

OSAWATOMIE CITY COUNCIL
AGENDA
November 30, 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. November 30th Agenda
 - B. Council Meeting Minutes from October 25, 2017
6. Comments from the Public
 - Citizen participation will be limited to 5 minutes. Stand & be recognized by the Mayor.*
7. Presentations & Proclamations
8. Public Hearings
9. Unfinished Business
 - A. Resolution – Issuance of Temporary Notes for Phase II Main Street
 - B. Waste Management Contract Changes
10. New Business
 - A. Appointment – Library Board - Tammy Filipin
 - B. Electric Shop/Public Works Site Plan & Budget
11. Council Report
12. Mayor's Report
13. City Manager & Staff Reports
14. Executive Session
15. Other Discussion/Motions
16. Adjourn

NEXT REGULAR MEETING – December 14, 2017

Osawatomie, Kansas. **October 25, 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, Macek, Walmann and Wright. City Staff present were City Clerk Tammy Seamands, City Manager Don Cawby, City Attorney Dick Wetzler, Public Works Director Blake Madden, Court Clerk Lisa Hastings, Chief of Police Dave Ellis, Building Official Ted Bartlett, Public Safety Officer Chris White and Public Safety Officer Dustin Abercrombie. Members of the public were: Brian Kingsley with BG Consultants, Brooks Marsh with Crosspoint Church, Donna Darner, Doug Walker, Brian King, Will Cutburth, Angela White, Kevin White, Deanna White and Jennifer McDaniel.

INVOCATION. Brooks Marsh with Crosspoint Church

CONSENT AGENDA. Approval of October 25th Agenda, Council Minutes for September 14th & 28th, Special Event Permit ~ Border War BBQ, Special Event Permit ~ USD 367 Veterans Day Celebration, Pay Application No. 1 ~ Library Roof, Pay application No. 1 ~ City Hall Addition Roof, Pay Application No. 1 ~ City Auditorium, Payment ~ 9ths Street Substation, Pay Application No. 3 ~ 9th Street Substation, Pay application No. 6 (Final) ~ 7th Street Substation and Certificate of Substantial Completion ~ 7th Street Substation Phas IV Switchgear Addition. **Motion** made by Hunter, seconded by LaDuex to Approve the Consent Agenda as presented. Yeas: All.

COMMENTS FROM THE PUBLIC.

Brooks Marsh, with Crosspoint Church, is formerly known as Southern Baptist Church. They are multi-site church, with locations all over the state of Kansas.

Donna Darner wanted to bring the attention of a few things that needed attention at Memorial Hall. She stated that the steps on the side of the building leading into the park needed hand rails and that there was a piece of the ceiling above the stage that is falling down.

PRESENTATIONS.

ADMINISTER OATH OF OFFICE TO POLICE OFFICERS AND COURT CLERK. City Clerk Tammy Seamands administered the oath of office to Christopher White, Dustin Abercrombie and Lisa Hastings.

CITIZEN REQUEST TO APPORVE MINIATURE PIGS ~ MORGAN JOHNSON. Building Official Ted Bartlett and Chief of Police Dave Ellis briefly went over some of the information that they have researched regarding miniature pigs after a resident provide information to the city after hearing they were not allowed in the city limits. No action taken, as Morgan Johnson did not attend the meeting.

PUBLIC HEARINGS. None.

UNFINISHED BUSINESS.

CHANGE ORDER NO. 1 ~ CITY AUDITORIUM ~ MTS ~ \$27,000. The change order reflects the brick billing through MTS instead of the City paying directly. **Motion** made by Hunter, seconded by Dickinson to Approve Change Order No. 1 for \$27,000. Yeas: All.

PAY APPLICATION NO. 2 ~ CITY AUDITORIUM ~ MTS ~ \$33,280. **Motion** made by Dickinson, seconded by Hunter to Approve Pay Application No. 2 for \$33,280. Yes: All.

ORDINANCE ~ SPECIAL USE PERMIT ~ WALKER RV PARK. The planning commission recommended approval of the special use permit for 125 1st Street. **Motion** made by Hampson, seconded by Maichel to Approve the Ordinance for a Special Use Permit for Walker RV Park. Yeas: All.

ORDINANCE ~ SPECIAL USE PERMIT ~ KLEIN RV PARK. The planning commission recommended approval of the special use permit for 6th & Kelly Ave. **Motion** made by Hunter, seconded by Walmann to Approve the Ordinance for a Special Use Permit for Klein RV Park. Yeas: All.

NEW BUSINESS.

BID AWARD ~ MAIN STREET PHASE II. Blake Madden, Director of Public Works, explained that the bidding included 2 options, 1 for hot mix asphalt pavement and 1 for Portland cement concrete pavement. Kansas Heavy Construction was the low bid on both options. He recommends the concrete option with Kansas Heavy Construction. The City has worked with them in the past and have been successful in those projects. **Motion** made by Maichel, seconded by Hunter to Approve Kansas Heavy Construction Alternate #1 Bid (concrete) for \$1,545,338.74. Yeas: All.

GENERATION PROJECT ~ KCPL MEMORANDUM OF UNDERSTANDING FOR INTERCONNECT DATA. No Action Taken, will bring back at another date.

GENERATION PROJECT ~ FIBER LINE INSTALLATION BID. Cawby explained that we received bids for underground and overhead fiber lines to be installed for the substation interconnection. Kwikom had a bid of \$44,000 for underground and \$38,000 for overhead. **Motion** made by Dickinson, seconded by Hampson to Authorize \$44,408 to Kwikcom for Installation of Underground Fiber Line. Yeas: All.

COUNCIL REPORTS.

Tamara Maichel mentioned her and her dog were attacked by another dog. She felt the process was not handled in the best way and the process could change.

Lawrence Dickinson spoke at the Rush the Rails to open the event on Friday night.

Ted Hunter mentioned the Border Wars BBQ will be this weekend.

Dan Macek asked if parking was allowed on the curb bump out on Main Street.

Nick Hampson mentioned the Chamber of Commerce Dinner will be Thursday, October 26th at 6:00 p.m.

MAYOR'S REPORT.

Commissioner Pretz invited everyone to the Jail Ribbon Cutting on November 3rd at 10 a.m. and the Bridge Ribbon Cutting on November 8th at 9:30 a.m.

CITY MANAGER & STAFF REPORTS.

Included Rush the Rails turnout information in the packet.

September Police Report is attached in the packet as well.

EXECUTIVE SESSION. **Motion** made by Hunter, seconded by Hampson to go into executive session for Attorney-Client Communications to include City Manager Cawby and City Attorney Dick Wetzler for 10 minutes to come back at 8:00 p.m. No Action Taken.

OTHER DISCUSSION/MOTIONS.

Motion made by Hunter, seconded by Dickinson to adjourn. Yeas: All. Mayor declared the meeting adjourned at 8:01 p.m.

/s/ Ashley Kobe

Ashley Kobe, Deputy City Clerk

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: November 30, 2017

AGENDA ITEM: **Project Authorization and Authority to Issue Temporary Notes**

PRESENTER: Don Cawby, City Manager; Dave Arteberry, Financial Advisor

ISSUE SUMMARY: As discussed at earlier meetings, in order to finance Phase II of the Main Street project, bonds will be required to complete the project. We expect that we will need \$1,150,000 in permanent bonds to finance the project, along with \$400,000 in CDBG funds and \$500,000 from the Miami County Road/Bridge sales tax. We are currently estimating that to fund the project before the sales tax money comes in, and permanent bonds can be issued, that we will need \$1,650,000 in General Obligation Temporary Notes to provide cash for the project. The \$1,650,000 principal amount will allow for the construction and reconstruction in 2018 of Main Street from 7th Street to 12th Street to Parker Avenue where it turns east.

In order to issue the notes, the Council needs to pass the proposed resolution. Included are sheets that detail the uses of funds from the low bidder and additional information on the issuance. For a quick comparison below is a summary of the 2 bids received:

First Option Bank:

Coupon Rate: 2.50%

Gross Interest: \$61,875.00

Bid Premium: \$0

Net Interest (\$): \$61,875.00

Net Interest (%): 2.50%

Oppenheimer:

Coupon Rate: 2.25%

Gross Interest: \$55,687.50

Bid Premium: \$7,450.00

Net Interest (\$): \$48,237.50

Net Interest (%): 1.9489%

Dave Arteberry of George K. Baum, the City's financial advisor, will be available for any questions or concerns you may have about the temporary note financing.

COUNCIL ACTION NEEDED: Consider the proposed resolution to issue the temporary notes.

STAFF RECOMMENDATION TO COUNCIL: Approve the Resolution to issue \$1,650,000 in temporary notes at a 1.95% net interest rate.

TRIPLETT WOOLF GARRETSON, LLC

RESOLUTION NO. _____

OF

THE CITY OF OSAWATOMIE, KANSAS

NOVEMBER 30, 2017

RESOLUTION NO. _____

A RESOLUTION PROVIDING FOR THE ISSUANCE OF GENERAL OBLIGATION TEMPORARY NOTES OF THE CITY OF OSAWATOMIE, KANSAS, IN THE PRINCIPAL AMOUNT OF \$1,650,000, TO PROVIDE FUNDS FOR THE TEMPORARY FINANCING THE COSTS OF CONSTRUCTION OF CERTAIN INTERNAL IMPROVEMENTS IN THE CITY; AND PROVIDING THE TERMS, FORM AND CONDITIONS OF THE NOTES.

WHEREAS, the governing body of the City of Osawatomie, Kansas (the "City"), under the authority of K.S.A. 12-685 *et seq.*, as amended and supplemented (the "Main Trafficway Act"), has designated certain streets in the City as main trafficways, in Ordinance No. 3719; and

WHEREAS, pursuant to the Main Trafficway Act and Ordinance No. 3720 (as amended by Ordinance No. 3748), the City has authorized construction and reconstruction of Main Street from 1st through 5th Street and from 7th Street to 12th Street, and 12th Street from Main Street to Parker Avenue, as follows: (1) reconstruct pavement with 8" concrete on a 6" crushed stone base from 1st Street to 5th Street, and (2) reconstruct intersection aprons, driveways to the right-of-way line, sidewalks and sidewalk ramps and all things necessary and related thereto, according to plans and specifications previously approved by the Governing Body and City staff (the "Project"); and

WHEREAS, the City has previously issued its General Obligation Refunding and Improvement Bonds, Series 2016-A (the "2016 Bonds") of which \$1,230,000 of the principal amount was issued for the purpose of paying a portion of the costs of the Project; and

WHEREAS, the governing body of the City finds and determines it necessary to provide for the issuance of temporary notes of the City pursuant to the Act and the above described Ordinances in the amount of \$1,650,000, which amount does not exceed the total authorized cost of the Project when added to the cost of the Project funded with the 2016 Bonds, to finance the next phase of the Project during the construction thereof, and to specify form and conditions of the temporary notes.

