

OSAWATOMIE CITY COUNCIL

AGENDA

June 25, 2020

6:30 p.m., Memorial Hall

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. June 25th Agenda
 - B. Meeting Minutes – June 11th, 2020
 - C. Pay Application – Hall’s Bobcat Service – Trail - \$6,076.62
6. Comments from the Public
 - Citizen participation will be limited to 5 minutes. Stand & be recognized by the Mayor.*
7. Presentations, Proclamations, and Appointments
 - A. Presentation of Audit
 - B. NLC Service Line Warranty Program
 - C. BG Consultants
8. Unfinished Business
 - A. Request for Bids – Leasing Options for Backhoe
9. New Business
 - A. Resolution 797 - Directing staff to establish to produce and prepare a contract with utility service partners.
 - B. Resolution 798 – Directing staff to proceed working with BG Consultants on wastewater treatment facility repairs.
 - C. Resolution 799 – Establishing a planning framework that will assist the staff and community as we begin to redevelop.
10. Council Report
11. Mayor’s Report
12. City Manager & Staff Report
13. Executive Session
14. Other Discussion/Motions
15. Adjourn

NEXT REGULAR MEETING – July 9, 2020

Osawatomie, Kansas. **June 11, 2020.** The Council Meeting was held at Memorial Hall. Mayor L. Mark Govea called the meeting to order at 6:32 p.m. Council members present were LaDuex, Macek, Diehm, Hampson, Dickinson, and Caldwell. Council members Walmann and Wright were absent. City Staff present at the meeting were: City Manager Michael Scanlon, City Clerk Tammy Seamands, Assistant to the City Manager Samantha Moon, Human Resource Officer Ashley Kobe Nuisance Officer David Ellis and City Attorney Richard Wetzler. Members of the public present were Virginia Adams, Betty Varnell, Darlene Barbosa, Roy Seichepine, Teresa Seichepine, Dale Shay and Jo Shay.

INVOCATION. Virginia Adams, Community of Christ

CONSENT AGENDA. Approval of the June 11th Agenda; May 28th Council Minutes, Pay Application – Tyler Technologies - \$1,548.22, and May 2020 Register Report. **Motion** made by LaDuex, seconded by Dickinson to Approve the consent agenda as presented. Yeas: All.

COMMENTS FROM THE PUBLIC. - Roy Seichepine has been working with Mike Scanlon and Ed Beaudry but “10 Acres” is still not mowed, it has overgrown trees and mice. Seichepine would like to know where the City is on getting this issue resolved. Mayor Govea stated that the property would be mowed over the weekend. City Manager Scanlon said that his position on this property is that it is residential property and if the vegetation reaches 12 inches and the owner does not mow the property the City will mow it. This will be handled just like every other residential property that we currently mow.

Darlene Barbosa – Believes that the people that live at 313 Lincoln is running a salvage yard. They have pickup trucks, flat bed trucks and dump trucks lined up the street with cars and car parts on them. There is not much room for cars to get through on that street and it is very dangerous. Mayor Govea stated that the City Manger was taking an official note of the property and would look into this.

PUBLIC HEARINGS. - None

PRESENTATIONS & PROCLAMATIONS. - None

UNFINISHED BUSINESS. - None

NEW BUSINESS.

FIREWORKS STAND APPLICATIONS – Dale & Jo’s Fireworks and Eddie’s Fireworks, LLC. - **Motion** made by Hampson, seconded by Caldwell to Approve the Firework Stand Applications for Dale & Jo’s Fireworks and Eddies Fireworks, LLC as presented. Yeas: All.

RESOLUTION NO. 794 ESTABLISHING BUDGET POLICIES FOR FISCAL YEAR 2021 – **Motion** made by LaDuex, seconded by Dickinson to approve Resolution No. 794 Establishing budget policies for fiscal year 2021 as presented. Yeas: (5) LaDuex, Macek, Caldwell, Dickinson and Diehm Nays: (1) Hampson

RESOLUTION NO. 795 – ESTABLISHING A CALENDAR FOR AN UPDATE TO THE CITY OF OSAWATOMIE’S COMPREHENSIVE PLAN – **Motion** made by Hampson, seconded by Macek to approve Resolution No 795 Establishing a Calendar for an update to the City of Osawatomie’s Comprehensive Plan as presented. Yeas: All.

RESOLUTION NO. 796 – APPROVING RENEWAL RATES FOR HEALTH INSURANCE AND SETTING CONTRIBUTION AMOUNTS FOR THE CITY AND EMPLOYEES – **Motion** made by Caldwell, seconded by LaDuex to approve Resolution 796 Approving renewal rates for health insurance and setting contribution amounts for the City and employees as presented. Yeas: All.

COUNCIL REPORTS.

Dan Macek ~ Thanked Scanlon and staff for working on the patio at the lake. Pavers will be delivered in another week so they can start on laying them.

Cathy Caldwell ~ Ryan Maddox has posted on Facebook that the pride committee is going to meet on June 23rd at 6:30 p.m. at the John Brown Shelter House. Caldwell stated that something needs to be done with the brush, grass and weeds on “10 Acres”.

Kenny Diehm ~ Health insurance continues to increase but the City did not give employees raises this year. Diehm hopes that next year consideration is given to increase wages for staff.

Karen LaDuex ~ Shay Hanysak is working at Lake Region Solid Waste Authority. Hanysak is asking if there is a location in the City that Ripple Glass Recycling could place a dumpster for glass recycling.

MAYOR’S REPORT ~ Recommends checking out the weekly update that is posted on the City’s Facebook page on Friday afternoons. Govea is considering starting Coffee with the Mayor to allow citizens to ask questions regarding issues or items that are on the agenda in a more social setting. July 31st – August 1st is the Governing Body Institute in Manhattan. Govea is attending a League Governing Body Meeting in Lawrence Friday.

CITY MANAGER & STAFF REPORTS.

Mike Scanlon ~ Presented a Five-Year Financial Forecast on the general fund revenues.

EXECUTIVE SESSION. None.

OTHER DISCUSSION/MOTIONS.

Motion made by Hampson, seconded by Caldwell to adjourn. Yeas: All. Mayor declared the meeting adjourned at 8:29 p.m.

/s/ Tammy Seamands
Tammy Seamands, City Clerk

Hall's Bobcat Service

607 Mulberry Ave.
Osawatomie, KS 66064

Invoice

Date	Invoice #
6/18/2020	4629

Division of E & H Properties, Inc.

Bill To
City of Osawatomie 439 Main Street Osawatomie, Ks 66064

Excavation - Residential & Commercial
Rock Yard - Landscape & Supplies (located 607 Mulberry, Osawatomie)

Customer Phone

(913) 755-2146

Office Hours: Mon.-Fri. 8-5 Sat. 8-Noon
Office Phone #: 1-913-245-4089

<u>Your Residential or Commercial Contractor!</u>		P.O. No.	Terms	Project
			Net 10 days	
Description	Qty	U/M	Rate	Amount
Trail improvements 6/5-6/18				
Topsoil, non-pulverized (tandem load) +/- 15cu yd	10		150.00	1,500.00
Top soil Hauling 15 cu yds +/-	10		100.00	1,000.00
1 1/4" Road Rock(per ton)	113.27		8.75	991.11T
Gravel Hauling (per ton)	113.27		6.67	755.51T
Day 114(Leveled down dirt in the delinators and graded and watered RR on parking)6/18/20				
96" Laser Grader	4		75.00	300.00
Bobcat T630	6.6	hr	110.00	726.00
Excavation per hour	13.4	hr	60.00	804.00
Please make check payable to: Hall's Bobcat Service			Sales Tax (0.0%)	\$0.00
Term: Cash - Accounts not paid within 10 days of the date invoiced are subject to a 1.5% monthly finance charge.			Total	\$6,076.62
email: hallsbobcatservice@gmail.com			Payments/Credits	\$0.00
THANK YOU FOR YOUR BUSINESS			Balance Due	\$6,076.62

CITY OF OSAWATOMIE, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2019

CITY OF OSAWATOMIE, KANSAS

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
Independent Auditors' Report	1-3
<u>Statement 1</u>	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash- Regulatory Basis.....	4-5
Notes to the Financial Statement	6-19
 SUPPLEMENTARY INFORMATION	
<u>Schedule 1</u>	
Summary of Expenditures – Actual and Budget (Budgeted Funds Only) Regulatory Basis	20
<u>Schedule 2</u>	
Schedule of Receipts and Expenditures – Actual and Budget –Regulatory Basis (with Comparative Actual Amounts for the Prior Year)	
General Fund	21-23
Industrial Fund.....	24
Library Fund.....	25
Recreation Fund.....	26
Recreation Employee Benefits Fund.....	27
Employee Benefits Fund.....	28
Special Parks and Recreation Fund.....	29
Tourism Fund.....	30
911 Fund.....	31
Street Improvement Fund.....	32
Golf Course Fund	33
Capital Improvements General Fund.....	34
Capital Improvements Water Fund	35
Capital Improvements Sewer Fund	36
Capital Improvements Street Fund	37
Capital Improvements Grant Fund	38
Capital Improvements Technology Fund.....	39
Capital Improvements Special Projects Fund	40
Public Safety Equipment Fund	41
Electric Generation Bond Account Fund	42
General Obligation Bond and Interest Fund.....	43
Electric Utility Fund.....	44-45
Electric Utility Debt Service Fund	46
Water Utility Fund.....	47-48
Refuse Utility Fund.....	49
Sewer Utility Fund.....	50
 <u>Schedule 3</u>	
Schedule of Receipts and Disbursements – Agency Funds - Regulatory Basis.....	51

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Osawatomie, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Osawatomie, Kansas, as of and for the year ended December 31, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Osawatomie on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Osawatomie, Kansas as of December 31, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Osawatomie, Kansas as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of City of Osawatomie, Kansas as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated July 8, 2019, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2019 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statement or to

the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2018, on the basis of accounting described in Note 1.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 8, 2020
Chanute, Kansas

CITY OF OSAWATOMIE, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2019

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2019
General Fund	\$ 340,282.22	\$ 2,659,719.91	\$ 2,739,967.60	\$ 260,034.53	\$ 123,845.29	\$ 383,879.82
Special Purpose Funds:						
Industrial	102,181.83	134,125.68	240,610.08	(4,302.57)	66,550.00	62,247.43
Library	104,415.98	13,088.62	14,080.05	103,424.55	433.61	103,858.16
Recreation	-	-	-	-	-	-
Recreation Employee Benefits	-	-	-	-	-	-
Employee Benefits	203,007.31	756,224.26	707,660.50	251,571.07	729.00	252,300.07
Special Parks and Recreation	34,674.20	24,118.31	17,290.32	41,502.19	-	41,502.19
Tourism	47,083.86	40,723.74	31,283.53	56,524.07	2,471.34	58,995.41
911	9,897.41	-	-	9,897.41	-	9,897.41
Street Improvement	243,747.31	122,374.43	164,981.03	201,140.71	3,812.54	204,953.25
Golf Course	17,093.86	261,244.57	276,509.74	1,828.69	5,349.13	7,177.82
Capital Improvements General	174,072.57	115,000.00	137,968.18	151,104.39	4,199.08	155,303.47
Capital Improvements Water	-	75,000.00	-	75,000.00	-	75,000.00
Capital Improvements Sewer	-	450,000.00	308,705.39	141,294.61	9,097.39	150,392.00
Capital Improvements Street	771,652.38	95,000.00	784,251.88	82,400.50	-	82,400.50
Capital Improvements Grant	24,431.42	-	20,874.63	3,556.79	-	3,556.79
Capital Improvements Special Projects	-	191,666.00	177,232.73	14,433.27	16,663.05	31,096.32
Capital Improvements Technology	125,623.50	36,145.06	126,144.46	35,624.10	-	35,624.10
Public Safety Equipment	88,409.54	124,088.14	156,016.20	56,481.48	770.48	57,251.96
Capital Project Funds:						
Electric Generation Bond Account	192,785.39	101,943.74	270,265.57	24,463.56	77,759.12	102,222.68
Bond and Interest Fund:						
General Obligation Bond and Interest	201,266.98	860,905.84	881,767.50	180,405.32	-	180,405.32
Business Funds:						
Electric Utility	290,049.14	3,748,845.78	3,750,589.68	288,305.24	256,979.51	545,284.75
Electric Utility Debt Service	149,988.39	432,501.33	432,501.25	149,988.47	-	149,988.47
Water Utility	275,150.85	1,002,787.77	1,046,476.91	231,461.71	34,050.06	265,511.77
Refuse Utility	5,102.67	949.40	5,051.77	1,000.30	-	1,000.30
Sewer Utility	211,172.55	873,417.90	953,991.14	130,599.31	10,999.87	141,599.18
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,612,089.36</u>	<u>\$ 12,119,870.48</u>	<u>\$ 13,244,220.14</u>	<u>\$ 2,487,739.70</u>	<u>\$ 613,709.47</u>	<u>\$ 3,101,449.17</u>

The notes to the financial statement are
an integral part of this statement.

Statement 1 (Continued)

CITY OF OSAWATOMIE, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2019

Total Cash to be accounted for:	\$	3,101,449.17
<hr/>		
Composition of Cash:		
Cash on Hand	\$	800.00
Checking Accounts:		
Operating Account		237,537.32
Cash Flow Account		1,111,700.12
ADSAP		7,401.00
Municipal Court		18,877.04
Police Forfeitures.....		13,596.85
Cafeteria 125 Checking.....		89,113.40
Street & Sewer Project.....		232,792.50
Grant Account.....		3,556.79
PayPal Donations Account.....		0.01
USDA Loan Checking.....		35,624.10
Petty Cash		2,000.00
Investments:		
Kansas Municipal Investment Pool.....		1,037,700.17
Certificates of Deposit		447,339.07
<hr/>		
Total Reporting Entity		3,238,038.37
Agency Funds Per Schedule 3		(136,589.20)
<hr/>		
Total Reporting Entity (Excluding Agency Funds)	\$	3,101,449.17
<hr/>		

The notes to the financial statement are
an integral part of this statement.

CITY OF OSAWATOMIE, KANSAS

Notes to the Financial Statement
December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Osawatomie, Kansas have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies follow. Note 1 describes how the City's accounting policies differ from accounting principles generally accepted in the United States of America.

Financial Reporting Entity

The City of Osawatomie, Kansas (the City) is a municipal corporation governed by an elected eight-member council. These financial statements present the City of Osawatomie, Kansas (the primary government).

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the City exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the City. Related municipal entities are not required to be included in the City's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related municipal entities:

The Osawatomie Housing Authority – The Osawatomie Housing Authority operates the City's housing projects. The Osawatomie Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. The Osawatomie Housing Authority's financial statements should be included with the City's financial statements. However, the statements are omitted in an apparent departure from accounting principles generally accepted in the United States of America. Separate financial statements are prepared and are available at the Osawatomie Housing Authority. The Osawatomie Housing Authority is considered a major component unit.

Regulatory Basis Fund Types

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the City of Osawatomie, Kansas, for the year of 2019:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Regulatory Basis Fund Types (Continued)

Bond and Interest fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection account, etc.).

Basis of Presentation – Regulatory Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Pension Plan

Substantially all full-time City employees are members of the State of Kansas Public Employees Retirement System, which is a multi-employer state-wide pension plan. The City's policy is to fund all pension costs accrued. Such costs to be funded are actuarially determined annually by the State of Kansas.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1st of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31, such taxes are a lien on the property.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as cash receipts. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as cash receipts. The reimbursements are recorded as cash receipts when received by the City Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Special Assessments

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the City. Special assessments paid prior to the issuance of general obligation bonds are recorded as cash receipts in the appropriate project. Special assessments received after the issuance of general obligation bonds are recorded as cash receipts in the bond and interest fund. Further, state statutes require levying additional general ad valorem property taxes in the City bond and interest fund to finance delinquent special assessments receivable.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended December 31, 2019 the City amended the Public Safety Equipment Fund and the Industrial Fund.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, and trust funds. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the City was in apparent violation of K.S.A. 10-1113, as the City has obligated expenditures in excess of available monies in the Industrial Fund. As shown in Schedule 1, the City was in apparent violation of K.S.A. 79-2935 as the City has obligated expenditures in excess of budgetary limits in the Industrial Fund.

Compliance with Revenue Bond Covenants

The City is required, under the ordinances on Revenue Bond Issues, to maintain in its Business Funds certain restricted accounts. The ordinances provide that the following reserve accounts be set up in amounts described below:

<u>RESERVE ACCOUNTS</u>	<u>REQUIRED AMOUNT</u>	<u>ACTUAL AMOUNT</u>
Principal and Interest Account for Electric Revenue Bonds Series 2015 – requires transfers Monthly of 1/12 of next maturing interest and 1/12 of next maturing principal.	\$ 114,016.67	\$ 149,988.47

The City agrees to fix, establish, maintain and collect such rates, fees or charges for Electric Utility service which will be sufficient to enable the City to have, in each fiscal year, Net Revenues in an amount that will not be less than 125% of the Debt Service Requirements required to be paid by the City during that fiscal year on all System revenue bonds at the time outstanding. Net income is defined as gross income less operating expenses, but before any transfers, depreciation and capital expense. For the year ended December 31, 2019, the City had net revenues available for debt service of \$1,308,981.10, which is 302.65%. The loan agreement defines net revenues available for debt service to be revenues, less ordinary and necessary expenses of operating the system, but not including charges for interest and principal paid on the loan, or charges for depreciation. Therefore, this amount consists of receipts over expenditures, less debt service expenditures and capital outlay. Capital outlay is not considered to be an ordinary expense.

3. DEPOSITS AND INVESTMENTS

As of December 31, 2019, the City had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-2</u>	<u>Rating</u>
Kansas Investment Pool	\$ 1,037,700.17	\$ 1,037,700.17	\$ - -	S&P AA Af/S1+

K.S.A 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City’s funds have a main branch or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A 12-1675 limits the City’s investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The rating of the City’s investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City’s allocation of investments as of December 31, 2019, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. State statutes require the City’s deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2019.

3. DEPOSITS AND INVESTMENTS (Continued)

Deposits: At year-end, the City's carrying amount of deposits was \$2,199,538.20 and the bank balance was \$2,373,865.78. The bank balance was held by one banks resulting in a concentration of credit risk. Of the bank balance, \$500,000.00 was covered by FDIC insurance and \$1,873,865.78 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments to be adequately secured.

