

OSAWATOMIE CITY COUNCIL
AMENDED AGENDA
August 10, 2017
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. August 10th Agenda
 - B. Council Minutes for July 13th, July 20th, and July 27th
 - C. Appropriations Ordinance 2017-07
6. Comments from the Public
 - Citizen participation will be limited to 5 minutes. Stand & be recognized by the Mayor.*
7. Presentations & Proclamations
 - A. Swearing in of Officer Jonathan Sliter
 - B. 2016 Audit – Neil Phillips of Jarred, Gilmore, & Phillips, PA
 - C. Chamber of Commerce Annual Report
8. Public Hearings
9. Unfinished Business
 - A. *Condemnation Extensions***
10. New Business
 - A. *Change Order No. 1 – IES – 9th Street Substation Project***
 - B. Incentive Proposal for Grocery Store
11. Council Report
12. Mayor's Report
13. City Manager & Staff Reports
14. Executive Session
15. Other Discussion/Motions
16. Adjourn

NEXT REGULAR MEETING – August 24, 2017

Osawatomie, Kansas. **July 13, 2017.** The Council Meeting was held in Memorial Hall. Mayor Mark Govea called the meeting to order at 6:30 p.m. Council members present were Dickinson, Hampson, Hunter, LaDuex, Maichel, Wright and Walmann. Absent was Macek. Also present was City Clerk Tammy Seamands, City Manager Don Cawby and City Attorney Dick Wetzler. Members of the public were: Chief of Police David Ellis, Jennifer McDaniel and Charity Keitel with Miami County Republic.

INVOCATION. John Wastlund with Wesleyan Church

CONSENT AGENDA. Approval of July 13th Agenda, Minutes for June 8th and June 29th and Appropriation Ordinance 2017-06. **Motion** made by Hunter, seconded by LaDuex to Approve the Consent Agenda as presented with a change to the June 8th minutes on a spelling correction and changing Life Scout Project to Eagle Scout Project on the June 29th minutes. Yeas: All.

COMMENTS FROM THE PUBLIC. None

PRESENTATIONS. None.

PUBLIC HEARINGS. None.

UNFINISHED BUSINESS.

A. PLANNING COMMISSION RECOMMENDATIONS – RV PARK

- I. TEXT AMENDMENTS – ORDINANCE. City Manager Cawby read the travel trailer or recreation vehicle definition text amendment change. **Motion** made by LaDuex, seconded by Hampson to Approve the Text Amendments and the Ordinance presented. Yeas: All.
- II. REZONING – ORDINANCE. **Motion** made by Maichel, seconded by Hunter to Approve the Rezoning Ordinance. Yeas: All.
- III. CONDITIONAL APPROVAL OF SPECIAL USE PERMIT. **Motion** made by Hampson, seconded by Maichel to Grant Conditional Approval of the Special Use Permit. Yeas: All.

NEW BUSINESS.

KCPL ELECTRIC INTERCONNECTION AND DELIVERY SERVICE AGREEMENT. Cawby explained we have had an agreement with them for years and it has never been updated, so the agreement was renewed and reviewed to update. **Motion** made by LaDuex, seconded by Hunter to Approve the Interconnection and Delivery Service Agreement as presented. Yeas: All.

SPORTS COMPLEX PURCHASE OPTION. Cawby explains that the lease agreement gives the school the right to purchase the property after two years of the agreement and the school board is interested in purchasing. No action taken.

COUNCIL REPORTS.

Tamara Maichel ~ Good to be alive.

Nick Hampson ~ Would like Don to discuss the substation in his report.

Jeff Walmann ~ Has spoken with our Chief of Police regarding carbon monoxide exposure to officers. He had seen on the news that there have been over 50 cases of this. So he has asked for him to check into this.

MAYOR'S REPORT. Reminder that City Hall will closed July 14th and that city email will be down as well.

CITY MANAGER'S & STAFF REPORTS.

Chief of Police, Dave Ellis, presented his report to the council.

Having a problem getting the 9th Street substation going, due to the dirt contractor.

Update on the Main Street project ~ everything has been turned into the Department of Commerce and we are waiting on acceptance of the environmental submission.

EXECUTIVE SESSION. None.

OTHER DISCUSSION/MOTIONS.

Motion made by LaDuex, seconded by Hampson to adjourn. Yeas: All. Mayor declared the meeting adjourned at 7:05 p.m.

/s/ Ashley Kobe
Ashley Kobe, Deputy City Clerk

Osawatomie, Kansas. June 13, 2017. A Budget Work session was conducted on the adjournment of the Council Meeting. In attendance were Mayor Govea and Councilmembers that were at the 6:30 p.m. meeting. Also present were City Manager Don Cawby, City Clerk Tammy Seamands, City Attorney Dick Wetzler, Jennifer McDaniel and Charity Keitel with Miami County Republic.

/s/ Ashley Kobe
Ashley Kobe, Deputy City Clerk

Osawatomie, Kansas. **July 20, 2017.** A Special Council Meeting was held at Memorial Hall at 6:30 p.m. for the purposes of conducting a Budget Worksession.

In attendance were Mayor Govea and Councilmembers Dickinson, Hampson (6:33), Hunter, LaDuex, Macek (6:59), Maichel, Walmann and Wright (7:17). Also present were City Manager Don Cawby, City Clerk Tammy Seamands and Management Analyst Kyle Glaser.

/s/ Ashley Kobe

Ashley Kobe, Deputy City Clerk

DRAFT

Osawatomie, Kansas. **July 27, 2017.** The Council Meeting was held in Memorial Hall. Mayor Mark Govea called the meeting to order at 6:30 p.m. Council members present were Dickinson, Hunter, LaDuex, Maichel, Macek and Wright. Absent were Hampson and Walmann. City staff present were City Clerk Tammy Seamands, City Manager Don Cawby, City Attorney Dick Wetzler, Management Analyst Kyle Glaser, and Media Coordinator Jennifer McDaniel. Members of the public were: Sharon Pride, Tim Lewallen, and Hailey Dixon with Miami County Republic.

INVOCATION. Tim Lewallen with Victory Baptist Church

CONSENT AGENDA. Approval of July 27th Agenda. **Motion** made by Hunter, seconded by LaDuex to Approve the Consent Agenda as presented. Yeas: All.

COMMENTS FROM THE PUBLIC.

Tim Lewallen, Victory Baptist Church, shared that they have had good success with vacation bible school and will be having a back to school bash coming up. Continue to reach out and show that we are here.

Sharon Pride, 111 Parker Ave., called to schedule a bulky item pick up with the trash company. Was told to have it set out on a certain day and it was not picked up at that time. Called the trash company back and said they would pick it up on the 9th. She then called the utility department to verify that this would be ok. Felt she was talked down to during the phone call and was transferred to the nuisance department due to the bulk item being out for a longer than it should be. *Cawby said that we would collect the ticket numbers that waste management provided her and that she could leave it out until it was picked up.*

PRESENTATIONS. None.

PUBLIC HEARINGS. None.

NEW BUSINESS.

ORDINANCE – 2017 STANDARD TRAFFIC ORDINANCE (STO). **Motion** made by LaDuex, seconded by Maichel to Approve the 2017 Standard Traffic Ordinance. Yeas: All.

ORDINANCE – 2017 UNIFORM PUBLIC OFFENSE CODE (STO). **Motion** made by LaDuex, seconded by Dickinson to Approve the 2017 Uniform Public Offense Code. Yeas: All.

CITY MANAGER’S RECOMMENDED 2018 BUDGET. City Manager, Don Cawby, provided drafts and summaries to the Council to go over the 2018 Budget. Once the budget is published, we cannot increase the mill levy. **Motion** made by Maichel, seconded by LaDuex to Set the Budget Hearing for August 24th, 2017. Yeas: All.

COUNCIL REPORTS.

Ted Hunter ~ Went to the Farmers Market, seems to be pretty consistent every week. Shows that the community is coming together, there were about 6 booths today.

Lawrence Dickinson ~ Has been checking our river level and it is not showing anything, wonders if the gauge is broken.

MAYOR’S REPORT. None.

CITY MANAGER’S & STAFF REPORTS.

Mentioned that the 2nd quarter department reports are in the packet.

EXECUTIVE SESSION. **Motion** made by Maichel, seconded by LaDuex to go into executive session for Confidential Information of a Business to include City Manager Cawby and City Attorney Dick Wetzler for 10 minutes to come back at 7:45p.m. No Action Taken

OTHER DISCUSSION/MOTIONS.

Motion made by Maichel, seconded by LaDuex to adjourn. Yeas: All. Mayor declared the meeting adjourned at 7:47 p.m.

/s/ Ashley Kobe

Ashley Kobe, Deputy City Clerk

RECORD OF ORDINANCES

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ORDINANCE NO. 2017-07

AN ORDINANCE MAKING APPROPRIATION FOR THE PAYMENT OF CERTAIN CLAIMS.

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

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

Claimant	Nature of Claim or Service	Claim Number	Amount
KMEA	GRDA ELECTRICITY	1896	102,021.42
KMEA	SPA ELECTRICITY	1897	4,221.85
KMEA	WAPA ELECTRICITY	1898	9,586.21
CITY OF OSAWATOMIE	PETTY CASH REIMBURSEMENT	1899	5,886.90
DEPARTMENT OF THE TREASURY	FEDERAL EXCISE TAX	1900	122.04
KMEA	EMP ELECTRICITY	1901	38,732.00
WEX BANK	FUEL	1902	4,060.67
KANSAS DEPT OF REVENUE	SALES TAX	1903	1,051.42
KANSAS DEPT OF REVENUE	SALES TAX	1904	168.66
KANSAS DEPT OF REVENUE	SALES TAX	1905	10,128.09
KANSAS DEPT OF REVENUE	COMPENSATING USE TAX	1906	472.32
CENTURYLINK	SERVICES	49910	759.38
RESERVE ACCOUNT	POSTAGE	49911	1,200.00
KS STATEBANK	BOBCAT E35 EXCAVATOR LEASE	49912	7,000.00
VISA	REISSUE CHECK	49913	-
VISA	REISSUE CHECK	49914	-
VISA	REISSUE CHECK	49915	-
VISA	REISSUE CHECK	49916	-
JARED DECK	PERFORMANCE-JAMBOREE	49917	750.00
CRAWFORD SALES COMPANY	BUDWEISER	49918	465.00
AERIAL FX, INC.	FIREWORKS	49919	19.25
ANIXTER, INC.	PIN, CLAMPS	49920	768.22
APPLIED MAINTENANCE SUPPLIES	NITRILE GLOVES	49921	21.35
AT&T	RTU'S	49922	222.67
AUTEN PHARMACY	STING-KILL SWABS	49923	9.98
BAKER & TAYLOR	BOOKS	49924	314.44
Void		49925	-
BRANDY COMMUNICATIONS KOFO-AM	RADIO ADVERTISEMENT	49926	400.00
BREWER'S AUTOMOTIVE REPAIR INC	TRUCK REPAIR	49927	313.26
C & G MERCHANTS SUPPLY	TOWELS	49928	72.72
CITY OF OSAWATOMIE	UTILITIES	49929	8,555.74
DEFFENBAUGH INDUSTRIES	SLUDGE HAULOFF	49930	2,947.51
DELTA DENTAL OF KANSAS, INC.	DENTAL INSURANCE	49931	3,249.89
DIRECTOR OF ACCOUNTS AND REPOR	2016 AUDIT FILING FEE	49932	150.00
DISH NETWORK	SERVICE	49933	109.02
DONNA & VIOLA'S SHIRTS & ETC.	SHIRTS	49934	108.00
ECOLAB	LIMEAWAY	49935	172.89
EVANGELINE SPECIALTIES, INC.	STREET SIGNS	49936	3,924.55
EVCO WHOLESALE FOOD CORP.	GATORADE, STRAWS, CUPS, HOTDOG	49937	454.19
FAMILY CENTER FARM & HOME	PILOT DRILL, SAW SHARK	49938	432.19
FARWEST LINE SPECIALTIES	ARC RATED LEATHER UTILITY PLUS	49939	415.00
FIRST OPTION BANK	SODA, FRIES, BREAD, PORK	49940	694.77
FIRST OPTION BANK	MEMBERSHIP, CHARCOAL, GATORADE	49941	266.17
FIRST OPTION BANK	LODGING, POSTAGE, CABLES	49942	1,720.64
FIRST OPTION BANK	LANTERNS, DVD'S, CANDY, CHIPS	49943	824.57
FIRST OPTION BANK	HOSE, MICROWAVE, MEASURE TAPE	49944	196.38
GERKEN RENT-ALL, INC.	TOWABLE BOOM LIFT	49945	220.05
W.W. GRAINGER INC	SOLENOID VALVE, QUICK EXHAUST	49946	1,544.65
HALL'S BOBCAT SERVICE	DIRT	49947	25.00

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Claimant	Nature of Claim or Service	Claim Number	Amount
HANES FLORIST & GREENHOUSE	FLOWERS, BALLOONS	49948	386.05
HAWKINS, INC.	AQUAHAWK, AZONE	49949	3,613.62
HD SUPPLY WATERWORKS, LTD	ACC KIT-STEEL, FLG 90 BEND C/L	49950	2,228.46
JEO CONSULTING GROUP, INC.	CONSULTING SERVICES	49951	9,934.00
JIVE COMMUNICATIONS, INC.	SERVICE	49952	914.85
KANSAS CITY WILBERT	GRAVE OPENINGS: DENNIS REED	49953	2,420.00
KANSAS DEPT OF COMMERCE	JTC OIL LEASE- JULY 2017	49954	1,000.00
KANSAS MUNICIPAL UTILITIES INC	3RD QTR DUES	49955	2,528.00
KANSAS ONE CALL SYSTEM, INC	LOCATES	49956	42.00
KC BOBCAT	GLASS DOOR, DOOR SEAL	49957	257.18
KC GOLF CART COMPANY LLC	CARBURATOR, SPARK PLUG, BELT	49958	917.99
KILLOUGH CONSTRUCTION, INC	ASPHALT	49959	586.50
KINCAID READY MIX	CONCRETE	49960	542.50
KRIZ-DAVIS COMPANY	WIRE	49961	104.93
L & K SERVICES, INC.	REFUSE	49962	33,311.99
LYBARGER OIL, INC.	DYED DIESEL	49963	2,192.73
MC CONNELL MACHINERY CO. INC.	BELT, SPINDLE, IDLER, KEY	49964	377.74
MID STATES ENERGY WORKS, INC	COIL INSTALLATION ON BREAKER	49965	1,230.90
MIDWAY FORD TRUCK CENTER, INC.	F650 SUPER DUTY REPAIRS	49966	405.60
MIDWEST SYSTEMS, INC.	MAGNET KIT	49967	710.00
MIDWEST TURF, INC.	SOLAR PROTECTANT	49968	530.00
MOON'S HOMETOWN MARKET	WATER, SODA, RED BULL, FRUIT	49969	93.46
NAPA AUTO PARTS	OIL FILTER	49970	511.08
NPG NEWSPAPERS, INC.	ADVERTISING-JAMBOREE	49971	95.00
O'DONNELL & SONS CONSTRUCTION	ASPHALT	49972	357.28
OSAWATOMIE GOLF ASSOCIATION	MEMBERSHIP	49973	1,710.00
OSAWATOMIE PET CLINIC	BOARDING, EXAMINATION	49974	484.00
PACE ANALYTICAL SERVICES, INC.	ANALYTICAL CHARGES	49975	78.00
Void		49976	-
PALACE HARDWARE	DEADBOLT COMBO	49977	1,370.64
PAOLA CARPET & FLOORING	CARPET	49978	999.42
PAOLA DO IT BEST HARDWARE	ROLLER FRAME, ROLLER COVER	49979	14.96
PROTECTIVE EQUIP. TESTING LAB.	RUBBER GLOVES TEST	49980	323.06
QUALITY TREE SERVICE	TREE TRIM	49981	3,000.00
QUILL CORPORATION	NOTEPAD, BATTERIES	49982	281.90
R & R EQUIPMENT	SWITCH, GASKET	49983	57.70
RAY'S LAWN & GARDEN	BAR, CHAIN	49984	72.30
RICOH AMERICAS CORP.	COPIER LEASE	49985	280.78
RMI GOLF CARTS	REINFORCED HOLDER	49986	3.04
RURAL WATER DIST. #1	SERVICES	49987	158.07
SCARECROW FARM LAWN CARE	LAWNCARE	49988	1,279.00
SCOTT A. MICHIE PLANNING SERV	CONSULTING SERVICES	49989	450.16
SITE ONE LANDSCAPE SUPPLY	T-NEX PGR	49990	417.93
SMITTYS LAWN & GARDEN EQUIP	CAP, BREATHER	49991	24.66
SUDDENLINK COMMUNICATIONS	INTERNET	49992	255.36
T2 HOLDINGS, LLC	SHREDDING	49993	60.00
TOTAL ELECTRIC CONTRACTORS, IN	COUNT DOWN LED	49994	284.17
USA BLUE BOOK	CHLORINE, SOCKET FLANGE	49995	240.33
USD #367	TRANSPORTATION SERVICES	49996	233.75
USD 367 SPORT & FITNESS ZONE	MEMBERSHIP	49997	80.00
VAN WALL EQUIPMENT	STATIONARY, SCREW	49998	194.41
VIKING INDUSTRIAL SUPPLY	PAPER PRODUCTS	49999	304.19
WADE QUARRIES	GRAVEL	50000	2,370.14

