

Osawatomie, Kansas. **June 8, 2023.** The Council Meeting was held at Memorial Hall located at 411 11th Street. Mayor Nick Hampson called the meeting to order at 6:30 p.m. Council members present were: Schasteen, Macek, Diehm, Dickinson, LaDuex, and Bratton. Council members Filipin and Caldwell was absent. City Staff present at the meeting were City Manager Mike Scanlon, Deputy City Manager Bret Glendening, City Clerk Tammy Seamands, City Attorney Jeff Deane, Utility Director Terry Upshaw, Public Works Director Michele Silsbee, Assistant City Manager Sam Moon, Police Chief David Stuteville and Public Safety Officer Phillip Davis. Members of the public were: Christine Richardson, Vickie Weber, Wendy Curry, Karen Shepherd, Darlene Hadsall, Bernie Hadsall, Eunice Mollett, Kim Handy, Erin Socha, Deana Brim, Jay Hastert, Sandi Chessari, Christine Randall, Matt Randall, Doug Walker, Tamara Ackerman, Hayley Weber, Jake Stone, Nicole Henness, Derek Henness, Julie Packard, Brian McCauley, Karen Daulton, Garron Daulton, Joy Poage, Ron Smith, Ken Richardson, Kimberley Scraggs, Patty Fisher, Michael McClellan, Regina McClellan, Myra, Guion, Georia Johnson, Linda Green, Stacy Schroder, Stephanie Friend, Tabitha Friend, Jillie Powell, Sizie Tosey, Brianna Cummins, Jennifer Dulski, Scott Schneider, Deana Brim, and Sandi Chessari.

INVOCATION. – Ron Smith, 1st Christian Church

CONSENT AGENDA. Approval of June 8, 2023 Agenda, May 25th Council Meeting Minutes, Pay Application – BG Consultants – 2022/2023 Street Projects - \$46,977.50, Pay Application –BG Consultants - KDOT/TA Trails Grant - \$1,606.50, Pay Application – BG Consultants - WWTP - \$28,467.05, Pay Application – Killough Construction – Main Street Terrace/18th/Walnut Ave - \$113,995.96, April 2023 Council Report. **Motion** made by Dickinson, seconded by LaDuex to approve the consent agenda as presented. Yeas: All

COMMENTS FROM THE PUBLIC. –

PRESENTATION BY ALWAYS & FUREVER MIDWEST ANIMAL SANCTUARY, INC. – Jennifer Dulski and Scott Schneider thanked the City for partnering with them and discussed some of the terms of the proposed preliminary sales agreement between the City of Osawatomie and Always and Furever.

PRESENTATION AND RECOMMENDATION BY MIKE SCANLON – Mike Scanlon thanked Always and Furever for the work that they have done at the Osawatomie Animal Shelter. They have done a good job maintaining the shelter and taking care of the animals. Scanlon’s recommendation is that council pass Resolution 1144 to allow Always and Furever to purchase the Osawatomie Animal Shelter including exhibit A (Letter of Intent to purchase the property commonly known as the Osawatomie Pound) and excluding section three.

RESOLUTION 1144 – PRELIMINARY SALES AGREEMENT/TERMINATION BETWEEN CITY OF OSAWATOMIE AND ALWAYS & FUREVER MIDWEST ANIMAL SANCTUARY – **Motion** made by Bratton, seconded by LaDuex to approve Resolution 1144 - Regarding future ownership and operation of the Osawatomie Animal Shelter excluding section three and including exhibit A (Letter of Intent from Polsinelli on behalf of their client, Always and Furever Midwest Animal Sanctuary, Inc. to purchase the property known as the Osawatomie Pound). Yeas: All.

Members of the public was given time to voice their comments and concerns regarding Resolution 1144, Always and Furever Midwest Animal Sanctuary and the Osawatomie Animal Shelter.

PUBLIC HEARINGS. – None.