At December 31, 2019, the City has invested \$1,037,700.17 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligation that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities of up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

4. LONG-TERM DEBT

Changes in long-term debt for the City for the year ended December 31, 2019, were as follows:

Issue	Interest Rates	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Paid by Tax Levies:									
Series 2017-1 Temporary	2.25%	12/12/2017	\$ 1,650,000.00	6/15/2019	\$ 1,650,000.00	\$ -	\$ (1,650,000.00)	\$ -	\$ 55,687.50
Series 2019 A Street Bonds	3.60%	5/23/2019	1,135,000.00	9/1/2038	-	1,135,000.00	-	1,135,000.00	-
Series 2019 Temporary	2.65%	12/31/2019	400,000.00	1/1/2021	-	400,000.00	-	400,000.00	-
Paid by Tax Levies and Utility Receipts:									
Series 2016A - Refunding	2.00-4.00%	5/19/2016	8,145,000.00	9/1/2045	7,655,000.00	-	(350,000.00)	7,305,000.00	232,280.00
Paid by Utility Receipts:									
Series 2012A - Refunding	2.00-4.70%	5/1/2012	2,810,000.00	9/1/2027	740,000.00	-	(230,000.00)	510,000.00	17,800.00
Revenue Bonds									
Paid by Utility Receipts:									
Series 2015 - Electric	3.50%	12/14/2015	6,095,000.00	9/1/2035	5,500,000.00	-	(240,000.00)	5,260,000.00	192,500.00
State Revolving Loans									
KDHE No. 1961-01	2.83%	11/20/2013	1,266,256.72	3/1/2030	1,200,305.96	-	(56,427.77)	1,143,878.19	33,572.23
Capital Leases									
Golf Course Irrigation	3.25%	11/26/2006	195,525.75	10/1/2021	48,711.09	-	(15,687.94)	33,023.15	1,602.38
Case Tractor & Bush Hog	2.50%	7/6/2015	76,261.00	7/6/2023	49,414.69	-	(9,401.59)	40,013.10	1,235.37
Grocery Store Equipment	2.95%	9/26/2017	150,000.00	10/1/2019	150,000.00	-	(150,000.00)	-	4,750.63
Fire truck	3.10%	4/5/2018	277,107.76	10/1/2026	277,107.76	-	(27,353.06)	249,754.70	12,612.19
Software	3.10%	4/5/2018	239,334.88	10/1/2022	239,334.88	-	(54,382.06)	184,952.82	10,656.31
Slayman Property	0.00%	1/24/2017	130,000.00	1/24/2018	40,000.00	-	(40,000.00)	-	-
Golf Course Equipment	5.00%	4/25/2019	108,650.00	5/1/2026	-	108,650.00	(6,570.37)	102,079.63	2,675.45
John Deere Excavator	9.12%	8/9/2019	26,723.74	8/9/2023	-	26,723.74	(6,295.36)	20,428.38	26.71
Total Contractual Indebtedness					\$ 15,899,874.38	\$ 1,670,373.74	\$ (1,186,118.15)	\$ 16,384,129.97	\$ 509,711.27

4. LONG-TERM DEBT (Continued)

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity is as follows:

Issue	2020	2021	2022	2023	2024	2025-2029	2030-2034	2035-2039	2040-2044	2045	Total
Principal											
General Obligation Bonds											
Paid by Tax Levies:											
Series 2019 A Street Bonds	\$ 30,000.00	\$ 45,000.00	\$ 45,000.00	\$ 50,000.00	\$ 50,000.00	\$ 275,000.00	\$ 330,000.00	\$ 310,000.00	\$ -	\$ -	\$ 1,135,000.00
Series 2019 Temporary	-	400,000.00	-	-	-	-	-	-	-	-	400,000.00
Paid by Tax Levies and Utility Receipts:											
Series 2016A	360,000.00	370,000.00	380,000.00	385,000.00	405,000.00	1,995,000.00	1,455,000.00	1,035,000.00	750,000.00	170,000.00	7,305,000.00
Paid by Utility Receipts:											
Series 2012A	90,000.00	95,000.00	95,000.00	65,000.00	40,000.00	125,000.00	-	-	-	-	510,000.00
Revenue Bonds											
Series 2015	250,000.00	260,000.00	270,000.00	280,000.00	285,000.00	1,600,000.00	1,895,000.00	420,000.00	-	-	5,260,000.00
State Revolving Loans											
KDHE No. 1961-01	58,035.96	101,134.63	104,016.99	106,981.49	110,030.48	599,016.96	64,661.68	-	-	-	1,143,878.19
Capital Leases											
Golf Course Irrigation Case Tractor & Bush Hog	16,201.91	16,821.24	-	-	-	-	-	-	-	-	33,023.15
Fire Truck	9,633.89	9,877.47	10,124.41	10,377.33	-	-	-	-	-	-	40,013.10
Software	32,472.40	33,486.85	34,532.99	35,611.81	36,724.32	76,926.33	-	-	-	-	249,754.70
Golf Course Equipment	59,764.45	61,631.49	63,556.88	-	-	-	-	-	-	-	184,952.82
John Deere Excavator	13,640.77	14,335.70	15,066.04	15,833.60	16,640.23	26,563.29	-	-	-	-	102,079.63
	4,459.22	4,865.85	5,309.57	5,793.74	-	-	-	-	-	-	20,428.38
Total Principal Payments	924,208.60	1,412,153.23	1,022,606.88	954,597.97	943,395.03	4,697,506.58	3,744,661.68	1,765,000.00	750,000.00	170,000.00	16,384,129.97
Interest											
General Obligation Bonds											
Paid by Tax Levies:											
Series 2019 A Street Bonds	51,983.00	39,780.00	38,160.00	36,540.00	34,740.00	145,620.00	92,340.00	28,260.00	-	-	467,423.00
Series 2019 A Temporary	-	10,629.44	-	-	-	-	-	-	-	-	10,629.44
Paid by Tax Levies and Utility Receipts:											
Series 2016A	225,280.00	218,080.00	210,690.00	199,280.00	187,730.00	750,850.00	494,050.00	276,710.00	126,000.00	6,800.00	2,695,470.00
Paid by Utility Receipts:											
Series 2012A	13,200.00	11,175.00	9,037.50	6,900.00	4,950.00	7,650.00	-	-	-	-	52,912.50
Revenue Bonds											
Series 2015	184,100.00	175,350.00	166,250.00	156,800.00	147,000.00	576,625.00	276,850.00	14,700.00	-	-	1,697,675.00
State Revolving Loans											
KDHE No. 1961-01	31,964.04	30,018.83	27,136.47	24,171.97	21,122.98	56,750.43	915.05	-	-	-	192,079.77
Capital Leases											
Golf Course Irrigation Case Tractor & Bush Hog	1,088.41	469.08	-	-	-	-	-	-	-	-	1,557.49
Fire Truck	1,003.07	759.49	512.55	259.44	-	-	-	-	-	-	2,534.55
Software	7,492.67	5,432.09	4,353.27	4,353.27	3,240.75	3,003.82	-	-	-	-	27,875.87
Golf Course Equipment	5,273.93	3,406.87	1,481.48	-	-	-	-	-	-	-	10,162.28
John Deere Excavator	4,850.87	4,155.94	3,425.60	2,658.04	1,851.39	1,174.17	-	-	-	-	18,116.01
	1,862.85	1,456.22	1,012.50	528.33	-	-	-	-	-	-	4,859.90
Total Interest Payments	528,098.84	500,712.96	462,059.37	431,491.05	400,635.12	1,541,673.42	864,155.05	319,670.00	126,000.00	6,800.00	5,181,295.81
Total Principal and Interest	\$ 1,452,307.44	\$ 1,912,866.19	\$ 1,484,666.25	\$ 1,386,089.02	\$ 1,344,030.15	\$ 6,239,180.00	\$ 4,608,816.73	\$ 2,084,670.00	\$ 876,000.00	\$ 176,800.00	\$ 21,565,425.78

5. CAPITAL LEASE OBLIGATIONS

The City has entered into a capital lease agreement in order to finance the acquisition of a Golf Course Irrigation System. Payments are made yearly, including interest at approximately 3.25%. Final maturity of the lease is October 1, 2021. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2020	\$ 17,290.32
2021	<u>17,290.32</u>
	34,580.64
Less imputed interest	<u>(1,557.49)</u>
Net Present Value of Minimum	
Lease Payments	33,023.15
Less: Current Maturities	<u>(16,201.91)</u>
Long-Term Capital Lease Obligations	<u>\$ 16,821.24</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a 2015 Case Tractor and Bush Hog. Payments are made yearly, including interest at approximately 2.50%. Final maturity of the lease is July 6, 2023. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2020	\$ 10,636.96
2021	10,636.96
2022	10,636.96
2023	<u>10,636.77</u>
	42,547.65
Less imputed interest	<u>(2,534.55)</u>
Net Present Value of Minimum	
Lease Payments	40,013.10
Less: Current Maturities	<u>(9,633.89)</u>
Long-Term Capital Lease Obligations	<u>\$ 30,379.21</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a Fire Truck. Payments are made twice a year, including interest at approximately 3.10%. Final maturity of the lease is October 1, 2026. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2020	\$ 39,965.07
2021	38,918.94
2022	38,886.26
2023	39,965.08
2024	39,965.07
2025-2026	<u>79,930.15</u>
	277,630.57
Less imputed interest	<u>(27,875.87)</u>
Net Present Value of Minimum	
Lease Payments	249,754.70
Less: Current Maturities	<u>(32,472.40)</u>
Long-Term Capital Lease Obligations	<u>\$ 217,282.30</u>

5. CAPITAL LEASE OBLIGATIONS (Continued)

The City has entered into a capital lease agreement in order to finance the acquisition of Software. Payments are made twice a year, including interest at approximately 3.10%. Final maturity of the lease is October 1, 2022. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2020	\$ 65,038.38
2021	65,038.36
2022	<u>65,038.36</u>
	195,115.10
Less imputed interest	<u>(10,162.28)</u>
Net Present Value of Minimum	
Lease Payments	184,952.82
Less: Current Maturities	<u>(59,764.45)</u>
Long-Term Capital Lease Obligations	<u>\$ 125,188.37</u>

The City has entered into a capital lease agreement in order to finance the acquisition of the golf course equipment. Payments are made quarterly, including interest at 5.00%. Final maturity of the lease is May 1, 2026. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2020	\$ 18,491.64
2021	18,491.64
2022	18,491.64
2023	18,491.64
2024	18,491.64
2025-2026	<u>27,737.46</u>
	120,195.64
Less imputed interest	<u>(18,116.01)</u>
Net Present Value of Minimum	
Lease Payments	102,079.63
Less: Current Maturities	<u>(13,640.77)</u>
Long-Term Capital Lease Obligations	<u>\$ 88,438.86</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a John Deere excavator. Payments are made annually, including interest at 9.12%. Final maturity of the lease is August 9, 2023. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2020	\$ 6,322.07
2021	6,322.07
2022	6,322.07
2023	<u>6,322.07</u>
	25,288.28
Less imputed interest	<u>(4,859.90)</u>
Net Present Value of Minimum	
Lease Payments	20,428.38
Less: Current Maturities	<u>(4,459.22)</u>
Long-Term Capital Lease Obligations	<u>\$ 15,969.16</u>

6. OPERATING LEASES

As of December 31, 2019 the City has entered into a number of operating leases for equipment. Rent expense for the year ended December 31, 2019, was \$28,187.96. Under the current lease agreements, the future minimum rental payments are as follows:

2020	\$ 8,400.96
2021	6,380.80
2022	4,665.36
2023	3,767.19
2024	1,562.82

7. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2017. Effective January 1, 2017, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1 and KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$242,270.75 for the year ended December 31, 2019.

Net Pension Liability

At December 31, 2019, The City's proportionate share of the collective net pension liability reported by KPERS was \$1,979,308.00. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

8. CAPITAL PROJECTS

The following is a summary of capital project authorizations and expenditures to date:

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 12/31/19</u>	<u>ESTIMATED COMPLETION</u>
Electric Generation Project	\$ 6,239,987.93	\$ 6,239,987.93	Complete

9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2019.

Compensated Absences:

All full-time employees of the City are eligible for vacation benefits in varying annual amounts. Full time employees will be granted paid vacation time according to the following schedules:

Years Continuous Employment:	Days Granted per Year:	Maximum Days Accrued:
Less than 5 years	12 Days	20 Days
After 5 but less than 10	15 Days	25 Days
After 10 but less than 15	18 Days	30 Days
More than 15 years	21 Days	30 Days

No vacation time may be taken by an employee until they have been in the service of the City continuously for a period of six months. In the event of termination, an employee will be compensated for unused vacation leave, provided they have been in the service of the City for at least six full months.

Sick leave accrues to all full-time employees at the rate of 8 hours per month to a maximum of 960 hours. All employees shall receive their sick leave credit on the last payroll of the month.

Employees who terminate by other than retirement will not be paid for accumulated sick leave. Upon retirement 30 days of remaining sick leave will be paid at their hourly rate, provided the employee has accrued 960 hours and provided one year notice to the City of their intent to retire.

The City determines a liability for compensated absences and compensatory time when the following conditions are met:

1. The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the City has estimated a liability for vacation pay and compensatory time, which has been earned, but not taken by City employees. The liability for compensated absences was \$150,370.63 and compensatory time was \$20,663.29. In accordance with the above criteria, the City has not recorded a liability for sick pay, inasmuch as the amount cannot be reasonably estimated.

9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Other Post Employment Benefits:

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, except as disclosed below, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid in full by the insured. There is no cost to the City under this program.

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The City manages these risks of loss through the purchase of various insurance policies.

The City has been unable to obtain workers' compensation insurance at a cost it considers to be economically justifiable. For this reason, the City has joined together with other cities in the State to participate in Kansas Municipal Insurance Trust (KMIT), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The City pays annual premium to KMIT for its workers' compensation insurance coverage. The agreement to participate provides that KMIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of a stated dollar amount for each insurance event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KMIT management.

11. CONCENTRATION OF RISK

The City provides water to two rural water districts. During 2019, sales to Miami County Rural Water District No. 1 accounted for 5.12% of the water sold and sales to Miami County Rural Water District No. 3 accounted for 27.66% of the water sold. Risk of accounting loss exists from the possibility that a customer would no longer purchase water from the City. Impact of potential risk cannot be determined.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
Electric Utility	General	K.S.A. 12-825d	\$ 424,359.00
Water Utility	General	K.S.A. 12-825d	173,721.00
Sewer Utility	General	K.S.A. 12-825d	164,596.00
Electric Utility	Employee Benefits	K.S.A. 12-16,102	87,636.00
Sewer Utility	Employee Benefits	K.S.A. 12-16,102	48,445.00
Water Utility	Employee Benefits	K.S.A. 12-16,102	63,368.00
Electric Utility	Special Parks and Recreation	K.S.A. 12-825d	20,000.00
Electric Utility	Tourism	K.S.A. 12-825d	10,000.00
Electric Utility	Golf Course	K.S.A. 12-825d	75,000.00
Electric Utility	Capital Improvements General	K.S.A. 12-1,118	115,000.00
Water Utility	Capital Improvements Water	K.S.A. 12-1,118	75,000.00
Sewer Utility	Capital Improvements Sewer	K.S.A. 12-1,118	50,000.00
Street Improvements	Capital Improvements Street	K.S.A. 12-1,118	95,000.00
Electric Utility	Capital Improvements Special Projects	K.S.A. 12-1,118	25,000.00
Electric Utility	Public Safety Equipment	K.S.A. 12-1,117	10,000.00
Electric Utility	Electric Generation Bond Account	K.S.A. 12-1,118	100,000.00
Electric Utility	Electric Utility Debt Service	K.S.A. 13-1270	432,501.33
Sewer Utility	General Obligation Bond and Interest	K.S.A. 13-1270	320,800.00
Water Utility	General Obligation Bond and Interest	K.S.A. 13-1270	126,500.00

13. SUBSEQUENT EVENTS

The City evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statement. However, in December 2019, a novel strain of coronavirus (“COVID-19”) was reported in Wuhan, China. The World Health Organization has declared COVID-19 to constitute a “Public Health Emergency of International Concern.” The U.S. government has implemented enhanced screenings, quarantine requirements and travel restrictions in connection with the COVID-19 outbreak. The extent of the impact of the COVID-19 on the City’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of the COVID-19. Currently the City is experiencing significant declines in sale tax collections, tourism tax collections, utility collections, and overall receipts. Our results of operations for full year 2020 may be materially adversely affected.

SUPPLEMENTARY INFORMATION

CITY OF OSAWATOMIE, KANSAS
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 Regulatory Basis
 For the Year Ended December 31, 2019

Funds	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Fund	\$ 2,794,958.00	\$ 16,273.71	\$ 2,811,231.71	\$ 2,739,967.60	\$ (71,264.11)
Special Purpose Funds:					
Industrial	150,900.00	-	150,900.00	240,610.08	89,710.08
Library	122,500.00	-	122,500.00	14,080.05	(108,419.95)
Recreation	500.00	-	500.00	-	(500.00)
Recreation Employee Benefits	200.00	-	200.00	-	(200.00)
Employee Benefits	885,041.00	-	885,041.00	707,660.50	(177,380.50)
Special Parks and Recreation	47,290.00	-	47,290.00	17,290.32	(29,999.68)
Tourism	77,775.00	-	77,775.00	31,283.53	(46,491.47)
911	9,897.00	-	9,897.00	-	(9,897.00)
Street Improvement	180,000.00	-	180,000.00	164,981.03	(15,018.97)
Golf Course	305,079.00	-	305,079.00	276,509.74	(28,569.26)
Public Safety Equipment	171,084.00	-	171,084.00	156,016.20	(15,067.80)
Bond and Interest Fund:					
General Obligation Bond and Interest	1,007,780.00	-	1,007,780.00	881,767.50	(126,012.50)
Business Funds:					
Electric Utility	4,233,605.00	4,455.18	4,238,060.18	3,750,589.68	(487,470.50)
Electric Utility Debt Service	442,500.00	-	442,500.00	432,501.25	(9,998.75)
Water Utility	1,059,585.00	-	1,059,585.00	1,046,476.91	(13,108.09)
Refuse Utility	430,000.00	-	430,000.00	5,051.77	(424,948.23)
Sewer Utility	1,013,313.00	-	1,013,313.00	953,991.14	(59,321.86)

CITY OF OSAWATOMIE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 616,815.34	\$ 636,229.92	\$ 683,020.00	\$ (46,790.08)
Delinquent Tax	28,352.43	26,900.30	17,000.00	9,900.30
Motor Vehicle Tax	65,362.53	71,266.87	69,640.00	1,626.87
Recreational Vehicle Tax	898.05	1,172.33	1,035.00	137.33
16/20M Vehicle Tax	52.52	454.96	270.00	184.96
Commercial Vehicle Tax	818.84	633.99	780.00	(146.01)
Watercraft Tax	-	-	190.00	(190.00)
Special Assessments	200.00	3,252.27	-	3,252.27
Sales Tax	739,380.82	751,910.08	727,000.00	24,910.08
Franchise Taxes	116,263.65	109,902.35	104,200.00	5,702.35
Intergovernmental				
Local Alcoholic Liquor Tax	7,592.04	3,868.32	5,016.00	(1,147.68)
Grant Proceeds	50,578.88	23,157.04	21,000.00	2,157.04
Licenses and Permits	21,516.52	26,059.00	21,340.00	4,719.00
Charges for Services				
Sale of Cemetery Lots	3,645.00	2,230.00	7,000.00	(4,770.00)
Cemetery Charges	12,772.50	38,895.00	30,000.00	8,895.00
Auditorium Rent	2,820.00	4,345.00	3,000.00	1,345.00
Memorial Hall Rent	3,845.00	4,315.00	4,000.00	315.00
Technology Fees	-	-	1,200.00	(1,200.00)
Animal Control	9,679.00	7,676.90	7,000.00	676.90
Drug Screening	320.00	-	1,000.00	(1,000.00)
Probation	922.50	-	1,500.00	(1,500.00)
Assigned Counsel	5,548.50	6,566.60	5,000.00	1,566.60
Fines, Forfeitures and Penalties				
Fines	160,352.06	128,724.03	160,000.00	(31,275.97)
Use of Money and Property				
Interest Income	16,866.66	28,969.36	12,000.00	16,969.36
Sales of Equipment and Property	-	5.00	-	5.00
Other Receipts				
Miscellaneous	12,013.42	4,235.88	2,400.00	1,835.88
Reimbursed Expense	104,064.23	16,273.71	38,000.00	(21,726.29)
Operating Transfers from:				
Electric Utility Fund	338,340.00	424,359.00	641,238.00	(216,879.00)
Water Utility Fund	155,297.00	173,721.00	49,000.00	124,721.00
Sewer Utility Fund	144,879.00	164,596.00	43,000.00	121,596.00
Total Receipts	2,619,196.49	2,659,719.91	\$ 2,655,829.00	\$ 3,890.91