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Claimant	Nature of Claim or Service	Claim Number	Amount
SUDDENLINK COMMUNICATIONS	INTERNET	50001	342.96
KANSAS CITY POWER & LIGHT CO.	SERVICE	50002	2,787.81
KANSAS GAS SERVICE	SERVICES	50003	412.74
CRAWFORD SALES COMPANY	BUDWEISER	50004	351.80
MIDWEST DISTRIBUTORS	MILLER	50005	210.50
AES LAWN PARTS	AIR FILTER	50032	6.16
AMERICAN SAFETY UTILITY COR	IMPACT WRENCH, SLINGS, STAPLES	50033	222.23
ANIXTER, INC.	CLAMP PARALLEL GROOVE	50034	1,386.30
APPLIED MAINTENANCE SUPPLIES	BOLT REMOVER SET, WIRE BRUSH	50035	159.09
BELSON OUTDOORS, LLC	PICNIC TABLES	50036	1,829.80
BENTLEY SYSTEMS, INC.	OPENROADS DESIGNER SUBSCRIPTIO	50037	2,158.00
BMI	EVENT LICENSE	50038	342.00
BOWES AUTOMOTIVE PRODUCTS	TIRE PLUGS, PATCHES, OIL FILTE	50039	65.20
BREWER'S AUTOMOTIVE REPAIR INC	2004 MARQUIS FRON TIRES BALANC	50040	502.91
C & G MERCHANTS SUPPLY	CHIPS, TOWELS	50041	68.67
CENTURYLINK	LONG DISTANCE	50042	50.94
CENTURYLINK	RTU'S	50043	526.56
CITY OF OSAWATOMIE	FOOD FOR FIREWORK CREW	50044	42.25
DEFFENBAUGH INDUSTRIES	SLUDGE HAUL OFF	50045	1,083.81
DOUG JENKINS CONSTRUCTION	A/C INSTALLATION, DOORS	50046	600.00
EMG, INC.	ENERGY CONSULTING	50047	3,973.86
EXTREME COLLISION & CUSTOM	F350 FENDER REPAIR & REFINISH	50048	375.00
Void		50049	-
GALLAGHER BENEFIT SERVICES INC	ADMINISTRATION FEE	50050	424.25
GOWING'S CONSTRUCTION	DIRT HAULOFF	50051	8,000.00
JENNIFER HAEFELE	CONTRACTUAL FOR LIBRARY	50052	600.00
HAWKINS, INC.	PUMP, PUMP HEAD, PUMP TUBE	50053	1,958.67
HOLLIDAY SAND & GRAVEL CO.	BRICK SAND	50054	405.56
JEO CONSULTING GROUP, INC.	CONSULTING SERVICES	50055	6,558.75
JUNIPER SYSTEMS	SUB-METER RECEIVER, MESA2	50056	4,901.64
KANSAS DEPT OF HEALTH & ENVIRO	ANALYTICAL SERVICES	50057	1,648.00
KANSAS DEPT OF REVENUE	WATER PROTECTION & CLEAN WATER	50058	2,809.47
KANSAS GAS SERVICE	REISSUE CHECK	50059	-
KINCAID READY MIX	CONCRETE	50060	180.00
KRIZ-DAVIS COMPANY	LIGHTBULBS	50061	264.36
LEAGUE OF KS MUNICIPALITIES	STO & UPOC BOOKS	50062	540.31
LYBARGER OIL, INC.	TANK LEASE	50063	40.00
MADDEN RENTAL	PORTABLE TOILET RENTALS	50064	2,035.00
MARTIN, PRINGLE, OLIVER,	CITY PROSECUTOR	50065	4,423.49
MC CONNELL MACHINERY CO. INC.	PIN, O-RING	50066	15.14
JENNIFER MCDANIEL	COMMUNICATION SERVICES	50067	1,200.00
MIAMI LUMBER INC.	LUMBER	50068	22.35
MOON'S HOMETOWN MARKET	RIB MEAT	50069	89.94
NAPA AUTO PARTS	HYDRAULIC FILTER	50070	423.17
NAVRAT'S OFFICE PRODUCTS, INC.	COPY PAPER	50071	425.00
NEENAH FOUNDRY COMPANY	SCUPPER, GRATE	50072	726.70
OLATHE WINWATER WORKS	PIPE	50073	284.00
PACE ANALYTICAL SERVICES, INC.	ANALYTICAL CHARGES	50074	594.00
PEPSI	SODA, GATORADE	50075	384.63
PROTECTIVE EQUIP. TESTING LAB.	GLOVE TESTING	50076	339.58
QUILL CORPORATION	COPY PAPER, FOLDER, INK, TOWEL	50077	311.42
R & J TRUCKING	ROCK	50078	9,050.00
REINDERS, INC.	IRON, MAN GANESE MICROS	50079	553.74
RICOH AMERICAS CORP.	COPIER LEASE	50080	311.30
RICOH AMERICAS CORP.	COPIES	50081	153.16

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Claimant	Nature of Claim or Service	Claim Number	Amount
SITE ONE LANDSCAPE SUPPLY	LESCO TABLETS	50082	217.68
SUPERIOR VISION SERVICES, INC.	VISION INSURANCE	50083	1,900.24
DEBBIE TALLEY	MEMORIAL HALL JANITORIAL	50084	375.00
TRI-COUNTY ICE CO, INC.	TOKENS	50085	200.00
UPS STORE	WATER SAMPLE	50086	9.60
VAN WALL EQUIPMENT	O-RING, GASKET	50087	4.88
VERIZON WIRELESS	INTERNET	50088	80.02
VIKING INDUSTRIAL SUPPLY	PAPER PRODUCTS	50089	299.79
WAL-MART COMMUNITY BRC	WIPES	50090	944.90
WYCOFF'S LOCKSMITHING	LOCKSET	50091	33.80
ZEP SALES & SERVICE	CHERRY BOMB	50092	110.99
Payroll 07/07/17			102,229.48
Fica 07/07/17			7,246.81
Payroll 07/21/17			108,843.44
Fica 07/21/17			7,752.74
KPERS			15,424.32
			607,944.80
		GO	181,855.24
		WTR	38,961.15
		EL	230,014.72
		Emp Ben	27,742.73
		Refuse	33,311.99
		LIB	1,510.57
		IND	1,000.00
		SP&R	1,854.80
		ST Imp	3,168.37
		SEW	19,467.05
		GOLF	29,081.02
		TRSM	5,888.12
		EL Bond	33,542.75
		CAF	546.29
			607,944.80



OATH OF OFFICE
(Authorized by K.S.A. 75-4308)

STATE OF KANSAS }
MIAMI COUNTY } S.S.

I, **Jonathan Sliter**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Kansas and faithfully discharge the duties of **Public Safety Officer**.

Jonathan Sliter

Subscribed and sworn to before me this 10th day of August, 2017.

Tammy Seamands, City Clerk

(SEAL)

CITY OF OSAWATOMIE, KANSAS

Independent Auditors' Report and
Financial Statement with
Supplementary Information

For the Year Ended December 31, 2016

CITY OF OSAWATOMIE, KANSAS

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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, 2016 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, 2016, 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, 2016, 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.

The 2015 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement upon which we rendered an unmodified opinion dated June 15, 2016. The 2015 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>. Such 2015 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 2015 basic financial statement. The 2015 comparative information was subjected to the auditing procedures applied in the audit of the 2015 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 2015 basic financial statement or to the 2015 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 2015 comparative information is fairly stated in all material respects in relation to the 2015 basic financial statement as a whole, on the basis of accounting described in Note 1.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

July 7, 2017
Chanute, Kansas

CITY OF OSAWATOMIE, KANSAS

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2016

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Encumbrances and Accounts Payable	Cash Balance December 31, 2016
General Fund	\$ 422,151.52	\$ 2,399,961.52	\$ 2,394,551.97	\$ 427,561.07	\$ 87,242.53	\$ 514,803.60
Special Purpose Funds:						
Industrial	60,641.06	26,260.00	15,988.32	70,912.74	-	70,912.74
Library	106,246.95	15,425.37	13,341.96	108,330.36	3,292.46	111,622.82
Recreation	-	223.85	223.85	-	-	-
Recreation Employee Benefits	-	28.04	28.04	-	-	-
Employee Benefits	69,806.10	752,634.59	738,842.38	83,598.31	392.65	83,990.96
Special Parks and Recreation	94,867.01	38,231.94	33,015.24	100,083.71	-	100,083.71
Tourism	39,737.00	59,475.73	62,751.11	36,461.62	3,263.13	39,724.75
911	9,897.41	-	-	9,897.41	-	9,897.41
Street Improvement	111,836.75	173,786.23	137,439.36	148,183.62	4,888.25	153,071.87
Golf Course	5,600.86	293,327.07	297,528.58	1,399.35	4,031.45	5,430.80
Capital Improvements General	41,003.09	140,011.39	42,475.92	138,538.56	-	138,538.56
Capital Improvements Sewer	(368.00)	4,368.00	-	4,000.00	-	4,000.00
Capital Improvements Water	569,576.78	-	569,576.78	-	-	-
Capital Improvements Street	913,026.66	662,219.36	1,458,652.04	116,593.98	-	116,593.98
Capital Improvements Grant	121,346.09	377,694.00	424,897.96	74,142.13	21,918.23	96,060.36
Public Safety Equipment	3,673.08	153,545.68	142,135.65	15,083.11	-	15,083.11
Capital Project Funds:						
Electric Generation Bond Account	3,858,290.35	98,063.25	926,512.49	3,029,841.11	77,365.80	3,107,206.91
Bond and Interest Fund:						
General Obligation Bond and Interest	156,240.81	8,851,658.16	8,805,357.37	202,541.60	-	202,541.60
Business Funds:						
Electric Utility	492,982.49	3,677,452.87	3,765,546.93	404,888.43	226,834.50	631,722.93
Electric Utility Debt Service	95,763.45	339,393.96	287,291.60	147,865.81	-	147,865.81
Water Utility	179,812.64	870,627.93	807,251.45	243,189.12	34,371.03	277,560.15
Refuse Utility	4,941.92	403,818.76	401,001.08	7,759.60	34,643.61	42,403.21
Sewer Utility	245,326.31	854,173.69	946,247.22	153,252.78	11,348.19	164,600.97
Total Reporting Entity (Excluding Agency Funds)	\$ 7,602,400.33	\$ 20,192,381.39	\$ 22,270,657.30	\$ 5,524,124.42	\$ 509,591.83	\$ 6,033,716.25

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, 2016

Total Cash to be accounted for:	\$	6,033,716.25
Composition of Cash:		
Cash on Hand	\$	800.00
Checking Accounts:		
Operating Account		551,229.97
Cash Flow Account		1,835,336.15
Petty Cash		2,000.00
Grant Account.....		74,142.13
Street & Sewer Project.....		120,593.98
ADSAP		7,401.00
Municipal Court		13,269.54
Police Forfeitures.....		978.42
PayPal Donations Account.....		0.01
Cafeteria 125 Checking.....		43,826.84
USDA Loan Checking.....		-
Investments:		
Kansas Municipal Investment Pool.....		3,029,838.11
Certificates of Deposit		432,676.54
		6,112,092.69
Total Reporting Entity		6,112,092.69
Agency Funds Per Schedule 3		(78,376.44)
		6,033,716.25
Total Reporting Entity (Excluding Agency Funds)	\$	6,033,716.25

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

CITY OF OSAWATOMIE, KANSAS

Notes to the Financial Statement
December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of the City of Osawatome, 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 Osawatome, Kansas (the City) is a municipal corporation governed by an elected eight-member council. These financial statements present the City of Osawatome, 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 Osawatome Housing Authority – The Osawatome Housing Authority operates the City's housing projects. The Osawatome Housing Authority can sue and be sued, and can buy, sell, or lease real property. Bond ordinances must be approved by the City. The Osawatome 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 Osawatome Housing Authority. The Osawatome 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 Osawatome, Kansas, for the year of 2015:

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, 2016 the City amended the Golf Course Fund, Public Safety Equipment Fund, and the Electric Debt Service 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, trust funds, and the following special purpose funds:

- Capital Improvements General Fund
- Capital Improvements Sewer Fund
- Capital Improvements Water Fund
- Capital Improvements Street Fund
- Capital Improvements Grant Fund

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 compliance with Kansas cash laws at December 31, 2016. As shown in Schedule 1, the City was in compliance with the budget laws of Kansas.

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.	\$ 109,766.67	\$ 147,865.81

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

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, 2016, the City had net revenues available for debt service of \$1,197,311.96. 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, 2016, 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	\$3,029,838.11	\$ 3,029,838.11	\$ - -	S&P AAf/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, 2016, 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, 2016.

3. DEPOSITS AND INVESTMENTS (Continued)

Deposits: At year-end, the City's carrying amount of deposits was \$3,081,454.58 and the bank balance was \$3,010,414.39. 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 \$2,510,414.39 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, 2016, the City has invested \$3,029,838.11 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, 2016, 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 2008B - Streets	4.1-5.5%	10/15/2008	\$ 2,435,000.00	9/1/2028	\$ 1,965,000.00	-	\$ (1,965,000.00)	\$ -	\$ 155,681.95
Series 2015 - Temporary	1.15%	5/28/2015	2,830,000.00	6/1/2016	2,830,000.00	-	(2,830,000.00)	-	32,816.21
Paid by Tax Levies and Utility Receipts:									
Series 2016A - Refunding	2.00-4.00%	5/19/2016	8,145,000.00	9/1/2045	-	8,145,000.00	-	8,145,000.00	-
Paid by Utility Receipts:									
Series 2008A - Sewer	4.50%	10/28/2008	3,550,000.00	10/28/2048	3,289,000.00	-	(3,289,000.00)	-	87,589.07
Series 2012A - Refunding	2.00-4.70%	5/1/2012	2,810,000.00	9/1/2027	1,625,000.00	-	(355,000.00)	1,270,000.00	35,500.00
Revenue Bonds									
Paid by Utility Receipts:									
Series 2015 - Electric	3.50%	12/14/2015	6,095,000.00	9/1/2035	6,095,000.00	-	(135,000.00)	5,960,000.00	152,290.35
State Revolving Loans									
KDHE No. 1961-01									
Capital Leases									
Golf Course Irrigation	3.25%	11/26/2006	195,525.75	10/1/2021	92,812.31	-	(14,225.87)	78,586.44	3,064.45
Street Sweeper	3.10%	12/23/2013	95,250.00	12/1/2017	49,017.65	-	(24,123.77)	24,893.88	1,356.23
Case Tractor & Bush Hog	2.50%	7/6/2015	76,261.00	7/6/2023	76,261.00	-	(8,725.21)	67,535.79	1,911.75
Total Contractual Indebtedness					\$ 17,285,910.31	\$ 8,145,000.00	\$ (8,625,338.72)	\$ 16,805,571.59	\$ 505,946.14

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:

Principal Issue	2017	2018	2019	2020	2021	2022-2026	2027-2031	2032-2036	2037-2041	2042-2045	Less Proceeds Not Drawn Down	Total
General Obligation Bonds												
Paid by Tax Levies and Utility Receipts:												
Series 2016A	\$ 200,000.00	\$ 290,000.00	\$ 350,000.00	\$ 360,000.00	\$ 370,000.00	\$ 2,010,000.00	\$ 1,710,000.00	\$ 1,545,000.00	\$ 675,000.00	\$ 635,000.00	\$ -	\$ 8,145,000.00
Paid by Utility Receipts:												
Series 2012A	260,000.00	270,000.00	230,000.00	90,000.00	95,000.00	280,000.00	45,000.00	-	-	-	-	1,270,000.00
Revenue Bonds												
Series 2015	225,000.00	235,000.00	240,000.00	250,000.00	260,000.00	1,445,000.00	1,710,000.00	1,595,000.00	-	-	-	5,960,000.00
State Revolving Loans												
KDHE No. 1961-01	4,174.53	54,647.25	56,204.71	57,806.56	101,905.71	554,784.86	436,775.14	-	-	-	(6,743.28)	1,259,555.48
Capital Leases												
Golf Course Irrigation	14,703.01	15,187.49	15,687.94	16,201.91	16,806.09	-	-	-	-	-	-	78,586.44
Street Sweeper	24,893.88	-	-	-	-	-	-	-	-	-	-	24,893.88
Case Tractor & Bush Hog	8,948.57	9,172.28	9,401.59	9,633.89	9,877.47	20,501.99	-	-	-	-	-	67,535.79
Total Principal Payments	737,719.99	874,007.02	901,294.24	783,642.36	853,589.27	4,310,286.85	3,901,775.14	3,140,000.00	675,000.00	635,000.00	(6,743.28)	16,805,571.59
Interest												
Paid by Tax Levies and Utility Receipts:												
Series 2016A	310,669.33	238,080.00	232,280.00	225,280.00	218,080.00	937,160.00	634,600.00	405,550.00	210,000.00	64,800.00	-	3,476,499.33
Paid by Utility Receipts:												
Series 2012A	28,400.00	23,200.00	17,800.00	13,200.00	11,175.00	27,187.50	1,350.00	-	-	-	-	122,312.50
Revenue Bonds												
Series 2015	208,600.00	200,725.00	192,500.00	184,100.00	175,350.00	663,000.00	462,700.00	116,804.00	-	-	-	2,203,779.00
State Revolving Loans												
KDHE No. 1961-01	35,825.47	35,352.75	33,795.29	32,193.44	30,247.71	105,982.24	25,106.48	-	-	-	-	298,503.38
Capital Leases												
Golf Course Irrigation	2,587.31	2,102.83	1,602.38	1,088.41	484.23	-	-	-	-	-	-	7,865.16
Street Sweeper	586.12	-	-	-	-	-	-	-	-	-	-	586.12
Case Tractor & Bush Hog	1,688.39	1,464.68	1,235.37	1,003.07	759.49	771.99	-	-	-	-	-	6,922.99
Total Interest Payments	588,356.62	500,925.26	479,213.04	456,864.92	436,096.43	1,734,101.73	1,123,756.48	522,354.00	210,000.00	64,800.00	-	6,116,468.48
Total Principal and Interest	\$ 1,326,076.61	\$ 1,374,932.28	\$ 1,380,507.28	\$ 1,240,507.28	\$ 1,289,685.70	\$ 6,044,388.58	\$ 5,025,531.62	\$ 3,662,354.00	\$ 885,000.00	\$ 699,800.00	\$ (6,743.28)	\$ 22,922,040.07