WHEREAS, pursuant to K.S.A. 10-123, the Governing Body of the City is authorized to issue temporary notes in anticipation of the issuance of general obligation bonds as funds are needed for orderly construction of the Project.

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

SECTION 1. Authority for the Notes; Security. The City's General Obligation Temporary Notes, Series 2017-1 in the principal amount of \$1,650,000, dated December 15, 2017 (the "Notes") are authorized and directed to be issued.

The Notes shall be general obligations of the City payable as to both principal and interest from the proceeds of the City's general obligation bonds issued to permanently finance the Project

(as defined above) or from current revenues of the City lawfully available for such purposes, and, if not so paid, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the City. The full faith, credit and resources of the City are pledged to secure the payment of the principal of and interest on the Notes as and when the same become due and payable in accordance with their terms.

The Governing Body covenants to make provision for the payment of the principal of and the interest on the Notes by issuing general obligation bonds of the City for the Project and/or applying any current revenues of the City available for such purpose.

SECTION 2. Details of the Notes; Payment of Principal and Interest. The Notes shall be issued in the principal amount of \$1,650,000, designated “City of Osawatimie, Kansas, General Obligation Temporary Notes, Series 2017-1”, dated December 15, 2017 (“Dated Date”), and shall mature June 15, 2019 (“Maturity Date”).

The Notes shall be fully registered certificated securities, numbered as the Note Registrar determines, and issued in the minimum denomination of \$100,000 or \$5,000 increments greater than \$100,000. The Notes shall bear interest from their Dated Date (computed on the basis of a 360-day year of twelve 30-day months) at the rate of 2.25% per annum, payable on the Maturity Date or on the Redemption Date authorized by this Resolution (the “Interest Payment Date”).

The principal amount of the Notes shall be payable to the registered owner in lawful money of the United States of America by check or draft of the Paying Agent upon the presentation of the Notes for payment and cancellation at the Paying Agent’s principal office in Topeka, Kansas.

If an Interest Payment Date, Redemption Date or Maturity Date is on a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the legislature of the State of Kansas and on which the Paying Agent is not open in the normal course of its operations, then the payment of principal, premium or interest may be paid on the next succeeding business day with the same force and effect as if made on the scheduled payment date, and no interest shall accrue for the period after such scheduled payment date.

SECTION 3. Redemption of Notes in Advance of Maturity. The Notes may be prepaid and redeemed by the City, in whole or in part, on any date occurring on or after June 15, 2018, by the payment of the principal amount called for prepayment and redemption, plus the accrued and unpaid interest on such amount to the date selected for redemption (the “Redemption Date”). If the City elects to prepay the Notes, the City will give written notice to the Treasurer of the State of Kansas and the Paying Agent (defined below) not less than forty-five (45) days prior to the selected Redemption Date. The City shall also give or direct the Paying Agent to give written notice of such redemption to the Owners of the Notes, with notice to the Owners to be delivered by United States first class mail not less than 30 days before the selected Redemption Date. The City shall also give such additional notice of its election to prepay the Notes as may be required by the laws of the State of Kansas in effect at the time of the giving of such notice, including K.S.A. 10-129, to the extent applicable. Upon giving notice as described above and upon payment in full on the Redemption Date of the principal amount of and all accrued and unpaid interest to

such date, interest of the Notes or portion of the Notes redeemed shall cease to accrue from and after the Redemption Date and the Notes (or portion of the Notes) shall no longer be entitled to the protection, benefits and security of this Resolution.

At the option of the City, a notice of optional redemption may be conditional upon moneys being on deposit with the Paying Agent on or prior to the Redemption Date in an amount sufficient to pay the redemption price on the Redemption Date. If a notice is conditional and moneys are not received, the notice shall be of no force and effect, the Paying Agent shall not redeem such Notes and the Paying Agent shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Notes will not be redeemed.

SECTION 4. Designation of Paying Agent and Note Registrar; Agreement. Pursuant to K.S.A. 10-620 *et seq.*, the governing body elects to have the provisions of the Kansas Bond Registration Law apply to the Notes and pursuant thereto, designates and appoints the Treasurer of the State of Kansas, Topeka, Kansas, as the Note Registrar and Paying Agent for the Notes (the “Paying Agent” or “Note Registrar”). The terms, conditions and provisions under which the State Treasurer will perform his duties as Note Registrar and Paying Agent for the Notes are set forth in an “Agreement between Issuer and Agent”, dated as of December 15, 2017 (the “Agreement”). The form and text of the Agreement is approved and accepted by the governing body, and all of the covenants, duties and responsibilities therein contained which are to be performed by and on behalf of the City are declared to be the covenants, duties and responsibilities of the City as though fully set forth at this place. The Mayor and City Clerk are authorized to execute and deliver the Agreement for and on behalf of the City. The entire text of the Agreement is incorporated in and made a part of this Resolution by this reference and as though fully set forth at this place.

SECTION 5. Form of Notes. The Notes shall be in the usual and customary form and shall contain recitals as required by law, including a recital that they are issued under the authority of K.S.A. 10-123. The Notes shall further contain a recital that they are issued for the purpose of temporarily financing the costs of constructing the Project pursuant to the provisions of K.S.A. 12-685 *et seq.*, as amended and supplemented, and shall also contain a recital that they are subject to prepayment prior to maturity at the City’s election in accordance with Section 3 hereof. The City’s Bond Counsel, Triplett Woolf Garretson, LLC, is authorized to prepare the form and text of the certificates for the Notes, and to cause the same to be printed as the definitive certificates for the Notes.

SECTION 6. Book-Entry-Only Notes. The Notes shall be initially distributed in book-entry-only form through The Depository Trust Company, New York, New York (“DTC”), by depositing with DTC one certificate in fully registered form, registered in the name of DTC’s nominee, Cede & Co., in an amount equal to the total principal amount of the Notes as authorized herein. Notwithstanding anything in this Resolution to the contrary, so long as the Notes remain in book-entry-only form the manner of payment of the principal of and the interest on the Notes to DTC, and other matters relating to the distribution of the Notes in book-entry-only form through DTC, shall be governed by the provisions of this Section 6 and a Letter of Representations (the “Letter of Representations”) from the City to DTC, previously executed and delivered on behalf of the City.

One certificate registered in the name of DTC's nominee, Cede & Co., for the total principal amount of the Notes will be issued to DTC in New York, New York; and such certificate will be immobilized in its custody. Purchases of the Notes in denominations permitted by Section 2 hereof must be made by or through Direct Participants of DTC (as defined in the Letter of Representations), which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Transfers of ownership will be effected on the records of DTC and its Participants pursuant to the rules and procedures established by DTC and its Participants. Payment of principal and interest on the Notes will be made in same day funds directly to DTC. The transfer of principal and interest to Participants of DTC will be the responsibility of DTC; the transfer of principal and interest to Beneficial Owners by Participants of DTC will be the responsibility of such Participants. Neither the City nor the Paying Agent and Note Registrar will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

In the event (a) the City determines (i) that DTC is unable to properly discharge its responsibilities, or (ii) that DTC is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (iii) that the continuation of a book-entry system to the exclusion of any Notes being issued to any owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes; or (b) the Note Registrar receives written notice from Participants having interest in not less than 50% of the Notes outstanding, as shown on the records of DTC (and certified to such effect by DTC), that the continuation of a book-entry only system to the exclusion of any Notes being issued to any Registered Owner other than Cede & Co., is no longer in the best interests of the Beneficial Owners of the Notes, then the Note Registrar shall notify the registered owners of such determination or such notice, and the Note Registrar shall register in the name of and authenticate and deliver replacement Notes to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption ("Replacement Notes"); provided, that in the case of a determination under (a)(i) or (a)(ii) of this paragraph, the City, with the consent of the Note Registrar, may select a successor securities depository in accordance with the provisions hereof to effect book-entry transfers. If issued in certificated form, the certificates representing the Notes shall be numbered in such manner as the Note Registrar shall determine.

All references to DTC herein shall relate to the period of time when DTC has possession of at least one Note. Upon the issuance of Replacement Notes, all references herein to obligations imposed upon or to be performed by DTC shall be deemed to be imposed upon and performed by the Note Registrar, to the extent applicable with respect to such Replacement Notes. If DTC resigns and the City, the Note Registrar or the Owners are unable to locate a qualified successor of the securities depository, then the Note Registrar shall authenticate and cause delivery of Replacement Notes to Owners, as provided herein. The Note Registrar may rely on information from DTC and its Participants as to the names of the Beneficial Owners of the Notes. The cost of printing, registration, authentication, and delivery of Replacement Notes shall be paid for by the City.

In the event DTC resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the City may appoint a successor securities depository provided the Note Registrar receives written evidence satisfactory to the Note Registrar with respect to the ability of the successor securities depository to discharge its responsibilities. Any such successor securities depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Note Registrar upon its receipt of a Note or Notes for cancellation shall cause the delivery of the Notes to the successor securities depository in appropriate denominations and form as provided in this Resolution.

SECTION 7. Registration of Ownership, Transfer and Exchange of Certificated Notes. Pursuant to the Agreement, and subject to the requirements of Section 6, the Note Registrar shall maintain books for the recording of the initial registration and any subsequent transfers of the ownership of the Notes (the "Registration Books;") and the person(s) in whose name any Notes are registered as shown on the Registration Books shall be deemed and regarded as the absolute Owner thereof for all purposes. Payment of, or on account of the principal of and the interest on any Notes shall be made only to or upon the order of the Owner or his duly authorized agent. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Notes, including the interest thereon, to the extent of the sum or sums so paid.

The provisions, terms and conditions and requirements for the transfer and exchange of the Notes and for the replacement of a mutilated, lost, stolen or destroyed Note are fully set forth in the Agreement. Replacement certificates delivered upon any transfer or exchange made in compliance with the Agreement shall be valid obligations of the City, evidencing the same debt as the certificated Note surrendered, shall be secured by the pledges made in this Resolution and shall be entitled to all of the security and benefits of this Resolution to the same extent as the certificated Note surrendered.