CITY OF OSAWATOMIE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures				
General Administration				
Personal Services	\$ 373,819.02	\$ 431,330.48	\$ 388,311.00	\$ 43,019.48
Contractual Services	142,062.22	162,672.50	165,117.00	(2,444.50)
Commodities	25,864.91	19,249.66	18,250.00	999.66
Capital Outlay	10,065.79	10,754.45	12,000.00	(1,245.55)
Other Expenses	6,612.64	6,465.40	6,400.00	65.40
Code Enforcement				
Personal Services	78,583.57	98,184.52	98,649.00	(464.48)
Contractual Services	17,157.14	61,897.61	77,247.00	(15,349.39)
Commodities	8,603.85	14,937.84	7,950.00	6,987.84
Capital Outlay	816.78	918.73	1,100.00	(181.27)
Police and Fire				
Personal Services	897,332.33	901,447.04	884,388.00	17,059.04
Contractual Services	100,612.61	103,597.65	103,885.00	(287.35)
Commodities	74,934.48	59,831.79	66,316.00	(6,484.21)
Capital Outlay	8,254.57	6,235.77	3,000.00	3,235.77
John Brown Cabin				
Personal Services	27,769.44	29,317.20	28,793.00	524.20
Contractual Services	7,691.63	7,294.27	8,411.00	(1,116.73)
Commodities	90.04	101.66	200.00	(98.34)
Capital Outlay	-	35.00	1,000.00	(965.00)
Streets and Alleys				
Personal Services	126,098.18	110,873.38	131,654.00	(20,780.62)
Contractual Services	33,782.11	28,636.19	25,316.00	3,320.19
Commodities	35,255.53	33,929.41	45,200.00	(11,270.59)
Capital Outlay	9,473.55	25,180.67	6,333.00	18,847.67
Property & Maintenance				
Personal Services	204,363.52	200,784.25	210,353.00	(9,568.75)
Contractual Services	39,231.49	37,719.73	45,409.00	(7,689.27)
Commodities	37,030.79	32,060.36	42,400.00	(10,339.64)
Capital Outlay	19,497.95	17,224.94	17,000.00	224.94

**CITY OF OSAWATOMIE, KANSAS
GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Municipal Court Services				
Personal Services	\$ 46,903.24	\$ 41,630.19	\$ 37,567.00	\$ 4,063.19
Contractual Services	120,882.94	101,872.81	129,487.00	(27,614.19)
Commodities	349.47	1,017.12	1,650.00	(632.88)
Capital Outlay	20.98	388.98	1,500.00	(1,111.02)
Other Expenses	13,163.50	14,833.25	18,000.00	(3,166.75)
Levees and Stormwater				
Contractual Services	6,160.00	13,068.38	2,823.00	10,245.38
Commodities	6,287.96	8,237.97	4,000.00	4,237.97
Lease Purchase - Tractor and Bush Hog	10,636.96	10,636.96	10,637.00	(0.04)
Library				
Personal Services	98,117.44	99,935.15	96,508.00	3,427.15
Contractual Services	24,418.14	23,773.75	23,106.00	667.75
Commodities	25,636.54	23,236.10	22,498.00	738.10
Capital Outlay	747.47	656.44	2,500.00	(1,843.56)
Other				
Cash Basis Reserve	-	-	50,000.00	(50,000.00)
Total Certified Budget			2,794,958.00	(54,990.40)
Adjustments for Qualifying Budget Credits			16,273.71	(16,273.71)
Total Expenditures	2,638,328.78	2,739,967.60	\$ 2,811,231.71	\$ (71,264.11)
Receipts Over(Under) Expenditures	(19,132.29)	(80,247.69)		
Unencumbered Cash, Beginning	359,414.51	340,282.22		
Unencumbered Cash, Ending	\$ 340,282.22	\$ 260,034.53		

CITY OF OSAWATOMIE, KANSAS
INDUSTRIAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Tax	\$ 2,096.33	\$ 4,330.16	\$ 4,330.00	\$ 0.16
Delinquent Tax	54.48	75.12	59.00	16.12
Motor Vehicle Tax	180.85	242.13	237.00	5.13
Recreational Vehicle Tax	2.56	4.01	4.00	0.01
16/20M Vehicle Tax	-	0.67	1.00	(0.33)
Commercial Vehicle Tax	2.59	2.16	3.00	(0.84)
Watercraft Tax	-	-	1.00	(1.00)
Use of Money and Property				
Rental Income	12,000.00	52,668.71	93,400.00	(40,731.29)
Sale of Assets	-	56,449.12	56,449.00	0.12
Other Receipts				
Reimbursed Expense	5,460.00	5,460.00	5,460.00	-
Insurance Claim	-	-	45,000.00	(45,000.00)
Miscellaneous	16,510.00	14,893.60	-	14,893.60
Total Receipts	36,306.81	134,125.68	\$ 204,944.00	\$ (70,818.32)
Expenditures				
General Government				
Contractual Services	20,878.05	85,334.45	\$ 57,000.00	\$ 28,334.45
Commodities	-	525.00	10,000.00	(9,475.00)
Lease Purchase - Grocery				
Store Equipment	4,916.66	154,750.63	83,900.00	70,850.63
Total Expenditures	25,794.71	240,610.08	\$ 150,900.00	\$ 89,710.08
Receipts Over(Under) Expenditures	10,512.10	(106,484.40)		
Unencumbered Cash, Beginning	91,669.73	102,181.83		
Unencumbered Cash, Ending	\$ 102,181.83	\$ (4,302.57)		

CITY OF OSAWATOMIE, KANSAS
LIBRARY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental				
Grant Proceeds	\$ 11,288.70	\$ 10,040.00	\$ 10,000.00	\$ 40.00
Use of Money and Property				
Interest Income	490.87	743.27	600.00	143.27
Other Receipts				
Donations	5,674.64	2,305.35	2,000.00	305.35
Total Receipts	17,454.21	13,088.62	\$ 12,600.00	\$ 488.62
Expenditures				
Culture and Recreation				
Contractual Services	2,028.64	1,432.22	\$ 2,500.00	\$ (1,067.78)
Commodities	14,445.79	9,397.83	10,000.00	(602.17)
Capital Outlay	39,483.50	3,250.00	110,000.00	(106,750.00)
Total Expenditures	55,957.93	14,080.05	\$ 122,500.00	\$ (108,419.95)
Receipts Over(Under) Expenditures	(38,503.72)	(991.43)		
Unencumbered Cash, Beginning	142,919.70	104,415.98		
Unencumbered Cash, Ending	\$ 104,415.98	\$ 103,424.55		

CITY OF OSAWATOMIE, KANSAS
RECREATION FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Delinquent Tax	\$ 18.27	\$ -	\$ 500.00	\$ (500.00)
Total Receipts	18.27	-	\$ 500.00	\$ (500.00)
Expenditures				
Culture and Recreation				
Operating Transfers to				
Special Parks and				
Recreation Fund	18.27	-	\$ 500.00	\$ (500.00)
Total Expenditures	18.27	-	\$ 500.00	\$ (500.00)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

CITY OF OSAWATOMIE, KANSAS
RECREATION EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Delinquent Tax	\$ 2.28	\$ -	\$ 200.00	\$ (200.00)
Total Receipts	2.28	-	\$ 200.00	\$ (200.00)
Expenditures				
Culture and Recreation				
Operating Transfer to				
Employee Benefits Fund	2.28	-	\$ 200.00	\$ (200.00)
Total Expenditures	2.28	-	\$ 200.00	\$ (200.00)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

CITY OF OSAWATOMIE, KANSAS
EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 474,329.36	\$ 467,053.93	\$ 501,413.00	\$ (34,359.07)
Delinquent Tax	25,658.23	22,973.39	17,000.00	5,973.39
Motor Vehicle Tax	58,848.63	54,800.64	53,549.00	1,251.64
Recreational Vehicle Tax	805.85	901.48	797.00	104.48
16/20M Vehicle Tax	52.82	418.82	208.00	210.82
Commercial Vehicle Tax	724.31	487.52	600.00	(112.48)
Watercraft Tax	-	-	147.00	(147.00)
Other Receipts				
Reimbursed Expense	-	10,139.48	215,334.00	(205,194.52)
Operating Transfers from:				
Electric Utility Fund	93,593.00	87,636.00	-	87,636.00
Sewer Utility Fund	36,197.00	48,445.00	-	48,445.00
Water Utility Fund	56,563.00	63,368.00	-	63,368.00
Recreation Employee Benefits Fund	2.28	-	200.00	(200.00)
Total Receipts	746,774.48	756,224.26	\$ 789,248.00	\$ (33,023.74)
Expenditures				
General Government				
Personal Services	684,923.26	700,348.28	\$ 780,041.00	\$ (79,692.72)
Contractual Services	26,137.34	7,312.22	25,000.00	(17,687.78)
Other				
Cash Basis Reserve	-	-	80,000.00	(80,000.00)
Total Expenditures	711,060.60	707,660.50	\$ 885,041.00	\$ (177,380.50)
Receipts Over(Under) Expenditures	35,713.88	48,563.76		
Unencumbered Cash, Beginning	167,293.43	203,007.31		
Unencumbered Cash, Ending	\$ 203,007.31	\$ 251,571.07		

CITY OF OSAWATOMIE, KANSAS
SPECIAL PARKS AND RECREATION FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Local Alcoholic Liquor Tax	\$ 7,592.04	\$ 3,868.31	\$ 5,016.00	\$ (1,147.69)
Other Receipts				
Miscellaneous	250.00	-	-	-
Donations	500.00	250.00	-	250.00
Operating Transfers from:				
Recreation Fund	18.27	-	500.00	(500.00)
Electric Utility Fund	20,000.00	20,000.00	20,000.00	-
Total Receipts	28,360.31	24,118.31	\$ 25,516.00	\$ (1,397.69)
Expenditures				
Culture and Recreation				
Facilities				
Capital Outlay	58,734.02	-	\$ 20,000.00	\$ (20,000.00)
Debt Retirement				
Principal	15,266.74	15,640.84	15,714.00	(73.16)
Interest	2,023.38	1,649.48	1,576.00	73.48
Other				
Cash basis Reserve	-	-	10,000.00	(10,000.00)
Total Expenditures	76,024.14	17,290.32	\$ 47,290.00	\$ (20,000.00)
Receipts Over(Under) Expenditures	(47,663.83)	6,827.99		
Unencumbered Cash, Beginning	82,338.03	34,674.20		
Unencumbered Cash, Ending	<u>\$ 34,674.20</u>	<u>\$ 41,502.19</u>		

CITY OF OSAWATOMIE, KANSAS
TOURISM FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Transient Guest Tax	\$ 16,880.04	\$ 11,182.44	\$ 18,000.00	\$ (6,817.56)
Charges for Services				
Rental Income	250.00	50.00	-	50.00
Sponsorship Income	11,825.00	16,920.00	16,000.00	920.00
Entry Fees	-	450.00	-	450.00
Other Receipts				
Donations	1,709.00	1,909.30	2,750.00	(840.70)
Miscellaneous	210.12	212.00	250.00	(38.00)
Operating Transfers from Electric Utility Fund	10,000.00	10,000.00	10,000.00	-
Total Receipts	40,874.16	40,723.74	\$ 47,000.00	\$ (6,276.26)
Expenditures				
General Government				
Contractual Services	11,853.52	25,414.95	\$ 37,475.00	\$ (12,060.05)
Commodities	13,802.99	5,868.58	14,300.00	(8,431.42)
Capital Outlay	3,906.03	-	-	-
Other				
Cash Basis Reserve	-	-	26,000.00	(26,000.00)
Total Expenditures	29,562.54	31,283.53	\$ 77,775.00	\$ (46,491.47)
Receipts Over(Under) Expenditures	11,311.62	9,440.21		
Unencumbered Cash, Beginning	35,772.24	47,083.86		
Unencumbered Cash, Ending	<u>\$ 47,083.86</u>	<u>\$ 56,524.07</u>		

CITY OF OSAWATOMIE, KANSAS
911 FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Emergency Telephone Tax	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	\$ -	\$ -
Expenditures				
General Government				
Contractual Services	-	-	\$ 9,897.00	\$ (9,897.00)
Total Expenditures	-	-	\$ 9,897.00	\$ (9,897.00)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	9,897.41	9,897.41		
Unencumbered Cash, Ending	\$ 9,897.41	\$ 9,897.41		

CITY OF OSAWATOMIE, KANSAS
STREET IMPROVEMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Motor Fuel Tax	\$ 117,076.69	\$ 117,274.43	\$ 116,800.00	\$ 474.43
Intergovernmental				
County Connecting Links	5,100.00	5,100.00	5,100.00	-
Total Receipts	122,176.69	122,374.43	\$ 121,900.00	\$ 474.43
Expenditures				
Street Improvements				
Capital Outlay	63,372.62	69,981.03	\$ 115,000.00	\$ (45,018.97)
Debt Service				
Capital Lease	-	-	15,000.00	(15,000.00)
Operating Transfer to				
Capital Improvements				
Street Fund	-	95,000.00	-	95,000.00
Other				
Cash Basis Reserve	-	-	50,000.00	(50,000.00)
Total Expenditures	63,372.62	164,981.03	\$ 180,000.00	\$ (15,018.97)
Receipts Over(Under) Expenditures	58,804.07	(42,606.60)		
Unencumbered Cash, Beginning	184,943.24	243,747.31		
Unencumbered Cash, Ending	<u>\$ 243,747.31</u>	<u>\$ 201,140.71</u>		

CITY OF OSAWATOMIE, KANSAS
GOLF COURSE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Golf Course Sheds	\$ 3,106.67	\$ 1,820.00	\$ -	\$ 1,820.00
Membership Fees	54,708.08	12,439.00	36,000.00	(23,561.00)
Green Fees	62,454.40	53,088.75	81,300.00	(28,211.25)
Golf Cart Fees	49,846.36	33,393.88	45,300.00	(11,906.12)
Sales Tax	9,358.78	8,856.03	8,100.00	756.03
Driving Range	4,180.28	4,463.12	-	4,463.12
Concessions	39,221.24	39,072.96	44,200.00	(5,127.04)
Tournaments	27,633.94	21,847.88	-	21,847.88
Pro Shop	7,315.22	7,766.46	5,000.00	2,766.46
Other Fees	3,486.09	3,131.35	-	3,131.35
Other Receipts				
Miscellaneous	304.06	365.14	1,500.00	(1,134.86)
Operating Transfers from				
Electric Utility Fund	70,000.00	75,000.00	70,000.00	5,000.00
Total Receipts	331,615.12	261,244.57	\$ 291,400.00	\$ (30,155.43)
Expenditures				
Culture and Recreation				
Personal Services	145,046.96	126,918.81	\$ 130,736.00	\$ (3,817.19)
Contractual Services	98,639.26	59,351.09	105,088.00	(45,736.91)
Commodities	81,141.12	75,534.02	48,795.00	26,739.02
Capital Outlay	729.40	-	-	-
Debt Service				
Principal	-	12,030.37	5,460.00	6,570.37
Interest	-	2,675.45	-	2,675.45
Other				
Cash Basis Reserve	-	-	15,000.00	(15,000.00)
Total Expenditures	325,556.74	276,509.74	\$ 305,079.00	\$ (28,569.26)
Receipts Over(Under) Expenditures	6,058.38	(15,265.17)		
Unencumbered Cash, Beginning	11,035.48	17,093.86		
Unencumbered Cash, Ending	\$ 17,093.86	\$ 1,828.69		

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS GENERAL FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from Electric Utility Fund	\$ 140,000.00	\$ 115,000.00
Total Receipts	140,000.00	115,000.00
Expenditures		
Capital Projects		
Capital Outlay	58,573.40	97,968.18
Lease Purchase - Land	40,000.00	40,000.00
Total Expenditures	98,573.40	137,968.18
Receipts Over(Under) Expenditures	41,426.60	(22,968.18)
Unencumbered Cash, Beginning	132,645.97	174,072.57
Unencumbered Cash, Ending	\$ 174,072.57	\$ 151,104.39

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS WATER FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers From Water Utility Fund	\$ -	\$ 75,000.00
Total Receipts	-	75,000.00
Expenditures		
Capital Projects Capital Outlay	-	-
Total Expenditures	-	-
Receipts Over(Under) Expenditures	-	75,000.00
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 75,000.00

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS SEWER FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Temporary Notes Proceeds	\$ -	\$ 400,000.00
Operating Transfers From		
Sewer Utility Fund	20,022.00	50,000.00
Total Receipts	20,022.00	450,000.00
Expenditures		
Capital Projects		
Capital Outlay	24,022.00	308,705.39
Total Expenditures	24,022.00	308,705.39
Receipts Over(Under) Expenditures	(4,000.00)	141,294.61
Unencumbered Cash, Beginning	4,000.00	-
Unencumbered Cash, Ending	\$ -	\$ 141,294.61

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS STREET FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Taxes and Shared Receipt		
Sales Tax	\$ 500,000.00	\$ -
Intergovernmental		
Federal Grants - CDBG	400,000.00	-
Operating Transfer from Street Improvement Fund	-	95,000.00
Total Receipts	900,000.00	95,000.00
Expenditures		
Capital Projects		
Capital Outlay	1,823,970.94	264,251.88
Debt Services		
Bond Principal	-	520,000.00
Operating Transfers to Capital Improvement Grants Fund	35,000.00	-
Total Expenditures	1,858,970.94	784,251.88
Receipts Over(Under) Expenditures	(958,970.94)	(689,251.88)
Unencumbered Cash, Beginning	1,730,623.32	771,652.38
Unencumbered Cash, Ending	<u>\$ 771,652.38</u>	<u>\$ 82,400.50</u>

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers From:		
Capital Improvements		
Street Fund	\$ 35,000.00	\$ -
Total Receipts	35,000.00	-
Expenditures		
Capital Projects		
Capital Outlay	279,591.71	20,874.63
Total Expenditures	279,591.71	20,874.63
Receipts Over(Under) Expenditures	(244,591.71)	(20,874.63)
Unencumbered Cash, Beginning	269,023.13	24,431.42
Unencumbered Cash, Ending	\$ 24,431.42	\$ 3,556.79

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS SPECIAL PROJECTS FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental		
Grant Proceeds	\$ -	\$ 166,666.00
Operating Transfers From:		
Electric Utility Fund	-	25,000.00
Total Receipts	-	191,666.00
Expenditures		
Capital Projects		
Capital Outlay	-	177,232.73
Total Expenditures	-	177,232.73
Receipts Over(Under) Expenditures	-	14,433.27
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 14,433.27

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS TECHNOLOGY FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Charges for Services		
Technology Fees	\$ 28,784.76	\$ 36,145.06
Use of Money and Property		
Loan Proceeds	239,334.88	-
Total Receipts	<u>268,119.64</u>	<u>36,145.06</u>
Expenditures		
Capital Projects		
Capital Outlay	<u>142,496.14</u>	<u>126,144.46</u>
Total Expenditures	<u>142,496.14</u>	<u>126,144.46</u>
Receipts Over(Under) Expenditures	125,623.50	(89,999.40)
Unencumbered Cash, Beginning	<u>-</u>	<u>125,623.50</u>
Unencumbered Cash, Ending	<u>\$ 125,623.50</u>	<u>\$ 35,624.10</u>