PRESENTATIONS, PROCLAMATIONS AND APPOINTMENTS. -none.

UNFINISHED BUSINESS.

RESOLUTION 1140 –AWARDING CITY’S P&C INSURANCE BUSINESS TO ELLIOT INSURANCE GROUP (EMC) - On March 23, 2017 the governing body opted into MPR. On March 23, 2023 the council opted out of MPR and directed city staff to seek additional pricing for the city’s insurance needs from Elliott Insurance Group. As a broker, Elliott sought quotes from: Continental Fire, Travelers’ and Employers’ Mutual. They sought additional quotes from Volunteer Firemen’s Insurance Services (VFIS) and comprehensive cyber coverage from Cowbell and Evolve.

We did receive a quote from MPR for P&C coverage, but it was exclusive of power plant coverage (Commercial Output) and comprehensive cyber coverage. These latter lines of insurance as quoted by EMC cost \$34,175 and \$12,728 respectively, and will need to be added to MPR’s accidental quote of: \$131,901. This is not a perfect way to get these two quotes “apples to apples” because it would almost certainly be more expensive to purchase a standalone policy for commercial output as opposed to combining it with several other lines (i.e., bundling home and auto).

So, the cost to stay with MPR is: \$178,804. (\$131,901 + Comm. Output cost, plus cyber cost)
EMC’s cost is: \$167,674 which includes all lines except the comprehensive cyber coverage of \$12,728. The total for both policies is \$180,402. This also does not include the credit for the annual dividend they disburse which averages between 10% and 15% (18,040 to \$27,060) and should be taken into consideration when awarding this contract.

Last year, we spent \$176,381 on P&C coverage, plus \$9,699 on comprehensive cyber coverage. Additionally, we have options to remove from EMC’s quote, coverage for the volunteer fire department and utilize VFIS’ quote which is: \$9,439 for a slight savings. The VFIS line is more comprehensive and competitive, and offers some benefits for our firefighters that we do not currently receive from MPR. **Motion** made by Bratton, seconded by Schasteen to approve Resolution 1140 – Awarding the City’s property and casualty liability insurance business to Elliott Insurance Group (EIG) as presented. Yeas: All.

NEW BUSINESS.

ORDINANCE 3828 – AUTHORIZING GROUP RATE FEES & HONORARIUMS FOR ADAIR CABIN & CURATOR - The John Brown Museum State Historic Site and Battlefield for the Battle of Osawatomie have been two of the most visited historic destinations in the state of Kansas for many years. The pandemic fueled public interest in close-to-home

attractions and our attendance numbers climbed higher. Speaking requests for staff have also increased, as well as the number of large groups. One of the most recent groups was over 120 students and staff from Paola Middle School.

As a State Historic Site dually controlled by the Kansas State Historical Society and the City of Osawatomie, general admission at the museum will always be free. However, the notable increase in large groups (10+ unrelated persons) and school tours puts a considerable strain on department resources. To help offset these costs, we are proposing nominal tour fees and speaking engagement fees. Previously we have never charged for either of these services other than very small honorariums or mileage for staff who have traveled. Adding fees for larger groups allows the Cabin department to more easily cover costs associated with producing educational materials, expanding personnel availability, upgrading equipment the City is responsible for such as computers and printers, and hosting our own events throughout the year.

When we consider what we (the City) pay for other experts/historians to speak or perform at our events, like the Freedom Festival or other programming, we believe these fees are very reasonable. **Motion** made by Schasteen, seconded by Macek to approve Ordinance 3828 – Amending Chapter 12 Article 4 Section 417 of the Municipal code of the City of Osawatomie, Kansas as presented. Yeas: All.

ORDINANCE 3829 – AMENDING SECTION 15-105 OF CITY CODE, TAMPERING WITH METER - City staff has noticed an increase in maintenance of meter reading equipment due to damage. The City is incurring cost of material and labor to fix this damage. With the additional subsection (d) the city will be able to recover this cost, and hopefully prevent future damage. **Motion** made by Dickinson, seconded by Diehm to approve Ordinance 3829 – Amending Chapter 15, Article 1 Section 105 of the Municipal code of the City of Osawatomie, Kansas as presented. Yeas: All.