SECTION 8. Execution of the Notes. The Notes shall be executed by the manual signature of the Mayor, shall have the City's official seal impressed thereon, and shall be attested by the manual signature of the City Clerk; and when so executed, the Notes shall be registered in the office of the City Clerk and in the Office of the Treasurer of the State of Kansas as required by law. After registration in the Office of the State Treasurer, the Notes shall be countersigned by the manual signature of the City Clerk, attested by the City's official seal. In case any officer of the City or of the State whose signature appears on the Notes ceases to be such officer before the actual delivery of the Notes, such signature shall remain valid and sufficient for all purposes, as if such officer had remained in office until delivery.

No Notes shall be valid or obligatory for any purpose unless and until the Certificate of Authentication is duly executed by the Note Registrar, and such duly executed Certificate of Authentication on any Note shall be conclusive evidence that it has been authenticated and delivered under this Resolution. The Certificate of Authentication on any Note is deemed duly executed by the Note Registrar when manually signed by an authorized officer or signatory thereof,

and it shall not be necessary that the same officer or signatory of the Note Registrar manually sign the Certificate of Authentication on all of the Notes issued under this Resolution.

SECTION 9. Payment of Costs. The City shall pay out of the proceeds of the Notes all costs incurred in connection with the issuance, transfer, exchange, registration, redemption and payment of the Notes except (a) the reasonable fees and expenses of replacing a Note or Notes which have been mutilated, stolen, lost or destroyed, or (b) any tax or other governmental charge imposed in relation to the transfer, exchange, registration, redemption or payment of the Notes.

SECTION 10. Creation of Funds and Accounts, Disposition of Proceeds. The following funds and accounts are created by the City in connection with the Notes:

- (A) Project Fund (the “Project Fund”); and
- (B) Principal and Interest Account (the “2017 Notes Principal and Interest Account”).

The proceeds from the sale of the Notes shall be deposited into the Treasury of the City for the credit of the funds and accounts created by this Section, and shall be applied as follows:

- (A) Accrued interest on the Notes, premium, if any, shall be deposited in the 2017 Notes Principal and Interest Account; and
- (B) \$1,650,000 of the proceeds of the Notes, along with available funds of the City, shall be deposited in the Project Fund.

The Project Fund and 2017 Notes Principal and Interest Account shall be administered and maintained for the purpose of depositing moneys received in connection with the issuance, sale and delivery of the Notes. Amounts deposited in the 2017 Notes Principal and Interest Account and shall be applied to the payment of principal of, or interest on the Notes as the same may become due, on the Maturity Date or upon an earlier Redemption Date. The 2017 Notes Principal and Interest Account may be created as a sub-account of the City’s Bond and Interest Fund. Any moneys or investments remaining in the 2017 Notes Principal and Interest Account after retirement of the indebtedness represented by the Notes shall be transferred to the City’s Bond and Interest Fund.

Moneys in the Project Fund shall be used to pay the costs associated with the Water Project, costs of issuing the Notes. Any moneys remaining in the Project Fund after completion of the Project shall be deposited in the 2017 Notes Principal and Interest Account and applied to pay principal of or interest on the Notes.

Moneys held in the funds and accounts created by this Resolution may be invested by the City in investments permitted by State law, in amounts and maturing at times that reasonably provide for moneys to be available when required in such funds or accounts. All interest earnings on such investment shall accrue to and become part of the fund or account.

SECTION 11. Delivery of Notes. The Mayor and City Clerk are authorized and directed to prepare and execute the Note in the form directed by this Resolution, including a reasonable inventory quantity of Note certificates for transfer, exchange and replacement, and to cause the registration and countersignature of the Notes, as required by this Resolution. The Notes have been sold to Oppenheimer & Co., Philadelphia, Pennsylvania. The Notes shall be delivered to the Original Purchaser upon receipt by the City of the full purchase price of the Notes as shown on the City's Receipt for Proceeds.

SECTION 12. Sale of the Notes. The Notes shall be sold to the Original Purchaser, at a price equal to the principal amount of the Notes, plus accrued interest from the Dated Date to the date of delivery of the Notes, if any, and any premium paid by the Original Purchaser. If requested by the Original Purchaser, the Mayor and City Clerk are authorized to execute a Purchase Agreement on behalf of the City with the Original Purchaser; such Purchase Agreement to be in such final form as may be agreed upon by the Governing Body and the Original Purchaser.

SECTION 13. Resolution Constitutes Contract, Remedies of Owner. The provisions of this Resolution, and all of the covenants and agreements of the City contained here, shall constitute a contract between the City and the holders of the Notes (the "Owner"), and the Owner shall have the right:

(A) By mandamus or other suit, action or proceeding at law or in equity to enforce its rights against the City and its officers, agents and employees, and to require and compel the City and its officers, agents and employees to perform all duties and obligations required by the provisions of this Resolution or by the Constitution and laws of the State of Kansas as related to the Notes,

(B) By suit, action or other proceeding in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust, and

(C) By suit, action or other proceeding in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owner.

SECTION 14. Limitation on Actions by Owner; Remedies Cumulative; Delay or Omission Not Waiver. An Owner secured by this Resolution shall have no right in any manner whatsoever to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner provided, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of the Owners of any or all of the Notes then outstanding. Nothing in this Resolution or in the Notes shall affect or impair the obligations of the City to pay the principal of and the interest on the Notes to the Owner thereof on the Maturity Date or any Redemption Date, or affect or impair the right of action of the Owner to enforce payment of the Notes held by it, or to reduce to judgment its claim against the City for payment of the principal and interest on the Notes. No remedy conferred by this Resolution upon an Owner is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given here or now or subsequently existing at law or in equity or by statute, and may be exercised without exhausting and without

regard to any other remedy, however given. No delay or omission of the Owner to exercise any right or power accruing upon default shall be deemed acquiescence in default, and every right, power and remedy given by this Resolution to the Owner, may be exercised from time to time and as often as may be deemed expedient. In case any proceeding taken by the Owner on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Owner, then in every such case the City and the Owner shall be restored to its former position and right hereunder, and all rights remedies, powers and duties of the Owner shall continue as though no such proceedings had been taken.

SECTION 15. Amendments. The City may, without the consent of the Owners, amend or supplement the provisions of this Resolution (i) to cure any ambiguity herein or to correct or supplement any provision which may be inconsistent with any other provision, or to correct errors, provided such action shall not materially adversely affect the interest of the Owners, or (ii) to grant or confer upon the Owners any additional rights, remedies, powers or security, or (iii) to more precisely identify the Project, or (iv) to conform this Resolution to the Code (as defined in Section 16) or future applicable Federal laws concerning tax-exempt obligations like the Notes. The rights and duties of the City and the Owners and the terms and provisions of this Resolution may be modified or altered in any respect by a resolution of the City, consented to by 100% of the Owners as evidenced by an instrument or instruments executed by the Owners and duly acknowledged or proved in the manner of a deed to be recorded, which is filed with the City Clerk. The following modifications and amendments shall require written consent of 100% of the Owners:

- (A) Extension of the Maturity of any payment of principal or interest due on the Notes, or
- (B) A reduction in the amount which the City is required to pay by way of principal or interest on the Notes.

Amendments or modifications of the Notes not described in the preceding paragraph may be made by the City with the written consent of the Owners of not less than two-thirds of the principal amount of the Notes then outstanding.

Any and all amendments or modifications described by this Section shall be effective upon adoption of a resolution of the City authorizing such amendment or modifications. It shall not be necessary to note on any outstanding Notes a reference to such modification or amendment. A certified copy of any such resolution shall be filed with the City Clerk and made available for inspection by the Owners or any prospective purchaser of a Note.

SECTION 16. Tax Covenants. The Governing Body of the City covenants that so long as the Notes remain outstanding and unpaid, it will not make or permit the use of the Note proceeds in a manner which, if such use had been reasonably expected on the date of the Notes were issued and delivered, would cause Notes to be “arbitrage bonds” within the meaning of Section 103(b) (2) of the Internal Revenue Code of 1986, as amended (the “Code”). The City will comply with all applicable requirements of Section 148 of the Code and rules and regulations of the United States Treasury Department issued there under for so long as the Notes remain outstanding and unpaid. The Governing Body further covenants to take all such action in its power as may be

required from time to time in order to assure that interest on the Notes remains excluded from gross income for purposes of federal income taxation, and to comply with all provisions of the Code, as the same be amended, and any applicable rules and regulations of the United States Treasury Department.

SECTION 17. Designation as Qualified Tax-Exempt Obligations. The Governing Body of the City designates the Notes as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code.

SECTION 18. Securities and Exchange Commission Rule 15c2-12 Exception. Pursuant to Securities and Exchange Commission Rule 15c2-12, the City represents that the Notes are part of a primary offering of municipal securities in authorized denominations of \$100,000 or more, and have been sold to no more than thirty-five persons each of whom has represented that they (A) have such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment; and (B) that they are not purchasing for more than one account or with a view to distributing the securities.

SECTION 19. Severability. If any section, paragraph, clause or provision of this Resolution is, for any reason, held invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this Resolution.

SECTION 20. Further Authority. The City and its officers, agents and employees are authorized and directed to take such actions, expend such moneys and execute such other documents, certificates and instruments as may be necessary or desirable in order to issue the Notes and carry out the intent of this Resolution, including final certificates required to be included in the official transcript of proceedings relating to the authorization and issuance of the Notes, all without further authorization from the Governing Body.

SECTION 21. Effective Date. This Resolution shall be in force and take effect from and after its adoption and approval.

[Remainder of Page Intentionally Left Blank]

PASSED, ADOPTED AND APPROVED by the governing body of the City of Osawatomie, Kansas, on November 30, 2017.