CITY OF OSAWATOMIE, KANSAS
PUBLIC SAFETY EQUIPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Tax	\$ 18,615.27	\$ 21,628.39	\$ 21,699.00	\$ (70.61)
Delinquent Tax	535.98	617.55	519.00	98.55
Motor Vehicle Tax	1,807.00	2,151.23	1,964.00	187.23
Recreational Vehicle Tax	25.52	35.41	31.00	4.41
16/20M Vehicle Tax	-	7.55	8.00	(0.45)
Commercial Vehicle Tax	25.90	18.71	24.00	(5.29)
Watercraft Tax	-	-	6.00	(6.00)
Sales Tax	-	66,619.33	62,500.00	4,119.33
Intergovernmental				
Grant Receipts	1,447.53	19,049.97	19,050.00	(0.03)
Use of Money and Property				
Loan Proceeds	277,107.76	-	-	-
Other Receipts				
Miscellaneous	3,960.00	3,960.00	-	3,960.00
Reimbursed Expense	-	-	3,960.00	(3,960.00)
Operating Transfers From:				
Electric Utility Fund	40,000.00	10,000.00	20,000.00	(10,000.00)
Total Receipts	343,524.96	124,088.14	\$ 129,761.00	\$ (5,672.86)
Expenditures				
General Government				
Contractual	6,673.92	7,041.72	\$ -	\$ 7,041.72
Commodities	10,313.47	2,619.99	12,800.00	(10,180.01)
Capital Outlay	260,570.54	106,389.24	89,319.00	17,070.24
Debt Services				
Principal	-	31,470.36	27,353.00	4,117.36
Interest	-	8,494.89	12,612.00	(4,117.11)
Operating Transfer to				
Capital Improvements Technology	-	-	29,000.00	(29,000.00)
Total Expenditures	277,557.93	156,016.20	\$ 171,084.00	\$ (15,067.80)
Receipts Over(Under) Expenditures	65,967.03	(31,928.06)		
Unencumbered Cash, Beginning	22,442.51	88,409.54		
Unencumbered Cash, Ending	\$ 88,409.54	\$ 56,481.48		

CITY OF OSAWATOMIE, KANSAS
ELECTRIC GENERATION BOND ACCOUNT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest	\$ 13,407.20	\$ 1,943.74
Operating Transfer from Electric Utility Fund	-	100,000.00
Total Receipts	13,407.20	101,943.74
Expenditures		
Capital Projects		
Capital Outlay	772,256.61	270,265.57
Total Expenditures	772,256.61	270,265.57
Receipts Over(Under) Expenditures	(758,849.41)	(168,321.83)
Unencumbered Cash, Beginning	951,634.80	192,785.39
Unencumbered Cash, Ending	\$ 192,785.39	\$ 24,463.56

CITY OF OSAWATOMIE, KANSAS
GENERAL OBLIGATION BOND AND INTEREST FUND
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 332,263.46	\$ 360,019.95	\$ 386,505.00	\$ (26,485.05)
Delinquent Tax	13,966.40	13,995.06	11,000.00	2,995.06
Motor Vehicle Tax	32,734.56	38,390.36	37,513.00	877.36
Recreational Vehicle Tax	449.89	631.53	558.00	73.53
16/20M Vehicle Tax	25.74	227.41	145.00	82.41
Commercial Vehicle Tax	410.65	341.53	421.00	(79.47)
Watercraft Tax	-	-	103.00	(103.00)
Operating Transfers from:				
Sewer Utility Fund	322,300.00	320,800.00	320,800.00	-
Water Utility Fund	127,500.00	126,500.00	126,500.00	-
Total Receipts	829,650.70	860,905.84	\$ 883,545.00	\$ (22,639.16)
Expenditures				
Debt Service				
Bond Principal	560,000.00	630,687.50	\$ 580,000.00	\$ 50,687.50
Bond Interest	261,280.00	250,080.00	247,780.00	2,300.00
Commissions and Postage	1,000.00	1,000.00	-	1,000.00
Other				
Cash Basis Reserve	-	-	180,000.00	(180,000.00)
Total Expenditures	822,280.00	881,767.50	\$ 1,007,780.00	\$ (126,012.50)
Receipts Over(Under) Expenditures	7,370.70	(20,861.66)		
Unencumbered Cash, Beginning	193,896.28	201,266.98		
Unencumbered Cash, Ending	<u>\$ 201,266.98</u>	<u>\$ 180,405.32</u>		

CITY OF OSAWATOMIE, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Electric Charges	\$ 3,634,191.24	\$ 3,508,534.96	\$ 3,511,349.00	\$ (2,814.04)
Sales Tax	124,630.01	123,017.20	115,453.00	7,564.20
Utility Deposits	63,350.00	5,685.75	55,000.00	(49,314.25)
Late Fees	104,875.31	79,839.17	126,045.00	(46,205.83)
Other Charges	15,397.98	22,777.99	158,000.00	(135,222.01)
Use of Money and Property				
Interest Income	1,026.71	2,888.80	-	2,888.80
Other Receipts				
Miscellaneous	3,026.97	1,646.73	52,552.00	(50,905.27)
Reimbursed Expense	3,251.24	4,455.18	-	4,455.18
Total Receipts	3,949,749.46	3,748,845.78	\$ 4,018,399.00	\$ (269,553.22)
Expenditures				
Administration				
Personal Services	26,191.50	10,701.46	\$ 26,605.00	\$ (15,903.54)
Contractual Services	286,013.53	265,304.89	261,675.00	3,629.89
Commodities	-	5,124.18	1,700.00	3,424.18
Capital Outlay	-	861.62	25,000.00	(24,138.38)
Electric Production				
Personal Services	103,443.72	93,618.25	98,264.00	(4,645.75)
Contractual Services	1,884,000.59	1,544,763.83	1,838,763.90	(294,000.07)
Commodities	37,149.94	48,814.52	39,800.00	9,014.52
Electric Distribution				
Personal Services	330,375.63	273,126.47	349,201.00	(76,074.53)
Contractual Services	32,275.58	48,448.86	37,168.00	11,280.86
Commodities	76,159.40	71,660.92	30,300.00	41,360.92
Capital Outlay	58,620.25	88,668.35	183,000.00	(94,331.65)

CITY OF OSAWATOMIE, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to:				
General Fund	\$ 338,340.00	\$ 424,359.00	\$ 441,895.00	\$ (17,536.00)
Electric Utility Debt Service Fund	435,725.04	432,501.33	432,500.00	1.33
Electric Generation Bond Account Fund	-	100,000.00	-	100,000.00
Golf Course Fund	70,000.00	75,000.00	70,000.00	5,000.00
Special Parks and Recreation Fund	20,000.00	20,000.00	20,000.00	-
Employee Benefits Fund	93,593.00	87,636.00	107,733.00	(20,097.00)
Capital Improvements General Fund	140,000.00	115,000.00	140,000.00	(25,000.00)
Capital Improvements Special Projects	-	25,000.00	-	25,000.00
Tourism Fund	10,000.00	10,000.00	10,000.00	-
Public Safety Equipment Fund	40,000.00	10,000.00	20,000.00	(10,000.00)
Other				
Cash Basis Reserve	-	-	100,000.00	(100,000.00)
Total Certified Budget			4,233,605.00	(483,015.22)
Adjustments for Qualifying Budget Credits			4,455.18	(4,455.18)
Total Expenditures	3,981,888.18	3,750,589.68	\$ 4,238,060.18	\$ (487,470.40)
Receipts Over(Under) Expenditures	(32,138.72)	(1,743.90)		
Unencumbered Cash, Beginning	322,187.86	290,049.14		
Unencumbered Cash, Ending	\$ 290,049.14	\$ 288,305.24		

CITY OF OSAWATOMIE, KANSAS
ELECTRIC UTILITY DEBT SERVICE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers From Electric Utility Fund	\$ 435,725.04	\$ 432,501.33	\$ 432,500.00	\$ 1.33
Total Receipts	435,725.04	432,501.33	\$ 432,500.00	\$ 1.33
Expenditures				
Debt Service				
Bond Principal	235,000.00	240,000.00	\$ 240,000.00	\$ -
Bond Interest	200,725.00	192,500.00	192,500.00	-
Commissions and Postage	1.25	1.25	-	1.25
Other				
Cash Basis Reserve	-	-	10,000.00	(10,000.00)
Total Expenditures	435,726.25	432,501.25	\$ 442,500.00	\$ (9,998.75)
Receipts Over(Under) Expenditures	(1.21)	0.08		
Unencumbered Cash, Beginning	149,989.60	149,988.39		
Unencumbered Cash, Ending	\$ 149,988.39	\$ 149,988.47		

CITY OF OSAWATOMIE, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Water Sales	\$ 1,021,760.33	\$ 967,821.47	\$ 956,500.00	\$ 11,321.47
Sales Tax	-	69.38	-	69.38
Late Fees	-	8,481.33	-	8,481.33
Other Charges	3,116.86	8,667.49	3,500.00	5,167.49
Use of Money and Property				
Rental Income	22,913.50	17,748.10	22,331.00	(4,582.90)
Other Receipts				
Reimbursed Expense	417.20	-	-	-
Total Receipts	1,048,207.89	1,002,787.77	\$ 982,331.00	\$ 20,456.77
Expenditures				
Administration				
Personal Services	17,615.43	7,707.97	\$ 17,736.00	\$ (10,028.03)
Contractual Services	33,646.63	37,876.30	34,812.00	3,064.30
Commodities	-	115.72	1,000.00	(884.28)
Water Treatment				
Personal Services	106,331.66	94,354.07	103,588.00	(9,233.93)
Contractual Services	109,699.36	99,838.72	85,258.00	14,580.72
Commodities	141,646.44	128,280.30	118,050.00	10,230.30
Water Distribution				
Personal Services	142,505.01	144,322.63	140,989.00	3,333.63
Contractual Services	39,173.59	27,806.97	46,643.00	(18,836.03)
Commodities	47,544.96	47,340.37	45,400.00	1,940.37
Capital Outlay	10,000.00	20,244.86	73,333.00	(53,088.14)

CITY OF OSAWATOMIE, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Operating Transfers to:				
General Fund	\$ 155,297.00	\$ 173,721.00	\$ 150,783.00	\$ 22,938.00
General Obligation Bond and Interest Fund	127,500.00	126,500.00	126,500.00	-
Capital Improvements Water Fund	-	75,000.00	-	75,000.00
Employee Benefits Fund	56,563.00	63,368.00	65,493.00	(2,125.00)
Other				
Cash Basis Reserve	-	-	50,000.00	(50,000.00)
Total Expenditures	<u>987,523.08</u>	<u>1,046,476.91</u>	<u>\$ 1,059,585.00</u>	<u>\$ (13,108.09)</u>
Receipts Over(Under) Expenditures	60,684.81	(43,689.14)		
Unencumbered Cash, Beginning	<u>214,466.04</u>	<u>275,150.85</u>		
Unencumbered Cash, Ending	<u>\$ 275,150.85</u>	<u>\$ 231,461.71</u>		

CITY OF OSAWATOMIE, KANSAS
REFUSE UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Refuse Fees	\$ 40,644.22	\$ 309.40	\$ 430,000.00	\$ (429,690.60)
Other Receipts				
Miscellaneous	270.00	640.00	-	640.00
Total Receipts	40,914.22	949.40	\$ 430,000.00	\$ (429,050.60)
Expenditures				
Collections				
Contractual Services	49,629.14	5,051.77	\$ 430,000.00	\$ (424,948.23)
Total Expenditures	49,629.14	5,051.77	\$ 430,000.00	\$ (424,948.23)
Receipts Over(Under) Expenditures	(8,714.92)	(4,102.37)		
Unencumbered Cash, Beginning	13,817.59	5,102.67		
Unencumbered Cash, Ending	\$ 5,102.67	\$ 1,000.30		

CITY OF OSAWATOMIE, KANSAS
SEWER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2019

(With Comparative Actual Amounts for the Prior Year Ended December 31, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Sewer Charges	\$ 922,776.10	\$ 863,834.42	\$ 905,000.00	\$ (41,165.58)
Late Fees	-	9,583.48	-	9,583.48
Other Receipts				
Reimbursed Expense	4,305.28	-	-	-
Total Receipts	927,081.38	873,417.90	\$ 905,000.00	\$ (31,582.10)
Expenditures				
Collections				
Personal Services	148,496.80	137,926.20	\$ 164,463.00	\$ (26,536.80)
Contractual Services	148,661.44	116,473.38	131,232.00	(14,758.62)
Commodities	10,888.24	18,905.78	31,150.00	(12,244.22)
Capital Outlay	17,324.72	6,844.78	63,000.00	(56,155.22)
Debt Service				
Principal Payments	54,864.13	56,427.77	56,205.00	222.77
Interest Payments	32,032.00	30,606.49	30,810.00	(203.51)
Service Fee	3,103.87	2,965.74	2,985.00	(19.26)
Operating Transfers to:				
General Fund	144,879.00	164,596.00	140,560.00	24,036.00
Capital Improvements				
Sewer Fund	20,022.00	50,000.00	-	50,000.00
Employee Benefits Fund	36,197.00	48,445.00	42,108.00	6,337.00
General Obligation				
Bond and Interest Fund	322,300.00	320,800.00	320,800.00	-
Other				
Cash Basis Reserve	-	-	30,000.00	(30,000.00)
Total Expenditures	938,769.20	953,991.14	\$ 1,013,313.00	\$ (59,321.86)
Receipts Over(Under) Expenditures	(11,687.82)	(80,573.24)		
Unencumbered Cash, Beginning	222,860.37	211,172.55		
Unencumbered Cash, Ending	\$ 211,172.55	\$ 130,599.31		

CITY OF OSAWATOMIE, KANSAS
AGENCY FUNDS
 Schedule of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2019

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Cafeteria 125	\$ 80,319.46	\$ 56,263.45	\$ 47,469.51	\$ 89,113.40
Court ADSAP	7,401.00	-	-	7,401.00
Court Bonds	14,864.54	25,809.50	21,797.00	18,877.04
Evidence Liability	12,899.79	-	-	12,899.79
Fire Insurance Proceeds	0.84	-	-	0.84
Forfeiture	2,562.35	11,034.50	-	13,596.85
PayPal Donations	0.01	7,372.34	7,372.34	0.01
Rural Fire	-	38,538.45	43,838.18	(5,299.73)
	<u>\$ 118,047.99</u>	<u>\$ 139,018.24</u>	<u>\$ 120,477.03</u>	<u>\$ 136,589.20</u>

CITY OF OSAWATOMIE



439 Main Street
P.O. Box 37
Osawatomie, Kansas 66064

913.755.2146 (p)
913.755.4146 (f)
ozcity@osawatomieks.org
www.osawatomieks.org

L. Mark Govea, Mayor

Jarred, Gilmore, & Phillips, PA
P.O. Box 779
Chanute, Kansas 66720

Dear Ladies & Gentleman:

This representation letter is provided in connection with your audit of the financial statement of , which comprise the aggregate cash and unencumbered cash balance of the funds of as of , and the aggregate cash received and expenditures paid of such funds, taken as a whole, in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide for the year then ended, and the related notes to the financial statement, for the purpose of expressing an opinion as to whether the financial statement is presented fairly, in all material respects, in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of , the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated November 26, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with the Kansas Municipal Audit and Accounting Guide and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statement referred to above are fairly presented in conformity with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statement that would require adjustment to or disclosure in the financial statement.
- 8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the City's accounts.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statement.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statement.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statement communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statement.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statement, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 21) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or unencumbered cash.
- 22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statement or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statement or other financial data significant to the audit objectives.
- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statement, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statement and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for the financial statement and related notes.
- 28) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance.
- 30) The financial statement properly classifies all funds and activities.
- 31) Expenditures have been appropriately classified in or allocated to functions and programs in the financial statement, and allocations have been made on a reasonable basis.
- 32) Receipts are appropriately classified in the financial statement in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide.
- 33) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 34) With respect to the Summary of Expenditures – actual and budget, regulatory basis (budgeted funds only), Schedule of Receipts and Expenditures – actual and budget for each individual fund, regulatory basis, and Schedule of Receipts and Disbursements – agency funds, regulatory basis:

- 1) We acknowledge our responsibility for presenting the Summary of Expenditures – actual and budget, regulatory basis (budgeted funds only), Schedule of Receipts and Expenditures – actual and budget for each individual fund, regulatory basis, and Schedule of Receipts and Disbursements – agency funds, regulatory basis in accordance with the Kansas Municipal Audit and Accounting Guide, and we believe the Summary of Expenditures – actual and budget, regulatory basis (budgeted funds only), Schedule of Receipts and Expenditures – actual and budget for each individual fund, regulatory basis, and Schedule of Receipts and Disbursements – agency funds, regulatory basis, including its form and content, is fairly presented in accordance with the Kansas Municipal Audit and Accounting Guide. The methods of measurement and presentation of the Summary of Expenditures – actual and budget, regulatory basis (budgeted funds only), Schedule of Receipts and Expenditures – actual and budget for each individual fund, regulatory basis, and Schedule of Receipts and Disbursements – agency funds, regulatory basis, have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- 2) If the Summary of Expenditures – actual and budget, regulatory basis (budgeted funds only), Schedule of Receipts and Expenditures – actual and budget for each individual fund, regulatory basis, and Schedule of Receipts and Disbursements – agency funds, regulatory basis is not presented with the audited financial statement, we will make the audited financial statement readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor’s report thereon.

Signed: _____

Signed: _____

Title: Mayor _____

Title: City Clerk _____

NLC Service Line Warranty Program Overview

What We Do

The NLC Service Line Warranty Program offers affordably priced emergency repair/replacement plans to address aging private sewer and water infrastructure. Customers call to receive prompt emergency repairs provided by local, licensed and insured contractors.



Water Line



Sewer Line



Interior Plumbing

Benefits to Homeowners

Many homeowners are not aware of their responsibility for their service lines until they have a repair emergency. When they call the city, they often find that they are faced with a costly repair and that the city can't help them. Over the past three years, we have performed over 1.1 million repairs, saving our customers over \$341 million!



Convenience

- 24/7/365 claims hotline, including holidays
- No need to search for a qualified contractor in an emergency



Peace of Mind/Trust

- Fully vetted, licensed and insured local contractors
- Covered repairs guaranteed for one year



Financial Protection

- No deductibles or trip fees
- Affordably priced coverage
- 30-day money-back guarantee with ability to cancel at any time

Over 400

partners across North America participate in the program!



For more information contact:
1-866-974-4801 or
partnerships@utilitysp.net

NLC NATIONAL
LEAGUE
OF CITIES
CITIES STRONG TOGETHER

Administered by
**Utility
Service**
Partners, Inc.
a HomeServe Company

Benefits to the City

The NLC Service Line Warranty Program offers comprehensive programs that provide these important benefits:



Customer Education

- Increasing homeowner awareness of their responsibility reduces calls to the city/utility and customer dissatisfaction with the city for not offering a solution
- The program is offered at no cost to the city
- Use of city logo promotes trust



Customer Satisfaction

- 98% customer satisfaction rating
- 9 out of 10 customers surveyed would recommend the program to friends, family and neighbors
- More than 90% of customers trust the program because of the partnership with the city



Funding for Key Initiatives

Many partners participate in a share of the revenue often utilized for:

- Low-income assistance and affordability programs
- Conservation initiatives
- Offsetting rate increases
- Infrastructure improvement projects

I was glad I had the warranty because it saved me from paying for a costly sewer line repair.

Cynthia T.
Kansas City, MO

I am thankful this service was offered to homeowners. It made a bad situation completely trouble-free. Thanks for everything.

J. Talbert
Albemarle, NC

For more information contact:
1-866-974-4801 or
partnerships@utilitysp.net



NLC Service Line Warranty Program Resident Testimonials

"I am very impressed with this program. I am on a limited income and this has been a tremendous help to me."

– Gayle M., Daly City, CA

"City chose an excellent service provider. Very thorough!"

– Stuart G., Tucson, AZ

"I am one of the city council people who voted in favor of the program; have used it myself to good result."