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>
2017	\$ 17,290.32
2018	17,290.32
2019	17,290.32
2020	17,290.32
2021	<u>17,290.32</u>
	86,451.60
Less imputed interest	<u>(7,865.16)</u>
Net Present Value of Minimum	
Lease Payments	78,586.44
Less: Current Maturities	<u>(14,703.01)</u>
Long-Term Capital Lease Obligations	<u>\$ 63,883.43</u>

The City has entered into a capital lease agreement in order to finance the acquisition of a street sweeper. Payments are made semi-annually, including interest at approximately 3.10%. Final maturity of the lease is December 1, 2017. Future minimum lease payments are as follows:

<u>Year Ended December 31</u>	<u>Totals</u>
2017	\$ 25,480.00
Less imputed interest	<u>(586.12)</u>
Net Present Value of Minimum	
Lease Payments	24,893.88
Less: Current Maturities	<u>(24,893.88)</u>
Long-Term Capital Lease Obligations	<u>\$ 0.00</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>
2017	\$ 10,636.96
2018	10,636.96
2019	10,636.96
2020	10,636.96
2021	10,636.96
2022-2023	<u>21,273.98</u>
	74,458.78
Less imputed interest	<u>(6,922.99)</u>
Net Present Value of Minimum	
Lease Payments	67,535.79
Less: Current Maturities	<u>(8,948.57)</u>
Long-Term Capital Lease Obligations	<u>\$ 58,587.22</u>

6. OPERATING LEASES

As of December 31, 2016 the City has entered into a number of operating leases for equipment. Rent expense for the year ended December 31, 2016, was \$19,995.74. Under the current lease agreements, the future minimum rental payments are as follows:

2017	\$ 4,531.80
2018	4,531.80
2019	2,566.34
2020	1,162.44
2021	1,715.44

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, 2016. Effective January 1, 2016, 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 through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 9.18% for the fiscal year ended December 31, 2016. Contributions to the pension plan from the City were \$205,638.50 for the year ended December 31, 2016

Net Pension Liability

At December 31, 2016, The City's proportionate share of the collective net pension liability reported by KPERS was \$2,041,213.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. 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.

7. DEFINED BENEFIT PENSION PLAN (Continued)

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 12/31/16</u>	<u>ESTIMATED COMPLETION</u>
Electric Generation Project	\$ 5,942,990.00	\$ 3,062,258.69	2018

9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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.

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

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 \$151,765.44 and compensatory time was \$23,842.20. In accordance with the above criteria, the City has not recorded a liability for sick pay, inasmuch as the amount cannot be reasonably estimated.

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.

Early Retirement Incentive:

The City offered an early retirement incentive program to certain eligible employees. The early retirement incentive was offered in 2011 and accepted in 2012 to reduce expenditures for 2012 and 2013. The original goal for the program was three retirees, reducing expenditures by an estimated \$100,000 for 2012 and \$200,000 for 2013. The incentive was offered to all retirement eligible employees for a limited period in late 2011. As of December 31, 2012, only two employees accepted the incentive and both were altered slightly from the original offer to match individual circumstances. One position was provided 3 years of single health insurance provided with 100% of the premium covered by the City. Another position covered the employee and spouse at 70%, with some provisions for coverage of the spouse until age 65. Amounts paid on behalf of employees for the year ended December 31, 2016 was \$5,326.14, with no future obligations.

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 2016, sales to Miami County Rural Water District No. 1 accounted for 9.02% of the water sold and sales to Miami County Rural Water District No. 3 accounted for 32.08% 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	\$ 347,819.00
Sewer Utility	General	K.S.A. 12-825d	133,254.00
Water Utility	General	K.S.A. 12-825d	134,254.00
Recreation	Special Parks and Recreation	K.S.A. 79-2958	223.85
Recreation Employee			
Employee Benefits	Employee Benefits	K.S.A. 12-16,102	28.04
Electric Utility	Employee Benefits	K.S.A. 12-16,102	85,074.00
Sewer Utility	Employee Benefits	K.S.A. 12-16,102	12,679.00
Water Utility	Employee Benefits	K.S.A. 12-16,102	43,978.00
Electric Utility	Special Parks and Recreation	K.S.A. 12-825d	35,000.00
Electric Utility	Tourism	K.S.A. 12-825d	10,000.00
Electric Utility	Golf Course	K.S.A. 12-825d	70,000.00
Electric Utility	Capital Improvements		
	General	K.S.A. 12-825d	140,000.00
Electric Utility	Public Safety Equipment	K.S.A. 12-825d	40,000.00
Electric Utility	Electric Utility Debt		
	Service	K.S.A. 13-1270	339,393.96
Electric Utility	Electric Generation		
	Bond Account	K.S.A. 13-1270	95,763.00
Sewer Utility	Capital Improvements		
	Sewer	K.S.A. 12-825d	4,000.00
Sewer Utility	General Obligation		
	Bond and Interest	K.S.A. 13-1270	434,300.00
Capital Improvements	Capital Improvements		
Water	Streets	K.S.A. 12-1,118	264,219.36
Capital Improvements	Street Improvements	K.S.A. 12-1,118	53,661.50
Streets			
Electric Generation			
Bond Account	Water Utility	K.S.A. 12-825d	5,278.00
Water Utility	General Obligation		
	Bond and Interest	K.S.A. 13-1270	59,827.00

13. SUBSEQUENT EVENTS

There were no subsequent events requiring recognition in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

CITY OF OSAWATOMIE, KANSAS
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 Regulatory Basis
 For the Year Ended December 31, 2016

Funds	Certified Budget	Adjustments for		Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
		Qualifying Budget Credits	Budget Credits			
General Fund	\$ 2,609,737.00	\$ 5,865.19	\$ -	\$ 2,615,602.19	\$ 2,394,551.97	\$ (221,050.22)
Special Purpose Funds:						
Industrial	61,500.00	-	-	61,500.00	15,988.32	(45,511.68)
Library	111,000.00	-	-	111,000.00	13,341.96	(97,658.04)
Recreation	4,000.00	-	-	4,000.00	223.85	(3,776.15)
Recreation Employee Benefits	1,000.00	-	-	1,000.00	28.04	(971.96)
Employee Benefits	759,921.00	-	-	759,921.00	738,842.38	(21,078.62)
Special Parks and Recreation	96,043.00	-	-	96,043.00	33,015.24	(63,027.76)
Tourism	83,501.00	-	-	83,501.00	62,751.11	(20,749.89)
911	9,897.00	-	-	9,897.00	-	(9,897.00)
Street Improvement	179,980.00	-	-	179,980.00	137,439.36	(42,540.64)
Golf Course	305,000.00	-	-	305,000.00	297,528.58	(7,471.42)
Public Safety Equipment	165,000.00	-	-	165,000.00	142,135.65	(22,864.35)
Bond and Interest Fund:						
General Obligation Bond and Interest	887,020.00	8,057,689.50	-	8,944,709.50	8,805,357.37	(139,352.13)
Business Funds:						
Electric Utility	4,287,414.00	87,873.14	-	4,375,287.14	3,765,546.93	(609,740.21)
Electric Utility Debt Service	287,292.00	-	-	287,292.00	287,291.60	(0.40)
Water Utility	1,034,129.00	-	-	1,034,129.00	807,251.45	(226,877.55)
Refuse Utility	431,500.00	-	-	431,500.00	401,001.08	(30,498.92)
Sewer Utility	1,033,344.00	-	-	1,033,344.00	946,247.22	(87,096.78)

CITY OF OSAWATOMIE, KANSAS
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 551,075.14	\$ 525,188.83	\$ 571,428.00	\$ (46,239.17)
Delinquent Tax	17,457.53	22,938.34	16,473.00	6,465.34
Motor Vehicle Tax	56,717.42	58,857.74	52,232.00	6,625.74
Recreational Vehicle Tax	813.15	819.29	774.00	45.29
16/20M Vehicle Tax	468.17	-	523.00	(523.00)
Commercial Vehicle	661.33	969.37	-	969.37
Special Assessments	1,275.00	1,950.00	-	1,950.00
Sales Tax	732,240.20	708,487.40	701,000.00	7,487.40
Franchise Taxes	125,968.09	107,415.60	123,200.00	(15,784.40)
Intergovernmental				
Local Alcoholic Liquor Tax	2,597.46	3,008.11	2,900.00	108.11
Grant Proceeds	20,246.58	108,434.07	68,990.00	39,444.07
Licenses and Permits	26,724.70	23,672.47	17,905.00	5,767.47
Charges for Services				
Sale of Cemetery Lots	13,400.00	6,875.00	7,000.00	(125.00)
Cemetery Charges	28,436.85	19,435.00	30,000.00	(10,565.00)
Auditorium Rent	3,420.00	3,265.00	3,500.00	(235.00)
Memorial Hall Rent	4,635.00	3,670.00	3,800.00	(130.00)
Swimming Pool Fees	-	-	-	-
Animal Control	5,760.00	9,903.00	7,900.00	2,003.00
Drug Screening	700.00	960.00	1,500.00	(540.00)
Probation	-	-	6,656.00	(6,656.00)
Fines, Forfeitures and Penalties				
Fines	104,480.99	124,808.91	122,000.00	2,808.91
Use of Money and Property				
Interest Income	12,553.02	11,632.24	12,500.00	(867.76)
Sale of Equipment and Property	-	14,900.97	399,072.00	(384,171.03)
Other Receipts				
Miscellaneous	79,779.19	21,577.99	10,250.00	11,327.99
Reimbursed Expense	14,810.88	5,865.19	12,000.00	(6,134.81)
Operating Transfers from:				
Electric Utility Fund	418,342.00	347,819.00	201,000.00	146,819.00
Water Utility Fund	145,813.00	134,254.00	43,000.00	91,254.00
Sewer Utility Fund	140,021.00	133,254.00	42,000.00	91,254.00
Total Receipts	2,508,396.70	2,399,961.52	\$ 2,457,603.00	\$ (57,641.48)

**CITY OF OSAWATOMIE, KANSAS
GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures				
General Administration				
Personal Services	\$ 353,683.13	\$ 361,841.32	\$ 332,444.00	\$ 29,397.32
Contractual Services	130,247.50	106,719.88	170,590.00	(63,870.12)
Commodities	11,075.85	13,648.01	21,950.00	(8,301.99)
Capital Outlay	5,307.19	6,240.06	18,000.00	(11,759.94)
Other Expenses	7,550.77	6,219.88	5,250.00	969.88
Code Enforcement				
Personal Services	85,479.17	91,168.96	91,633.00	(464.04)
Contractual Services	36,076.25	26,055.32	51,870.00	(25,814.68)
Commodities	7,992.54	6,357.78	8,100.00	(1,742.22)
Capital Outlay	1,095.97	100.02	2,500.00	(2,399.98)
Police and Fire				
Personal Services	821,338.43	803,378.61	805,718.00	(2,339.39)
Contractual Services	68,663.99	75,080.01	74,696.00	384.01
Commodities	44,433.65	59,544.73	63,800.00	(4,255.27)
Capital Outlay	6,925.53	4,290.76	11,200.00	(6,909.24)
John Brown Cabin				
Personal Services	27,892.04	28,672.00	27,394.00	1,278.00
Contractual Services	6,338.58	6,648.51	8,772.00	(2,123.49)
Commodities	137.39	197.57	1,250.00	(1,052.43)
Capital Outlay	189.00	-	1,000.00	(1,000.00)
Streets and Alleys				
Personal Services	110,582.27	92,747.29	155,775.00	(63,027.71)
Contractual Services	25,356.07	33,808.16	29,420.00	4,388.16
Commodities	39,792.10	43,315.42	49,600.00	(6,284.58)
Capital Outlay	4,515.40	3,218.33	10,700.00	(7,481.67)
Property & Maintenance				
Personal Services	159,563.15	182,628.34	205,174.00	(22,545.66)
Contractual Services	41,144.55	33,888.98	53,958.00	(20,069.02)
Commodities	38,935.36	41,602.13	42,700.00	(1,097.87)
Capital Outlay	857.75	24,926.00	24,500.00	426.00

**CITY OF OSAWATOMIE, KANSAS
GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Municipal Court Services				
Personal Services	\$ 39,914.93	\$ 41,394.14	\$ 44,629.00	\$ (3,234.86)
Contractual Services	106,928.73	121,892.60	117,210.00	4,682.60
Commodities	1,129.79	4,973.81	1,550.00	3,423.81
Capital Outlay	-	1,701.88	1,500.00	201.88
Levees and Stormwater				
Contractual Services	4,909.54	4,469.81	6,592.00	(2,122.19)
Commodities	4,606.11	4,182.68	2,750.00	1,432.68
Capital Outlay	-	26,162.62	15,650.00	10,512.62
Library				
Personal Services	85,922.69	91,647.93	93,040.00	(1,392.07)
Contractual Services	19,548.28	20,178.48	23,522.00	(3,343.52)
Commodities	17,869.88	17,780.24	32,300.00	(14,519.76)
Capital Outlay	4,313.52	7,869.71	3,000.00	4,869.71
Total Certified Budget			2,609,737.00	(215,185.03)
Adjustments for Qualifying Budget Credits			5,865.19	(5,865.19)
Total Expenditures	2,320,317.10	2,394,551.97	\$ 2,615,602.19	\$ (221,050.22)
Receipts Over(Under) Expenditures	188,079.60	5,409.55		
Unencumbered Cash, Beginning	234,071.92	422,151.52		
Unencumbered Cash, Ending	\$ 422,151.52	\$ 427,561.07		

**CITY OF OSAWATOMIE, KANSAS
INDUSTRIAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Delinquent Tax	\$ 0.59	\$ -	\$ -	\$ -
Use of Money and Property				
Rental Income	25,910.00	11,000.00	15,000.00	(4,000.00)
Sale of Assets	272.98	-	-	-
Other Receipts				
Miscellaneous	5,460.00	15,260.00	5,600.00	9,660.00
Total Receipts	31,643.57	26,260.00	\$ 20,600.00	\$ 5,660.00
Expenditures				
General Government				
Contractual Services	20,982.99	15,988.32	\$ 28,500.00	\$ (12,511.68)
Commodities	-	-	33,000.00	(33,000.00)
Total Expenditures	20,982.99	15,988.32	\$ 61,500.00	\$ (45,511.68)
Receipts Over(Under) Expenditures	10,660.58	10,271.68		
Unencumbered Cash, Beginning	49,980.48	60,641.06		
Unencumbered Cash, Ending	\$ 60,641.06	\$ 70,912.74		

CITY OF OSAWATOMIE, KANSAS
LIBRARY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Delinquent Tax	\$ 5.16	\$ -	\$ -	\$ -
Intergovernmental				
Grant Proceeds	6,000.00	12,116.00	9,000.00	3,116.00
Use of Money and Property				
Interest Income	221.66	241.12	-	241.12
Other Receipts				
Donations	5,930.13	3,068.25	-	3,068.25
Total Receipts	12,156.95	15,425.37	\$ 9,000.00	\$ 6,425.37
Expenditures				
Culture and Recreation				
Contractual Services	2,376.50	2,958.50	\$ 4,000.00	\$ (1,041.50)
Commodities	5,587.51	10,383.46	8,000.00	2,383.46
Capital Outlay	-	10,383.46	99,000.00	(88,616.54)
Total Expenditures	7,964.01	13,341.96	\$ 111,000.00	\$ 1,341.96
Receipts Over(Under) Expenditures	4,192.94	2,083.41		
Unencumbered Cash, Beginning	102,054.01	106,246.95		
Unencumbered Cash, Ending	\$ 106,246.95	\$ 108,330.36		