RESOLUTION 1141 – ADOPTING THE ANNUAL FEE RESOLUTION FOR 2023 – **Motion** made by Dickinson, seconded by LaDuex to approve Resolution 1141 – Amending the Annual Fee Table as presented. Yeas: All.

RESOLUTION 1142 – MIH-ARPA GRANT APPLICATION – The City continues to apply for grant funding for use in the development of the 5th Street Terrace Addition. The Moderate-Income Housing (MIH) grant program is funded through the Kansas Housing Resource Corporation (KHRC). The specific grant we are going for is coming out of American Rescue Plan Act (ARPA) dollars dedicated to housing and the State of Kansas. Part of the application process is passing a Resolution showing the continued support of the local Governing Body. This is simply a part of the application package that we will continue to submit. Understand these are highly competitive grants and this is our third (3rd) attempt at securing dollars. This is likely a program that we will continue to apply for as we look to develop residential areas in our community. The grant can be used for everything from down payment assistance to infrastructure costs. Our application asks that the grant be used for the following,

- Down payment assistance.
- Land acquisition (reimbursement)

- Infrastructure
- Administrative costs associated with the project.

The total request for the 5th Street Terrace Addition is approximately \$1.4 million. **Motion** made by LaDuex, seconded by Dickinson to approve Resolution 1142 – Ratifying the City’s application to the Moderate-Income Housing Program for the Fifth Street Terrace Addition as presented. Yeas: All.

RESOLUTION 1143 – ESTABLISHING BUDGET POLICIES FOR THE CITY OF OSAWATOMIE FOR FISCAL YEAR 2024. In December of 2008, the city council at the time, approved a set of comprehensive financial policies to guide the city in making financial decisions fairly and equitably, and they are still in effect today.

The intent of this resolution is to pull certain parts of those financial policies out and emphasize them as we work through the 2024 budget process. Key among these policies is the Policy on Interfund Transfers. Of particular concern are transfers OUT of our enterprise or utility funds. For years the city has relied on transfers from utilities to keep property taxes down. The effect of this as we have all seen, is neglect of the utilities themselves and a myopic view of what the true costs of this municipal government are.

We are wrapping up a \$3.2M project at the wastewater treatment plant. We have spent \$1.2M on design services for the water treatment plant and distribution project. We are spending hundreds of thousands of dollars annually on either debt retirement of generators and converting the distribution system to 12470/7200kV, and we are in the early stages of design for a 5MW solar array.

Property taxes on the other hand, while not popular, are a necessary evil. All of our street projects are financed with debt that is retired by property taxes. Employee benefits for employees that are not working for an enterprise fund are also financed by property taxes. Police, Fire, Municipal Court, Administration, Public Works, the Library and Cabin are all financed by property taxes. Property taxes comprise approximately 20% of the total city budget. The rest of the budget is covered with sales taxes, franchise fees, utility rate charges, and other miscellaneous revenues.

In order to facilitate a turn towards reducing the mill levy, we must continue to broaden our tax base. This includes selling more electricity and water. It also involves bringing in more sales tax dollars and increasing the number of commercial and residential properties within the city. As was discussed in our preliminary budget presentations, it is ill-advised to “stop on a dime”. If we are to continue to improve, we must continue to move forward...taking into consideration that “Rome wasn’t built in a day” and therefore “Osawatomie does not need to be rebuilt overnight.”

This is why we are working towards a slight reduction in the mill levy – somewhere in the 2-3% range. **Motion** made by Bratton, seconded by Schasteen to approve Resolution 1143 – Establishing budget policies for the City of Osawatomie for fiscal year 2024 as presented. Yeas: All.