– Chris V., St. Clair Shores, MI

"From my first phone call until the work was done, I have never had a company respond and get work done so fast. The crew was knowledgeable and polite."

– Arlene H., Englewood, CO

"I don't know why every city in the U.S. wouldn't offer this protection to its citizens."

– Vickie S., Marshalltown, IA

"I already told a neighbor how easy and wonderful your service is and he signed up. North Las Vegas did an outstanding job partnering with you. You did an outstanding job fixing our leak. You have a longtime customer."

– Nancy S., Las Vegas, NV

"Everyone should have it. It is a smart investment."

– Janette M., Green River, WY

"We are very glad that we signed up for your coverage. It has saved us a lot of money."

– Charles R., Hurst, TX

"This service is wonderful. If we had called a plumber on our own we would have had to wait a day or two. This service was COMPLETE in less than four hours."

– Milton N. Columbia Heights, MN

"No services anywhere else we have could hold a candle to this service. We are never put on hold. If we need you, there is always someone right here."

– Kenny H., Maysville, KY

For more information contact:

1-866-974-4801 or **partnerships@utilitysp.net**



**BBB Torch Award for
Marketplace Ethics**
Trust • Performance • Integrity

2013 Winner
Western Pennsylvania Better Business Bureau®



According to recent customer survey results,



More than 97%
of our customers felt better prepared
for a water or sewer line emergency
with the program.



More than 90%
of our customers have trust in the
program because of the partnership
with their city.



Nearly 70%
of our customers felt they could not
afford a water or sewer line repair
without this program.

"Thanks to the city for informing me of this type of warranty. Just a phone call and the problem was taken care of quickly."

- **Alan N.**
Hutchinson, KS

"I am one of the city council people who voted in favor of the program and have used it myself to good result."

- **Chris V.**
St. Clair Shores, MI

"It is great for customers with limited resources. When problems happen, it is very affordable. It's a great program."

- **Cassandra K.**
Abilene, TX

"I don't know why every city in the U.S. wouldn't offer this protection to its citizens."

- **Dean S.**
Marshalltown, IA



NLC NATIONAL
LEAGUE
OF CITIES

CITIES STRONG TOGETHER

66



a HomeServe Company



Why choose Utility Service Partners?

EXPERIENCE



- Providing homeowner service repair plans for more than 15 years
- Over 400 cities participating
- Invested more than \$340 million in private infrastructure repairs, in just the last three years
- Returned \$100 million to cities through revenue sharing over the last three years

REPUTATION



Brand Stewardship

- 2013 BBB Torch Award recipient
- BBB Accredited Business with an A+ rating

Commitment to Local Communities

- Use of local area contractors keeps dollars in the community

Dedication to Service

- A customer satisfaction rating of 98%



BBB Torch Award for Marketplace Ethics

Trust • Performance • Integrity

2013 Winner
Western Pennsylvania Better Business Bureau®

"This award underscores one of the primary reasons the National League of Cities selected USP as a partner. The organization's exemplary record of customer service and transparency is what has driven the success of this partnership over the years."

Clarence Anthony, Executive Director
National League of Cities

PARTNERSHIP



Public/Private Partnership Built on Trust

USP has proven that a company committed to providing exceptional service and a valuable product at a fair market price can successfully partner with government.

For more information contact:

1-866-974-4801 or
partnerships@utilitysp.net



a HomeServe Company



An Invitation from Clarence Anthony

Executive Director, National League of Cities

Our goal at the National League of Cities (NLC) is to be a resource and advocate for your city and its residents. The National League of Cities Service Line Warranty Program is one of our partnership programs that can offer your residents a home protection solution while also addressing the aging infrastructure in your city.

You know as well as anyone that our cities still face difficult economic times, and as city leaders we must find creative, innovative ways to assist and strengthen our communities. In 2010, NLC recognized the growing problem of aging infrastructure and the dire need to find a

solution for not only cities, but residents as well. As a result, NLC and Utility Service Partners created the NLC Service Line Warranty Program to help city residents save money, ease the frustration over utility line failures and introduce a new service offering to your community.

The NLC Service Line Warranty Program is offered at no cost to city, municipal and utility partners and helps residents save thousands of dollars on the cost of fixing broken – or leaking – water or sewer lines.

The National League of Cities is proud to partner with Utility Service Partners because we've found it to be the most reputable and reliable program – one that will educate your residents on their water and sewer line responsibilities.

Serving the Public

Jim Hunt, Past President, National League of Cities

As I ended my 27-1/2 year career in municipal government, one of the things that I missed most was the relationships developed with city officials throughout the country. When I was asked to work as an advisor to the National League of Cities Service Line Warranty Program, I was very pleased since I had followed the growth and development of this NLC Program and saw the positive results for member cities.

As I now meet with cities in all parts of the country, many are excited to look at this public/private partnership and provide the opportunity for their citizens to be protected from catastrophic expense associated with failed water and sewer lines. The National League of Cities continues to provide quality programs to member cities which address critical problems for our citizens, and I am proud to be a part of the team.

Jim Hunt, Past President of the National League of Cities and Advisor to the National League of Cities Service Line Warranty Program



For more information contact:

1-866-974-4801 or
partnerships@utilitysp.net



The program is offered at no cost to municipalities and utilities. Join us and enjoy these program features:

- ▶ The only utility line warranty program endorsed by National League of Cities
- ▶ Educates homeowners about their service line responsibilities
- ▶ Service from licensed, local contractors keeps dollars in the local economy
- ▶ Low claim denial rates – more than 97% of all claims are typically approved
- ▶ More than 97% of our customers felt better prepared for a service line emergency
- ▶ Timely repairs that help conserve water and reduce ground pollution



USP's consumer brand, Service Line Warranties of America, was the 2013 Winner of the Western Pennsylvania BBB Torch Award for Marketplace Ethics.

About

Utility Service Partners, Inc.



USP's family of companies has been providing utility service line warranty products since 2003. USP, a HomeServe company, is a BBB Accredited Business with an A+ rating and enjoys a customer satisfaction rating of over 98%.

National League of Cities



The National League of Cities is dedicated to helping city leaders build better communities, and serves as a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans.

Make a Difference in Your Community

To learn more about the NLC Service Line Warranty Program, visit NLC's website at www.nlc.org or contact USP at 1-866-974-4801.

www.utilitysp.net | partnerships@utilitysp.net | 1-866-974-4801



National League of Cities Service Line Warranty Program

Educating homeowners about their service line responsibilities while providing an affordable solution for repairs.

www.utilitysp.net



Overview

Residential property owners may be responsible for the maintenance of the buried water and sewer lines that run between the public (main) connection and the exterior of the home. When these lines break, leak or clog, the homeowner is often surprised to learn that homeowner's insurance does not cover the cost of an often expensive repair.

A homeowner's private lines are subjected to the same elements as the lines that comprise the public infrastructure - ground shifting, tree-root invasion, extreme weather, age and more. While municipalities are responsible for repairs to the public infrastructure, what solution is available to homeowners when the lines on their property fail?

The NLC-endorsed Water and Sewer Line Warranty and In-Home Plumbing Repair Programs educate homeowners about their service line responsibilities while providing an affordable repair coverage option.

Serving your local community

In partnership with NLC



400+
Municipalities participating across North America

97%
Claims approval rating

98%+
Customer satisfaction rating

1 Million
Repairs performed in the past three years

\$255 Million
in repair costs saved by customers in the past three years



Frequently Asked Questions

What will the warranty program cost the city and homeowners?

There is absolutely no cost to the city for this warranty program and homeowner participation is completely voluntary. For a small monthly fee, homeowners can protect the buried utility service lines on their property. The NLC Service Line Warranty Program provides generous coverage with no deductibles, service fees or annual/lifetime limits.

How does the program work?

The NLC Service Line Warranty Program handles all aspects of the program including marketing, billing, customer service, contractor management and completion of all repairs to local code.



What happens when a homeowner experiences a service line break or leak on their property?

One call to the NLC Service Line Warranty Program's toll-free number and a local, licensed contractor will be dispatched to quickly make repairs. There is no paper-work to complete; just one call for claims processing - available 24/7, 365 days a year. All contractors are local to the community served, which keeps dollars in your local economy.

Why is the warranty program important?

The American Society of Civil Engineers graded the nation's infrastructure a D+ in 2013 and it's no surprise! Many people believe that water and sewer lines will last hundreds of years without failing, but the truth is, there are many reasons other than life expectancy of the pipes that can contribute to infrastructure failure - such as tree-root intrusion, rust and weather.

With the NLC Service Line Warranty Program, normal wear and tear, ground shifting, root-intrusion, and much more are covered.



NLC Service Line Warranty Program Highlights

- The only utility line warranty program endorsed by the National League of Cities (NLC)
- Endorsed by multiple state leagues
- Over 400 municipalities participating nationwide
- No cost to or liability for the city to participate
- Ongoing revenue stream for city
- Educates homeowners about their lateral line responsibilities
- Utility Service Partners (USP) handles all marketing and management of the program
- 24/7/365 bilingual customer service
- All repairs performed to city code by local, licensed contractors
- Reduces calls from residents to City Hall for lateral water and sewer line issues
- Homeowner billed by NLC Service Line Warranty Program
- Provides residents an affordable solution that covers cost of repairs to water and sewer lines for which the homeowner is responsible
- Saved more than 140,000 homeowners across the country over \$90 million in water and sewer service line repair costs
- No public funds are used in the marketing, distribution or administration of the NLC Service Line Warranty Program
- The NLC Service Line Warranty Program must be supported by the city into which it is being introduced before any warranty offer letters are mailed to homeowners in the community

PARTICIPATING CITIES (SAMPLE OF OVER 400)

Phoenix, AZ	East Point, GA	Edgewood, KY	Fairfield, OH
Tucson, AZ	Franklin Park, IL	District Heights, MD	Tulsa, OK
San Diego, CA	El Dorado, KS	Clawson, MI	Scranton, PA
Ft. Lauderdale, FL	Hillsboro, KS	Dayton, OH	Madison, WI

NLC SERVICE LINE WARRANTY PROGRAM BENEFITS

CITY

- Provides non-tax revenue stream without any investment
- Reduces calls to City/Public Works when a homeowner's line fails
- Contractors undergo rigorous vetting process to ensure quality service
- Reduces costs associated with sending Public Works to residents' homes to assess lateral line issues
- Keeps money in the local economy by using contractors in the metro area
- Contractors must be current with insurance and required licenses

RESIDENTS

- Affordable utility line repair solution for families on a budget
- Educates homeowners about their service line responsibilities
- Prevents aggravation of having to find a reliable, reputable plumber
- Peace of mind - with one toll-free call a reputable plumber is dispatched
- Keeps money in the homeowner's pocket; without warranty, repairs cost from hundreds to thousands of dollars
- No service fees or deductibles and no paperwork or forms to complete

ACCOLADES & ACCOMPLISHMENTS



BBB Torch Award for Marketplace Ethics
 Trust • Performance • Integrity
 2013 Winner
 Western Pennsylvania Better Business Bureau®

- Accredited Better Business Bureau member with A+ rating for nearly a decade
- 2013 Western Pennsylvania Better Business Bureau Torch Award winner for Marketplace Ethics

- The **only** utility line warranty program endorsed by the National League of Cities
- **More than 97%** of all submitted claims are approved
- **A customer satisfaction rating of 98%**
- **9 of 10 customers surveyed** have recommended the program to friends, family and neighbors

Learn more about the program online at www.utilitysp.net or call 1-866-974-4801.

Memorandum

To: City of Osawatomie, Kansas
From: Paul Owings, P.E.
Date: June 19, 2020
Re: Osawatomie WWTP PER

Executive Summary:

BG Consultants performed a site visit at the Osawatomie Wastewater Treatment Plant (WWTP) with the Operator. Improvement priorities were established during the site visit. An opinion of probable cost for improvements has since been approximated. The following list describes proposed improvements in the order of priority as identified by the operator:

- Priority 1: UV Equipment Improvements
- Priority 2: Sludge Removal
- Priority 3: Aeration Equipment and Process Blower Improvements
- Priority 4: Grit Classifier Replacement
- Priority 5: Miscellaneous Improvements

The City has a schedule of compliance to replace UV Equipment. At a minimum, UV Equipment must be replaced, or the City will be in violation of the compliance schedule. However, BG Consultants recommends the City complete all of the work listed above for the following reasons:

- Economy of scale will save on construction costs.
- Proposed improvements will be required in the near future (likely within 5-year time period).
- Construction cost increase over time, which will increase future improvement costs.
- Failure of equipment may require emergency repairs with correspondingly high costs.
- Interest rates are at all-time lows and grant funding may be available.
- Failure of equipment could result in incompliant wastewater.

Itemized costs of improvements are attached to this memorandum. The approximate total project cost is **\$3.3 M**.

Priority 1: UV Equipment Improvements

Existing UV Equipment has reached the end of its useful life and is no longer adequately treating plant effluent. Failure of UV equipment has resulted in incompliant effluent. The Kansas Department

of Health and Environment (KDHE) has issued a Schedule of Compliance (SOC) for UV equipment. UV equipment should be replaced, or enforcement actions may be taken by the State.

The following items are included in UV Equipment replacement:

- **Existing Equipment Demo:** Removal and disposal of existing equipment.
- **UV Equipment:** Purchase and install of new UV Equipment.
- **Electrical:** Disconnecting existing wiring, provide new wiring to proposed system control panel, provide wiring from new system control panel to UV equipment, provide conduit and low voltage wiring from panels to instruments, and provide wiring (control/power) to the proposed effluent flow meter.
- **SCADA Upgrades:** Programming required to integrate proposed systems with existing SCADA system.
- **UV Building:** Construction of a building around existing UV structure (note: item can be replaced with \$45,000 if just an overhang is provided. Equipment manufactures recommend installing UV Equipment in a building or at minimum below an overhang).
- **UV Building MEP:** Install mechanical, electrical, and plumbing components in the UV Building.
- **Earthwork:** Excavation for proposed effluent flow meter.
- **Flowmeter Concrete Structure:** Construction of a concrete structure for the effluent flow meter (Note: an effluent flow meter is required by UV equipment and is therefore included in Priority 1).
- **Flow Meter:** Purchase and install of effluent flow meter.

The UV Building and corresponding MEP could be removed from the work and replaced with an overhang. UV equipment manufactures recommend installing the equipment in a building, however an overhang can be substituted for a building. The net increase in cost to include a UV building is \$155,000.

Priority 2: Sludge Removal

Sludge has accumulated in the existing peak flow holding basin. Sludge decreases the usable volume of the basin. Solids in the peak flow holding basin produce odors. Sludge may contain pathogens that can be spread through contact with vectors. BG Consultants proposes all sludge be removed and disposed of in accordance with state regulations. Removal of sludge will provide the following benefits:

- Increase the usable volume in the basin.
- Decrease odors from the treatment plant.
- Reduce pathogen spread and vector attraction.

Priority 3: Aeration Equipment and Process Blower Improvements

The existing treatment system consists of a two train, continuous flow SBR. The aeration system includes a fixed grid of fine bubble diffusers. The typical life of diffuser membranes is 10-years. The oxygen transfer efficiency decreases with membrane age. In addition, mixing efficiency decreases with membrane age. Failure of membranes will lead to incompliant effluent. Diffuser membranes are connected with a grid of piping. The Operator indicated that air distribution piping has become damaged and replacement of piping is required. Failure of air header piping will lead to incompliant effluent. Replacement of the existing aeration system with a fixed grid aeration system is recommended.

The existing facility does not have nutrient removal requirements. However, the WWTP has nutrient removal goals, 10.0 mg/l for total nitrogen and 1.0 mg/l for total phosphorus. The existing process can be modified to optimize nutrient removal. Modifications include control of blowers with VFDs via a dissolved oxygen (DO) feedback loop and addition of mixers. On similar facilities, KDHE has also required the addition of a chemical feed system to increase phosphorus removal capabilities.

Nutrient removal goals may be required in the near future. A schedule to implement nutrient removal requirements is not known, however goals are included in WWTP permits to prepare facilities for future limits. BG Consultants recommends upgrading process controls for nutrient removal for the following reasons:

- KDHE has indicated that the facility should meet nutrient goals if possible.
- Future permit limits will likely require nutrient removal, and the City will be better prepared to meet the limits.
- The existing control system is near the end of its useful life and would likely require replacement in the near future anyhow.
- Construction costs will be lower while a Contractor is performing other work at the facility.
- Utilizing VFDs with a DO feedback loop will decrease electrical costs.

The existing process utilizes two blowers that are original to the facility, approximately 20-years old. Typical blower life is 20-years to 25-years. Replacement or complete overhaul of blowers will likely be required in the next 5-years. Replacement of blowers is recommended for the following reasons:

- Blower size is dependent on the diffused air system. Some manufactures have recommended the blower size be modified based on proposed diffused air systems. Manufacturers have indicated that existing blowers may be insufficiently sized.
- The existing blowers are near the end of their useful life and purchase of new blowers may be less expensive than maintaining existing blowers.
- New blowers will be optimized to provide nutrient removal if the new control system is utilized.
- Construction costs will be lower while a Contractor is performing other work at the facility.

The following items are included in Aeration Equipment and Process Blower Improvements:

- **Existing Equipment Demo:** Removal and disposal of existing equipment.
- **Aeration Equipment:** Purchase and install of new diffused air system.
- **Blower Equipment:** Purchase and install of new blower equipment.
- **Air Header Piping:** Connection of blowers with diffused air systems.
- **Control System Upgrades:** Installation of a new control panel and upgrade for DO feedback control.
- **Submersible Mixers:** Purchase and install of submersible mixers.
- **Electrical:** Disconnecting existing wiring, provide new wiring to proposed system control panel, provide wiring from new system control panel to blowers, installation of VFDs for new blowers, and provide conduit and low voltage wiring from panels to instruments.
- **SCADA Upgrades:** Programming required to integrate proposed systems with existing SCADA system.
- **Chemical Phosphorus System:** Purchase and install a chemical feed system to increase phosphorus removal.

VFDs may not be required if the process is not upgraded for nutrient removal. The control system and submersible mixer can be completely removed from the project if not optimized for nutrient removal. The chemical phosphorus system can be removed if not optimized for nutrient removal. The net increase in cost to upgrade the existing control for nutrient removal is **\$420,000**.

Equipment was sized based on the existing plants capacity, see below. Equipment manufacturers have indicated at the current plant capacity, nutrient removal goals can be met with **zero safety factor**. The equipment manufacturer will be unwilling to provide a process guarantee to meet nutrient removal goals. It is possible that the facility will consistently meet nutrient removal goals with the proposed system but cannot be guaranteed. If nutrient limits cannot be consistently met a third process train will need to be added in the future. The proposed control panel can include provisions to control future equipment.

Influent Design Parameters:

- ADWF: 560,000 GPD
- PDWF: 750,000 GPD
- PWWF: 1,800,000 GPD
- Average BOD₅: 934 lbs/day
- Peak Day BOD₅: 1,251 lbs/day
- Average TSS: 1,000 lbs/day
- Peak Day TSS: 1,339 lbs/day
- Average Day NH₃-N: 243 lbs/day
- Peak Day NH₃-N: 326 lbs/day

Priority 4: Grit Classifier Replacement

The existing grit classifier is original to the facility and has reached the end of its useful life. Failure of the equipment is anticipated in the next 5-years. Replacement of the equipment is recommended while performing other work at the facility.

The following items are included in Grit Classifier Replacement:

- **Existing Equipment Demo:** Removal and disposal of existing equipment.
- **Grit Classifier:** Purchase and install of grit classifier.
- **Miscellaneous Piping:** plumbing improvements within the headworks.
- **Electrical:** Disconnecting existing wiring, provide new wiring to proposed system control panel, provide wiring from new system control panel to classifier motor, and provide conduit and low voltage wiring from panels to instruments.