CITY OF OSAWATOMIE, KANSAS
RECREATION FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ (18.12)	\$ 0.58	\$ -	\$ 0.58
Delinquent Tax	699.35	223.27	4,000.00	(3,776.73)
Total Receipts	<u>681.23</u>	<u>223.85</u>	<u>\$ 4,000.00</u>	<u>\$ (3,776.15)</u>
Expenditures				
Culture and Recreation				
Operating Transfers to Special Parks and Recreation Fund	3,949.22	223.85	\$ 4,000.00	\$ (3,776.15)
Total Expenditures	<u>3,949.22</u>	<u>223.85</u>	<u>\$ 4,000.00</u>	<u>\$ (3,776.15)</u>
Receipts Over(Under) Expenditures	(3,267.99)	-		
Unencumbered Cash, Beginning	3,267.99	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

CITY OF OSAWATOMIE, KANSAS
RECREATION EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ (2.27)	\$ 0.08	\$ -	\$ 0.08
Delinquent Tax	87.02	27.96	1,000.00	(972.04)
Total Receipts	84.75	28.04	\$ 1,000.00	\$ (971.96)
Expenditures				
Culture and Recreation				
Operating Transfer to Employee Benefits Fund	506.41	28.04	\$ 1,000.00	\$ (971.96)
Total Expenditures	506.41	28.04	\$ 1,000.00	\$ (971.96)
Receipts Over(Under) Expenditures	(421.66)	-		
Unencumbered Cash, Beginning	421.66	-		
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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 512,191.05	\$ 530,553.58	\$ 577,107.00	\$ (46,553.42)
Delinquent Tax	16,887.65	21,630.03	15,311.00	6,319.03
Motor Vehicle Tax	56,461.00	55,957.42	48,547.00	7,410.42
Recreational Vehicle Tax	821.34	772.60	719.00	53.60
16/20M Vehicle Tax	413.90	-	487.00	(487.00)
Commercial Vehicle	681.88	900.96	-	900.96
Other Receipts				
Reimbursed Expense	-	1,060.96	-	1,060.96
Operating Transfers from:				
Electric Utility Fund	61,166.00	85,074.00	66,529.00	18,545.00
Sewer Utility Fund	12,547.00	12,679.00	13,776.00	(1,097.00)
Water Utility Fund	33,330.00	43,978.00	39,382.00	4,596.00
Recreation Employee Benefits Fund	506.41	28.04	-	28.04
Total Receipts	695,006.23	752,634.59	\$ 761,858.00	\$ (9,223.41)
Expenditures				
General Government				
Personal Services	708,001.97	718,166.98	\$ 739,547.00	\$ (21,380.02)
Contractual Services	24,896.60	20,675.40	20,374.00	301.40
Total Expenditures	732,898.57	738,842.38	\$ 759,921.00	\$ (21,078.62)
Receipts Over(Under) Expenditures	(37,892.34)	13,792.21		
Unencumbered Cash, Beginning	107,698.44	69,806.10		
Unencumbered Cash, Ending	<u>\$ 69,806.10</u>	<u>\$ 83,598.31</u>		

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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Local Alcoholic Liquor Tax	\$ 2,597.44	\$ 3,008.09	\$ 2,682.00	\$ 326.09
Other Receipts				
Miscellaneous	591.00	-	-	-
Reimbursed Expense	787.00	-	-	-
Operating Transfers from:				
Recreation Fund	3,949.22	223.85	-	223.85
Electric Utility Fund	52,550.00	35,000.00	-	35,000.00
Total Receipts	60,474.66	38,231.94	\$ 2,682.00	\$ 35,549.94
Expenditures				
Culture and Recreation				
Facilities				
Contractual Services	\$ 20,401.20	\$ 7,283.58	\$ -	\$ 7,283.58
Commodities	2,873.10	-	-	-
Capital Outlay	22,270.62	8,441.34	13,043.00	(4,601.66)
Recreation Programs				
Personal Services	8,533.03	-	-	-
Contractual Services	1,976.24	-	-	-
Commodities	375.00	-	-	-
Appropriations	-	-	83,000.00	(83,000.00)
Debt Retirement				
Principal	-	14,225.87	-	14,225.87
Interest	-	3,064.45	-	3,064.45
Total Expenditures	56,429.19	15,724.92	\$ 96,043.00	\$ (80,318.08)
Receipts Over(Under) Expenditures	4,045.47	22,507.02		
Unencumbered Cash, Beginning	90,821.54	94,867.01		
Unencumbered Cash, Ending	\$ 94,867.01	\$ 117,374.03		

CITY OF OSAWATOMIE, KANSAS
TOURISM FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Transient Guest Tax	\$ 19,193.03	\$ 19,164.76	\$ 16,000.00	\$ 3,164.76
Charges for Services				
Rental Income	170.00	50.00	100.00	(50.00)
Sponsorship Income	14,800.00	18,830.00	16,000.00	2,830.00
Ticket Sales	6,005.22	3,066.80	6,000.00	(2,933.20)
Entry Fees	1,295.00	1,195.00	1,300.00	(105.00)
Concessions	2,363.00	1,611.50	2,900.00	(1,288.50)
Other Receipts				
Donations	3,171.64	4,649.78	3,200.00	1,449.78
Miscellaneous	1,583.75	798.55	2,650.00	(1,851.45)
Reimbursed Expense	672.50	109.34	10,000.00	(9,890.66)
Operating Transfers from				
Electric Utility Fund	12,000.00	10,000.00	10,000.00	-
Total Receipts	61,254.14	59,475.73	\$ 68,150.00	\$ (8,674.27)
Expenditures				
General Government				
Contractual Services	33,462.97	46,764.91	\$ 64,550.00	\$ (17,785.09)
Commodities	10,333.34	9,882.36	15,650.00	(5,767.64)
Capital Outlay	-	3,591.21	-	3,591.21
Other Expenses	3,285.21	2,512.63	3,301.00	(788.37)
Total Expenditures	47,081.52	62,751.11	\$ 83,501.00	\$ (20,749.89)
Receipts Over(Under) Expenditures	14,172.62	(3,275.38)		
Unencumbered Cash, Beginning	25,564.38	39,737.00		
Unencumbered Cash, Ending	\$ 39,737.00	\$ 36,461.62		

CITY OF OSAWATOMIE, KANSAS
911 FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Motor Fuel Tax	\$ 114,812.69	\$ 114,790.73	\$ 113,790.00	\$ 1,000.73
Intergovernmental				
County Connecting Links	5,100.00	5,100.00	5,100.00	-
Use of Property				
Sale of Assets	-	234.00	-	234.00
Operating Transfers From				
Capital Improvements				
Streets Fund	-	53,661.50	-	53,661.50
Total Receipts	119,912.69	173,786.23	\$ 118,890.00	\$ 54,896.23
Expenditures				
General Government				
Contractual Services	50,051.15	3,192.00	\$ 5,500.00	\$ (2,308.00)
Commodities	37,849.92	42,649.68	67,000.00	(24,350.32)
Capital Outlay	21,880.73	66,117.68	107,480.00	(41,362.32)
Debt Service				
Principal	23,385.58	24,123.77	-	24,123.77
Interest	2,094.42	1,356.23	-	1,356.23
Total Expenditures	135,261.80	137,439.36	\$ 179,980.00	\$ (42,540.64)
Receipts Over(Under) Expenditures	(15,349.11)	36,346.87		
Unencumbered Cash, Beginning	127,185.86	111,836.75		
Unencumbered Cash, Ending	<u>\$ 111,836.75</u>	<u>\$ 148,183.62</u>		

CITY OF OSAWATOMIE, KANSAS
GOLF COURSE FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Golf Course Sheds	\$ 5,035.33	\$ 2,860.00	\$ -	\$ 2,860.00
Membership Fees	46,875.10	40,364.51	42,229.00	(1,864.49)
Green Fees	47,401.34	49,515.74	75,335.00	(25,819.26)
Golf Cart Fees	48,989.72	34,332.78	42,740.00	(8,407.22)
Sales Tax	9,305.94	8,451.36	-	8,451.36
Driving Range	2,995.46	3,487.77	-	3,487.77
Concessions	41,873.27	46,532.12	47,490.00	(957.88)
Tournaments	7,712.00	21,222.00	-	21,222.00
Pro Shop	-	5,007.02	-	5,007.02
Other Fees	12,054.08	4,536.24	6,629.00	(2,092.76)
Use of Money and Property				
Sale of Assets	-	6,629.40	-	6,629.40
Other Receipts				
Miscellaneous	536.47	254.13	15,193.00	(14,938.87)
Reimbursed Expense	-	134.00	-	134.00
Operating Transfers from				
Electric Utility Fund	165,000.00	70,000.00	70,000.00	-
Total Receipts	387,778.71	293,327.07	\$ 299,616.00	\$ (6,288.93)
Expenditures				
Culture and Recreation				
Personal Services	192,959.00	125,741.40	\$ 123,381.00	\$ 2,360.40
Contractual Services	80,694.05	72,445.35	77,316.00	(4,870.65)
Commodities	79,783.06	87,053.13	84,911.00	2,142.13
Capital Outlay	3,531.32	3,650.50	5,151.00	(1,500.50)
Other Expenses	8,822.19	8,638.20	8,781.00	(142.80)
Debt Service				
Principal	13,712.80	-	5,460.00	(5,460.00)
Interest	9,037.52	-	-	-
Total Expenditures	388,539.94	297,528.58	\$ 305,000.00	\$ (7,471.42)
Receipts Over(Under) Expenditures	(761.23)	(4,201.51)		
Unencumbered Cash, Beginning	6,362.09	5,600.86		
Unencumbered Cash, Ending	\$ 5,600.86	\$ 1,399.35		

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Capital Lease Proceeds	\$ 76,261.00	\$ -
Other Receipts		
Donations	7,436.25	-
Miscellaneous	592.00	11.39
Operating Transfers from		
Electric Utility Fund	135,000.00	140,000.00
Total Receipts	219,289.25	140,011.39
Expenditures		
Capital Projects		
Contractual Services	15,082.01	6,893.07
Commodities	11,518.04	-
Capital Outlay	379,104.63	35,582.85
Total Expenditures	405,704.68	42,475.92
Receipts Over(Under) Expenditures	(186,415.43)	97,535.47
Unencumbered Cash, Beginning	227,418.52	41,003.09
Unencumbered Cash, Ending	\$ 41,003.09	\$ 138,538.56

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS SEWER FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended December 31, 2016
(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Revolving Loan Proceeds	\$ 235,587.72	\$ -
Other Receipts		
Reimbursed Expense	-	368.00
Operating Transfers From Sewer Utility Fund	-	4,000.00
Total Receipts	235,587.72	4,368.00
Expenditures		
Capital Projects		
Contractual Services	4,085.98	-
Capital Outlay	91,998.12	-
Total Expenditures	96,084.10	-
Receipts Over(Under) Expenditures	139,503.62	4,368.00
Unencumbered Cash, Beginning	(139,871.62)	(368.00)
Unencumbered Cash, Ending	\$ (368.00)	\$ 4,000.00

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

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Temporary Note Proceeds	\$ 1,915,581.81	\$ -
Total Receipts	1,915,581.81	-
Expenditures		
Capital Projects		
Contractual Services	122,537.64	-
Capital Outlay	517,885.58	305,357.42
Debt Service		
Principal Payments	700,000.00	-
Interest Payments	5,580.56	-
Debt Service Costs	1.25	-
Operating Transfers To		
Capital Improvements		
Street Fund	-	264,219.36
Total Expenditures	1,346,005.03	569,576.78
Receipts Over(Under) Expenditures	569,576.78	(569,576.78)
Unencumbered Cash, Beginning	-	569,576.78
Unencumbered Cash, Ending	\$ 569,576.78	\$ -

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS STREET FUND
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Temporary Note Proceeds	\$ 909,123.05	\$ -
Intergovernmental		
Federal Grants - CDBG	-	398,000.00
Operating Transfers From		
Capital Improvement		
Water Fund	-	264,219.36
Total Receipts	909,123.05	662,219.36
Expenditures		
Capital Projects		
Contractual Services	62,075.00	148,443.28
Capital Outlay	-	1,256,547.26
Operating Transfers to		
Street Improvements Fund	-	53,661.50
Total Expenditures	62,075.00	1,458,652.04
Receipts Over(Under) Expenditures	847,048.05	(796,432.68)
Unencumbered Cash, Beginning	65,978.61	913,026.66
Unencumbered Cash, Ending	\$ 913,026.66	\$ 116,593.98

CITY OF OSAWATOMIE, KANSAS
CAPITAL IMPROVEMENTS GRANT FUND
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended December 31, 2016
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Bond Proceeds	\$ 5,295.14	\$ 300,000.00
Intergovernmental		
Federal Grants	-	77,694.00
Other Receipts		
Reimbursed Expense	738.14	-
Total Receipts	6,033.28	377,694.00
Expenditures		
General Government		
Contractual	-	59,330.50
Commodities	-	7,759.40
Capital Outlay	136,737.07	357,808.06
Total Expenditures	136,737.07	424,897.96
Receipts Over(Under) Expenditures	(130,703.79)	(47,203.96)
Unencumbered Cash, Beginning	252,049.88	121,346.09
Unencumbered Cash, Ending	\$ 121,346.09	\$ 74,142.13

CITY OF OSAWATOMIE, KANSAS
PUBLIC SAFETY EQUIPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior	Current Year		Variance -
	Year	Actual	Budget	Over
	Actual			(Under)
Receipts				
Taxes and Shared Receipt				
Delinquent Tax	\$ 0.85	\$ -	\$ -	\$ -
Intergovernmental				
Grant Receipts	-	104,154.00	104,664.00	\$ (510.00)
Other Receipts				
Miscellaneous	-	3,960.00	-	3,960.00
Reimbursed Expense	-	5,431.68	19,870.00	(14,438.32)
Donations	13,500.00	-	-	(104,664.00)
Operating Transfers From:				
Electric Utility Fund	-	40,000.00	40,000.00	-
Total Receipts	13,500.85	153,545.68	\$ 164,534.00	\$ (115,652.32)
Expenditures				
General Government				
Contractual	-	4,200.00	\$ -	\$ 4,200.00
Commodities	-	120,126.92	-	120,126.92
Capital Outlay	13,532.00	17,808.73	165,000.00	(147,191.27)
Total Expenditures	13,532.00	17,808.73	\$ 165,000.00	\$ (147,191.27)
Receipts Over(Under) Expenditures	(31.15)	135,736.95		
Unencumbered Cash, Beginning	3,704.23	3,673.08		
Unencumbered Cash, Ending	\$ 3,673.08	\$ 139,410.03		

CITY OF OSAWATOMIE, KANSAS
ELECTRIC GENERATION BOND ACCOUNT FUND

Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year Actual
Receipts		
Use of Money and Property		
Interest	\$ 78.00	\$ 2,300.25
Bond Proceeds	5,999,236.55	-
Operating Transfers From Electric Utility Fund	-	95,763.00
Total Receipts	5,999,314.55	98,063.25
Expenditures		
Capital Projects		
Contractual Services	74,115.71	449,637.61
Commodities	-	15,092.89
Capital Outlay	1,876,600.00	456,503.99
Debt Service		
Bond Issuance Costs	190,308.49	-
Operating Transfers To Water Utility Fund	-	5,278.00
Total Expenditures	2,141,024.20	926,512.49
Receipts Over(Under) Expenditures	3,858,290.35	(828,449.24)
Unencumbered Cash, Beginning	-	3,858,290.35
Unencumbered Cash, Ending	\$ 3,858,290.35	\$ 3,029,841.11

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, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Receipt				
Ad Valorem Property Tax	\$ 260,456.41	\$ 260,649.15	\$ 283,536.00	\$ (22,886.85)
Delinquent Tax	7,871.56	10,732.02	8,645.00	2,087.02
Motor Vehicle Tax	25,268.51	27,616.88	24,688.00	2,928.88
Recreational Vehicle Tax	365.87	385.44	366.00	19.44
16/20M Vehicle Tax	192.79	-	248.00	(248.00)
Commercial Vehicle	301.76	458.17	-	458.17
Other Receipts				
Bond Proceeds	-	8,057,689.50	-	8,057,689.50
Operating Transfers from:				
Sewer Utility Fund	434,200.00	434,300.00	434,300.00	-
Water Utility Fund	59,827.00	59,827.00	59,827.00	-
Total Receipts	788,483.90	8,851,658.16	\$ 811,610.00	\$ 8,040,048.16
Expenditures				
Debt Service				
Bond Principal	468,000.00	8,439,000.00	\$ 520,000.00	\$ 7,919,000.00
Bond Interest	283,705.00	311,587.23	367,020.00	(55,432.77)
Commissions and Postage	170.00	-	-	-
Bond Issuance Costs	-	54,770.14	-	54,770.14
Total Certified Budget			887,020.00	7,918,337.37
Adjustments for Qualifying Budget Credits			8,057,689.50	(8,057,689.50)
Total Expenditures	751,875.00	8,805,357.37	\$ 8,944,709.50	\$ (139,352.13)
Receipts Over(Under) Expenditures	36,608.90	46,300.79		
Unencumbered Cash, Beginning	119,631.91	156,240.81		
Unencumbered Cash, Ending	<u>\$ 156,240.81</u>	<u>\$ 202,541.60</u>		

