _____

R. Ownership and Management:

1. Describe the organizational structure of applicant (proprietorship, partnership, subsidiary, corporation, etc.):

Note relationship to a parent company: _____

2. What portion of the project is being financed from other company funds (in addition to this loan)?

Please
Explain

3. Describe all threatened or pending/outstanding litigation and legal claims or regulatory issues:

Disclosure items:

Has the applicant or any affiliated party defaulted on a real estate obligation? _____

Has the applicant or any affiliated party declared bankruptcy? _____

Has the applicant or any affiliated party had judgments recorded against them? _____

If the answer is yes to any of the above, please explain.

S. Financial Responsibility:

1. How many years has the applicant been in business? _____

2. What amount is the applicant to deposit in a reserve account for payment of debt service? _____

T. Tax Exemption/Payment:

1. Will the applicant request an ad valorem tax exemption? _____

a) If yes, what does applicant propose as an annual payment in lieu of taxes? _____

U. Measure of Economic Growth and Benefit:

1. What dollar amount of sales is contemplated? _____

2. What percentage of sales will be sold locally? Are they taxable? _____

3. What is the estimated amount of merchandise and services purchased locally, per year? _____

4. How many people will the project employ and average wage: _____

Type: Professional _____

Technical _____

Clerical _____

General Labor _____

5. How many of these positions will be located in the community: _____

6. Number of current full-time employees at applicant's present location: _____

V. In order to facilitate the timely processing of the application, please attach as part of the application, the following items:

1. A copy of the legal description of any property to be abated under this application request. Any costs associated with this copy or any survey of the property will be paid by the applicant.
2. Copies of applicant's financial statements for the past three years certified as correct by the owner or an authorized officer.
3. Applicant's most recent annual or quarterly financial report.
4. Interim financial statements, to date, for the current fiscal year.
5. Financial statements, current to date, for each personal guarantor, on forms, certified by a Certified Public Accountant or the guarantor.
6. Copies of both federal and state income tax returns filed by applicant and each personal guarantor during the past three years.
7. Audited financials are required, and if not available, provide an explanation.
8. Copy of Business Plan and Project Pro Forma.
9. Copy of any independent Cost Benefit Analysis conducted to date on this project as required by KSA 12-1749d to consider a tax abatement. (The Kansas Department of Commerce will provide these free of charge.)
10. Letter from the primary lender(s) stating the amount of conventional financing available for the project
11. Municipal references from related or other projects
12. Kansas Tax Clearance Report

W. Applicant should be aware that additional financial data shall be required if requested by the City Manager, City Attorney or other persons authorized by the City of Osawatomie, Kansas.

Your signature below verifies the accuracy and completeness of all representations made in this application.

Signature

Date

Title



MEMORANDUM

To: Mayor and City Council
From: Don Cawby, City Manager
Re: **Projects & Issues Update**
Date: March 13, 2014

Projects

Rail-banking for Trail. We had a very productive meeting with Union Pacific last Friday on the rail-banking of the ½ mile of trail. They are still insistent that they pay fair market value for the property, but they will consider the liabilities of the property and other considerations in our proposal. I will work with Doug Walker of the Flint Hills Trail group to craft this proposal.

Levees Pilot Study Kickoff. We had the kickoff meeting with FEMA on March 12, at 1:30. Surprisingly, we got down to some fairly significant issues and I am proposing that we discuss these at the next meeting in a work session. I believe we now have the information to craft a game plan that may hopefully get our levees certified to the level needed to not have residents pay mandatory flood insurance.

Building at Sports Complex. We have received word that our grant application was successful and we received \$40,900 towards our new building at the Sports Complex. This is \$30,000 over the amount budgeted, but the building estimates were also about \$40,000 over our budgeted amount. We believe this can be accomplished within current funds or moving some recreation facilities funding around for 2014. We will now begin working on finalizing building designs with the Parks & Recreation Committee to make the project fit within budget. Any recommendations will come to the Council and then we will put the project out for bid if approved.

RFP for Police Garage/Sallyport. On Monday, we had a mandatory walk-through for contractors interested in this project. We had three contractors present. Bids will be due in April.

Home for Sale. We have officially announced that we are taking bids on the Kastler Home. Bids are due on April 2 at 2:00 pm. We will hold an open house on Saturday, March 22, from 2 to 4 pm, for those interested in bidding on the house. Interested persons can also schedule a tour through the Police Department during normal business hours. We will run ads in the Graphic for both the open house and also for the house sale.

Issues

State Legislation. There have been no updates over the past two weeks on issues concerning local government.

Planning Commission. The Planning Commission will meet on the 19th to again consider a requested rezoning from R-1 to R-2 for 412 Brown. This issue was tabled from the previous meeting so that they could invite all the residents of that block, the Council and other interested parties to talk about rezoning the entire block and possibly other areas that surround the Central Business District as R-2 to serve as a buffer zone for R-1.

Upcoming Meetings/Dates

Mar 19	Planning Commission Meeting – Rezoning Discussion
Mar 27	Council Meeting
April 10	Council Meeting

Manager's Out of Town Schedule

Mar 17-19	In and Out of Office for Spring Break
Mar 21	KMEA Board Meeting – Overland Park (Nearman Discussion)
Mar 28	Retirement Reception – Osage City (Late Afternoon)