Priority 5: Miscellaneous Improvements

The existing digester blowers have reached the end of their useful life. Replacement of two digester blowers is recommended since the existing thickener tank is not utilized.

Existing sludge piping is currently exposed. Piping is heat traced, however risks of freezing still exist. BG Consultants recommends existing sludge piping be rerouted so freezing is no longer a concern. The old sludge loadout piping is above ground and is not protected by bollards. BG Consultants recommends that existing sludge load out piping be removed, and all piping be below existing grade for protection.

The following items are included in Miscellaneous Improvements:

- **Existing Equipment Demo:** Removal and disposal of existing equipment.
- **Sludge Blowers:** Purchase and install of sludge blowers.
- **Electrical:** Disconnecting existing wiring and connect new blowers to existing wiring.
- **Yard Piping Improvements:** relocate the existing sludge transfer pipe and old sludge loadout piping to avoid freezing and to protect by moving underground.

The City may elect to only install one new digester blower. However, it is a best practice to have a redundant blower system. The net increase in cost of adding a second digester blower is approximately **\$70,000**.

Conclusions and Recommendations

Five improvement priorities have been identified for Osawatomie's WWTP. Implementation of all of the priorities is recommended for the following reasons:

- Economy of scale will save on construction costs.
- Proposed improvements will be required in the near future (likely within 5-year time period).
- Construction cost increase over time, which will increase future improvement costs.
- Failure of equipment may require emergency repairs with correspondingly high costs.
- Interest rates are at all-time lows and grant funding may be available.
- Failure of equipment could result in incompliant wastewater.

Options relating to the five priorities are also outlined in this memorandum. BG Consultants recommends that all options are accepted. The primary drawback of proposed options is the cost. The following list summaries options, their costs, and the non-monetary benefit:

1. **UV Building:** The net increase in cost to include a UV building is approximately **\$155,000**. UV equipment manufacturers recommend installation within a building. A building will protect the equipment from the elements increasing the equipment's life. Installation within a building will decrease the growth of algae. The operator will be able to better maintain the equipment when weather conditions are poor.
2. **Modify the Process for Nutrient Removal:** The net increase in cost to upgrade the existing control for nutrient removal is approximately **\$420,000**. The facilities permit has nutrient goals. KDHE has indicated that nutrient goals should be met if possible. In the future, nutrient goals will likely be required. Implementing nutrient removal will save on electrical cost. Existing systems are reaching the end of their useful life and may require replacement in the future anyhow.
3. **Two Digester Blowers:** The net increase in cost of adding a second digester blower is approximately **\$70,000**. Digester blowers are critical to the operation of the facility. Having system redundancy is recommended. Existing blowers could be utilized as redundant units; however, the reliability of existing blowers will decrease over time.

The approximate cost of identified options is **\$645,000** which is approximately 20% of the total project cost. Although optional costs are significant, in my opinion, non-monetary benefits outweigh the increase in capital cost.

Attachments: EOPC

For questions or comments, please contact:

Paul Owings, P.E.

Project Engineer

T: 785.727.1694

E: paul.owings@bgcons.com

City of Osawatomie, Kansas
WWTP Improvements
 Engineer's Opinion of Probable Cost
20-1226L
Proposed Improvements

No	Description	Quantity	Units	Unit Price	Total Price
General Construction Costs					
1	Mobilization & Incidentals		Lump Sum	\$ 180,000	\$ 180,000
2	Temporary Pumping		Lump Sum	\$ 40,000	\$ 40,000
3	Construction Staking		Lump Sum	\$ 4,000	\$ 4,000
4	Clearing and Grubbing		Lump Sum	\$ 1,000	\$ 1,000
5	Seeding & Surface Restoration		Lump Sum	\$ 2,000	\$ 2,000
			Subtotal		\$ 227,000

Priority 1: UV Improvements					
6	Existing Equipment Demo		Lump Sum	\$ 15,000	\$ 15,000
7	UV Equipment		Lump Sum	\$ 360,000	\$ 360,000
8	Electrical		Lump Sum	\$ 40,000	\$ 40,000
9	SCADA Upgrades		Lump Sum	\$ 15,000	\$ 15,000
10	UV Building*		Lump Sum	\$ 160,000	\$ 160,000
11	UV Building MEP*		Lump Sum	\$ 40,000	\$ 40,000
12	Earthwork		Lump Sum	\$ 5,000	\$ 5,000
13	Flowmeter Concrete Structure		Lump Sum	\$ 15,000	\$ 15,000
14	Flow Meter		Lump Sum	\$ 10,000	\$ 10,000
	*Reduce to \$45,000 for an overhange		Subtotal		\$ 660,000

Priority 2: Sludge Removal					
15	Sludge Disposal	240,000	Gal	\$ 0.60	\$ 144,000
			Subtotal		\$ 144,000

Priority 3: Aeration Equipment and Process Blower Improvements					
16	Existing Equipment Demo		Lump Sum	\$ 50,000	\$ 50,000
17	Aeration Equipment		Lump Sum	\$ 200,000	\$ 200,000
18	Blower Equipment**		Lump Sum	\$ 172,000	\$ 172,000
19	Air Header Piping		Lump Sum	\$ 20,000	\$ 20,000
20	Control System Upgrade**		Lump Sum	\$ 170,000	\$ 170,000
21	Submersible Mixers**		Lump Sum	\$ 150,000	\$ 150,000
22	Electrical		Lump Sum	\$ 50,000	\$ 50,000
23	SCADA Upgrades		Lump Sum	\$ 20,000	\$ 20,000
24	Chemical Phosphorus System		Lump Sum	\$ 100,000	\$ 100,000
	**Required to improve P and N removal		Subtotal		\$ 932,000

No	Description	Quantity	Units	Unit Price	Total Price
Priority 4: Grit Classifier Improvements					
24	Existing Equipment Demo		Lump Sum	\$ 10,000	\$ 10,000
25	Grit Classifier		Lump Sum	\$ 120,000	\$ 120,000
26	Miscellaneous Plumbing Improvements		Lump Sum	\$ 20,000	\$ 20,000
27	Electrical		Lump Sum	\$ 20,000	\$ 20,000
			Subtotal		\$ 170,000

Priority 5: Miscellaneous Improvements					
28	Existing Equipment Demo		Lump Sum	\$ 10,000	\$ 10,000
29	Sludge Blowers		Lump Sum	\$ 140,000	\$ 140,000
30	Electrical		Lump Sum	\$ 20,000	\$ 20,000
31	Yard Piping Improvements		Lump Sum	\$ 32,000	\$ 32,000
			Subtotal		\$ 202,000

Priority 1-6 Subtotal Cost	\$ 2,335,000
Contingency (10%)	\$ 351,000
Total Opinion of Construction Cost	\$ 2,686,000
Design Engineering	\$ 249,000
Construction Observation	\$ 208,000
Construction Engineering	\$ 40,000
Grant Administration	\$ 20,000
Legal Administration	\$ 15,000
Temporary Financing	\$ 75,000
Origination Fee	\$ 1,000
Total Opinion of Cost	\$ 3,294,000



City of Osawatomie

ACTION ITEM SUMMARY	Item Number:	8A
	Date:	June 22, 2020
City Manager	From:	Mike Scanlon

RE: Leasing Options for the 2020 Case 580 SN Backhoe that was approved for purchase at the May 28, 2020 council meeting.

RECOMMENDATION: That the City Council accept the request for bid from First Option Bank with a \$250.00 fee and 2.25% financing rate with a 5-year lease term for the lease of the 2020 Case 580 SN Backhoe.

DETAILS: Request for bids to seek a lease financing package for the 2020 Case 580 SN Backhoe was sent out to seven financial institutes on May 29, 2020. Bids were due by 2:00 p.m. on Wednesday, June 17, 2020. We did receive bids from two banks; however, Landmark’s was received after the bid deadline. First Option bank supplied the following options: 2.25%, \$250 fee, APR = 2.34 for 5 years or 2.32 for 7 years. Or 2.375% with no fee, APR = 2.3745% for either term. Annual payments with the 2.25%, \$250 fee for 5 years would be \$21,382 and for 7 years would be \$15,610.

Related Statute / City Ordinances	
Line Item Code/Description	Street Improvements
Available Budget:	\$20,000

City of Osawatomie, Kansas

Request for Bids

May 29, 2020

The City of Osawatomie is seeking bids for a lease financing package for the following equipment:

Equipment Details:

2020 CASE 580 SN Backhoe with Flip over pads and Cold Start Package (Photo and Purchase Order with specifications and price attached)

Purchase Price: \$100,056

Lease Bid Details:

Total Purchase Price:	\$100,056
Down Payment:	\$ 0.00
Principal amount of Lease:	\$100,056
Approximate Closing Date	July 1, 2020
Lease Term:	5 and 7 years
Payments due:	Annually in July
Prepayment:	No Penalty
Federal & Kansas Tax Status:	Tax Exempt

Terms of the lease must be in compliance with the State of Kansas Cash-Basis Law.

Laws: A sample copy of our standard lease document is attached. City Council approval of the winning bid and authority to close will take place at the Thursday, June 25, 2020 City Council Meeting.

Bids are due by **2:00 p.m. on Wednesday, June 17, 2020**. Bids should include the interest rate, annual percentage rate, type of lease (fixed or adjustable), and any other terms of the lease. Bids should also include an estimate of all costs associated with the lease. Questions and bids can be submitted to:

Tammy Seamands
Osawatomie City Hall
509 5th Street, PO Box 37
Osawatomie, KS 66064-0037
Phone (913) 755-2146
Fax (913) 755-4164
TSeamands@osawatomieks.org

Tammy Seamands

From: Mark Fuchs <mfuchs@firstoptionbank.com>
Sent: Thursday, June 4, 2020 9:34 AM
To: Tammy Seamands
Subject: RE: Request for bid

Thanks for the opportunity to bid. Our quotes are below (same for either the 5 or 7 year terms)

2.25%, \$250 fee, APR = 2.34 for 5 years, 2.32, 7 years
OR: 2.375%, no fee, APR = 2.375% for either term

Mark



Mark Fuchs
Senior Vice President | Loan Officer
First Option Bank | 601 Main | P O Box 277 | Osawatomie KS 66064
Direct line: 913-557-0802 | Office: 913-755-3811 | Fax: 913-755-2122
mfuchs@firstoptionbank.com | www.firstoptionbank.com
NMLS # 773576



This e-mail message contains information from First Option Bank and is confidential. The included information is intended for the use of the individual or entity named above. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the contents of this message is prohibited. If you received this in error, please notify us immediately by telephone at 913-755-3811 or email mfuchs@firstoptionbank.com.

From: Tammy Seamands <TSeamands@osawatomieks.org>
Sent: Friday, May 29, 2020 3:38 PM
To: Mark Fuchs <mfuchs@firstoptionbank.com>
Subject: Request for bid

CAUTION: This email originated from outside of First Option Bank. Do not click links or open attachments unless you recognize the sender and know the content is safe.

City of Osawatomie is seeking bids for a lease financing package for a 2020 Case 580 SN Backhoe.

Thank you

Tammy Seamands
City of Osawatomie

Tammy Seamands

From: Jarred Sterling <JSterling@banklandmark.com>
Sent: Wednesday, June 17, 2020 3:02 PM
To: Tammy Seamands
Subject: Backhoe lease bid
Attachments: Backhoe bid.pdf

Tammy,

I just saw the deadline pop up on my reminder and failed to send this as directed when I wrote it up. Please find our offer attached, thank you.

Jarred Sterling
Commercial Banker
Landmark National Bank
Direct: 913-239-2815
Cell: 785-370-1204
Ext: 2515

To send me files securely, email me for a password and then [click here](#).



CONFIDENTIALITY NOTICE: The information contained within this transmission is intended only for use of the individual or entity to whom it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If you are not the intended recipient of this message, you may not disclose, print, copy, or disseminate this information. If you have received this in error please reply and notify the sender (only) and delete this message. Unauthorized interception of this transmission is a violation of federal criminal law.



June 16, 2020

City of Osawatomie, Kansas

Attn: City Clerk

439 Main St., P.O. Box 37

Osawatomie, KS 66064

Dear Council,

Thank you for the opportunity to assist with purchasing new equipment. Landmark National Bank is submitting the following proposal of lease financing for the 2020 Case 580 SN Backhoe as described in the request for bids with a purchase price of \$100,056.

- Lease amount is \$100,056.00
- Origination fee is \$250 paid at closing
- Term of 5 years, annual payments starting July 1, 2021
- Stated interest cost is 3.43% fixed for 60 months
- There will be no prepayment penalty
- Landmark National Bank will maintain a security interest in the backhoe being purchased
- Insurance coverage per Lease Agreement is satisfactory
- Subject to final underwriting and verifications by Bank, to its' satisfaction, including, but not limited to, verification of eligibility for tax-exempt financing, compliance of the City with Kansas statutes to legally enter into the proposed lease agreement, and any other matters deemed appropriate by the Bank.

Thank you for consideration. You may reach me at 913-239-2815 if questions arise.

Sincerely,

A handwritten signature in black ink, appearing to read "Jarred Sterling".

Jarred Sterling

Commercial Banker

RESOLUTION NO. 797

BY THE CITY OF OSAWATOMIE, KANSAS

A RESOLUTION DIRECTING STAFF TO ESTABLISH TO PRODUCE AND PREPARE A CONTRACT WITH UTILITY SERVICE PARTNERS PRIVATE LABEL, INC. (“USP”) D/B/A SERVICE LINE WARRANTIES OF AMERICA (“SLWA”) TO LICENSE THE USE OF THE CITY OF OSAWATOMIE TRADEMARK IN CONJUNCTION WITH ADVERTISEMENT TO THE CITY’S RESIDENTS OF WARRANTY PLANS FOR REPAIR OF WATER, SEWER, AND IN-HOME PLUMBING LINES ON RESIDENTIAL PROPERTY; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, residents of the City of Osawatomie are responsible for the maintenance and repair of water, sewer and in-home plumbing service lines that are on their properties and not within the City of Osawatomie’s right-of-way, and;

WHEREAS, water, sewer and in-home plumbing lines, on private property, can vary widely in age and condition, resulting in substantial cost to residents when there is a malfunction on residential property, and;

WHEREAS, the National League of Cities has introduced USP, d/b/a SLWA, as a resource for warranties of residential property owners whose water and sewer lines require repair, and;

WHEREAS, the National League of Cities Service Line Warranty Program offers homeowners the opportunity for repairing broken or leaking water, sewer, or in-home plumbing lines for a low monthly fee;

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

SECTION ONE: Produce and prepare a contract with Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America to offer a warranty plan to the City of Osawatomie Residents for repair of water, sewer and in-home plumbing lines on residential property.

PASSED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas this 25th day of June, 2020, a majority being in favor thereof.

APPROVED AND SIGNED by the Mayor.

L. Mark Govea, Mayor

(SEAL)

ATTEST:

Tammy Seamands
City Clerk



City of Osawatomie

ACTION ITEM SUMMARY	Item Number:	9.B
	Date:	June 19, 2020
City Manager	From:	Mike Scanlon

RE: Resolution 798 – Directing staff to proceed working with BG Consultants, following up on their preliminary engineering report outlining the repairs that need to be made to the Wastewater Treatment Facility (WWTF) so that the City comes into compliance with Kansas Department of Health and Environment (KDHE) National Pollution Discharge Elimination System (NPDES) “Permit.”

RECOMMENDATION: That the City Council approve Resolution 798 – Directing staff to proceed working with BG Consultants, following up on their preliminary engineering report outlining the repairs that need to be made to the Wastewater Treatment Facility (WWTF) so that the City comes into compliance with all required environmental standards.

DETAILS: We have failures within our sanitary sewer system that are impacting our required NPDES permit that allows us to operate our Wastewater Treatment Plant. Currently we are releasing poorly treated or untreated wastewater directly into the Marais des Cygnes River. The following, are the goals we have in working with BG Consultants;

1. Identify and secure funding for the repairs to the WWTF to bring it into compliance with our NPDES permit and make all necessary and needed repairs – specifically addressing,
 - a. Replacement and possible expansion of the Ultraviolet Light Disinfections system equipment to provide compliance with effluent E. coli limits.
2. Produce and prepare a contract with BG Consultants to provide a set of comprehensive engineering services to design, bid and oversee the construction of the identified repairs identified and submitted to KDHE for approval of Revolving Loan Financing.

Related Statute / City Ordinances	Resolution 778, 780, 781
Line Item Code/Description	N/A
Available Budget:	N/A

Division of Environment
Bureau of Environmental
Field Services
Northeast District Office
800 West 24 Street
Lawrence, KS 66046



Phone: 785-842-4600
Fax: 785-842-3537
vmontgomery@kdheks.gov
www.kdheks.gov

Robert Moser, MD, Secretary

Department of Health & Environment

Sam Brownback, Governor

September 20, 2014

Mayor and City Council
c/o City Clerk
PO Box 37
Osawatomie, Kansas 66064

RECEIVED

OCT 27 2014

BUREAU OF WATER

Re Wastewater Plant Inspection
Permit # M-MC30-0001

Dear Mayor and Council:

I appreciated the courtesy extended by your staff during my August and September visits to the city wastewater plant. The inspections are to help ensure compliance with State and Federal Regulations and your permit. This letter summarizes the inspection.

Issues & deficiencies - The frequency of the plant exceeding *E*coli discharge limits is increasing mostly in the spring and summer months. Limits were exceeded once in 2012, 4 times in 2013 and 5 times so far for 2014. The UV system is old and a lot of the controls have been bypassed because damaged parts cannot be replaced. Most companies no longer even provide service for the equipment. The city needs to seriously consider replacing the UV system as part of its phase II project. The UV system should also be covered to help prevent damage from lightning and to provide the operator better conditions to clean and replace bulbs in bad weather. Failure to improve the *ecoli* discharge levels may result in administrative or enforcement action.

Neither goal 1 (10.0 mg/l) nor goal 2 (8.0 mg/l) for total nitrogen levels listed in the permit have been met. Six out of the last seven samples were over both goal levels. The total phosphorous goal 2 of 1.5mg/l was met but not for goal 1, which is 1.0mg/l. The plant is designed for nutrient removal and needs to be operated to maximize the level of nutrient removal to make the goal listed in Supplemental Condition D2 in your permit. Controlling oxygen levels is the prime mover in the endeavor. The city needs to computerize the DO delivery system. This involves VFD drives and DO meters in each of the reactor basins. In all new plants this is required. Computerizing the DO system can also save on electrical costs. Two plants I recently worked with had savings of 20 to 40% after adding this equipment. This project would be an excellent addition to your phase II project.

Right now the nutrient levels are only goals but are expected to be permit limits sometime in the future.

Ammonia does have a permit level and that level is being exceeded. The last three samples for ammonia were well out of compliance for the monthly discharge limits. DO levels also impact ammonia removal.

Recommendations - Asset management is becoming more important these days when money is tight for everyone. I recently attended the KMU asset management workshop sponsored through KDHE and found it very useful and well taught. I would encourage any from the council and the operators to attend a workshop when it is in the area again. Information is on the KDHE operator training website and will also be offered next year. It will help operators know how to put a plan together and also present the data in a constructive way to the council. The council will benefit by practicing tools to help prioritize budget items.

The operators need more training in nutrient removal. The city needs to encourage the operators to attend training sessions focused on this issue.

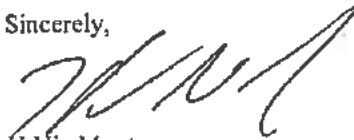
The city of DeSoto added ferric chloride at a pump station to help control odors and corrosion. They discovered it also improved their phosphorous removal. Osawatomie had some lift station odors a few years back so perhaps this is worth looking into. Doug Smith is the Utility Superintendent for DeSoto.