CITY OF OSAWATOMIE, KANSAS
ELECTRIC UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Electric Charges	\$ 3,441,687.14	\$ 3,300,557.52	\$ 3,915,743.00	\$ (615,185.48)
Sales Tax	112,004.91	103,800.30	118,658.00	(14,857.70)
Utility Deposits	54,550.00	69,350.00	50,000.00	19,350.00
Late Fees	97,894.41	100,140.67	98,728.00	1,412.67
Other Charges	6,442.01	12,543.68	-	12,543.68
Use of Money and Property				
Interest Income	830.56	834.74	-	834.74
Other Receipts				
Miscellaneous	4,876.87	2,352.82	20,180.00	(17,827.18)
Reimbursed Expense	5,374.86	87,873.14	2,000.00	85,873.14
Total Receipts	3,723,660.76	3,677,452.87	\$ 4,205,309.00	\$ (527,856.13)
Expenditures				
Administration				
Personal Services	25,514.87	24,995.19	\$ 24,614.00	\$ 381.19
Contractual Services	65,115.01	53,253.31	52,910.00	343.31
Commodities	523.00	2,042.75	5,450.00	(3,407.25)
Capital Outlay	-	-	6,200.00	(6,200.00)
Other Expenses	214,253.15	220,841.51	446,120.00	(225,278.49)
Electric Production				
Personal Services	127,744.48	82,438.48	107,054.00	(24,615.52)
Contractual Services	1,973,554.02	1,624,741.73	2,262,031.00	(637,289.27)
Commodities	22,414.76	31,338.52	35,300.00	(3,961.48)
Capital Outlay	24,566.97	23,670.50	81,000.00	(57,329.50)
Electric Distribution				
Personal Services	266,420.42	293,814.72	324,026.00	(30,211.28)
Contractual Services	37,266.38	39,262.17	39,330.00	(67.83)
Commodities	87,680.02	107,456.33	89,650.00	17,806.33
Capital Outlay	73,432.55	98,641.76	126,200.00	(27,558.24)

**CITY OF OSAWATOMIE, KANSAS
ELECTRIC UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to:				
General Fund	\$ 418,342.00	\$ 347,819.00	\$ 201,000.00	\$ 146,819.00
Electric Utility Debt				
Service Fund	-	339,393.96	200,000.00	139,393.96
Electric Generation				
Bond Account Fund	-	95,763.00	-	95,763.00
Golf Course Fund	165,000.00	70,000.00	70,000.00	-
Special Parks and				
Recreation Fund	52,550.00	35,000.00	-	35,000.00
Employee Benefits Fund	61,166.00	85,074.00	66,529.00	18,545.00
Tourism Fund	12,000.00	10,000.00	10,000.00	-
Capital Improvements				
General Fund	135,000.00	140,000.00	140,000.00	-
Public Safety Equipment Fund	-	40,000.00	-	40,000.00
Total Certified Budget			4,287,414.00	(521,867.07)
Adjustments for Qualifying				
Budget Credits			87,873.14	(87,873.14)
Total Expenditures	<u>3,762,543.63</u>	<u>3,765,546.93</u>	<u>\$ 4,375,287.14</u>	<u>\$ (609,740.21)</u>
Receipts Over(Under) Expenditures	(38,882.87)	(88,094.06)		
Unencumbered Cash, Beginning	<u>531,865.36</u>	<u>492,982.49</u>		
Unencumbered Cash, Ending	<u>\$ 492,982.49</u>	<u>\$ 404,888.43</u>		

**CITY OF OSAWATOMIE, KANSAS
ELECTRIC UTILITY DEBT SERVICE FUND**
Schedule of Receipts and Expenditures - Actual
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Use of Money and Property				
Bond Proceeds	\$ 95,763.45	\$ -	\$ -	\$ -
Operating Transfers From Electric Utility Fund	-	339,393.96	339,394.00	(0.04)
Total Receipts	95,763.45	339,393.96	\$ 339,394.00	\$ (0.04)
Expenditures				
Debt Service				
Bond Principal	-	135,000.00	\$ 135,000.00	\$ -
Bond Interest	-	152,290.35	152,290.00	0.35
Commissions and Postage	-	1.25	2.00	(0.75)
Total Expenditures	-	287,291.60	\$ 287,292.00	\$ (0.40)
Receipts Over(Under) Expenditures	95,763.45	52,102.36		
Unencumbered Cash, Beginning	-	95,763.45		
Unencumbered Cash, Ending	<u>\$ 95,763.45</u>	<u>\$ 147,865.81</u>		

CITY OF OSAWATOMIE, KANSAS
WATER UTILITY FUND

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Water Sales	\$ 819,867.03	\$ 836,624.89	\$ 925,000.00	\$ (88,375.11)
Other Charges	2,250.00	2,380.43	-	2,380.43
Use of Money and Property				
Rental Income	14,504.71	16,330.80	16,331.00	(0.20)
Sale of Assets	-	945.00	-	945.00
Other Receipts				
Miscellaneous	3,008.14	3,034.33	3,500.00	(465.67)
Reimbursed Expense	104,774.79	6,034.48	-	6,034.48
Operating Transfers From				
Electric Generation				
Bond Fund	-	5,278.00	-	5,278.00
Total Receipts	944,404.67	870,627.93	\$ 944,831.00	\$ (74,203.07)
Expenditures				
Administration				
Personal Services	17,184.39	17,554.39	\$ 16,410.00	\$ 1,144.39
Contractual Services	19,306.13	3,853.51	12,284.00	(8,430.49)
Commodities	-	1,325.25	1,250.00	75.25
Capital Outlay	-	-	6,200.00	(6,200.00)
Other Expenses	-	15,289.54	140,814.00	(125,524.46)
Water Treatment				
Personal Services	108,058.21	125,877.08	114,855.00	11,022.08
Contractual Services	92,905.85	74,119.22	89,526.00	(15,406.78)
Commodities	138,965.65	90,481.76	147,650.00	(57,168.24)
Capital Outlay	5,278.00	7,191.88	53,000.00	(45,808.12)
Water Distribution				
Personal Services	130,542.79	123,251.71	122,831.00	420.71
Contractual Services	39,242.60	43,645.29	48,400.00	(4,754.71)
Commodities	70,449.09	64,119.48	51,200.00	12,919.48
Capital Outlay	25,981.36	2,483.34	87,500.00	(85,016.66)

**CITY OF OSAWATOMIE, KANSAS
WATER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Operating Transfers to:				
General Fund	\$ 145,813.00	\$ 134,254.00	\$ 43,000.00	\$ 91,254.00
General Obligation Bond and Interest Fund	59,827.00	59,827.00	59,827.00	-
Employee Benefits Fund	33,330.00	43,978.00	39,382.00	4,596.00
Total Expenditures	886,884.07	807,251.45	\$ 1,034,129.00	\$ (226,877.55)
Receipts Over(Under) Expenditures	57,520.60	63,376.48		
Unencumbered Cash, Beginning	122,292.04	179,812.64		
Unencumbered Cash, Ending	\$ 179,812.64	\$ 243,189.12		

**CITY OF OSAWATOMIE, KANSAS
REFUSE UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Refuse Fees	\$ 393,944.01	\$ 403,458.76	\$ 430,000.00	\$ (26,541.24)
Other Receipts				
Miscellaneous	420.00	360.00	500.00	(140.00)
Total Receipts	394,364.01	403,818.76	\$ 430,500.00	\$ (26,681.24)
Expenditures				
Collections				
Contractual Services	409,408.37	401,001.08	\$ 431,500.00	\$ (30,498.92)
Total Expenditures	409,408.37	401,001.08	\$ 431,500.00	\$ (30,498.92)
Receipts Over(Under) Expenditures	(15,044.36)	2,817.68		
Unencumbered Cash, Beginning	19,986.28	4,941.92		
Unencumbered Cash, Ending	\$ 4,941.92	\$ 7,759.60		

**CITY OF OSAWATOMIE, KANSAS
SEWER UTILITY FUND**

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended December 31, 2016

(With Comparative Actual Totals for the Prior Year Ended December 31, 2015)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Charges for Services				
Sewer Charges	\$ 848,358.30	\$ 844,777.71	\$ 889,000.00	\$ (44,222.29)
Use of Money and Property				
Sale of Assets	-	1,395.98	-	1,395.98
Other Receipts				
Reimbursed Expense	-	8,000.00	-	8,000.00
Total Receipts	848,358.30	854,173.69	\$ 889,000.00	\$ (34,826.31)
Expenditures				
Collections				
Personal Services	150,335.32	141,326.75	\$ 162,000.00	\$ (20,673.25)
Contractual Services	167,356.68	121,151.83	81,500.00	39,651.83
Commodities	17,086.88	41,526.64	39,000.00	2,526.64
Capital Outlay	6,046.04	18,009.00	171,014.00	(153,005.00)
Other Expenses	-	-	63,530.00	(63,530.00)
Debt Service				
Principal Payments	2,437.37	4,263.87	40,000.00	(35,736.13)
Interest Payments	30,411.01	35,736.13	-	35,736.13
Operating Transfers to:				
Capital Improvements				
Sewer Fund	-	4,000.00	-	4,000.00
General Fund	140,021.00	133,254.00	42,000.00	91,254.00
Employee Benefits Fund	12,547.00	12,679.00	-	12,679.00
General Obligation				
Bond and Interest Fund	434,200.00	434,300.00	434,300.00	-
Total Expenditures	960,441.30	946,247.22	\$ 1,033,344.00	\$ (87,096.78)
Receipts Over(Under) Expenditures	(112,083.00)	(92,073.53)		
Unencumbered Cash, Beginning	357,409.31	245,326.31		
Unencumbered Cash, Ending	\$ 245,326.31	\$ 153,252.78		

CITY OF OSAWATOMIE, KANSAS
AGENCY FUNDS
 Schedule of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended December 31, 2016

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Cafeteria 125	\$ 32,174.07	\$ 47,116.08	\$ 35,463.31	\$ 43,826.84
Court ADSAP	7,401.00	-	-	7,401.00
Court Bonds	13,666.54	15,060.54	15,457.54	13,269.54
Evidence Liability	12,899.79	-	-	12,899.79
Fire Insurance Proceeds	0.84	-	-	0.84
Forfeiture	2,928.42	900.00	2,850.00	978.42
PayPal Donations	0.01	-	-	0.01
Rural Fire	7,399.18	10,447.59	17,846.77	-
	<u>\$ 76,469.85</u>	<u>\$ 73,524.21</u>	<u>\$ 71,617.62</u>	<u>\$ 78,376.44</u>



Osawatomie Chamber of Commerce Annual Report July 2017

Current Board of Directors:

Nick Hampson (Hall's Rock Yard/Bobcat Service) - President
Chris Cooley (Chris' Cafe) - Vice President
Casey Jones (First Option Bank) - Treasurer

Angie Allen (Sun Kissed Boutique/Adorned on Gold)
Teri Auten (Auten Pharmacy)
Kim Croghan-Mills (MCMC/Auten Pharmacy)
Donna/Steve Eichorn (Donna & Viola's)
Angie Hoskins (Pat's Signs)
Emily McCrea (Eddy-Birchard Funeral Home)
David Mercier (Life Care Center)
Johnnie Ova (Sun Kissed Boutique/Adorned on Gold)

City Council Liaison:

Mayor Mark Govea

Membership:

We currently have 90 members. Of that number, 5 are individuals and 85 are businesses. 60 of the businesses are Osawatomi based and 25 are serving our community from the county and out of town.

We have 15 new members this year. (A complete current membership list is included on last page.)

Advocare, Shellney Oehlert
Beckman Motors
China Restaurant
Church of Nazarene
Debrick Truck Line
Doubletake Beauticare
First Baptist Church
First United Methodist Church
Infinite HealthCare
KOFO Radio
La Hacienda
Magnabilities, Cinda Atwater
MCTV Live
Osawatomi Theater Company
Ron's Country Market

The Chamber has collected over \$10,000 in dues so far this year. **See report from our treasurer for further financial details.

Our Events:

- KansasWorks/County Chambers Job Fair, July 2016
- Trojan Tailgate, September 2016 (we sponsored)
- Chamber Golf Classic, October 2016
- Candidate Forum, October 2016
- Chamber Annual Dinner, October 2016
- Spook Parade, October 2016
- Small Business Saturday, November 2016
- Christmas Festival, November 2016
- 12 Days of Christmas Shopping Promotion, December 2016
- Legislative Breakfast, February 2017
- County Tourism Dinner, February 2017
- 8th Annual Home & Business Expo/Health Fair, April 2017
- **Farmers' Market** – March 2017 – Aug/Sept 2017??
- Multi Chamber After Hours, June 2017
- Miss Osawatomi Pageant – John Brown Jamboree, June 2017

Committees:

- Golf Tournament
- John Brown Jamboree
- Miss Osawatomi
- Christmas Festival
- Area Chamber Directors/Tourism

- Moon Over Miami
- Eastern Kansas Economic Initiative Advisory
- OSH Citizens Advisory
- Job Fair
- Alumni
- Olathe Health Systems Community Health Improvement
- MCMC Community Advisory Council
- Rotary
- **Farmers' Market**
- Rush The Rails

Activities:

- Attended Barden Dentistry Open House
- Attended City Fireworks Display
- Attended Pool Grand Opening
- Attended Job Fair
- Attended Main Street Ribbon Cutting
- Attended Department of Commerce Luncheon-Paola
- Attended City Council Meeting for Annual Report
- Met and collaborated with new Paola Chamber Director
- Welcome USD #367 Staff Back to School w/Shop Local Message
- Attended Edward Jones Seminar Luncheon
- Met with former director/board member Donna Darner on board expectations
- Attended Lakemary's **Barnapalooza**
- Met at Loft on Sixth for Fire Inspection
- Met with OSH on 150th Anniversary Celebration
- Met at Loft on Sixth to discuss Christmas Opening w/PIE
- Delivered Meals on Wheels for Rotary
- Attended Kenny Diehm Retirement Reception
- Met w/David at Loft on Sixth regarding the business
- Attended Lakemary Open House
- Attended Rita Schlesener Retirement Reception
- Attended Elks/Chamber Social
- Organized chamber board meetings each month
- Attend Rotary each Monday
- Organized Second Annual Golf Classic – formed committee, met with golf course personnel, created publicity material, secured donations, teams and sponsorships
- Attended quarterly meetings with area chamber directors & Janet McRae
- Attended Trojan Tailgates via Chamber and Rotary Sponsorships
- Attended MCMC Town Hall Meetings
- Attended & promoted UP Steam Locomotive stop in Osawatomie
- Attended and helped at Spring Hill Chamber Dinner
- Website Training
- Attended Candidate Forum
- Attended OSH 150th Anniversary Celebration
- **Attended Veteran's Day Celebration at OHS**
- Attended constant contact training
- Attended OGC/Elks Jumpin Catfish Dinner
- Attended PCC Miami County Republic Coffee
- Attended and helped w/Rotary Pancake Feed
- Attended Christmas Festival
- Attended PCC New Lancaster General Store Coffee

- Luncheon w/Barden Dentistry, Auten Pharmacy & other community members
- Met with Janet McRae regarding Tourism Dinner
- Attended Moon Over Miami meetings
- Attended County Tourism Dinner
- Attended Jamboree Meetings
- Attended Eastern Kansas Economic Initiative Advisory Meeting
- Attended and Hosted Legislative Breakfast
- Attended KansasWorks Breakfast Meeting
- Attended MCMC Donor Recognition Wall Unveiling
- Attended PCC Olathe Health Systems Rehabilitation Ribbon Cutting
- Presented Miss Osawatomi Scholarship at OHS Scholarship Banquet
- Miss Osawatomi Sign Up Meeting, Practice, Interviews, Event
- Attended Rush The Rails Meeting(s) at City Hall
- Attended Moon Over Miami
- **Helped at Farmers' Market(s)** – Signs out each Thursday, set up, working w/coordinators for each week, etc.
- Attended Alumni Festivities
- Met at KC Watersports w/Janet & County Chamber Directors
- **Attended Edward Jones' Fashion & Finance Event**

Coffees/Ribbon Cuttings:

- **Hall's Rock Yard**
- **Moon's IGA Farewell**
- Barden Dentistry Ribbon Cutting
- Sonic
- Elizabeth Layton Center
- **Ron's Country Market Ribbon Cutting**
- Pizza Hut
- **Chris' Café**
- Osawatomi Senior Center
- **Donna & Viola's**
- Infinite HealthCare Ribbon Cutting
- **Casey's Ribbon Cutting**
- Life Care Center
- Landmark National Bank
- Palace Hardware Ribbon Cutting
- Dengel & Son Funeral Home
- Dollar General Ribbon Cutting
- La Hacienda

