

OSAWATOMIE CITY COUNCIL
WORK SESSION / MEETING AGENDA
May 24, 2012
7:00 p.m., Memorial Hall

WORK SESSION

- A. Call to Order
- B. Roll Call
- C. Work Session Items
 - 1. 2013 Budget
- D. Adjournment of Work Session

REGULAR MEETING – 7:30 p.m.

- E. Call to Order
- F. Roll Call
- G. Approval of Agenda
- H. Council Items
 - 1. Proclamation – Business Appreciation Month
 - 2. Fireworks – Eddie’s Discount Fireworks
 - 3. Fireworks – Moon’s Discount Fireworks
- I. City Manager Updates
- J. Executive Session
- K. Adjournment of Regular Meeting



Proclamation

Issued by the Mayor of Osawatomie

WHEREAS, the businesses of Osawatomie are vital to our state's economic health; and

WHEREAS, Osawatomie's existing businesses are the key to a prosperous future; and

WHEREAS, these businesses provide the most important components of growth as their expansion accounts for the majority of new jobs created for the citizens of Osawatomie; and

WHEREAS, public awareness of the contributions made by businesses is the key to sustaining a healthy business – community relationship; and

WHEREAS, the people of Osawatomie are grateful to the businesses of Osawatomie for their generous contributions to the quality of life we all enjoy;

WHEREAS, over 200 private sector businesses have chosen Osawatomie as their place of business; and

WHEREAS, those businesses employ more than 1,375 people, with over 1,500 being employed within our school district boundaries;

NOW, THEREFORE, I, Philip A. Dudley, Mayor of Osawatomie, do hereby proclaim the month of June, 2012 as

KANSAS BUSINESS APPRECIATION MONTH

in Osawatomie, and urge all citizens to salute their local businesses and their employees for their outstanding contributions to our state and to our community.

Proclaimed this 24th day of June, 2012.

Philip A. Dudley, Mayor



STAFF AGENDA MEMORANDUM

DATE OF MEETING: May 24, 2012

AGENDA ITEM: **Swimming Pool**

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: We have encountered major problems with the City Swimming Pool. The leak that has been there for years has gotten even bigger. Judging by our first attempts to fill the pool, we would have to leave a 2-inch line running full time, and possibly more. This kind of water loss wasn't noticed in past years because the un-metered 4-inch line was used to keep the pool filled.

While it might seem like we can just continue to let the water run to fill the pool, our water will not be able to meet chlorination standards without "shocking" it every morning. This is not only costly, but will result in uneven chlorination which could lead to health issues and possible liability.

Without going into major detail, we have brought in an expert, sent a camera down the line, dug up what we can of the line, and we are at a crossroads. Our options are:

1. **Bring in a company to line the pipe.** Today we got an estimate of \$8,000, but the company won't be here until at earliest next Friday and it may be a week after that. The downside is that lining the pipe will cut off any other inlets/outlets to the drain line. We don't think there are any others, but the original plans for plumbing don't match the pool as it currently stands.

Best case scenario: The pool is able to be filled soon after June 1, with an opening as soon thereafter as possible (probably 5 days).

Worst case scenario: One contractor called it a 50/50 proposition that the break would be fixed by lining. If it doesn't work we are back at square one, out \$8,000 and have wasted almost two weeks. We may also have to cut a hole in the bottom of the pool which would set us back 1 to 2 weeks after we are done for curing, sealing and painting.

- 2. Dig up the line.** While we might be able to do some ourselves, the depth of the line and the pool deck overhead, will probably require that we bring in an expert to try to burrow into the side of the pool and shore up the deck. I am estimating this will be at least \$20,000 just for getting the line removed, and possibly more depending on the complexity. This option will involve cutting into the floor of the pool.

Best case scenario: We are able to get a contractor with the right equipment and expertise first thing next week and we have the line replaced within 7-10 days. Then we would need to re-pour the bottom of the pool and we may be ready by June 20 or 30.

Worst case scenario: The cost of shoring up the pool deck is cost prohibitive or we are unable to do it safely where we will be forced to just demo the deck to get to the pipe. This may save costs on overhead shoring, but definitely will involve more dirt hauling, concrete replacement, and probably cutting and replacing other existing pool piping that is in the way of the project. We also run the risk of creating other settlement issues from the demolition. I can't imagine this kind of project being less than \$50,000.