General – The city should contact Shelly Shores-Miller of KDHE at the end of phase I and the end of phase II to request technical assistance to help rebalance the plant after the upsets of the construction.

I was pleased to see the progress of the phase I project. The new bar screen should help a lot and the operator are very happy with the way the new filter press system is working. It should eliminate the odor complaints from the neighbors.

Should you have any comments or questions concerning this letter please contact me by telephone at 785-842-4600 or by e-mail at vmontgomery@kdheks.gov.

Sincerely,



H Vic Montgomery
Environmental Scientist

Cc Mike Tate, BOW
Rod Geisler, BOW
NEDO – Osawatonic 2.0



Robert Moser, MD, Secretary

Sam Brownback, Governor

Activated Sludge Kansas Water Pollution Control Inspection Report

I. General Information

KDHE Representative: H. Vic Montgomery

KWPC Permit No. M-Mc30-0001

Inspection Date: July 21, 2014 – follow up
 September 4, 2014

Previous Inspection Date: June 16, 2011

Is there a schedule of compliance in the current permit?

Yes	No
	x

Is there an enforcement order against the permittee for this facility?

Yes	No
	x

Facility Name: Osawatomi Municipal Wastewater Treatment Facility

Facility Address: 29366 West 347th Street

Primary Mailing Address: PO Box 37, Osawatomi, Kansas 66

Owner's Mailing Address: PO Box 37, Osawatomi, Kansas 66

Design Capacity: 0.56 mgd , **Design PE** = 6200 @ 90gpcpd **Current Population Served:** 4500

II. Contacts / Responsible Staff / Certified Operators

Name	Present	Title	Certification Level	Email Address	Telephone No.
Bruce Hurt	x	Operator	2		913-686-3664

	Yes	No	N/A	Comments
a. Does the level of staff certification comply with K.A.R. 28-16-36?	x			

III. Facility Information

	Yes	No	Comments
a. Is the facility description in the permit accurate?			New headworks being constructed and a new filter press has been installed.
b. Briefly describe the operation and condition of the facility.			Construction requires the inflow to go to the overflow basin before going to the reactor basins. Plant is not meeting ecoli in the spring to fall time period, not meeting goals for total nitrogen removal and only meeting the higher goal numbers for phosphorus removal.
c. Describe any significant changes, additions or improvements to the facility since the last inspection.			New headworks building with new bar screen, grit removal, belt press – construction to be completed by December 2014.
d. Any current citizen complaints?		x	

IV. Operation and Maintenance

	Yes	No	N/A	Comments
a. Does the facility have adequate hydraulic capacity?	x			During rain events the extraneous flow basin is used.
b. Are all units in service (except backup)?	x			
c. Are operation and maintenance manuals available?	x			
d. Is flow measurement present?	x			
e. Is flow measurement device operable?	x			

	Comments
f. How is influent being measured?	
g. How is effluent being measured?	V notch weir and flow meter
h. What is the last date of calibration of the flow meter(s)?	

i. Flow Measurement:	MGD	Period of Record*	Comments
Average Daily Flow	0.48	2013-2014	
Minimum Daily Flow			
Maximum Daily Flow	2.5MG	2013-2014	

* Prior two year period of record is recommended.

V. Influent/ Effluent

a. Influent

	Yes	No	Comments
i. Has there been or are there any anticipated significant changes in the influent quality and / or quantity?			During the construction flow goes to the extraneous flow basin and old before going into the batch reactors. Normally flow would go through the headworks and then to the reactors.

ii. Discuss any high strength or problem influents to the treatment system	Slaughter kills on Thursdays.
iii. Does this facility accept other types of hauled in wastewater or septage from residential, industrial, commercial or other? Describe.	None noted.
iv. Are there any major customers that provide wastewater to this facility? If yes, who, type of wastewater, estimated quantity?	None noted.

b. Effluent Reuse

	Yes	No	Comments
i. Is treated effluent used for irrigation?			No
a) Reason for use of irrigation, i.e., high level control, fulfill contract, etc.			N/A
b) If yes, how often?			N/A
c) Is the irrigation water disinfected prior to use?			N/A
d) Type of irrigation used:			
i) Public places such as Golf Course.			N/A
ii) Cemeteries, Ball Fields, Parks.			N/A
iii) Other Public Places. Describe.			N/A
vi) Field crop irrigation.			N/A
a) Is the crop harvested? (including pasturing of animals)			N/A
e) Other non-public places. Describe.			N/A
f) Facility grounds including dikes.			N/A
g) Type of irrigation used:			N/A
i) Stationary spray nozzles.			N/A
ii) Gated pipe.			N/A
iii) Walking guns or similar.			N/A
iv) Pump & dump thru hose/pipe.			N/A
h) Are there any other concerns or special considerations with the irrigation process?			N/A
ii. Is treated effluent used on-site or off-site other than for irrigation?			N/A
a) If yes, how often? Percent of effluent flow?			N/A
b) Who uses it?			N/A
c) Is the treated wastewater disinfected prior to re-use?			N/A
iii. If effluent flows to a stream, describe any negative effects on the receiving stream.			N/A
iv. Are there any other concerns or special considerations with the re-use process?			N/A

- c. Provide a line drawing showing the disinfection equipment, piping, valves and flow meters used to determine the amount and direction of re-use water and discharge to surface waters of the State. Identify the location where the permittee actually samples the influent and effluent for permit compliance monitoring. Include multiple points of applicable. Be specific

N/A

	Comments
d. Does the facility split flow between re-use and discharge to waters of the state or is it all one direction or the other?	N/A

VI. Sampling

	Yes	No	Comments
a. Are samples collected in appropriate location(s) using the proper sampling procedures?	x		
b. Who collects and analyzes samples? What is the name of the laboratory used?			Staff collects samples, analyzed by Pace Laboratory in Lenexa. pH is done by the city who is field certified for that parameter.
c. Are the correct types of samples being collected by the facility?	x		
d. Was a sample collected by the inspector for analysis during the inspection?		x	
e. Has the permittee been in compliance with the KWPC Permit effluent limitations since the last inspection? (Note failures here or attach summary page of all failures.)		x	

VII. Reporting and Recordkeeping

	Yes	No	N/A	Comments
a. Is a copy of the KWPC Permit available on site or at a nearby office? Describe location.	x			
b. Have all Discharge Monitoring Reports been submitted to KDHE on time?	x			
c. Are Discharge Monitoring Reports available on site or at a nearby office?	x			

Describe location.				
d. Are the Discharge Monitoring Reports maintained by permittee for at least three (3) years?	x			
e. Are records of laboratory instrumentation maintenance maintained by permittee for three (3) years?	x			The city is field certified for pH and inspected every three years.
f. Are records of laboratory instrumentation calibration maintained for three (3) years?	x			The city is field certified for pH and inspected every three years.
g. Are laboratory records maintained by permittee for three (3) years?	x			The city is field certified for pH and inspected every three years.
h. Are all appropriate records and data maintained and available on site or at a nearby office? Describe location.	x			
i. Has the facility exceeded permit discharge limits since the previous inspection?	x			Ammonia and Ecoli discharge limits have been exceeded. Goals not met for total nitrogen and phosphorous.
j. Are there permit violations other than effluent limitations since the previous inspection? If so, what type?		x		

VIII. Incident Reporting History

a. Since the last inspection how many incidents (bypasses) have been reported at the following locations:

Treatment Facilities:	4	Lift Stations:	1	Collection System:	2	Private Service Lines:	1
-----------------------	---	----------------	---	--------------------	---	------------------------	---

	Yes	No	N/A	Comments
b. Are incidents reported according to permit requirements?	x			Plant = rainfall, Lift station = equipment, Collection = line blockage.

IX. Backup Power and Emergency Procedures

	Yes	No	N/A	Comments
a. Are backup power supplies or secondary power sources available for the treatment facility?	x			
b. Are backup power supplies or secondary power sources available for the lift stations?	x			
c. Describe the frequency of exercise and maintenance of backup power sources.				Weekly
d. Are maintenance records for backup power supplies available?	x			
e. Are there emergency procedures in the event of a power failure, equipment break down, etc...?	x			

X. Activated Sludge Operation and Maintenance

a. Aeration Basins

i. Number of aeration basins available

#	2
---	---

Comments	Sequencing batch reactors, alternating between the two on a 240 minute cycle.
----------	---

ii. Number of aeration basins in use.

#	2
---	---

Comments	
----------	--

	Yes	No	N/A	Comments
iii. Is the influent / splitter structure properly distributing influent?	x			
iv. Is the aeration equipment operational?	x			
v. Is air evenly distributed across basins?	x			

b. Nutrient Controls

	Yes	No	N/A	Comments
i. What is the prior one year average effluent total nitrogen concentration? Is the permit goal being met?				Avg TN = 13.5mg/l (Max = 28.7, Min = 3.71) (6 out of the last 12 were over 12) The city failed to submit sample results for June 2014
ii. What is the prior one year average effluent total phosphorus concentration? Is the permit goal being met?				Avg P = 1.27mg/l (Max = 2.7, Min = 0.33) 6 out of the last 12 samples were over 1.5
iii. Do the operators have training in the nitrification and denitrification processes to operate the existing facility control systems to reduce total nitrogen in the effluent? If not, when is this training scheduled?				They are working with an engineering company to dial in and upgrade the plant but also realize they need more process training and are looking for classes.
iv. Do the operators have adequate training in phosphorus removal processes to operate and/or upgrade the existing facilities to reduce total phosphorus in the effluent? If not, when is this training scheduled?				They are working with an engineering company to dial in and upgrade the plant but also realize they need more process training and are looking for classes.
v. Are any chemicals (such as alum or ferric chloride) being added for odor control and/or to reduce phosphorus in the effluent?		x		
vi. Does the existing facility have the monitoring and control system as needed to monitor and control DO in the activated sludge basin?		x		Manual read DO meter and timer
vii. Are the monitoring and control systems controlled by computers or programmable logic controllers (PLC's)?				Manual read DO meter and timer
a) If so, briefly describe the operations processes and/or SCADA control systems.			x	
i) Provide number of DO sample points and specific locations. Provide map if needed.			x	
b) If not, is this minor upgrade scheduled to occur and when?				I have recommended going to computer control with their phase II project. Also recommended sampling Do occasionally at the decant point to see how the DO

dropped during the quiet phases.

c. Basin Discussion

	Yes	No	N/A	Comments
i. What color is the mixed liquor?				Dark brown
ii. Describe surface foam.				Dark to medium brown and very sparse.
iii. What process control sampling and analysis is conducted?				DO, kept at 1.5 to 2.0 mg/l
iv. Are records of process control sampling and analysis maintained?	x			
v. Are adequate quantities of sludge routinely wasted?	x			Waste 3 minutes, six times a day
vi. What is the MLSS?				Around 2600 mg/l
vii. What is the sludge settleability?				Tested bi-weekly

XI. Clarifier Operation and Maintenance

a. Number of clarifiers available?

Primary	
---------	--

Secondary	1
-----------	---

b. Number of clarifiers in use?

Primary	
---------	--

Secondary	
-----------	--

	Yes	No	N/A	Comments
c. Is there excessive gas bubbles / floating sludge?	Primary			Clarifier is used during high flows as pretreatment before wastewater enters the extraneous flow basin. During the current construction the flow goes to the extraneous flow basin to the clarifier and then to the plant.
	Secondary		N/A	
d. Are the weirs painted and maintained?	Primary		N/A	
	Secondary		N/A	
e. Are the weirs free of sludge and biological growth?	Primary		N/A	
	Secondary		N/A	
f. Does the effluent over the weirs appear clear?	Primary		N/A	
	Secondary		N/A	
g. Is the flow over the weirs	Primary		N/A	

uniform?	Secondary			N/A
h. Is sufficient sludge wasted to maintain the system's equilibrium?	Primary			N/A
	Secondary			N/A
i. Are surface skimmers operational?	Primary			N/A
	Secondary			N/A
j. Is the sludge blanket level appropriate?	Primary			N/A
	Secondary			N/A
k. Is there pin floc?	Primary			N/A
	Secondary			N/A
l. Are the waste sludge pumps operational?	Primary			N/A
	Secondary			N/A
m. Are the return sludge pumps operational?	Primary			N/A
	Secondary			N/A

XII. Sludge Management

a. Number of primary digester(s) available / in operation:

	Available	In Operation
Aerobic	2	2
Anaerobic		

b. Number of secondary digester(s) available / in operation:

	Available	In Operation
Aerobic	1	1
Anaerobic		

c. Other stabilization process.

	Yes	No	N/A	Comments
d. Can the supernatant be withdrawn from multiple points?		x		
e. Is sludge removed on a regular basis?	x			
f. What digested sludge storage is utilized?	x			
g. Does the facility have a routine maintenance program for the sludge digestion equipment?	x			
h. Is the sludge dewatered?	x			

i. If yes, how is the sludge being dewatered?

Belt Press	Bagging Equipment	Filter Bed	Other
x			Brand new just started operating.

j. What is the ultimate disposition of the sludge?

Land Application	Landfill	Compost	Processed by another POTW	Other
	x			

XIII. For Anaerobic Sludge Digestion

	Yes	No	Comments
a. Is the digestion process maintained in the temperature range of 85 to 96°F? <i>If no, explain</i>			N/A
b. Has a digester become upset or sour since the last inspection?			N/A

	Comments
c. What is the typical sludge retention time in days?	N/A
d. What is the Volatile Acid / Alkalinity ratio relationship?	N/A

503 Sludge Program

a. Major and Minor Mechanical Treatment Plants

KDHE returned the 503 sludge program back to EPA on July 1, 2012. Major facilities and those designated by EPA must report annually to EPA – Region 7 at the Lenexa, Ks address by February 19th of each year. Other minor mechanical plants still have to complete the testing and fill out the forms but should keep them on-site and available for inspection by EPA. The minor facilities should not send the completed forms to KDHE or EPA. EPA has agreed to use the Kansas 503 sludge reporting forms for Kansas facilities. The forms and an EXCEL spreadsheet for making the calculations are located on the KDHE-BOW-Technical Services website.

Inspectors do not need to, nor should they ask for or review the 503 sludge forms. Inspectors are to only remind the facility that the testing and reports are required by federal regulation.

b. All lagoons

KDHE, for the current time, retains control of the 503 sludge program for domestic wastewater treatment lagoons. KDHE, using provisions previously agreed upon with EPA, has produced a reduced 503 sludge reporting form for 503 sludge removal from lagoons. The forms are located on the KDHE-BOW-Technical Services website and are labeled specifically for lagoons.

These forms are to be sent to the central office when the desludging project is complete. The central office will review the reports.

XIV. Ultraviolet (UV) Disinfection

a. Total number of trains	2
---------------------------	---

b. Total number of units/train	2
--------------------------------	---

	Yes	No	Describe
c. Does any wastewater entering the plant exit the plant without going through a disinfection process, such as during high flow events?	x		Discharge can occur from the extraneous flow basin.

	High Intensity	Low Intensity	Comments
d. What type of UV disinfection equipment is being utilized?	x		

	Yes	No	Comments
e. Is the intensity of the UV equipment flow paced?			Supposed to be but no way to check. Also no way to check intensity levels. Most controls had to be bypassed due to lightning damage. Parts cannot be found and companies no longer service the equipment as it is outdated.
f. Are hours of bulb operation monitored?	x		
g. Is there an inventory of spare bulbs and protective quartz sleeves?	x		
h. Is there excessive algae growth in the UV channels?		x	
i. Does the facility have a program for the maintenance and replacement of UV bulbs?	x		Annual replacement. Clean as necessary

j. How are the protective quartz sleeves cleaned?

Mechanical Squeegee or Brush	Acid Bath	Manually	Other
		x	

Comments	System is old, parts are hard to come by and no company seems to provide service for this type of equipment any more. A lot of the controls have had to be bypassed because of this. The equipment seems to be able to meet the November thru March ecoli requirements but has trouble the rest of the year. Corrosion was noted on the ballast for the bulbs during the inspection. The equipment could benefit with a cover over the area to facilitate easier maintenance and protection for the control box.
----------	--

XVI. Chlorine Disinfection

a. How many channels?	N/A
-----------------------	-----

b. What is the type of Chlorine being used?

Chlorine Gas			Sodium Hypochlorite	Calcium Hypochlorite
100 lb. cylinders	150 lb. cylinders	2,000 lb. cylinders		
			N/A	N/A

	Yes	No	Comments

c. Does the facility maintain chlorine residual records?	N/A	N/A	N/A
d. Does the facility address safety issues associated with the use of chlorine, i.e., the use of SCBA's, forced air ventilation, cylinder restraints, etc...?	N/A	N/A	N/A

	DPD	Amperometric Titration	Comments
e. How does the facility measure chlorine residual?	N/A	N/A	N/A

f. What chemical is used for dechlorination?

None	Sodium pyrosulfite	Sodium bisulfite	Sodium thiosulfate	Sodium sulfite	Sulfur dioxide	Other
N/A	N/A	N/A	N/A	N/A	N/A	N/A

XVII. Lift Stations Operation and Maintenance

Total number of lift stations	4
-------------------------------	---

Number of lift stations inspected	2
-----------------------------------	---

	Comments
a. Describe lift station inspection and maintenance schedule(s).	Inspected daily.
b. Describe alarm and monitoring systems.	Warning lights and call system.

	Yes	No	N/A	Comments
d. Are all pumps operational?	x			
e. Are pump running time registers operational?		x		Not all stations have run time registers.
f. Are maintenance and pumping volume records maintained?	x			
g. Is forced-air ventilation provided?	x			
h. Is there excessive leakage from pumps or piping?		x		
i. Is there excessive grease build-up in the wet well?		x		
j. What chemical or methods are used to control grease buildup in the wet well?			x	
k. Are operators familiar with confined space entry requirements?	x			
l. Do any lift stations have a history of incidents or other mechanical problems?		x		
m. Does the facility have appropriate security measures in place?	x			

XVIII. Collection System

	Comments
a. Describe the operation and condition of the collection system.	Average

	Yes	No	Comments
d. Is there a significant inflow or infiltration problem? <i>If yes, describe what steps are being taken to control / correct the problem?</i>			The piping in the system was lined a few years ago and the city is working on trying to eliminate sump pumps and other stormwater drains that impact the system.
e. Describe the sewer maintenance and repair activities since the last inspection, i.e. including the use of outside contractors.			Just general maintenance.

XIX. Supplemental Conditions, Schedule of Compliance & Enforcement

	Yes	No	N/A	Comments
a. Is there a schedule of compliance in the permit?		x		
b. Are they in compliance with the schedule?			x	
c. Is there a current enforcement action on this facility?		x		
d. Are they in compliance with the enforcement activity?			X	

XX. Comments and Recommendations

	Yes	No	Comments
a. Are follow up actions needed?			

b. Issues and Deficiencies that must be addressed.

1. - The frequency of the plant exceeding ecoli discharge limits is increasing. Limits were exceeded once in 2012, 4 times in 2013 and 5 times so far for 2014. The system is old and a lot of the controls have been bypassed because damaged parts cannot be replaced. Most companies no longer even provide service for the equipment. - The city needs to seriously consider replacing the UV system as part of its' phase II project. The system should also be covered to help prevent damage from lightning and to provide the operator better conditions to clean and replace bulbs in bad weather. - Failure to improve the ecoli discharge levels may result in administrative or inforcement action.