CITY OF OSAWATOMIE, KANSAS

[seal]

By _____
L. Mark Govea, Mayor

ATTEST:

By _____
Tammy Seamands, City Clerk

Final Numbers

City of Osawatomie, Kansas

General Obligation Temporary Notes

Series 2017-1

Table of Contents

Report

Sources & Uses	1
Debt Service To Maturity And Call	2
Pricing Summary	3
Proof of Premium/5Yr Call Bond Selection of Call D	4
Proof of D/S for Arbitrage Purposes	5
Proof Of Bond Yield @ 1.2971287%	6
Detail Costs Of Issuance	7
Derivation Of Form 8038 Yield Statistics	8

City of Osawatomie, Kansas

General Obligation Temporary Notes

Series 2017-1

Sources & Uses

Dated 12/15/2017 | Delivered 12/15/2017

Sources Of Funds

Par Amount of Bonds	\$1,650,000.00
Reoffering Premium	14,190.00

Total Sources **\$1,664,190.00**

Uses Of Funds

Total Underwriter's Discount (0.408%)	6,740.00
Costs of Issuance	17,700.00
Deposit to Project Construction Fund	1,639,750.00

Total Uses **\$1,664,190.00**

City of Osawatomie, Kansas

General Obligation Temporary Notes

Series 2017-1

Debt Service To Maturity And Call

Date	Princ. to Call	D/S To Call	Principal	Coupon	Interest	D/S To Maturity
12/15/2017	-	-	-	-	-	-
11/15/2018	1,650,000.00	1,684,031.25	-	-	-	-
06/15/2019	-	-	1,650,000.00	2.250%	55,687.50	1,705,687.50
Total	\$1,650,000.00	\$1,684,031.25	\$1,650,000.00	-	\$55,687.50	\$1,705,687.50

City of Osawatonic, Kansas

General Obligation Temporary Notes

Series 2017-1

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
06/15/2019	Serial Coupon	2.250%	1.303%	1,650,000.00	100.860%	1,664,190.00
Total	-	-	-	\$1,650,000.00	-	\$1,664,190.00

Bid Information

Par Amount of Bonds	\$1,650,000.00
Reoffering Premium or (Discount)	14,190.00
Gross Production	\$1,664,190.00
Total Underwriter's Discount (0.408%)	\$(6,740.00)
Bid (100.452%)	1,657,450.00
Total Purchase Price	\$1,657,450.00
Bond Year Dollars	\$2,475.00
Average Life	1.500 Years
Average Coupon	2.2500000%
Net Interest Cost (NIC)	1.9489899%
True Interest Cost (TIC)	1.9217056%

City of Osawatomie, Kansas

General Obligation Temporary Notes
Series 2017-1

Proof of Premium/5Yr Call Bond Selection of Call Dates/Prices

Maturity	Call Date	Call Price	PV at Bond Yield	Lowest?
06/15/2019	-	-	1,672,925.93	No
06/15/2019	11/15/2018	100.000%	1,664,190.00	Yes

City of Osawatomie, Kansas

General Obligation Temporary Notes

Series 2017-1

Proof of D/S for Arbitrage Purposes

Date	Principal	Interest	Total
12/15/2017	-	-	-
11/15/2018	1,650,000.00	34,031.25	1,684,031.25
Total	\$1,650,000.00	\$34,031.25	\$1,684,031.25

City of Osawatomie, Kansas

General Obligation Temporary Notes

Series 2017-1

Proof Of Bond Yield @ 1.2971287%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
12/15/2017	-	1.0000000x	-	-
11/15/2018	1,684,031.25	0.9882180x	1,664,190.00	1,664,190.00
Total	\$1,684,031.25	-	\$1,664,190.00	-

Derivation Of Target Amount

Par Amount of Bonds	\$1,650,000.00
Reoffering Premium or (Discount)	14,190.00
Original Issue Proceeds	\$1,664,190.00

City of Osawatomie, Kansas

General Obligation Temporary Notes
Series 2017-1

Detail Costs Of Issuance

Dated 12/15/2017 | Delivered 12/15/2017

COSTS OF ISSUANCE DETAIL

Financial Advisor	\$9,900.00
Bond Counsel	\$6,500.00
State Treasurer	\$850.00
KS Attorney General	\$250.00
CUSIP Numbers	\$200.00
TOTAL	\$17,700.00

City of Osawatomie, Kansas

General Obligation Temporary Notes

Series 2017-1

Derivation Of Form 8038 Yield Statistics

Maturity	Issuance Value	Price	Issuance Price	Exponent	Bond Years
12/15/2017	-	-	-	-	-
06/15/2019	1,650,000.00	100.860%	1,664,190.00	1.5000000x	2,496,285.00
Total	\$1,650,000.00	-	\$1,664,190.00	-	\$2,496,285.00

IRS Form 8038

Weighted Average Maturity = Bond Years/Issue Price	1.500 Years
Total Interest from Debt Service	55,687.50
Reoffering (Premium) or Discount	(14,190.00)
Total Interest	41,497.50
NIC = Interest / (Issue Price * Average Maturity)	1.6623703%
Bond Yield for Arbitrage Purposes	1.2971287%

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: November 30, 2017

AGENDA ITEM: **Waste Management Contract Addendum - Updated**

PRESENTER: Don Cawby, City Manager
Bryce Smith and John Blessing, Waste Management

ISSUE SUMMARY: On September 28 of this year, staff presented you with a memo outlining issues with the current structure of our trash service in Osawatomie. That memo is attached. As a result of that discussion staff approached Waste Management (WM) to discuss what changes could be made to the contract to address the issue, knowing that the City only has one more year on its contract with L&K/WM. We have had several discussions with Waste Management and have come to an agreement (currently in draft form) on the major changes we are considering for an Addendum to the contract. The changes would be:

1. **Billing Directly From Provider.** Waste Management will bill directly to the customer. WM bills on a quarterly system in advance, which is likely to be unpopular as we bill on month at a time, in arrears, with our other utilities. The result would be a trash bill sent out on December 31 that will include the City's current residential bill (or the applicable commercial charge). Then WM will send out a bill around the same time for the three months of January through March. To help with this, WM has agreed to not charge a late fee for that bill until April 1, so people will have time to spread the bill out and get ready for the new bill.
2. **Bulk Pickup Changes.** Under the contract addendum, bulk pickup would change to allow **one** bulk item to be placed out with trash **on the first pickup day of each month**. That would be a Thursday if not affected by a holiday. The addendum also provides a once-a-year unlimited bulk pickup day (on a Saturday), which we plan to schedule the week after the citywide garage sale weekend. No more call-ins would be required and other than the special Saturday, all bulk will be place where the normal trash goes (often in alleys). This is the same arrangement that Paola has used for a while and that Louisburg has just changed to. The difference will be that this cost will be figured into our current contract for 2018 by letting them take the entire administration fee. Paola last year paid over \$9,000 for the service out of their pocket.

3. **New Commercial Service Offerings.** WM will offer a wider scale of commercial services, adding once-a-week and three-times-a-week pickups for commercial trash. Rates have been set for those new categories and are included in the contract for 2018. The new commercial rate table is included in the addendum.
4. **Admin/Franchise Fee.** We charge \$0.65 per account per month for an administration fee. Under this agreement, we would not receive an administration or franchise fee. Instead, the current administration fee is going to cover the costs of the city-wide cleanup. The entire \$0.65 that is already in the bill would remain with WM and we would give up \$0.40 for billing and the \$0.25 for citywide cleanup. When we bid out for services next year, we would seek to include a franchise fee, or possibly a permit fee, of some sort to cover some of our related costs and wear and tear caused by the service.
5. **Verifying Services.** We have been working closely with to make sure all accounts are correct when we switch the service. We believe the simplest way in which to handle it is to let them handle the trash service and we won't be involved in verifying it. If we find that people are not using the service, or we have problems with people dumping illegally (more than we already have) we may have to consider some ordinance changes which require occupied buildings to have trash service. This would be fairly easy to enforce as we could do occasional audits or when we run across a problem we would write a citation and have them work it out in court. The court fees alone will be more than several months of residential service. We also believe we currently have strong ordinances in place that already make it next to mandatory, if not financially prudent, to have service.
6. **Charges.** The addendum allows WM to increase the rates in the contract appendix by 3% over 2017 and to add a late fee charge to bills over 30 days due.
7. **Term.** No change is made to the current term of the contract. It will expire December 31, 2018 without a renewal action by the City.

Transition Planning. Staff is also working on how we will make this transition. Our plan is to start a social media campaign, in conjunction with WM, by December 5th. We will explain the changes to billing and bulk pickup and will also let people know that their billing service will be automatically transferred to WM on January 1. WM will provide a direct mailing to all customers during this time as well. They will also use the dedicated City website to help explain the changes and provide numbers for customers to call with questions. Most importantly, we will continue to keep our data matching throughout December so that both of us will have the most up-to-date information when the service switches to WM billing.

We have discussed with WM about putting out an annual City schedule which will show recycling days, trash days, bulk days, the City-wide Cleanup and free tire pick-up day. I think something along these

lines that can be mailed, printed, or accessed on-line will help clear up any confusion on trash service for the year. Staff will also still try to provide those notifications through our electronic outreach as well.

COUNCIL ACTION NEEDED: Consider the proposed addendum to the current L&K contract which also assigns the contract to Waste Management.

STAFF RECOMMENDATION TO COUNCIL: Approve the contract addendum as presented in its final form, subject to technical amendments approved by the City Attorney.

**ASSIGNMENT AND AMENDMENT TO THE CONTRACT
BETWEEN
THE CITY OF OSAWATOMIE, KANSAS
AND
L&K GROUP HOLDINGS, LLC**

This Amendment to the Contract (“Amendment”) is made and entered into this 30th day of November, 2017, between the City of Osawatomie, Kansas (the “City”) and L&K Group Holdings, LLC (Contractor).

Whereas, the City and L&K Services, Inc. entered into a contract for trash removal/disposal and recycling services on September 30, 2013, which expires on December 31, 2018 (“Contract”); and

Whereas, the Contract was assigned on December 16, 2013, in which L&K Group Holdings, LLC became the successor-in-interest to the Contractor, and was accepted by the Osawatomie City Council on January 9, 2014;

Whereas, L&K Group Holdings, LLC desires to assign all of its interest in the Contract to its affiliate, Waste Management of Kansas, Inc. (“WM”);

Whereas, the parties now desire to amend the terms of the Contract as set forth below and all other terms of the Contract shall remain in full force and effect:

1. Paragraph 14 of the Contract prohibits the assignment of the Contract without the express written consent of the City; and Contractor requests that the City consent to such assignment of L&K Holdings, LLC to its affiliate, WM, by approval of this amendment.
2. Paragraph (E) under Section 1 of the Contract shall be amended to provide for the pickup of one (1) Bulky Item collected at the same location as residential trash pickup on the first weekly pickup collection day of each month. During the term of the Contract, Contractor agrees to provide each Residential Unit with one (1) annual curbside collection of unlimited Bulky Items (as defined in herein) for Saturday pickup on a date in the Spring to be mutually agreed to by the Contractor and City.
3. Paragraph 11 of the Contract shall be deleted and replaced with the following language:

11. **Consideration.** All rates for residential, commercial and industrial collection listed on Appendix C shall increase by three (3%) percent on January 1, 2018 and remain in effect until December 31, 2018. Thereafter, all of the then current rates for residential, commercial and industrial collection set forth in Appendix C will be subject to an annual rate increase of three (3%) percent each year.