- 3. Operate the pool as best we can without the YMCA and take full liability on ourselves.** In this option, we would likely have to leave the water on all summer and our water and treatment costs will skyrocket.

Best case scenario: We would keep the pool filled with an outside line and continue to "write off" the cost of the water. We would need someone to keep an eye on the pool full time and probably do additional water testing for pathogens because of reduced levels of chlorine.

Worst case scenario: We could see an outbreak of Cryptosporidium or other disease from the undertreated pool water and would face a civil suit or KDHE intervention as a result from improper treatment.

- 4. Cut our losses and speed up the process for pool replacement.** This is an unpopular decision and would realistically require the City to spend money on alternate entertainment for the youth of the community. As an interim solution, I started talking to the YMCA about providing them with a stipend to allow the general public to use the pool for the same cost as the City's pool. In this scenario that interim agreement would be in effect for the whole summer.

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Interim Solutions

As mentioned earlier, we are working with the YMCA to offer public access to their pool until the City pool is fixed. Should the pool not open, we would try to extend this to the entire summer swim season. I am talking to the YMCA about charge our regular pool rates and we would provide them with a subsidy of some amount, to cover the additional operating costs.

If we are able to get the pool back into operation this year, we will need to modify the contract with the YMCA to come up with a daily or weekly reimbursement rate for the partial summer.

Long-term Solutions.

Regardless of this project, it is readily apparent that we need to begin a dialogue with the public on whether there is any support for the tax increases necessary to support the cost of a new pool. The following table is a general summary of what it might cost to build a new pool for the community and the debt service payments for each.

Project Cost	15 year payments	20 year payments	25 year payments
2,300,000	\$185,763	\$154,596	\$139,550
<i>rate</i>	<i>2.50%</i>	<i>3.00%</i>	<i>3.50%</i>
2,800,000	\$226,146	\$188,204	\$169,887
<i>rate</i>	<i>2.50%</i>	<i>3.00%</i>	<i>3.50%</i>
3,300,000	\$266,529	\$221,812	\$200,224
<i>rate</i>	<i>2.50%</i>	<i>3.00%</i>	<i>3.50%</i>

Below is another table which shows the revenues that would be required to fund the debt service for the above table.

Project Cost	As Sales Tax (fraction of a cent)			As Mill Levy		
	15 year	20 year	25 year	15 year	20 year	25 year
2,300,000	0.77	0.64	0.58	8.256	6.871	6.202
2,800,000	0.94	0.78	0.71	10.051	8.365	7.551
3,300,000	1.11	0.92	0.83	11.846	9.858	8.899

To put this in monetary terms, I have given two examples based upon the \$2.8 million project financed for 20 years:

<u>Sales Tax</u>	<u>Inc. tax</u>	<u>Property Tax</u>	<u>Inc. tax</u>
\$45 restaurant bill	\$0.35	\$65,000 Residential	\$62.50
\$200 grocery bill	\$1.54	\$125,000 Residential	\$120.25
\$12,000 used car	\$92.40	\$275,000 Commercial	\$575.09

Obviously these are fairly significant amounts and increases. This does not take into consideration the impact on our debt limit or the impact increased taxes might have on retail sales, business investment, or the real estate market when compared to our neighboring communities. While I don't have current information on property tax levies compared to other communities, here are the current City sales tax rates for us and surrounding communities.

<u>City</u>	<u>City Tax</u>	<u>Ci/Co Tax</u>
Louisburg	1.25	2.50
Spring Hill	1.50	2.75
Osawatomie	1.00	2.25
Paola	1.25	2.50
Garnett	0.50	2.00
Ottawa	1.10	2.60
Olathe	1.125	2.35

COUNCIL ACTION NEEDED: Provide direction to staff on how to proceed.

STAFF RECOMMENDATION TO COUNCIL: I recommend the following course of action. We should try to line the pool pipe. If it fails, we should begin the process of getting bids and design specs for repairing the pool, but do it right and not in a hurry, since the swimming season. Also consider the possibility of fast-tracking pool replacement at that time.