Economic Development:

- Personally welcomed new businesses **Barden Dentistry, Ron's Country Market, Infinite HealthCare, Casey's, Palace Hardware, Dengel & Son Funeral Home and Dollar General** and shared membership info
- Met with Airplane Parts Business
- Met with Kirk before he purchased and opened Chinese Restaurant and several times after, as well as several phone calls with Ting, restaurant manager and now contact with new one to come in fall 2017
- Met w/Janet McRae regarding empty buildings
- Luncheon w/Janet McRae and Backroad Planet
- Met w/LaShonda from Infinite HealthCare at breakfast

- **Phone Calls/Emails w/area Farmers' Market to gather information to start a local Farmers' Market.** Worked with city, Rotary, Auten Pharmacy, USD 367, Oz Community Garden, MCMC and State Farm to create guidelines and establish **our Osawatomie Farmers' Market.**
- Assisted entrepreneurs with questions regarding their ventures and sent them to the appropriate entities
- Continued to work with Loft on Sixth manager and they have joined the chamber.
- Changed Christmas Festival to a weeklong drawing event thus eliminating the must be present on Saturday drawing.
- Met with new businesses as they opened
- Promoted our **"chamber bucks"**
- Assisted out of town event planners with our available meeting spaces and contact info
- Continued **"Business of the Month" to bring recognition to chamber businesses**
- Continue to visit with business owners on what the chamber can do for them
- Worked with county chamber directors on events and ideas
- Work closely with Janet McRae, Miami County Economic Development Director
- Promoted and sought businesses for county mini grant program

Other:

- Welcomed tourists to museum
- Put together packets for membership/Christmas Festival/12 Days of Christmas/Golf Classic
- Continuing to manage chamber website, Facebook page and city calendar
- Arranged to combine Business Expo with Easter Egg Hunt at the high school for more visibility and included petting zoo and KAY **kid's activities**
- Put together packets for Miss Osawatomie and set up informational/sign up meeting, ordered crowns and sashes, secured judges, goody bag sponsors, practice date, corresponded with parents
- Assisted with directing information for the Community Wide Garage Sale
- Met with potential chamber business owners
- Jamboree Committee – helped with sponsorships and ran Miss Osawatomie Pageant
- Mailed informational packets to those that requested about our community
- Assisted with phone and email inquiries about business location to Osawatomie
- Shared Chamber events and information with Rotary each week
- Put together weekly update. More information going out each week especially with no Graphic.
- Consult with Wes Duncan on technology issues
- Ongoing Memorial Hall renovations – furniture
- Provided letters of recommendation for students
- **Shared our business's events via** Facebook and on the website when applicable
- Welcomed new teachers with chamber bucks, candy or flowers
- Provided chamber and local information for local historian
- Secured FREE marketing materials and **designed a plan to promote American Express's Small Business Saturday on November 26th**
- Promoted many events for the community
- **Shared Food Pantry and other NFP's requests for help**
- Assisted area employers with getting the word out about their available jobs
- Connected historical inquiries with museum staff
- Went into the office after hours, on holidays and days off to take care of requests by our members and visitor
- Updated community calendar
- Kept good financial records and communicated regularly with our Treasurer

- Connected interested volunteers with local opportunities
- Stuffed and delivered welcome bags to the city for new residents turning on utilities
- Worked on input for Miami County Visitor Guide, VisitKC, TravelKS and new promotional flyer for community
- Worked with many local committees in advertising, support and advice
- Worked with county newspaper on advertising city and chamber events
- **Worked to maintain the Chamber's visibility and accessibility**

Summary:

It has been a very busy year for the Osawatomie Chamber. We have worked hard to support and promote our community. We have sponsored our traditional events, added some new and continue to assess and seek different ideas.

Having served my second year as director, I can say that I feel more comfortable in all that the job entails. I have put a great deal of effort into this job and I have learned so much. I have loved this role in my community. I promote and serve as a liaison for Osawatomie. I truly want the best for my hometown, and as I have said before, so much of what I do is easy. My mind never rests, however, as the list of ideas and possibilities go on and on. I look forward to the future **of Osawatomie and the chamber's role in the community.** I believe we have great leadership in this community and good things are happening.

The Chamber Board is a great group of people who have volunteered for the position to do what is best for our businesses and community. I am pleased to work with this group. The Board and I will continue to build the Chamber through activities, visibility, community involvement and fiscal responsibility, as has been done in the past.

Our appreciation goes out to the City Council, City Manager and Mayor Mark Govea for your continued support and funding of this organization. We appreciate all you do for this community and enjoy working together to make Osawatomie a great place for all.

Signed: _____

Diana Neal
Executive Director

Date: _____

Chamber Membership

Nov 2016-Oct 2017

ACE Pest Control
AdvoCare Independent Shellney Oehlert
Adorned on Gold
Associates in Family Care
Auten Pharmacy
Back Home Nursery
Barden Dental
Beckman Motors
Bradley Air Conditioning and Heating
Bill & Pat Butler
Casey's on O'Neal
Casey's on Sixth
China Restaurant
Chris's Café
Church of Nazarene
City of Osawatomie
Classic Wood LLC
Coach Light Fashions
Country Vintage Inn
Debrick Truck Line
Donna **and Viola's Shirts & Etc.**
Doubletake Beauticare/Dan & Teri Wendt
ECKAN
Eddy-Birchard Funeral Home
Edward Jones: Emily Menefee
Elizabeth Layton Center
Elks Lodge 921
Elliott Insurance
Enviro-Line
Eyecare Associates
First Baptist Church
First Option Bank
First Presbyterian Church
First United Methodist Church
Fort Scott Community College-Miami County Campus
Fresh Start Home Professionals
Friends of the Mentally Ill Foundation (FMIF)
Grandstand Burgers
Hall's Bobcat Service/The Rock Yard
Hanes Florist
Wayne & Florence Harclerode
Ted & Vivian Hunter
Infinite HealthCare
***** John Brown Foundation
KCP&L
Kansas Gas Service
KansasWorks
KOFO Radio
Karen LaDuex
La Hacienda
Lakemary Center

Landmark National Bank
Lang Chevrolet
Let There Be Light Fellowship Church
Life Care Center of Osawatomie
Loft on Sixth
Magnabilities – Cinda Atwater, Independent Consulatant
Main Street Liquor
MCTV Live
MCMC Rehab Services
Meridian Business Services, LLC
Miami County Cancer Foundation
Miami County Economic Development
Miami County Medical Center
Middle Creek Winery at New Lancaster General Store
Navrats Office Products
NPG Newspapers
Old Time Pickers, Fiddlers & Singers
Osage Valley Lodge #24
Osawatomie Alumni Association
Osawatomie Golf Course
Osawatomie Historical Society
Osawatomie Public Library
Osawatomie Rotary Club
Osawatomie Theatre Company
Pat's Signs
Penwell-Gabel Funeral Home
Pizza Hut
George & Marjorie Pretz
Ron's Country Market
Senior Service Center
Smail & Associates LLC
Sonic of Osawatomie
State Farm Insurance-Marsha Adams
Summit Publications Inc.
Sunflower Substance Abuse Recovery Services
Tangles Hair Salon
Tri-Ko
UPS Store
USD#367
Vintage Park

Osawatomie Chamber of Commerce
Summary
June 2016 to May 2017

Income	Operations	Payroll	Total
Dues	\$ 11194		
Annual Dinner	2,630		
Legislative Breakfast	100		
City Funding 9/2016		\$ 8000	
10/2016		\$ 8000	
05/2017		\$ 9,000	
Golf Tournament	13,603		
Chamber Bucks	1,000		
Miss Osawatomie	320		
Christmas Festival	618		
Business Expo	220		
Total Income	\$ 29,685	\$ 25,000	\$ 54,685
Expenses			
Rent	\$2,000		
Phone	1,830		
P.O. Box ½	110		
Website	408		
Office Supplies	124		
Advertising	1,307		
Payroll		\$ 19,523	
Ks Emp Tax/WH		565	
940/941 Tax		9,134	
Meridian Payroll Support		964	
Chamber Bucks	515		
Insurance	475		
Business Expo	177		
Annual Dinner	2,269		
Misc	1,685		
Legislative Breakfast	515		
Miss Os	2,263		
Golf Tournament	4,076		
Total Expenses	\$ 17,754	\$ 30,186	\$ 47,940
Net Totals	\$ 11,931	\$ -5,186	\$ 6,745

Date Prepared 8/10/2016

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: August 9, 2017

AGENDA ITEM: **Condemnation Extensions**

PRESENTER: Ted Bartlett, Director of Buildings and Code Enforcement

ISSUE SUMMARY:

917 Pacific. On July 15, 2016, Resolution No. 725 was passed condemning the property at 917 Pacific. At the time the owner did not appear asking for more time. On July 28, one of the owners, Derek Gould, appeared to ask the Council for more time as he planned to rehabilitate the home.

On November 16, 2016, both owners appeared to discuss a formal time extension. At the meeting, Ted Bartlett provided a memo which detailed the work that had been done on the house since July. Derek Gould indicated he could have the building done by the end of January. The Council voted unanimously to allow a time extension to March 1, 2017.

On March 23, 2017, the Council voted unanimously to allow a time extension to August 6th, 2017.

On or about the 14th of July, I noted that work was being done at 917 Pacific and seems to have been steady, daily since that time. To date, August 9, 2017, I have approved inspections for rough framing, plumbing and electrical. A local contractor is working on installing the HVAC. The owners have stated that once that is approved they will move to insulating the home and sheet rocking. I feel that if they continue at the pace that they are that they will be done by the end of September.

1635 Main. On July 15, 2016, Resolution No. 727 was passed condemning the property at 1635 Main. Stan Gray, the owner, appeared at the meeting and explained had cleaned the property up by removing trees, tearing out the driveway and removing a shed. He asked for at least 6 months to gut the inside, work on electrical, install new windows, new driveway, etc. The resolution was passed, with one dissenting vote, to give the owner 90 days to obtain building permits and 180 days to work on the property. That deadline passed on approximately February 1, 2017.

Since the time of the hearing to late 2016 no work had been done on the building. The building was sold to a new owner, Doug Jenkins, in late 2016. Doug came to the city staff and indicated he would begin work on the building once he finished the renovation of 136 Pacific. Doug is close to completing that property, but since the deadline passed staff is recommending that he address the Council and provide them with his timeline and plans for the structure.

On March 23, 2017, the Council voted unanimously to allow an extension to December 1, 2017.

As of today August 9, 2017, the exterior of the house is done except painting. The interior is being painted and according to Mr. Jenkins by the end of the weekend it will be painted and cabinets will be installed. In my opinion, the house will be occupied by the end of August.

COUNCIL ACTION NEEDED: The council should consider the staff and owner reports and consider one of 2 actions:

1. Direct the property to be put out for bid to be demolished;
2. Consider a motion to extend the time allowed under the passed resolution for the owners to complete the renovation and receive a certificate of occupancy; or

STAFF RECOMMENDATION TO COUNCIL: Based upon the investment and progress, staff recommends that an extension granted to the owners, but with different deadlines.

For 917 Pacific, staff recommends an extension until no later than November 1, 2017 to complete the project and gain a certificate of occupancy, with the following condition:

The owner must report progress by the end of each month to the Building Official. The Building Official will confirm the progress before the first Council meeting. If no progress report is received, the home will be added to the next Council agenda to recommend proceeding with demolition.

For 1635 Main this is just a progress report it will be done way ahead of the December 1st deadline.



August 8, 2017

City of Osawatomie, KS
Attn: Don Cawby, City Manager
PO Box 37
Osawatomie, KS 66064

RE: Osawatomie, Kansas
12 MW Generation Capacity Improvements
JEO Project No. 141554

Dear Don:

JEO Consulting Group, Inc. (JEO) is pleased to submit this letter of recommendation for the following item to be discussed at the next regularly scheduled City council meeting:

1. JEO received a request for change order from IES Commercial, Inc. (IES) for the following items:
 - a. Larry Harris Excavating, LLC (Harris) was the subcontractor IES hired to perform the generator and substation site grading, including the silt fencing, for the '9TH Street Substation' project. Harris was not able to obtain the specified fill material(s) in a timely manner and was deemed unresponsive. IES's letter to Harris terminating the subcontract agreement is enclosed. Thus, the City and a local contractor worked together to complete the necessary work. The amount for which IES is requesting to be removed from the contract is the entire amount of Group 'A'. JEO recommends to approve removal of Group 'A' – Items 1 & 2 of Contractor's Change Order No. 1, included, in the amount of **(\$75,690.00)**.
 - b. JEO received a request for change order from IES to increase the depth of A footing 4'-6" (Quantity 2), C footing 3'-9" (Quantity 1), and 36" diameter drilled piers below transformer pad 3'-7" (Quantity 5) to ensure proper bearing on adequate soil for the '9TH Street Substation' project. The subcontractor's per yard cost increased from the original bid amount to account for the additional rental of a larger power unit, rental of additional extension rods, revisions to the reinforcing steel cages, incurred storage fees due to the delayed start of construction, and additional administration fees. The amount for which IES is requesting is reasonable and JEO recommends to approve Group B – Item 1 – Substation Concrete Work of Contractor's Change Order No. 1, included, in the amount of \$9,014.20.
 - c. JEO received a request for change order from Paresources, Inc. (IES material supplier) for the installation of an additional input/output board within four SEL-751 relays for the '9TH Street Substation' project. The addition of the input/output boards are required to fully automate the 9TH Street substation. The amount for which IES is requesting is reasonable and JEO recommends to approve Group B – Item 3 - Substation Electrical Work of Contractor's Change Order No. 1, included, in the amount of \$4,250.00.

City of Osawatomie, KS

June 1, 2017

Page 2

- d. JEO received a request for change order from Paresources, Inc. (IES material supplier) for the installation of revenue grade metering for the three generators at the 9TH Street Substation. The addition of the revenue grade meters will allow Kansas City Power and Light to meter each unit per the Southwest Power Pool guidelines. The amount for which IES is requesting is reasonable and JEO recommends to approve Group B – Item 3 – Substation Electrical Work of Contractor’s Change Order No. 1, included, in the amount of \$32,100.00. Please print out three copies and execute upon council approval. Keep one copy for your file, return one to IES, and the final copy to JEO for our records.

If you have any questions and/or concerns do not hesitate to contact me at (402) 371-6416 Ext. 1114 or (402) 360-0217.

Respectfully submitted,



Matt E. Kalin, PE
Project Engineer

MEK:skw
Enclosure

Date of Issuance:	August 7, 2017	Effective Date:	August 10, 2017
Owner:	City of Osawatomie, Kansas	Owner's Contract No.:	
Contractor:	IES Commercial, Inc.	Contractor's Project No.:	555074007
Engineer:	JEO Consulting Group, Inc.	Engineer's Project No.:	141554.03
Project:	2016 9th Street Substation	Contract Name:	2016 9th Street Substation

The Contract is modified as follows upon execution of this Change Order:

Description: **1. Subcontract termination for grading. 2. Increase depth of A footing 4'-6" (Qty 2). 3. Increase depth of C footing 3'-9" (Qty 1). 4. Increase depth of 36" diameter drilled piers below transformer pad 3'-7" (Qty 5). 5. Add input/output board to four SEL-751 relays to allow for full automation of substation. 6. Furnish/install revenue grade metering on three generators.**

Attachments: 1. IES Commercial letter to Mr. Larry Harris dated July 19, 2017. 2. IES Commercial concrete change order request dated August 8, 2017. 3. Paresources, Inc. change order request dated June 21, 2017. 4. Paresources, Inc. change order requeste date June 30, 2017.