City shall no longer be entitled to receive and Contractor shall be entitled to continue to charge and collect from each residential, commercial and industrial customer an additional \$0.65 per month (as previously charged by the City) to cover Contractor’s expenses for providing billing and annual Bulky Item collection services.

4. Paragraph 12 shall be deleted entirely and replaced with the following language:

12. **Billing.** Contractor shall bill each Residential customer at the beginning of each calendar quarter for services to be provided customer during that quarterly service period. Contractor shall bill each Commercial or Industrial customer monthly for Services provided during the previous month.

5. Appendix C will be amended to allow the Contractor to add a late fee charge of _____ for any invoice balance not paid within thirty (30) days of the date of invoice, with the exception that the Contractor agrees that it will not charge any quarterly billed customers late fees until the start of the 2nd quarter 2018 on April 1, 2018, allowing customers extra time to adapt to the billing change.
6. The Container Sizes and monthly rates listed in Appendix C shall be revised as set forth on Exhibit A to this Amendment.
7. Except as amended herein, all other terms of the Contract will continue in full force and effect.

In witness, thereof, the parties acknowledge the assignment and amendments above to their Contract by executing this Assignment and Amendment to the Contract.

[Signature page follows.]

CITY OF OSAWATOMIE, KANSAS

By: _____
Name: _____
Title: _____

L&K GROUP HOLDINGS, LLC

By: _____
Name: _____
Title: _____

The City hereby Consents to the assignment of the Contract by L&K Group Holdings, LLC to WM.

CITY OF OSAWATOMIE, KANSAS

By: _____
Name: _____
Title: _____

WM hereby agrees to assume all of the responsibilities and liability of L&K Group Holdings, LLC under the Contract and that WM will carry out the operations under the Contract and agrees to the terms of the above-amendment.

WASTE MANAGEMENT OF KANSAS, INC.

By: _____
Name: _____
Title: _____

Exhibit A

Osawatomie KS	Collection times per week					
Container size	1	2	3	4	5	6
less than 1/2 yard	N/A	17.58	N/A	N/A	40.75	N/A
1/2 yard	N/A	32.18	N/A	N/A	78.14	N/A
1 yard	34.89	43.94	68.76	93.05	107.54	132.49
2 yard	54.96	63.24	88.78	100.23	124.92	149.59
4 yard	91.63	100.23	144.23	198.92	248.27	297.62
6 yard	138.11	149.59	226.39	297.62	370.47	445.63
8 yard	189.9	198.92	297.66	396.31	494.97	593.66

CONTRACT FOR COLLECTION OF SOLID WASTE

THIS CONTRACT, made and entered into this 30th day of September, 2013, by and between the **CITY OF OSAWATOMIE, KANSAS** (hereinafter referred to as the “City”) and **L & K SERVICES, INC.** (hereinafter referred to as “Contractor”).

WITNESSETH:

WHEREAS, the City desires Contractor to assume citywide collection of its municipal solid waste in accordance with the terms and conditions of this Contract and Contractor desires to provide said notice.

NOW THEREFORE, Contractor, for and in consideration of the compensation to be paid by the City in the manner set forth herein, hereby agrees and binds itself and its successors as follows:

1. **SERVICE WORK TO BE PERFORMED.**

(A) **General Terms.** The service work to be performed under this contract shall consist of providing residential, commercial and industrial refuse collection, recycling collection and disposal service as required by laws of the State of Kansas, and any amendments thereto, and shall include furnishing all labor, equipment and materials as necessary to provide such service. The Contractor shall provide an adequate number of vehicles for regular collection services. All vehicles, bins and other equipment shall be kept in good repair, appearance and in a sanitary condition at all times. Each vehicle shall have clearly visible on each side, the identity and telephone number of the Contractor.

(B) **Residential Collection.** Contractor shall provide curbside or alley collection service for the collection of residential refuse to each residential unit one (1) time per week. The City will adjust this schedule monthly, adding and/or deleting location(s) and/or increasing and/or decreasing frequency of collection at location(s). Should the Contractor deem it advisable to revise this schedule, Contractor will first seek the consent of the City. During the term of this Contract collection practices, schedules and services may be modified under mutual consent and in writing. Operating hours for residential refuse collection shall be 7:00 a.m. until the completion of the route. Containers and/or bags shall be placed at curbside or alley by 7:00 a.m. on the designated collection day. Household waste containers or bags must be approximately thirty (30) gallon in size with a maximum of three (3) containers or bags per week. One ninety-five (95) gallon trash receptacle will also be considered acceptable. Any additional waste that a resident needs to have disposed of will need to be placed in a bag approximately thirty (30) gallon in size with a pre-paid sticker attached. Stickers will be made available for purchase at local businesses, City Hall and L & K Services, Inc.

(C) **Commercial and Industrial Collection.** Contractor shall provide bin collection service for the collection of commercial and industrial refuse to commercial and industrial units according to individual agreement. Contractor shall provide bins for commercial and industrial units whenever accessible, outside location on a hard surface according to individual agreement. Contractor may decline to collect refuse in bins not so placed.

(D) **Collection of Recycling Material.** Contractor will provide each residential unit with an eighteen (18) gallon or twenty-three (23) gallon recycling bin for the purpose of collecting recyclables. Sixty-five (65) gallon and ninety-five (95) gallon karts are also available for a small fee upon request. Residents may use their own containers with the exception of any type of bag. If additional containers are used, residents need to make sure that they are clearly marked RECYCLING. Contractor will collect recyclables from each residential curbside or alley on the designated collection day. Operating hours for recycling pickup shall be from 7:00 a.m. until the completion of the route. The City will adjust this schedule monthly, adding and/or deleting location(s) and/or increasing and/or decreasing frequency of collection at location(s). Curbside recycling services shall at a minimum collect:

- (1) #1 thru #7 plastics
- (2) Aluminum food and beverage containers
- (3) Steel food and beverage containers
- (4) Newspaper
- (5) Office Paper
- (6) Magazines and Phone Books
- (7) Cardboard and Cereal Boxes

Recycling material does not include Glass or Glass products and recycling bins or containers will be left at the curb or alley, if containing these items. All residential recyclables which meet Contractor’s stated policies and are properly placed for collection by the resident will be collected weekly.

(E) **Bulky Item Pickup.** Contractor will add one (1) additional pickup per residential household per month for bulky items. Collection shall be provided for all residential refuse customers. Bulky item pickup shall not include bags or boxes of regular trash, loose or scattered materials, construction debris, liquid waste, or hazardous materials. Residents will be required to put all items for bulky item pickup at curbside regardless of their regular trash and/or recycling pickup location.

(F) **Tire Pickup.** Once each year tires will be picked up with a limit of six (6) tires per household. This service will not be included in the price for bulky item pickup. The City will be responsible for payment of this service. See Appendix “C” for charges.

(G) **Yard Waste Site.** Contractor will set Roll-Off container(s) for the City located at the City Forestry Site behind the Power Plant at 101 11th Street for the use of hauling Yard Waste materials. This service work will be performed on an on-call basis, meaning the City will call the Contractor when they need to have a roll-off container delivered and they will call the Contractor to have the roll-off container emptied. City acknowledges that it will be in care, custody and control of the roll-off container owned by Contractor and will accept the responsibility for the roll-off container and its contents. Roll-off containers can only be filled level full. Legal weight limit for Yard Waste material is eight (8) tons. Any overload or overweight fines will be paid by the City if Contractor is ticketed while hauling the roll-off container for the City. See Appendix “D” for charges related to Yard Waste haul-off.

(H) **Exceptions.** All exceptions to the above services in Section 1 will be listed in Appendix “B”.

2. **Service Area.** The service area covered by this Contract is all residential, commercial and industrial business establishments within the city limits of the City of Osawatomie, Kansas.

3. **Collection Schedule.** Contractor will adhere to the City’s collection schedule to the greatest extent possible. Residential curbside or alley recycling will be collected on Monday of each week. Residential refuse will be collected on Thursday and Friday of each week. Should schedule change be required, Contractor shall publish notice of the change in the City of Osawatomie’s official newspaper at the Contractor’s expense.

4. **Holidays.** In the event that Contractor will not provide pickup services on the scheduled collection date due to any Federal or State holiday, Contractor will notify residential and business customers by publication, at Contractor’s expense, of that revised collection date at least three (3) business days prior to said Federal or State holiday. See Appendix “A” for schedule.

5. **Collection Misses.** Contractor will notify the City Clerk or City Manager by noon, of any assigned pickup date, if a breakdown or equipment will prevent pickup on that day. In that event, the Contractor must immediately make such pickup, upon the proper repair of equipment, within twenty-four (24) hours thereafter, but in no event more than forty-eight (48) hours from the assigned collection time. Failure to pick up trash and refuse at the service pickup point shall not be grounds for termination of this Contract, unless prior written notice shall be given to the Contractor and the Contractor shall fail to service said pickup point within twenty-four (24) hours after receipt of said notice. A representative of Contractor shall report to City Hall at any time requested by the City. The City will encourage the public to contact City Hall or L & K Services, Inc. whenever a pickup is missed.

6. **Equipment.** Contractor shall use proper and suitable equipment and employees to perform the duties hereunder and shall perform same in a competent manner. Contractor shall keep all equipment clean and in a condition so that the equipment will not emit noxious odors. The Contractor will operate solely using single-axle equipment to remove residential solid waste and recycling from the City. For non-single axle equipment usage, Contractor must receive prior approval and consent from the City.

7. **Compliance with Law.** Contractor will at all times comply with all Federal, State and local laws, ordinances, orders and regulations. Residential and Commercial waste collected by Contractor shall only be disposed of at the Miami County Transfer Station or at an approved Subtitled D landfill or an approved transfer station approved by the City. Residential and Commercial recycling collection by Contractor shall only be disposed of at an approved commingled recycling facility. All disposal costs are the responsibility of the Contractor. The Contractor shall observe all City ordinances relating to obstructing streets and keeping passageways open. The Contractor is granted the privilege of using the streets for the purpose of doing work specified in the Contract, but is not granted the exclusive use of the streets. The Contractor shall perform all work in a manner that will cause the least inconvenience and annoyance to the general public and to the property owners.