EXECUTIVE SESSION – Motion made by Dickinson, seconded by Schasteen that the City Council recess into closed, executive session for the purpose of discussing personnel matters of nonelected personnel pursuant to the exception K.S.A. 75-4319 (b)(1). The closed meeting will last 20 minutes and will resume here in Memorial Hall at 7:56 p.m. Also attending will be City Manager Mike Scanlon, Deputy City Manager Bret Glendening, City Clerk Tammy Seamands and City Attorney Jeff Deane. Yeas: All.

The council meeting resumed to open session at 7:56 p.m. with no action taken.

COUNCIL REPORTS

Dale Bratton ~ A citizen asked about a bed/breakfast and wanted to know if they need to be licensed/permitted? Also, I was working in the garden in the park and a bicyclist from Lawrence stopped by. I am not sure where he got on the trail at but he said he was impressed with the town. The trail is being used.

Lawrence Dickinson ~ Doesn't the bed/breakfast have to be in certain zoned areas? Is the council doing anything for the parade this year?

Kenny Diehm ~ I see we have a message that there is a water main break at 1600 block of Parker.

Dan Macek ~ Sorry, I missed the council meetings in May. One of the trips that Christle and I took was to Indiana to Cobra-Con. It is a fireworks training session. They emphasized on Pyro musicals. We took a class on how to choose your product for your entire musical. They talked about the color wheel and what colors and music bring out what emotions and how to coordinate that. We learned a lot.

Kevin Schasteen ~ It is nice to see progress down by my area.

MAYOR'S REPORT

Thank you to Public Works and our Utility Depts for all the work they have done and will be doing for the various community celebrations we will be hosting over the coming weeks. They have done an incredible amount of work and our events truly depend on their work and efforts.

Next Thursday, June 15th at 5:00 p.m. Doggone Dog will be here at the John Brown earthwork. Stan Herd will be doing a talk about his earthwork and how it was conceived and brought to life. He'll also be in the final stages of finishing it and he'll be looking for some of us to volunteer to finish it off. So if you want to be an earthwork artist join us at 5:00. We will then transport City Council to their parade rides at about 6:30 so we can get you in line.

Then on Saturday, June 17th at 12:00 we'll have BBQ and Dedication of the finished earthwork. This will kick off our journey to National Park status.....you only get to John Brown

National Historic Park Status – if you embrace and tell the story. Next Saturday will be about us beginning to tell our story.

With that I believe this just might be Mr. Scanlon’s last meeting. At the next meeting he will be at the FHLB Topeka conference in Colorado ... so many thanks for the work you’ve done....and the good work I know we’ve signed up for you to take on.

CITY MANAGER & STAFF REPORTS.

Mike Scanlon - Karen and Mary Kay have agreed to get a lawyer. They have the quit claim deeds as well as the indemnification for the property across from Victory Chevrolet. We have hooked them up with Pete because he knows the Department of Transportation. We also have an appraiser so that he can give us a new number on what the property is worth.

The Kansas Government Journal has published the City of Osawatomie’s community profile. It should be coming out soon.

Michele Silsbee – The concrete on Main Street Terrace got started and then we received 4 inches of rain that evening. The rain was not in the forecast when they started the concrete so it was a little bit of a surprise. The combination of that and late saw cuts or the air in the concrete caused us to reject 50% of the concrete that was laid because it did not meet our specs. The contractor did rip that out and repoured it. We are working through some issues regarding heights of driveways but I don’t expect to have vey much concrete need to come back out for that.

Sam Moon – We will have an artist open house with Stan Herd on Thursday, June 15th at 5:00 p.m. Also, the Arts Commission has met and selected an artist for the Main Street Plaza mural.

OTHER DISCUSSION/MOTIONS.

Motion made by Bratton, seconded by Schasteen to adjourn. Yeas: All. The mayor declared the meeting adjourned at 08:21 p.m.

/s/ Tammy Seamands
Tammy Seamands, City Clerk