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>1,151,721.00</u>	Original Contract Times: _____ Substantial Completion: _____ Ready for Final Payment: _____ days or dates
[Increase] [Decrease] from previously approved Change Orders No. <u>-</u> to No. <u>-</u> : \$ _____	[Increase] [Decrease] from previously approved Change Orders No. <u>-</u> to No. <u>-</u> : Substantial Completion: _____ Ready for Final Payment: _____ days
Contract Price prior to this Change Order: \$ <u>1,151,721.00</u>	Contract Times prior to this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
[Increase] [Decrease] of this Change Order: \$ <u>(30,325.80)</u>	[Increase] [Decrease] of this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
Contract Price incorporating this Change Order: \$ <u>1,121,395.20</u>	Contract Times with all approved Change Orders: Substantial Completion: _____ Ready for Final Payment: _____ days or dates

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: <u>Matt E. Kalin</u> Engineer (if required)	By: _____ Owner (Authorized Signature)	By: <u>Led Kayton</u> Contractor (Authorized Signature)
Title: <u>Project Engineer</u>	Title: _____	Title: <u>Ops Mgr.</u>
Date: <u>08-09-17</u>	Date: _____	Date: <u>8-8-17</u>

Approved by Funding Agency (if applicable)

By: _____ Date: _____
Title: _____

Change Order Estimate - Lump Sum Work

JEO Project Name:	2016 9th Street Substation	JEO Project Number:	141554.03
Owner:	City of Osawatomie, Kansas	Change Order Number:	1
Contractor:	IES Commercial, Inc.	Effective Date:	August 10, 2017
Item		Change Order Information	
Bid Item No.	Description	Scheduled Value	
Group A - Items 1 & 2	Generator site grading and silt fencing. Substation site grading and silt fencing.	(\$75,690.00)	
Group B - Item 1 - Substation Concrete Work	Increase depth of A footing 4'-6" (Qty 2), increase depth of C footing 3'-9" (Qty 1), and increase depth of 36" diameter drilled piers below transformer pad 3'-7" (Qty 5)	\$9,014.20	
Group B - Item 3 - Substation Electrical Work	Add additional input/output board to (4) SEL-751 relays to fully automate substation	\$4,250.00	
Group B - Item 3 - Substation Electrical Work	Add revenue grade meter, (3) current transformers, and meter programming to each generator switchgear section	\$32,100.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
		\$0.00	
	Total:	(\$30,325.80)	

IES Commercial, Inc.
120 S. Lincoln St.
P.O. Box 27
Holdrege, NE 68949
T: 308 995 4462
F: 308 995 8771
www.ies-co.com



July 19, 2017

Mr. Larry Harris
Larry Harris Excavating, LLC.
20898 W. 319th
Paola, KS. 66071

RE: 9th Street Substation (Osawatomie, KS) Subcontract Termination

Dear Mr. Harris,

In accordance with Article 13 – Termination, of the Independent Subcontract Agreement between IES Commercial, Inc., and Larry Harris Excavating, LLC made and entered on May 10, 2017, consider this written notice of termination effective as of July 19, 2017.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Belgum".

Greg Belgum
General Manager

cc: JEO Consulting Group Inc.
cc email: excavatingbylarry@sbcglobal.net

COPY

RECEIVED

JUL 24 2017

JEO-NORFOLK



IES Commercial, Inc.
120 S. Lincoln St.
P.O. Box 27
Holdrege, NE 68949
T: 308 995 4462 Ext. 127
F: 308 995 8771
M: 402 705 2956
www.mike.mason@iesci.net
www.iesci.net

August 8, 2017

Matt Kalin
Project Engineer
JEO Consulting Group, Inc.
803 W. Norfolk Ave.
Norfolk, NE 68701-5144

Dear Mr. Kalin,

Below is a break down for cost on the change order to the foundation depths, for the 9th Street Substation project. This is per drawings D1.1 and D1.2, revised on 7/20/2017.

- Pier Type A
 - $\$889.82 \times 2 = \$1,779.64$
- Pier Type C
 - $\$1,104.57 \times 1 = \$1,104.57$
- Transformer Pad Piers
 - $\$1,016.99 \times 5 = \$5,084.95$
- Bonding
 - $\$1,045.04$

TOTAL = \$9,014.20

Please contact me if you have any questions. Thank you.

Sincerely,

A handwritten signature in black ink that reads 'Michael Mason' in a cursive script.

Michael Mason
Substation Project Manager/Estimator



Paresources, Inc.
 11940 West Ripley Avenue
 Wauwatosa, WI 53226
 414-258-2366 Phone

Date: 6/21/2017
Contact: Lisa Smukowski
Project: 9th Street Substation
Ship to: Osawatomie, KS

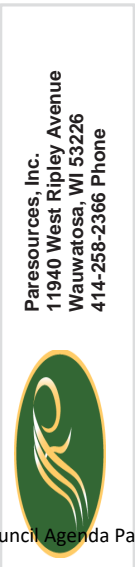
PROJECT: 9th Street Substation - Osawatomie, KS
DESCRIPTION: New 69kV Substation and Generator Yard
IES Commercial, Inc.

F.O.B. to jobsite - Osawatomie, KS. Any additional freight charges must be included in quote to be honored.

- Terms of Sale**
- FOB factory
 - **Freight prepaid and allowed**
 - Valid for 30 days
 - Taxes not included
 - **Manufacturer warranty applies**

• Payment: NET 30 days

ItemNumber	Item Description	Qty	Units	Manufacturer	Comments	Price each	Price extended
3b4	Change Order 2 Change SEL 751 Model (qty 4)	1	Each	ABB	Change Order requested	\$ 4,250.00	\$ 4,250.00
						\$	\$ 4,250.00



Paresources, Inc.
 11940 West Ripley Avenue
 Wauwatosa, WI 53226
 414-258-2366 Phone

Date: 6/30/2017
Contact: Lisa Smukowski
Project: 9th Street Substation
Ship to: Osawatomie, KS

- Terms of Sale**
- FOB factory
 - Freight prepaid and allowed
 - Valid for 30 days
 - Taxes not included
 - **Manufacturer warranty applies**

- Payment: NET 30 days

PROJECT: 9th Street Substation - Osawatomie, KS
DESCRIPTION: New 69kV Substation and Generator Yard
IES Commercial, Inc.

F.O.B. to jobsite - Osawatomie, KS. Any additional freight charges must be included in quote to be honored.

ItemNumber	Item Description	Qty	Units	Notes	Manufacturer	Comments	Price each	Price extended
3b4 Added	Add Short Switchboard Elite Meter & Set of CT's SAB-2D, 200:5A, C100	3	Each	Included: engineering drawings, materials, assembly, wiring, testing and meters programming	ABB	Change Order requested	\$ 10,700.00	\$ 32,100.00

Change on 6/30 to include the same one program to be uploaded in each of the three meters.

Client will be required to provide information (site specific information such as CT/PT ratios, etc.) or the program to ABB for loading into the meters.

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: August 10, 2017

AGENDA ITEM: Grocery Store Incentive

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY:

During the past few months, we have been working with many of the concerned parties to come to a plan for the Grocery Store. Those parties include:

- Mike Moon (Moon's Hometown Market) – building owner
- First Option Bank – building note holder
- Windsor Advantage, LLC – broker representing the non-fixed equipment note holder
- Associated Wholesale Grocers – former warehouse supplies and larges area wholesaler
- City of Osawatomie – City and utility provider.

These groups have met through calls and emails to put together a plan for (1) keeping the equipment in the grocery store and (2) putting together an incentive package for a new operator in the store. We have a tentative agreement on the equipment, but to consummate the deal we will need agreement from both FOB Bank and Mike Moon to make it happen.

Equipment Purchase Proposal

We have come to an agreement with Windsor Advantage, LLC, the broker for the equipment lease holder, to purchase the equipment for \$150,000. That agreement would require the sale to be closed by August 31 or for the City to take over the carrying costs (rent and insurance) from the lease holder beginning September 1.

The City believes that once the equipment is removed, the odds of attracting a new owner to the City drop greatly. The equipment, which is appraised for over \$400,000 can be purchased at a much reduced price and makes the store a more move-in-ready proposition for a new owner. While the

building may still have some drawbacks as to size, efficiency and age, we could not come up with a scenario where moving to a more efficiently sized building would be cost effective to getting a store opened in the current economic market.

In order to purchase the equipment, the City would require the assistance of First Option Bank (the lien holder on the property) to allow the city to do the following:

1. Provide the City with an interest-only lease purchase (or possibly a small principal payment) which would roll from year to year.
2. Allow the lease-purchase to be converted to a new lease purchase agreement upon acquiring a new operator.
3. Allow if necessary either the City or operator to hold the note/lease-purchase for the extent of the incentive period.
4. Agree to accept any storage agreement reached with the current owner in the case the bank becomes the owner.

The City would also require the owner, Mike Moon, to allow the city to do the following:

1. Store the equipment in the store, rent free, until a new operator can take over.
2. Provide some reasonable time for the City to move its equipment to a new location should the store be sold for another purpose.
3. Provide some assurance of additional insured status to the City for the equipment inside the building.
4. Provide some security or assurances as to the maintenance and protection of the equipment, so that the City can maintain the equipment in the building but allow for the building to possibly be rented for other interim uses until it is reopened as a store.
5. Work out other assurances that the City may need.

We believe that partnering with the owner and note-holder on the building, it will provide a scenario where all parties mutually benefit from finding a new operator.

If we are to pursue this proposal, will need to get the proper agreements drafted and agreed to by August 24, even if the closing of the lease-purchase occurs later. Also, we have some work to do on the City's part to make sure what it is going to take to insure the equipment until the operator is found.

Store Equipment Incentive Proposal

We have reviewed pro-forma scenarios created by AWG, Moon's, and the City to determine the attractiveness of a store without any incentives. After reviewing these scenarios, I have put together

the first part of an incentive proposal concerning the equipment, which I believe will be helpful in attracting a new operator.

The proposal would be to:

1. Purchase the equipment as proposed above.
2. Finance the loan on a 5-year basis.
3. Provide a 2/3rds incentive which has the City paying \$100,000 towards the \$150,000 principal on the loan.
4. Offer to hold the loan note or to assign to the new owner, depending on the situation.

By my estimates below, this phased-out incentive provides the owner with up to \$30,000 additional capital in year 1 to get the store up and running.

Grocery Store Equipment Incentive Proposal

	Principal	Annual Rate	Payments per year	Years			
	\$150,000	3.25%	2	5			
	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Payment</u>	<u>Balance</u>	<u>City Incentive</u>	<u>Operator Pmts Less Incentive</u>	<u>Operator Annual Payment</u>
1	(\$13,935.53)	(\$2,437.50)	(\$16,373.03)	\$136,064.47		(\$1,373.03)	
2	(\$14,161.98)	(\$2,211.05)	(\$16,373.03)	\$121,902.50	\$30,000	(\$1,373.03)	(\$2,746.05)
3	(\$14,392.11)	(\$1,980.92)	(\$16,373.03)	\$107,510.39		(\$3,873.03)	
4	(\$14,625.98)	(\$1,747.04)	(\$16,373.03)	\$92,884.40	25,000	(\$3,873.03)	(\$7,746.05)
5	(\$14,863.65)	(\$1,509.37)	(\$16,373.03)	\$78,020.75		(\$6,373.03)	
6	(\$15,105.19)	(\$1,267.84)	(\$16,373.03)	\$62,915.56	20,000	(\$6,373.03)	(\$12,746.05)
7	(\$15,350.65)	(\$1,022.38)	(\$16,373.03)	\$47,564.91		(\$8,873.03)	
8	(\$15,600.10)	(\$772.93)	(\$16,373.03)	\$31,964.82	15,000	(\$8,873.03)	(\$17,746.05)
9	(\$15,853.60)	(\$519.43)	(\$16,373.03)	\$16,111.22		(\$11,373.03)	
10	(\$16,111.22)	(\$261.81)	(\$16,373.03)	\$0.00	10,000	(\$11,373.03)	(\$22,746.05)
	(\$150,000.00)	(\$13,730.26)	(\$163,730.26)		\$100,000	(\$63,730.26)	(\$63,730.26)
				Principal Forgiven	66.67%		

This incentive to the new operator would be paid for from available funds in the City’s operating budget, but by the end of the 5 years, the City would expect to recoup the incentive through tax collections and utility payments.

Other Incentives

The City may be able to provide this incentive with some other incentives to make the proposal package very attractive. There are many options available, but we want to put together a package that also doesn't "over" incentivize the operation and make it unsustainable in future years. I will also say that through discussions with both FOB and AWG, I see a willingness to find innovative ways to provide some additional "incentives" to get the property back in use, as neither party gains from the building sitting empty. Of course any additional incentives will come before the City Council to be approved and you will have an opportunity to review our analysis of the negotiated deals.

Ultimately, a viable grocery store is one of three essential elements of a strong rural community—the other two being a strong school system and adequate housing. We will do everything we can to provide a strong proposal that will bring a sustainable operator to Osawatomie.

COUNCIL ACTION NEEDED: The Council should consider the proposal and provide staff direction on preparing purchase agreements, a lease-purchase agreement, and a storage proposal for the equipment.

STAFF RECOMMENDATION TO COUNCIL: Provide direction.

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: March 9, 2017

AGENDA ITEM: Grocery Store Status and Strategies

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: With the surprise closure of Ron's Country Market on February 23, the last two weeks have included a lot of time and research into short and long term solutions. This memo will layout and update of what we believe is the current status of the former store and then lay out a list of strategies and options available for bringing a vibrant grocery store back to Osawatomie.

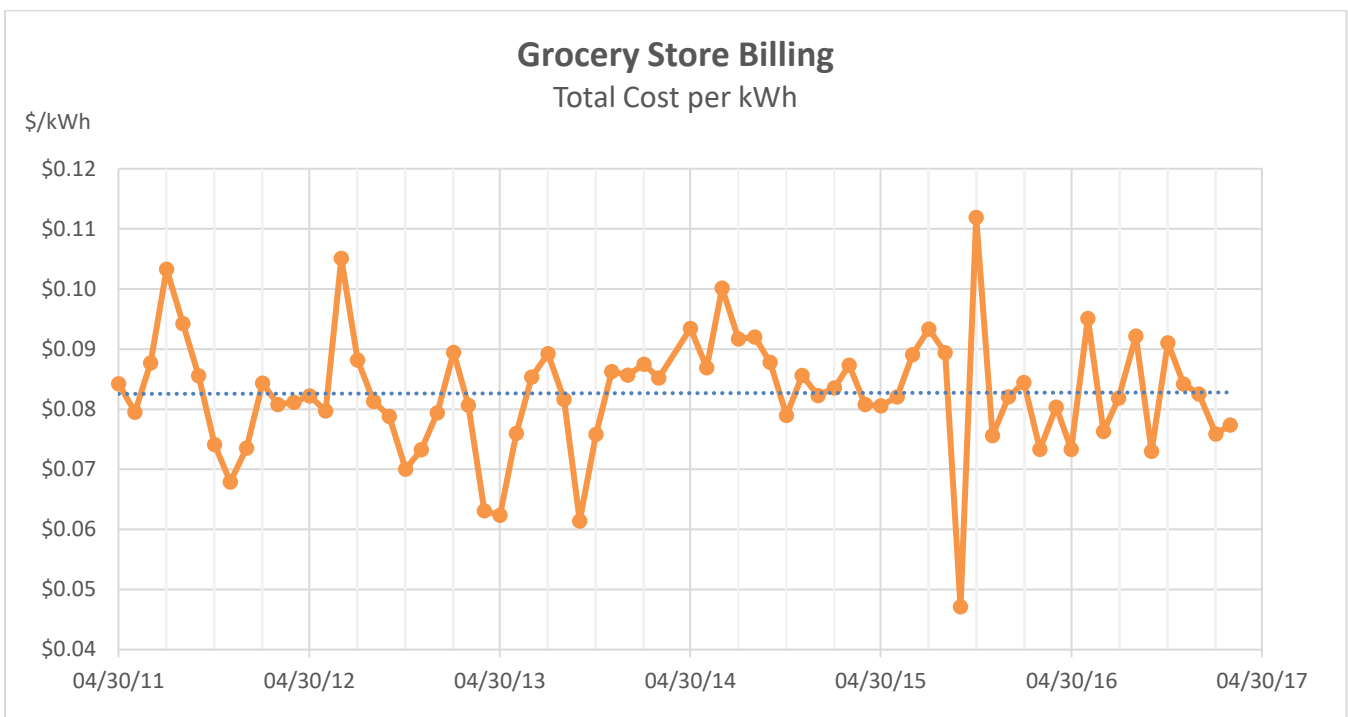
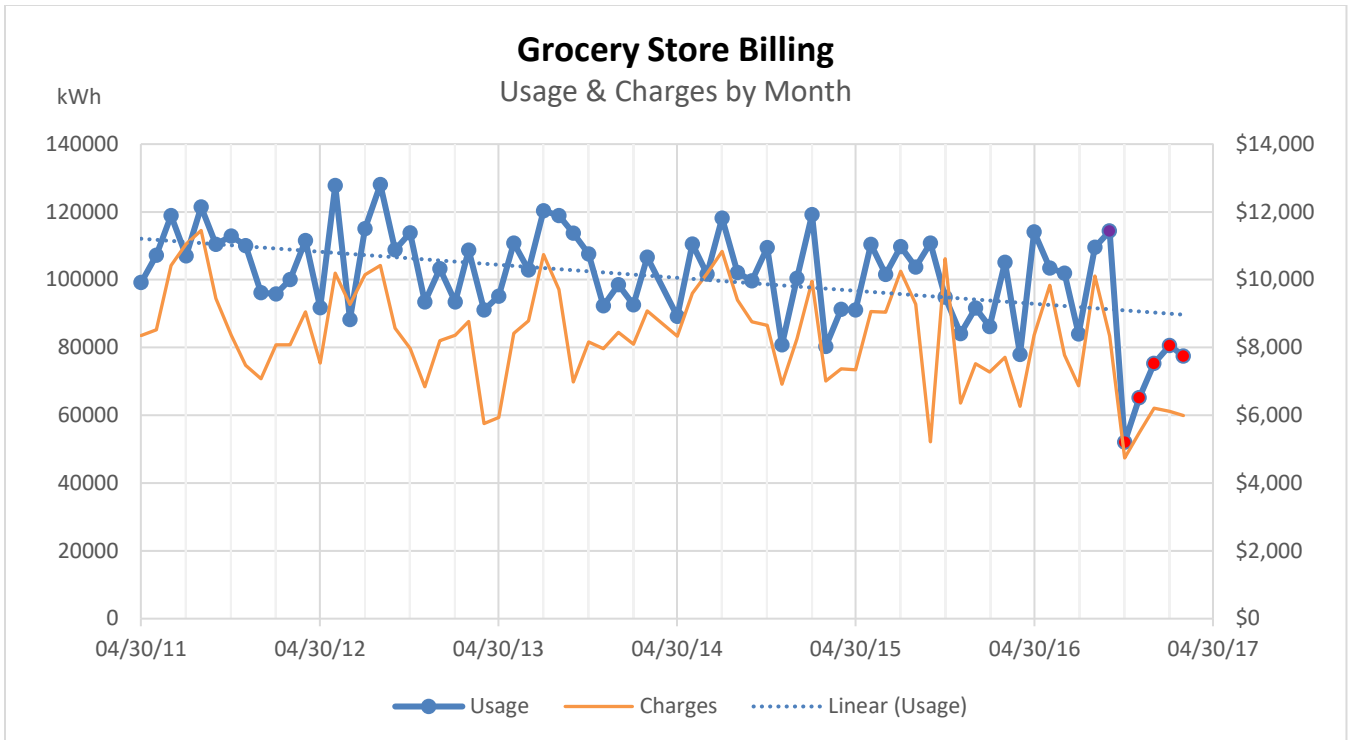
Status

Even though the closure is close to two weeks ago, we really don't have a lot of information on what to do next. What we do know:

- Moon's Hometown Market (owner of the store) has purchased the remaining inventory from the AWG warehouse and is conducting a closeout sale. This is likely to happen for a few weeks.
- The creditor for the coolers and equipment are conducting an appraisal of the equipment and also planning to leave the equipment in the store as long as Moon's allows it.
- The City has moved the utility costs back over to Moon's as of the 26th and Ron's final bill was covered by the deposit.
- We know there may be another creditor involved with the store improvements, but at this time we are unsure of that amount and status.
- We expect to see a formal bankruptcy action.