8. **Indemnification.** Contractor will indemnify and hold harmless the City, its representatives, agents and employees from all loss, damages, suits, claims and other actions whatsoever

arising from acts, omission and negligence of Contractor, its employees, servants and agents. Further, the Contractor will indemnify and hold harmless the City, its representatives, agents and employees from all loss, damages, suits and claims for injury or damage received, sustained or allegedly received or sustained by the Contractor, its employees, servants and agents, including any claim made by virtue of Worker's Compensation.

9. **Insurance.** Contractor will maintain, at all times during the term of this Contract, employer's liability, automobile liability and general liability insurance in the amount of one million dollars (\$1,000,000.00), single limit coverage. The insurance coverage shall list the City as an additional insured under the provisions of the policy or policies. Such insurance coverage shall protect Contractor and the City against all claims arising from injuries to any person or damage to property of others arising out of any act or omission of Contractor, its agents or employees. Contractor shall provide and maintain insurance with a minimum limit of one million dollars (\$1,000,000.00) to protect the City against any and all claims for damages for personal injury, including accidental death, as well as claims under this contract, whether such operations are by the Contractor, by any of its agents or employees, or by anyone directly or indirectly employed by the Contractor. Such insurance policy shall name the City as an additional insured under the provisions of the policy. The policies of insurance referred to in this paragraph shall provide that no cancellation or change shall be made with regard to said policy unless the insurance company first gives the City thirty (30) days written notice by certified mail prior to the cancellation or change. The lapse of any insurance coverage required under this Contract shall result in immediate termination of this Contract. Further, Contractor shall maintain Worker's Compensation insurance to fully protect performance of this Contract. Contractor shall file with the City a certificate from the insurer that the policy or policies are in full force and effect and that the same will not be altered, amended or terminated without a thirty (30) day prior written notice having been given the City.

10. **Term.** It is agreed by the parties hereto that this contract shall remain in full force and effect for a term of five (5) years commencing on the 1st day of January, 2014 and ending at midnight December 31st, 2018. The City may, in its sole discretion, renew this contract for one (1) successive five-year (5) term upon ninety (90) days written notice to Contractor.

11. **Consideration.** Contractor will be paid for its services by the City. The total compensation paid to the Contractor will fluctuate in relation to the monthly receipts for services. Payment to Contractor will be made by the City by the 15th of the month for the previous month's receipts. The fees charged by the Contractor for residential, commercial and industrial collection for each calendar year shall be established by the Contractor and notification made in writing to the City by December 1 of the preceding year. The fees for that calendar year shall not change for a minimum of twelve (12) months, with the exception of the fuel surcharge which can be changed on January 1 and July 1 of each year. Charges for each calendar year, excluding the fuel surcharge, will be subject to no more than a three percent (3%) annual increase. Every six months, the Contractor shall determine an average cost of the actual per gallon charge. Using the base price of three dollars (\$3.00) per gallon, a one percent (1%) fuel charge will be determined for every twenty cent (\$0.20) change in fuel prices. By December 1 and June 1 of each calendar year, the City will be notified in writing of the adjustment to the fuel charge, if any, to be in effect the following January 1 and July 1, respectively.

12. **Billing.** City shall remit to Contractor for services performed under this contract for weekly collection and disposal of refuse and recycling materials at the rates set forth in Appendix “C”, attached hereto and incorporated herein by reference, less any delinquent and unpaid customer refuse and recycling service bills and less the City’s administrative charge, as established in the City’s fee resolution, of the gross amount collected by the City from each customer. It is understood and agreed that City shall not be responsible for collection of delinquent and unpaid refuse and recycling service bills and shall not be responsible for payment of same to Contractor. It is understood and agreed that City will not be responsible for any monthly charges other than those actually collected. PROVIDED; HOWEVER, that City shall attempt to collect any delinquent and unpaid accounts in the same manner as collection of other delinquent city utility payments.

13. **Exclusive Collection Provisions.** This agreement shall be exclusive and Contractor shall be the only municipal solid waste and curb-side recycling contractor to operate under the authority of the City of Osawatomie, Kansas. It is further the intention of the City that all other commercial collectors of refuse and recycling are hereby prohibited from collecting the same and operating under the laws of the City of Osawatomie, Kansas.

14. **Assignment.** This agreement is binding upon the parties hereto and their successors, legal representatives and assigns; provided, however, that Contractor may not assign this Contract without express consent of the City, and such consent will not be unreasonably withheld by the City if the proposed assignee is acceptable to the City.

15. **Default.** In the event the Contractor shall fail or refuse to perform his duties and obligations, or shall become insolvent, or shall become the subject of a proceeding in bankruptcy, or shall become the subject of any proceeding for the appointment of a receiver or in the event of an assignment by Contractor for the benefit of its creditors, or the taking of trucks, equipment, vehicles and other facilities used in connection with the performance of the work under any execution against Contractor, in any such event, City may at its option, upon five (5) days written notice, declare the Contractor to be in breach of this Contract. City may terminate the Contract and declare same cancelled and terminated and shall, in addition, be entitled to recover damages and take such other actions and seek such other remedies as may be permitted by law.

16. **Entire Agreement.** This Contract is the entire agreement between the City and Contractor. Any other written or oral representations, agreements or understanding pertaining to the service for hereunder are null and void.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

CITY OF OSAWATOMIE, KANSAS

By: _____
L. Mark Govea , MAYOR

ATTEST:

By: _____
Ann Elmquist, CITY CLERK

STATE OF KANSAS, COUNTY OF MIAMI, SS:

Before me, the undersigned, a Notary Public, within and for said County and State on this _____ day of _____, 2013, personally appeared **L. Mark Govea, Mayor of the CITY OF OSAWATOMIE, KANSAS**, a municipal corporation duly organized, incorporated and existing under and by virtue of the laws of the State of Kansas, who is personally known to me to be the person who executed, as such officer, the within instrument on behalf of said corporation and such person duly acknowledged the execution of the same to be the voluntary act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

Notary Public

My Commission Expires:

L & K SERVICES, INC.

By: _____
Larry W. Smith, President

STATE OF KANSAS, COUNTY OF MIAMI, SS:

Before me, the undersigned, a Notary Public, within and for said County and State on this _____ day of _____, 2013, personally appeared **Larry W. Smith, President of L & K SERVICES, INC.**, a corporation duly organized, incorporated and existing under and by virtue of the laws of the State of Kansas, who is personally known to me to be the person who executed, as such officer, the within instrument on behalf of said corporation and such person duly acknowledged the execution of the same to be the voluntary act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year last above written.

Notary Public

My Commission Expires:

APPROVED AS TO FORM:

Richard S. Wetzler,
Osawatomie City Attorney

Approved by Council
_____, 2013

APPENDIX “A”
HOLIDAYS

The following shall be holidays for the purpose of this agreement: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Contractor must provide service for any pick up which falls on a holiday on the next working day.

Holiday Collection Schedule:

Monday Holiday: Monday collection goes to Tuesday
Tuesday collection goes to Wednesday
Wednesday collection goes to Thursday
Thursday collection goes to Friday
Friday collection goes to Saturday

Tuesday Holiday: Tuesday collection goes to Wednesday
Wednesday collection goes to Thursday
Thursday collection goes to Friday
Friday collection goes to Saturday

Wednesday Holiday: Wednesday collection goes to Thursday
Thursday collection goes to Friday
Friday collection goes to Saturday

Thursday Holiday: Thursday collection goes to Friday
Friday collection goes to Saturday

Friday Holiday: Friday collection goes to Saturday

Weekend Holiday: No change to the normal collection schedule.

Any changes to the above schedule must be approved by the City. Contractor will notify all customers by publication, at Contractor’s expense, of the revised collection dates at least three (3) business days prior to said holiday.

APPENDIX “B”
EXCEPTIONS

29224 W 347th Road, Property of Donald and Jacquelyn Needham. The Contractor will provide twice a week trash pickup with no recycling service and no bulky item pickup to this address as long as it is the primary residence of Donald or Jacquelyn Sue Needham. Services will be provided on the same schedule as the Osawatomie Sewer Treatment Plant.

APPENDIX “C”
RATES FOR THE CITY OF OSAWATOMIE, KANSAS

<u>RESIDENTIAL:</u>	<u>RATE</u>
Single family dwellings, duplexes, and apartments	<u>\$16.39 + \$0.48 fuel surcharge (3%)</u>
 <u>ALTERNATES:</u>	
Large Item Pick-Up (monthly)	<u>Included in Residential Price</u>
Curbside Recycling (weekly-includes bin)	<u>Included in Residential Price</u>
Tire Pickup	<u>\$250.00 truck/employee cost + landfill</u>

COMMERCIAL & INDUSTRIAL:
(Rates include current 3% fuel surcharge)

Container size monthly rates based on weekly frequency

<u>CONTAINER SIZE</u>	<u>2 P/U</u>	<u>4 P/U</u>	<u>5 P/U</u>	<u>6 P/U</u>
1 Cubic Yard	<u>\$42.11</u>	<u>N/A</u>	<u>\$103.24</u>	<u>N/A</u>
2 Cubic Yard	<u>\$60.16</u>	<u>\$95.72</u>	<u>\$119.44</u>	<u>\$143.16</u>
4 Cubic Yard	<u>\$95.72</u>	<u>\$190.57</u>	<u>\$238.00</u>	<u>\$285.44</u>
6 Cubic Yard	<u>\$143.16</u>	<u>\$285.44</u>	<u>\$355.46</u>	<u>\$427.70</u>
8 Cubic Yard	<u>\$190.57</u>	<u>\$380.29</u>	<u>\$475.13</u>	<u>\$569.98</u>

COMMERCIAL CLASS 1 & 2 SERVICE:
(Rates include current 3% fuel surcharge)

	<u>2 P/U</u>	<u>5 P/U</u>
Loose Pickup (less than ½ yard of trash)	<u>\$16.27</u>	<u>\$38.54</u>
Loose Pickup (up to 1 cubic yard maximum per week)	<u>\$30.30</u>	<u>\$74.48</u>

APPENDIX “D”
RATES FOR THE CITY OF OSAWATOMIE, KANSAS
YARD WASTE SERVICES

The Rates for this Service Work will be as follows:

1. If ‘Contractor’ can haul the material to ‘Johnson County Top Soil’ the rate will be: \$155.00 hauling charge. The ‘City’ will be allowed to put the following items in the containers going to this compost facility: Grass, Leaves, Flowers and Garden Plants. These items can be placed in the container in a loose fashion or in compostable bags. This compost site does not allow any type of wood (tree limbs/branches), trash or plastic bags. If trash is found in the container it will have to be taken to the landfill/transfer station and the ‘City’ will be charged \$155.00 hauling charge + \$42.00 per ton.
2. If the ‘Johnson County Top Soil’ site becomes full and can no longer accept the containers from the ‘City’, then the ‘Contractor’ will have to haul to Reno. The rate for taking the containers to Reno will be: \$155.00 hauling fee + \$75.00 for disposal. The ‘City’ will be allowed to put the following items in the containers going to this facility: Grass, Leaves, Flowers, Garden Plants and Wood (tree limbs/branches). These items can be placed in the container in a loose fashion or in compostable bags. If trash is found in the container it will have to be taken to the landfill/transfer station and the ‘City’ will be charged \$155.00 hauling charge + \$42.00 per ton.
3. If it becomes unacceptable to take Yard Waste / Compost material to Reno and the site at ‘Johnson County Top Soil’ is full, then the ‘Contractor’ will have to take the loads to Lawn Corp’s. The rate for taking the containers to Lawn Corp’s will be: \$165.00 hauling fee + \$120.00 for disposal. The ‘City’ will be allowed to put the following items in the containers going to this compost facility: Grass, Leaves, Flowers, Garden Plants and Wood (tree limbs/branches). These items can be placed in the container in a loose fashion or in compostable bags. If trash is found in the container it will have to be taken to the landfill/transfer station and the ‘City’ will be charged \$155.00 hauling charge + \$42.00 per ton.

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: September 28, 2017

AGENDA ITEM: Waste Management Issues

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: Since Waste Management (WM) took over the operations of L&K Services in the spring of last year, we have encountered several growing pains through the transition. We also continue to experience issues with billing, bulk pickup and customer interactions. I would like to briefly lay out the issues and then discuss some possible solutions.

Billing. The issue with billing has improved somewhat, but we continue to have problems pop up that didn't occur under the L&K operation. Also, WM has been unsatisfied with our procedures for reporting accounts. There have been conversations where WM corporate seemed to want us to pay for all accounts and the uncollected balance would be the City's burden. However, that is not how our contract is structured and to do so would be a significant cost to the City. Furthermore, we have had issues with WM billing commercial accounts for overages which is not covered under our contract. I believe we have worked out how that is to be handled, but it shows how the local staff (former L&K and Deffanbaugh) are constantly having to intervene to fix corporate mistakes. The bottom line on billing is that our contract doesn't seem to be a concern with corporate as they want to make our service line up with corporate procedures.

Customer Interactions. City staff continues to field numerous calls and complaints about the customer interaction with the WM call center. They often have incorrect or incomplete information and don't provide correct instructions to customers on trash rules. Furthermore, in an effort to be helpful, local WM staff are making sure services get fixed or completed so we don't have trash sitting around, but it doesn't help teach people how to properly use the system. Furthermore, we have had single trash issues which have easily taken up 2-3 hours of City staff time to fix the interactions between City customers and WM staff.

2017-09-28 SAM Waste Management Issues

Bulk Pickup. No other service best exemplifies the problems with the WM changes than does the change to bulk pickup. We have always had an issue with people sitting bulk trash out too early, but since the change that problem seems to have spread like a virus. The only change in the service was to be that people had to call in before 5pm on the Tuesday before their trash day to get bulk items picked up. Instead, people have just started sitting out items whenever they like and calling in. Our staff this summer has had to notify dozens of residents that they are doing this incorrectly. To make matters worse, WM is picking up bulk on both sides of town on pickup days (instead of the scheduled manner) and the call center is not advising people correctly. This has led to chaos in this process. It is also eating up tons of staff time that we need to be spending on other issues. The \$0.65 per bill doesn't begin to provide an adequate franchise fee for the service, let alone provide adequate funds for the City's staff time dedicated to the issue.

Possible Changes

As staff has mentioned before, we believe there are some common sense changes to this process that could occur and help fix some of these and other related issues.

Direct Billing. Staff believes that as long as a major multi-state corporation is the provider, trying to integrate their billing procedures with our is asking for problems. We would advocate moving to direct billing for services and treating trash like we do other franchise services like gas, phone and internet. However, we will need to do some periodic verification to make sure people have trash service. Most likely that will come in the requirement that people have trash service in order to turn accounts and notification from WM when a service is terminated.

This change would help by letting WM have all the information they need about an account status, since they are ultimately in charge of it. There wouldn't be any lag in their account information and the customer will know exactly who they have to deal with to get their trash issues dealt with. We don't get many calls about citizens' internet or gas bills.

We would also continue to have a contract agreement under this arrangement that would allow us to keep some control on pricing and set restrictions on the types of trucks and services on our streets. That is a major issue for the City as letting multiple providers in creates even more wear and tear on City streets.

Eliminate Bulk Pickup. The current system is virtually unenforceable and is typically the first example cited when people talk about how "trashy" our City is. This process encourages people to place their junk out in plain view on a regular basis. It has also created a mind-set where people somehow don't feel they are responsible for their trash. My staff believes that more than 90% of the complaints they get about yards being trashy is related to bulk pickup items being left out.

Instead of this program, I would prefer the City go back to a once a year type cleanup where we can determine the days that we will haul bulk items to the landfill. We may need to contract out or rent some dump trucks, but I think this will stop the abuse that happens, primarily from renters that dump their stuff on the curb and leave. Also, not allowing regular pickup of bulk items will make it much easier for the City to enforce items left at the curb. We can just start writing tickets instead of trying to figure out if they called in for a pickup. We will let the court handle it and start fining them for each day the trash is sitting at the curb.

Finally, these changes will make people accountable for their trash as is the case in almost every other community. I believe that bulk pickup just continues to perpetuate the idea that the residents and property owners don't have any responsibility for keeping up the community and the City is here to take care of it all.

Summary. One or both of these changes would dramatically help with our current issues, but I am certain that the status quo will leave us chasing our tails and not making any headway on this issue. I am also deeply concerned about staffing. Almost every office staff member is dealing with these issues and our Nuisance Officer/Meter Reader is killing himself trying to keep up with all the complaints and meter problems (issue for another day) and then gets to hear from the Council, Facebook and random people how we aren't doing anything about nuisances and bulk items. That is not a situation that is sustainable for any person when there is no job satisfaction and no recognition for the efforts.

With that, I welcome a discussion on this issue. Representatives of Waste Management will be at the meeting to also provide comments.

COUNCIL ACTION NEEDED: None.

STAFF RECOMMENDATION TO COUNCIL: Provide direction to staff.

10/17/17

Public Service Application

City of Osawatomie, KS

(one application per committee)

Name: Tammy Filipin Maiden Name: Lyons
 Address: 1384th St. * SSN: [REDACTED]
 Mailing Address (if different): _____ * DOB: [REDACTED]
 City, State, Zip: Osawatomie KS Home Phone: n/a
 Cell: [REDACTED] Work: [REDACTED] E-Mail: [REDACTED]
 Place of Employment: Walmart DC6035 Position: HR
 Product or services rendered by employer: Logistics
 Brief description of job duties/responsibilities: I work Human Resources at a logistic facility and do a wide range of HR duties
 Spouse's place of employment: Walmart DC Position: Shipping Clerk
 Product or Service rendered by spouse's employer: Logistics

Committee, Board, Commission, Task Force or other position to which you wish to be appointed:

Library Board

Why do you wish to serve in this position? I believe our library can be a place to learn and establish it as a media center for our community. I want to be a part of making that happen.

Have you served on any other board, committee, commission or in an elected position with the City? If yes, please state your experience as a member: No

Do you or your spouse have any monetary interest, direct or indirect, in any pending or incomplete transaction or contract to which the City is, or is to be, a party? If yes, please explain: No

* It is the policy of the City of Osawatomie to conduct criminal background checks on all potential applicants for the PUBLIC SAFETY COMMITTEE. Appointment to the Committee is contingent on the results of such checks. In order to conduct the check, a birthdate and social security number are required. By signing below, I understand that the above information I have voluntarily provided is to be used solely for the purpose of the background check.

I do hereby affirm that I am currently a registered voter in the city of Osawatomie. I reside in Ward No. _____

[REDACTED SIGNATURE]

Signature

10/16/17

Date

PLEASE RETURN TO CITY CLERK

439 Main Street

PO Box 37, Osawatomie, KS 66064

ozcity@osawatomiaks.org

--- OFFICE USE ONLY ---		
Received: _____	Council Approval Date: _____	Letter of Approval: _____
Scanned: _____	Term Expiration Date: _____	Letter of Non- Approval: _____

5/15/2014

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: November 30, 2017

AGENDA ITEM: **Proposed Public Works Storage Building and Electric Distribution Division Shop Building**

PRESENTER: Blake Madden, Director of Public Works and Utilities

ISSUE SUMMARY: Currently, the City's Fire Department and Electric Distribution Division share the building located on the northwest corner of 7th Street and Walnut Avenue. With the growth of both bodies, City staff began considering the construction of a separate building for the Electric Distribution Division. Electric revenue bonds, which were issued in late 2015 for upgrades to the City's electric generation, included \$450,000 for this new building.

After considering several locations for the building, City staff determined that the best site would be just north of the existing Public Works and Utilities Department shop building located on the northeast corner of 9th Street and Lincoln Avenue. This provides a centralized location for all field employees of the Public Works and Utilities Department and a close proximity of the Electric Distribution Division to the new substation. The open area to the east of the Public Works and Utilities shop building was initially considered, however, the amount of fill material necessary to raise the site above the surface of ponded water during the 2007 flood would be too costly. The area to the north of the shop building is higher ground and is a much safer site to construct a new building.

The selected site of the new Electric Distribution Division shop building requires the removal of the east storage building for the Public Works and Utilities Department. Constructing a new storage building to the east of the Public Works and Utilities Department shop building would keep equipment close to the shop. And the ability to evacuate equipment and materials from this area, should flood waters threaten, allows for this site to be lower in elevation resulting in less fill material.