2. - Neither goal 1 nor goal 2 for total nitrogen levels have been met. 6 out of the last seven samples were over both goal levels. The total phosphorous goal 2 of 1.5mg/l was met but not for goal 1, which is 1.0mg/l. The last three samples for ammonia were well out of compliance for the monthly discharge limits. The plant is designed for nutrient removal and needs to be operated to maximize the level of nutrient removal to make the goal listed in Supplemental Condition D2 in your permit. Controlling oxygen levels is the prime mover in the endeavor. The city needs to computerize the DO delivery system. This involves VFD drives and DO meters in each of the reactor basins. In all new plants this is required. Computerizing the DO system can also save on electrical costs. Two plants I recently worked with had savings of 20 to 40%. This would be an excellent addition to your phase II project.

Right now the nutrient levels are only goals but are expected to be permit limits sometime in the future.

Ammonia does have a permit level and that is being exceeded. DO levels also impact ammonia removal.

c. Recommendations that should be addressed.

Asset management is becoming more important these days when money is tight for everyone. I recently attended the KMU asset management workshop sponsored through KDHE and found it very useful and well taught. I would encourage any from the council and the operators to attend a workshop when it is in the area again. Information is on the KDHE operator training website and will also be offered next year. It will help operators know how to put a plan

together and also present the data in a constructive way to the council. The council will benefit by practicing tools to help prioritize budget items.

The operators need more training in nutrient removal. The needs to encourage the operators to attend training sessions focused on this issue.

The city of DeSoto added ferric chloride at a pump station to help control odors and corrosion, they discovered it also improved their phosphorous removal. Osawatomie had some lift station odors a few years back so perhaps this is worth looking into. Doug Smith is the Utility Superintendent for DeSoto.

d. Comments

The sequencing batch reactors have a small amount of new flow coming in during all phases of the operation (fill, aeration, quiescence and decant.

Basic cycle for the reactor is a complete cycle every 240 minutes, 6 cycles per day. Each cycle has 120 minutes of air and 120 minutes settle and decant. The current DO goal is 2 – 3 mg/l, there is no data on DO at the end of the settle and decant phase.

The city should contact Shelly Shores-Miller of KDHE at the end of phase I and the end of phase II to request technical assistance to help rebalance the plant after the upsets of the construction.

Report Prepared and Submitted By: H. Vic Montgomery

Title: Environmental Scientist

Date: 10/20/2014

Signature: 

Approved By: Heleen Holm

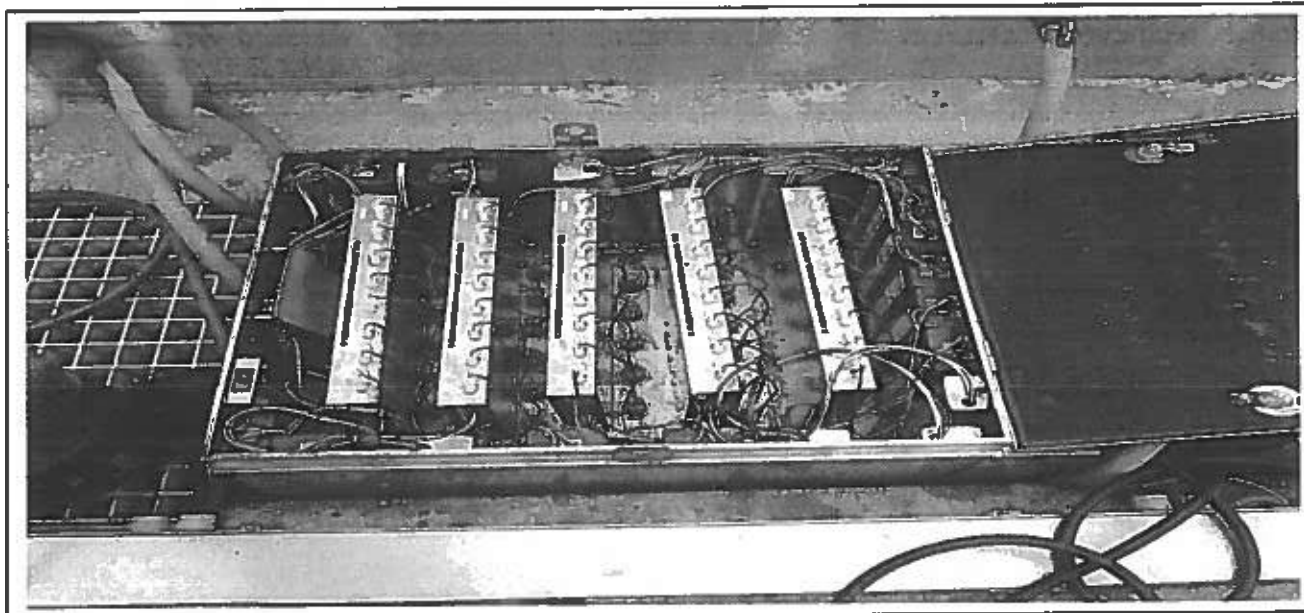
Title: District Engineer

Date: 10/20/2014

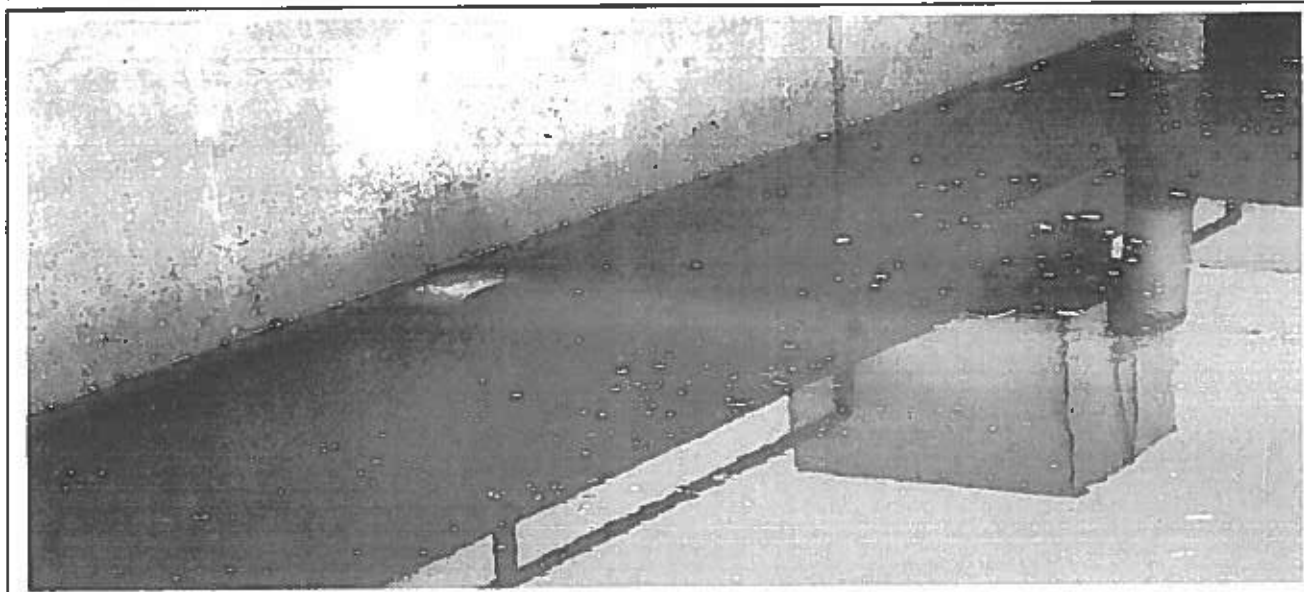
Signature: 

**DEPARTMENT of HEALTH and ENVIRONMENT
BUREAU of ENVIRONMENTAL FIELD SERVICES
Northeast District Office**

Project:	Osawatomi WWTP	M-MC30-0001	H. Vic Montgomery
District:	Northeast District	Date of Photos:	July 12, 2014
Location/ Description:	UV Unit an influent flow in settling mode		



UV system note corrosion on ballast connections.



Floe into reactor basins



PRE-APPLICATION FORM

Can be used for Kansas Public Water Supply Loan Fund (KPWSLF) or Kansas Water Pollution Control Revolving Fund (KWPCRF) projects

Municipality Name

Contact Name and Title

Mailing Address

Phone

Email Address

Project Description

Describe the Problem the Project will resolve

Est. Design Completion Date

Status of Design (% Complete)

Est. Project Construction Start Date

Estimated Project Cost

Rural Water Districts must attach a list showing the number of customer meters in each county township. If the utility currently implements an asset management plan, please attach the completed Asset Management IQ Test found at <http://southwestefc.unm.edu/AssetManagementIQ/main.php>. Send completed form and attachments to: KDHE-BOW, 1000 SW Jackson, Suite 420; Topeka, KS 66612 or email to William.j.carr@ks.gov

CITY OF OSAWATOMIE, KANSAS

RESOLUTION No. 798

A RESOLUTION DIRECTING STAFF TO PROCEED WORKING WITH BG CONSULTANTS FOLLOWING UP ON THEIR PRELIMINARY ENGINEERING REPORT OUTLINING THE REPAIRS THAT NEED TO BE MADE TO THE WASTEWATER TREATMENT FACILITY (WWTF) SO THAT THE CITY COMES INTO COMPLIANCE WITH KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT (KDHE) NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM (NPDES) “PERMIT.”

WHEREAS, the City of Osawatomie was incorporated in 1883 and over the course of the last 130 years has evolved into a full-service City serving its residents with water, wastewater, electrical production and distribution, parks, sidewalks, bridges, streets and alleys; and

WHEREAS, the City of Osawatomie as an aging community requires a long-term strategy that allows for the orderly financing and replacement of infrastructure; and

WHEREAS, the City of Osawatomie WWTF has fallen out of compliance with our NPDES permit and is discharging poorly treated or untreated wastewater directly into the Marais des Cygnes River;

NOW, THEREFORE, be it resolved by the Governing Body of the City of Osawatomie:

Section 1. The Governing Body hereby directs the City Manager to undertake the following actions.

1. Identify and secure funding for the repairs to the WWTF to bring it into compliance with our NPDES permit and make all necessary and needed repairs – specifically addressing,
 - a. Replacement and possible expansion of the Ultraviolet Light Disinfections system equipment to provide compliance with effluent E. coli limits.
2. Produce and prepare a contract with BG Consultants to provide a set of comprehensive engineering services to design, bid and oversee the construction of the identified repairs identified and submitted to KDHE for approval of Revolving Loan Financing.
3. Provide the Governing Body with a calendar of dates for the completion of the above tasks.

PASSED AND APPROVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE on this 25th day of June, 2020.

L. Mark Govea, Mayor

ATTEST:

Tammy Seamands, City Clerk



City of Osawatomie

ACTION ITEM SUMMARY	Item Number:	9.C
	Date:	June 19, 2020
City Manager	From:	Mike Scanlon

RE: Resolution 799 – Establishing a planning framework that will assist the staff and community as we begin the process of reimagining and redeveloping our downtown and surrounding area.

RECOMMENDATION: That the City Council approve Resolution 799 – – Establishing a planning framework that will assist the staff and community as we begin the process of reimagining and redeveloping our downtown and surrounding area.

DETAILS: What is being recommended is and INTRODUCTORY Planning Framework – this will change over time and it’s written in a “We will strive to -----” format. These are **preferences** not “**set and stone**” policies.

1. We should always strive to connect our sidewalks and trails to our National Historic sites that define us as a community.
2. We should always strive to connect all of our schools to the surrounding neighborhoods to reduce cars being used to drop kids off and increase the activity level of our parents and kids by walking to schools.
3. We should always strive to expand and connect our local trail system to county- and state-wide trail systems.
4. We should always strive to create active pedestrian realms and plazas throughout our community from neighborhoods to downtown and on into our parks that are built in a sustainable manner.
5. We should always strive to create softer edges in our downtown by removing unnecessary concrete and concrete fixtures replacing it with natural and greener alternatives.
6. We should always strive to save our historic and landmark downtown structures and rethink their future uses.
7. We should always strive to make it affordable for someone to live in our community by reducing their dependence on an automobile and replace it with pedestrian/bike options.
8. We should always strive to create “Affordable Living Options” by going beyond affordable housing and promoting affordable living opportunities through an enhanced energy code and renewable energy options.
9. We should always strive to engage the public in the mission of our City and follow the Athenian oath “leaving Osawatomie a better place than we found it.”
10. We should always strive to respect our past but look to our future for we hold the future in our hands.

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

CITY OF OSAWATOMIE, KANSAS

RESOLUTION No. 799

A RESOLUTION ESTABLISHING A PLANNING FRAMEWORK THAT WILL ASSIST THE STAFF AND COMMUNITY AS WE BEGIN THE PROCESS OF REIMAGINING AND REDEVELOPING OUR DOWNTOWN AND SURROUNDING AREA.

WHEREAS, the City of Osawatomie was incorporated in 1883 and over the course of the last 130 years has evolved into a full-service City serving its residents with water, wastewater, electrical production and distribution, parks, sidewalks, bridges, streets and alleys; and

WHEREAS, the City of Osawatomie as an aging community requires a long-term strategy that allows for the orderly financing and replacement of infrastructure; and

WHEREAS, the City of Osawatomie has an aging downtown that has served as the commercial and social hub of the community for over 150 years; and

WHEREAS, the City of Osawatomie wants to ensure the long-term viability and sustainability of their downtown corridor;

NOW, THEREFORE, be it resolved by the Governing Body of the City of Osawatomie:

Section 1. The Governing Body incorporates the following ten items as our introductory planning framework for the greater downtown area.

1. We should always strive to connect our sidewalks and trails to our National Historic sites that define us as a community.
2. We should always strive to connect all of our schools to the surrounding neighborhoods to reduce cars being used to drop kids off and increase the activity level of our parents and kids by walking to schools.
3. We should always strive to expand and connect our local trail system to county- and state-wide trail systems.
4. We should always strive to create active pedestrian realms and plazas throughout our community from neighborhoods to downtown and on into our parks that are built in a sustainable manner.
5. We should always strive to create softer edges in our downtown by removing unnecessary concrete and concrete fixtures replacing it with natural and greener alternatives.
6. We should always strive to save our historic and landmark downtown structures and rethink their future uses.
7. We should always strive to make it affordable for someone to live in our community by reducing their dependence on an automobile and replace it with pedestrian/bike options.
8. We should always strive to create "Affordable Living Options" by going beyond affordable housing and promoting affordable living opportunities through an enhanced energy code and renewable energy options.
9. We should always strive to engage the public in the mission of our City and follow the Athenian oath "leaving Osawatomie a better place than we found it."
10. We should always strive to respect our past but look to our future for we hold the future in our hands.

Section 2. The Governing Body will continually revisit this planning framework to make sure it remains relevant and necessary for successful downtown development and redevelopment.

PASSED AND APPROVED BY THE GOVERNING BODY OF THE CITY OF OSAWATOMIE on this 25th day of June, 2020.

L. Mark Govea, Mayor

ATTEST:

Tammy Seamands, City Clerk

**City of Osawatomie
Year to Date Fund Report
As of April 30, 2020**

	General (1)	Water	Electric	Sewer	Refuse	Library	Rural Fire
Beginning Cash Balances	372,201.09	264,404.21	542,929.30	141,028.42	1,000.30	103,858.16	(5,299.73)
YTD Revenue	1,045,139.02	332,870.40	1,214,476.35	313,966.92	353.56	13,077.62	-
YTD Expense	866,058.71	307,369.33	1,066,594.52	246,490.79	-	1,447.33	5,641.69
Total Increase/ (Decrease)	179,080.31	25,501.07	147,881.83	67,476.13	353.56	11,630.29	(5,641.69)
Ending Cash Balance	551,281.40	289,905.28	690,811.13	208,504.55	1,353.86	115,488.45	(10,941.42)
Budgeted Expenses	2,775,171.00	1,131,959.00	4,042,279.00	896,898.00	430,000.00	110,500.00	77,067.00
Percent of Budget	31.21%	27.15%	26.39%	27.48%	0.00%	1.31%	7.32%
	Industrial (1)	SP&R	Street Imp	Tourism	Pub Safety (1)	Special 911	Golf
Beginning Cash Balances	62,247.43	41,502.19	204,953.25	58,995.41	57,251.96	9,897.41	6,689.51
YTD Revenue	28,482.17	7,215.15	59,382.23	23,481.98	34,603.55	-	63,031.15
YTD Expense	6,944.29	-	172,071.47	4,148.01	25,589.50	-	71,636.76
Total Increase/ (Decrease)	21,537.88	7,215.15	(112,689.24)	19,333.97	9,014.05	-	(8,605.61)
Ending Cash Balance	83,785.31	48,717.34	92,264.01	78,329.38	66,266.01	9,897.41	(1,916.10)
Budgeted Expenses	58,050.00	54,345.75	268,820.00	78,744.00	148,765.00	-	316,261.01
Percent of Budget	11.96%	0.00%	64.01%	5.27%	17.20%	0.00%	22.65%

City of Osawatomie
Year to Date Balance Sheet
As of March 31, 2020

	CIP-Gen	CIP- Water	CIP-Electric	CIP-Sewer	CIP-Street	CIP-Grants	CIP-Special
Beginning Cash Balances	155,303.47	75,000.00	102,222.68	150,392.00	82,400.50	3,556.79	31,096.32
YTD Revenue	34,250.00	20,000.00	100,016.43	18,750.00	155,000.00	-	120,050.00
YTD Expense	42,864.92	2,372.81	42,475.00	26,023.00	-	-	69,915.88
Total Increase/ (Decrease)	(8,614.92)	17,627.19	57,541.43	(7,273.00)	155,000.00	-	50,134.12
Ending Cash Balance	146,688.55	92,627.19	159,764.11	143,119.00	237,400.50	3,556.79	81,230.44
Budgeted Expenses	140,000.00	70,000.00	85,000.00	2,270,000.00	95,000.00	-	10,000.00
Percent of Budget	30.62%	3.39%	49.97%	1.15%	0.00%	0.00%	699.16%
	EE Benefits (1)	Cafeteria 125	CIP-Tech	Bond & Int (1)	Elec Debt	Court Adasp	Court Bonds
Beginning Cash Balances	252,300.07	89,113.40	35,624.10	180,405.32	149,988.47	7,401.00	18,877.04
YTD Revenue	340,075.89	6,769.20	12,107.70	323,433.93	144,700.00	-	5,842.00
YTD Expense	256,361.47	5,179.64	60,361.69	150,793.00	92,050.00	-	7,190.50
Total Increase/ (Decrease)	83,714.42	1,589.56	(48,253.99)	172,640.93	52,650.00	-	(1,348.50)
Ending Cash Balance	336,014.49	90,702.96	(12,629.89)	353,046.25	202,638.47	7,401.00	17,528.54
Budgeted Expenses	891,920.00	40,000.00	72,038.00	890,451.00	444,100.00	-	26,000.00
Percent of Budget	28.74%	12.95%	83.79%	16.93%	20.73%	0.00%	27.66%

**City of Osawatomie
Year to Date Balance Sheet
As of March 31, 2020**

	Forfeitures	Evidence Liab	Fire Proceeds	CC Clearing	Total
Beginning Cash Balances	13,596.85	12,899.79	0.84	0.01	3,221,837.56
YTD Revenue	-	-	-	6,063.89	4,423,139.14
YTD Expense	-	-	-	-	3,529,580.31
Total Increase/ (Decrease)	-	-	-	6,063.89	893,558.83
Ending Cash Balance	<u>13,596.85</u>	<u>12,899.79</u>	<u>0.84</u>	<u>6,063.90</u>	<u>4,115,396.39</u>
Budgeted Expenses	-	-	-	-	15,423,368.76
Percent of Budget	0.00%	0.00%	0.00%	0.00%	22.88%

(1) Property tax received from Miami County in January and March.