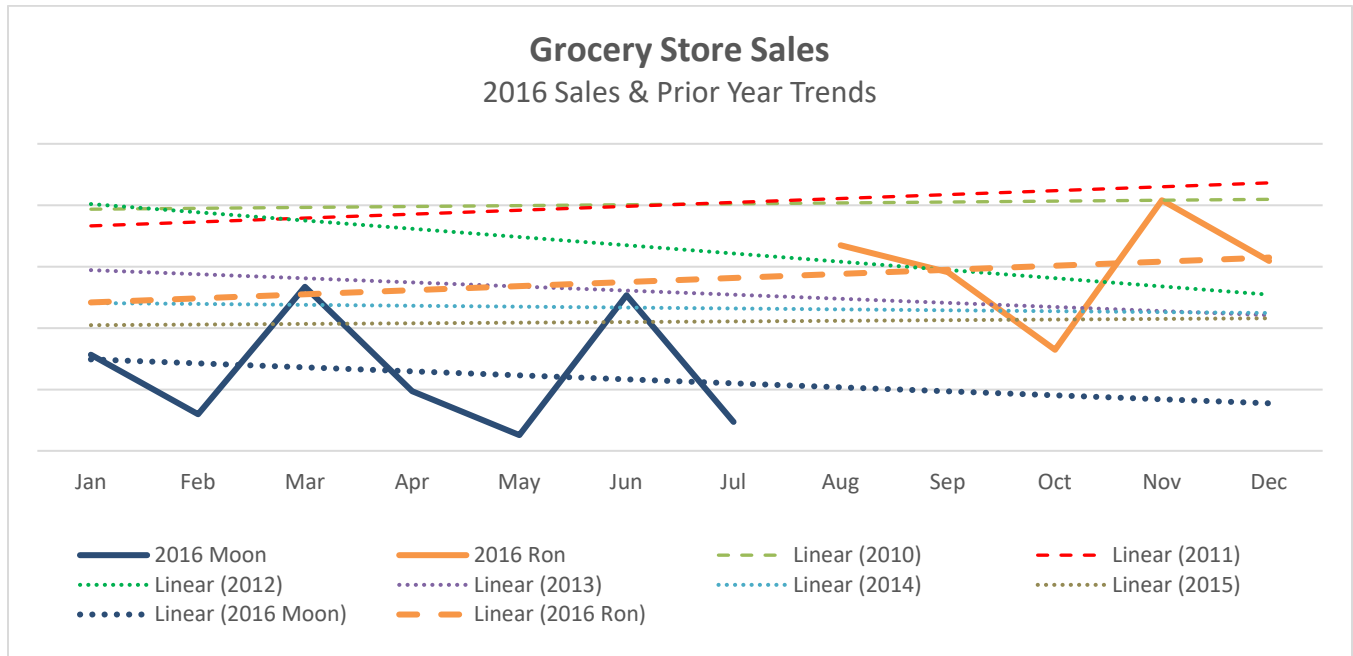
As demonstrated on the following charts, an analysis of the numbers shows a couple of positive trends as far as the changes that Ron Kleier made to the store.

Electric Usage. First, electric usage costs dropped dramatically after the purchase of the new coolers and cabinets. Electric usage appears to have dropped about 20% since the installation of the coolers. At an average cost per kWh of 10 cents, that amounts to a savings of around \$2,000 per month. That savings will rise when higher energy prices return.



Sales. Second, without divulging specific amounts, a review of taxable sales from the store from August through December showed around an 11% increase in taxable sales over the previous year’s totals. Those same amounts were 9% over the three-year average. Also, those sales weren’t just a result of the “new” factor, as taxable sales from November through January were actually 14% higher (compared to

9% for the whole six months). We believe those numbers will help to show that not only was the new store able to pick up sales, but it was also continuing to grow as habits changed and familiarity grew.



Evaluation of Options

There are several different options available for a community having a grocery store. Attached to this memo are some brochures provided by Kansas State which outline a description and case study for each type. Those options are:

- Sole Proprietorship
- Not for Profit
- Cooperative
- Public-Private Partnership
- Community Owned

Of course, there are varying degrees of each one of these models and some tend to bleed over into the other models depending on those changes. However, outside of recruiting a major chain store to the community (which is very unlikely), these are the models that exist and the boundaries in which we can work to find a role for the City and community to play in attracting a grocery store operation.

Corporate/Aldi’s Store. While Facebook has been abuzz about getting an Aldi’s in Osawatomie, or some discount operation like it, I don’t believe that will happen, or would have ever happened. Here are some facts that should help with addressing this issue:

- Aldi’s typically seeks a population base around 30,000 and we don’t meet their income criteria.

- They closed a store in Ottawa that was below their population threshold.
- A typical discount grocery retailer (Aldi's, Save-A-Lot, etc) would have to build a new store, because Moon's building is too large and the shelving would all have to be replaced.
- As a community we have done a good job of telling Aldi's through Facebook how many people in our community people already drive 25 miles to shop there, what is their incentive to come here?
- There are many other "low hanging fruit" locations for a corporate store to locate, other than in a bedroom community of 4,300.

Obstacles. After reviewing the several articles (a couple which are attached) and evaluating our history and current status, I have developed a list of the following obstacles I believe we have to overcome in order to have a successful store in Osawatometie. This is obviously not an exhaustive list, but I think it encapsulates the major areas of concern.

1. Regional Competition/Community Support
2. Non-local Employment/Habits
3. Equipment Owned Separately from Store
4. Size of Building/Overhead for Sales Area
5. Population Growth

Possible City Actions/Incentives

1. **City purchase and hold equipment (with assistance of Bank) for new owner. Partial forgivable loan for 5 years.**

Pros: Reduces overhead for new operator to get in store. Keeps efficiency savings. Equipment in place could be bought from creditor much less than bringing in used equipment and installing. Building is ready to operate.

Cons: Risk to public & bank. Creates a complex 4-way partnership. City and Bank would have to negotiate a rental agreement with owner to make sure all parties are not excessively profiting from arrangement.

Ballpark Estimate: \$250,000; \$100,000 reimbursement.

2. **Assist in downsizing of store – rent/sell space for secondary business.**

Pros: Reduce grocery store overhead and rent for new operator. Helps owner make the building viable. Creates additional draw to location.

Cons: May reduce appeal to operator. How to finance and justify modifications in building not owned by City? What business would occupy? If partial or full payback required, owner has

limited incentive to do it. Modifications would likely create costs for equipment relocation. Parking concerns with additional business.

Ballpark Estimate: \$300,000; \$0 reimbursement.

3. City purchase Old Dollar General Store to provide forgivable loan.

Pros: Would meet basic market needs, but current size is limiting. Reuse of vacant building in City. Lease/purchase option to finance. Provide option for ownership, coop or city-owned.

Cons: Parking - additional land required from railroad for delivery and parking. May be too small. May require external cooler/freezer. May reduce appeal to operators. Condition of building unknown. Still have large vacant building with limited uses.

Ballpark Estimate: \$600,000; \$200,000 reimbursement.

4. City Owned New Store

Pros: New store could be extremely efficient and would be right-sized. City may have financing options for new building. Grants or tax credits might be available. Store could be in more attractive location. New store attractive to operators. Provide option for ownership, coop or city-owned. City could control rent costs and provide deferred payments or partial forgiveness.

Cons: City would need the Building Commission model because of need to debt finance. Store and new equipment would be very expensive. Debt funding source likely only (sales or property tax). Land hard to acquire, limited locations and sellers. City would have to be landlord unless sold. Perception that City is responsible for building condition and operator.

Ballpark Estimate: \$2,000,000; \$1,500,000 reimbursement.

Recommended Strategy

1. Find a New Owner for Existing Store.

I believe the first, and most prudent path for the city to take is to assist in the recruitment and placement of a new owner/operator in Osawatomie. Here is my case for this approach.

- **Sales Goals Are Achievable.** In the short time Ron's had the store, it demonstrated that increased sales can occur in Osawatomie. Based on discussion with Mike Moon, the threshold that I believe the store only needs add about \$5,000 per week more to regain a steady footing. I believe that we were headed in that direction. In real terms, that number is equal to 1/3 of the city's households spending \$10 more per week in the store than they have previously. That change is very achievable through education and promotion.

- **Overhead Costs Will Be Less.** The store has already demonstrated it has a \$2,000 per month savings in energy efficiency. Also, if the equipment can be maintained, the costs to acquire the equipment in the building and pay off outstanding debt will be much less than it was for Ron's. Whatever his financing costs were, these items could easily be reduced by 50% or more, even without City incentives.
- **Opportunity.** The grocery community is somewhat stunned by what happened in Osawatomie two weeks ago. I believe we have an opportunity, through a good strategy and a united message to bring a grocer here that might not have otherwise been interested, because of the unique circumstances. I wouldn't call it the sympathy card, but we definitely have a card to play in the grocery world about the circumstances of the store's demise.
- **Partnerships.** City staff has already met with Mike Moon and First Option Bank to talk about options for moving forward in attracting a new owner. We all agree that the key to reselling the current building to a new owner is to find a way to keep the equipment in the building. We also believe the store as it sits now is attractive to a new owner. The equipment owner has also expressed the same opinion and seems willing to work with us, likely buying us several months in which to try to find a store operator.
- **Most Cost Effective Option.** Based on the estimates above, the amount of money the City might have to pay in incentives would be much less by recruiting a new owner/operator.

2. Look at Possibilities for Public-Private Partnerships.

While we are working hard on the first strategy, I would like to work behind the scenes to develop a contingency plan, with some scenarios where the City might be able to assist in owning a store or property necessary for a viable grocery store. While I can readily admit that I have no real desire to implement any contingency plan, I think we need to identify the best of the undesirable options and be ready to move in the fall with a plan, should we fail at attracting a new owner.

COUNCIL ACTION NEEDED: Consider, provide feedback and discuss strategies.

STAFF RECOMMENDATION TO COUNCIL: None.

Osawatomie Police Department
Activity Report

2017	1st Qtr Totals	Apr	May	Jun	2nd Qtr Totals	Year Total	Prior Yr 2nd Qtr	Change from PY
Warrant Arrests	71	23	27	14	64	135	38	26
Other Arrest / Charges filed	94	24	56	35	115	209	99	16
Traffic Stops	407	138	359	128	625	1032	430	195
Suspicious Activ., Inv. Persons, Ped Checks, Prowlers	253	83	121	137	341	594	267	74
Traffic Accidents	36	10	22	13	45	81	40	5
Assist EMS	154	42	47	51	140	294	110	30
Fights , Disturbance, Assaults, Domestic, Harras, Violation of Protection Orders	66	47	46	45	138	204	142	(4)
Sex crimes	3	7	2	3	12	15	7	5
Damage to Prop., thefts, Burglarys,	74	30	33	40	103	177	114	(11)
Drug Cases Dispatched	6	10	3	1	14	20	4	10
Drug Cases Cleared (annual only)								
Animal calls	124	56	59	60	175	299	157	18
Child in Need of Care, Runaways, Missing Children	11	11	7	9	27	38	30	(3)
Vehicle Lock outs	61	17	17	22	56	117	57	(1)
Escorts, Civil Stand-bys, 911 Misdials, Motor Assist, X-Patrol, Alarm Calls, Welfare Checks	147	56	61	85	202	349	324	(122)
Citizen Inquires	165	66	66	97	229	394	155	74
Calls for service otherwise not classified	271	108	115	93	316	587	352	(36)
Assist Out Side Agency, Loud Music, , Traffic Haz, Driving Complaints, Drug Testing Finger Printing, Open Doors, Follow-ups, Found Property, etc...	212	95	92	100	287	499	235	52
Total Calls handled by Officers	2155	823	1133	933	2889	5044	2,561	328
*Totals occurrences for the month	3001	1071	1389	1223	3683	6684	2,958	725
Actual Written Reports Taken By Officers (Annual Only)								
Traffic Citations	155	70	257	7	334	489	224	110
Other Citations	38	20	27	88	135	173	58	77
Total Citations	193	90	284	95	469	662	282	187

* Total occurrences for the month include calls for service and dispatch activity, such as the issuance of burn permits, accepting fine payments, logging vehicle fuel, county fire calls, and other public assistance.

Osawatomie Police Department
Activity Report

Jul-17

17	Warrant Arrests
	Other Arrest and /or Charges filed
150	Traffic Stops
131	Suspicious Activ., Inv. Persons , Ped Checks, Prowlers
11	Traffic Accident Calls
82	Assist EMS
39	Fights , Disturbance , Assaults, Domestic, Harras, Violation of Protection Orders, Trespass
1	Sex crimes
33	Damage to Prop., Thefts , Burglarys,
5	Drug Case or Calls
73	Animal calls
5	Child in Need of Care , Runaways, Missing Children
24	Vehicle Lock outs
88	Escorts, Civil Stand-bys, 911 Misdiags, Motor Assist, X-Patrol, Alarm Calls, Welfare Checks
79	Citizen Inquires
165	Calls for service otherwise not classified
118	Assist Out Side Agency, Loud Music, , Traffic Haz, Driving Complaints, Drug Testing Finger Printing, Open Doors, Follow-ups , Found Property, Warrant Attempts, etc..
1021	Calls handled by Officers
1414	* Totals occurrences for the month
99	Traffic Citations
30	Other Citations
129	Total Citations

* Total occurrences for the month include calls for service and dispatch activity, such as the issuance of burn permits, accepting fine payments, logging vehicle fuel, county fire calls, and other public assistance.

CITY OF OSAWATOMIE



MEMORANDUM

To: Mayor and City Council

From: Don Cawby, City Manager

Re: **Projects & Issues Update**

Date: August 10, 2017

Projects

Main Street Project. I checked again with GAS today and based on the current process, he thinks the release of funds will not be until September 8 or later. A publication for public comment will run next Wednesday. At this point, I don't see a way we can squeeze this project in for 2017, without a few major miracles.

9th Street Substation. The dirt work is close to done and pads are in the process of being poured. A lot of headway has been made in the last couple of weeks.

12th Street Water Line. Crews completed the new waterline and were able to find the troublesome leak. We are now prepared for the street project whenever it occurs. Once again, the problem was an abandoned service connection that was disconnected in front of the old meter, but not at the main, so it was hard to find the problem.

Issues

Park Loitering. We have continued to have a problem with loitering, homelessness and public drug use at our lakes and parks. We will be meeting as a staff to find a short-term and long-term solution to this problem. Generally, we expect we are going to have to spend the money to put up a network of cameras at our problem sites. Public Works, the Police Department and I.T. will be working on ways to accomplish this quickly but expect us to come with a modification to priorities in order to fund this proposal.

Electric Capacity. We are finally getting the meters in for the 7th Street Substation so that we can run load tests to demonstrate our excess capacity. Once we get a day over 90 degrees, we will be do everything we can to get all of the engines tested.

Upcoming Meetings/Dates

Aug 24	City Council Meeting/Budget Hearing
Aug 30	Levee Table Top Exercise
Sept 14	Council Meeting
Sept 16-18	LKM Annual Meeting in Wichita
Sept 16-17	Freedom Festival