Options considered to replace the east storage building were 3-sided pole buildings, steel-framed buildings, and steel truss fabric buildings. The cost of fabric buildings at around \$6 per square foot, approximately half of per square foot cost of a pole or steel-framed building, is the most economical option. The fabric building would come with a 20-year warranty on the fabric cover and a 50-year warranty on the steel trusses, similar to warranties offered on pole and steel-framed buildings. After additional research, it was discovered that the cost of a fully-enclosed fabric building was about 10 cents more per square foot than the 3-sided fabric building. This fully-enclosed building would provide ample protection for the Public Works and Utilities Department's equipment and materials. The building would

be placed atop a precast concrete block wall. The blocks would elevate the fabric building above possible ponded flood waters and would not be harmed by such water. For these reasons, City staff proposes that a fully-enclosed fabric building be selected to replace the east storage building.

The proposed Electric Distribution Division shop building would be a 60-foot by 120-foot, steel-framed metal building with concrete floors and aprons. The existing north Public Works and Utilities storage building would remain.

Attached to this memo is a proposed site layout, a project budget created by City staff, and pictures representing the appearance of the proposed fabric building. The anticipated project cost is \$424,205. Adding a 15-percent contingency amount of \$63,631 results in total overall project cost of \$487,836, about \$38,000 above that covered by the electric revenue bonds. This additional cost would be covered by funds remaining after construction of the substation is completed or would be split among several Public Works and Utilities Department funds.

COUNCIL ACTION NEEDED: Determine whether the proposed plan is acceptable.

STAFF RECOMMENDATION TO COUNCIL: Staff requests approval of the proposed plan and budget and permission to complete project construction at a cost not to exceed \$487,836.

Project Budget

Proposed Public Works Storage Building and Electric Distribution Division Shop Building

Proposed Storage Building

	Quantity	Unit	Unit Cost	Total Cost
Compacted Screenings	2500	Ton	\$8	\$20,000
3" AB-3 Surfacing	160	Ton	\$15	\$2,400
48-inch HDPE	60	LF	\$60	\$3,600
15-inch RCP	16	LF	\$10	\$160
Concrete Inlet/Outlet Collars	3	EA	\$200	\$600
Storage Building	1	EA	\$60,000	\$60,000
Concrete Bunker Blocks	140	EA	\$25	\$3,500
6" Concrete Drive Entrances	15	CY	\$125	\$1,875
Slope Protection	360	LF	\$8	\$2,880
			Subtotal	\$95,015

Proposed Shop Building

	Quantity	Unit	Unit Cost	Total Cost
Compacted Screenings	3700	Ton	\$8	\$29,600
6" AB-3 Subgrade	80	Ton	\$15	\$1,200
Metal Building w/ Concrete Slab	1	EA	\$200,000	\$200,000
Sanitary Sewer	1	EA	\$2,500	\$2,500
Water	1	EA	\$500	\$500
Electric	1	EA	\$1,000	\$1,000
HVAC	1	EA	\$3,000	\$3,000
6" Concrete Aprons	180	CY	\$125	\$22,500
2-foot x 2-foot concrete AI w/ grate	1	EA	\$2,000	\$2,000
12-inch HDPE	100	FT	\$20	\$2,000
Concrete Doghouse Collars	1	EA	\$150	\$150
Concrete Outlet Collar	1	EA	\$200	\$200
Offices	1800	SF	\$30	\$54,000
Fence	300	LF	\$25	\$7,500
Slope Protection	380	LF	\$8	\$3,040
			Subtotal	\$329,190
			Total	\$424,205
			15% Contingency	\$63,631
			TOTAL	\$487,836



CITY OF OSAWATOMIE - BUDGET REPORT

DATE:Sept 2017	BUDGETED	REIMBS	EXPENDITURES	UNEN BALANCE
GENERAL				
Administration	541,405.00		411,488.93	129,916.07
Codes Enforcement	153,955.00	300.00	114,964.55	39,290.45
Police	912,481.00	14,123.82	678,945.61	247,659.21
John Brown Cabin	37,727.00		26,422.35	11,304.65
Public Works	199,927.00		135,683.10	64,243.90
Properties & Maintenance	312,364.00		219,307.91	93,056.09
Fire	79,313.00	4,094.41	51,674.83	31,732.58
Municipal Court	172,633.00		118,264.32	54,368.68
Levees & Storm Water	25,289.00		21,953.11	3,335.89
Library	145,039.00	2,139.60	102,374.60	44,804.00
TOTAL	2,580,133.00	20,657.83	1,881,079.31	719,711.52
WATER				
Administration	366,244.00		274,192.06	92,051.94
Water Treatment	347,756.00		213,162.46	134,593.54
Water Distribution	304,834.00		223,968.40	80,865.60
TOTAL	1,018,834.00	-	711,322.92	307,511.08
ELECTRIC				
Administration	1,490,439.00		1,106,189.41	384,249.59
Electric Production	1,884,136.00		1,337,637.69	546,498.31
Elect Transmission	510,984.00	1,232.50	372,993.75	139,222.75
TOTAL	3,885,559.00	1,232.50	2,816,820.85	1,069,970.65
EMPLOYMENT BENEFIT	739,063.00	91,351.71	688,258.95	142,155.76
REFUSE	431,000.00		264,958.45	166,041.55
LIBRARY	7,000.00	123.10	7,608.85	(485.75)
RECREATION	-		1.06	(1.06)
INDUSTRIAL	78,138.00		209,019.71	(130,881.71)
REVOLVING LOAN	-		-	-
SPECIAL PARKS & REC	90,290.00		37,443.57	52,846.43
ST IMPROVEMENT	141,980.00	9,589.99	75,475.92	76,094.07
BOND & INTEREST	799,069.00		800,019.33	(950.33)
PUBLIC SAFETY EQUIP.	117,063.00		85,117.32	31,945.68
FIRE INS PROCEEDS	-		-	-
SEWER	877,044.00		625,721.29	251,322.71
REC EMP BENEFITS	-		0.13	(0.13)
GOLF COURSE	301,562.00		238,800.61	62,761.39
SPECIAL REV (FIRE EQUIP)	-		-	-
SPECIAL REVENUE (911)	-		-	-
LLEBG GRANT	-		-	-
TOURISM	53,375.00	1,397.50	46,639.23	8,133.27
EVIDENCE LIABLITIY	-		-	-
CAPITAL - GENERAL	197,116.00		91,292.59	105,823.41
CAPITAL IMP. - STREET	2,228,290.00		17,361.63	2,210,928.37
CAPITAL IMP - SEWER	-	-	-	-
CAPITAL IMP - GRANTS	346,448.00		6,500.00	339,948.00
CAPITAL IMP - WATER	-		-	-
ELECTRIC REVENUE BOND	2,579,841.00		928,557.37	1,651,283.63
ELECTRIC UTILITY DEBT SER	433,600.00		433,601.25	(1.25)
CAFETERIA 125 #50	52,500.00		28,273.50	24,226.50
COURT ADSAP #51	-		-	-
COURT BONDS #52	20,000.00		14,531.19	5,468.81
FOREITURES #53	-		1,000.00	(1,000.00)
PAY PAL #55	-		-	-
GRAND TOTAL	16,977,905.00	124,352.63	10,009,405.03	7,092,852.60

CITY OF OSAWATOMIE - CASH FLOW REPORT

Date: September 2017	BEGINNING BALANCE	REVENUE	EXPENDITURES	CASH BALANCE	ENCUMBRANCES (ORD.)	CASH BALANCE 9/30/2017
GENERAL OPERATING	427,561.07	2,021,086.55	1,860,421.48	588,226.14		588,226.14
WATER	243,189.12	677,038.64	711,322.92	208,904.84		208,904.84
ELECTRIC	516,295.78	2,785,402.74	2,815,588.35	486,110.17		486,110.17
EMPLOYEE BENEFIT	83,706.81	751,654.55	596,907.24	238,454.12		238,454.12
REFUSE	7,759.60	302,881.20	264,958.45	45,682.35		45,682.35
LIBRARY	108,330.36	43,338.61	7,485.75	144,183.22		144,183.22
RECREATION	-	1.06	1.06	-		-
RURAL FIRE	-	-	-	-		-
INDUSTRIAL	70,912.74	76,734.48	209,019.71	(61,372.49)		(61,372.49)
REVOLVING LOAN	-	-	-	-		-
SPECIAL PARKS & REC	100,083.71	19,983.70	37,443.57	82,623.84		82,623.84
STREET IMPROVEMENTS	148,183.62	89,854.56	65,885.93	172,152.25		172,152.25
BOND & INTEREST	202,541.60	672,888.01	800,019.33	75,410.28		75,410.28
PUBLIC SAFETY EQUIP.	15,083.11	86,142.30	85,117.32	16,108.09		16,108.09
FIRE INS PROCEEDS	0.84	-	-	0.84		0.84
SEWER	153,252.78	667,922.71	625,721.29	195,454.20		195,454.20
RECREATION BENEFIT	-	0.13	0.13	-		-
GOLF COURSE	1,399.35	265,571.05	238,800.61	28,169.79		28,169.79
SPECIAL REVENUE (911)	9,897.41	-	-	9,897.41		9,897.41
LLEBG GRANT	-	-	-	-		-
TOURISM	36,461.62	44,940.09	45,241.73	36,159.98		36,159.98
EVIDENCE LIABILITY	12,899.79	-	-	12,899.79		12,899.79
CAPITAL - GENERAL	138,538.56	97,500.00	91,292.59	144,745.97		144,745.97
CAPITAL IMP. - STREETS	116,593.98	2,000.00	17,361.63	101,232.35		101,232.35
CAPITAL IMP - SEWER	4,000.00	-	-	4,000.00		4,000.00
CAPITAL IMP - GRANTS	74,142.13	272,306.00	6,500.00	339,948.13		339,948.13
CAPITAL IMP - WATER	-	-	-	-		-
ELECTRIC REVENUE BONDS	3,029,838.11	11,999.34	928,557.37	2,113,280.08		2,113,280.08
ELECTRIC BOND RESERVE	147,868.81	326,793.78	433,601.25	41,061.34		41,061.34
CAFETERIA 125 # 50	43,826.84	33,060.53	28,273.50	48,613.87		48,613.87
COURT ADSAP # 51	7,401.00	-	-	7,401.00		7,401.00
COURT BONDS # 52	13,269.54	15,683.19	14,531.19	14,421.54		14,421.54
FORFEITURES # 53	978.42	1,875.00	1,000.00	1,853.42		1,853.42
PAYPAL # 55	0.01	-	-	0.01		0.01
TOTALS	5,714,016.71	9,266,658.22	9,885,052.40	5,095,622.53	-	5,095,622.53