

Osawatomie, Kansas. **June 22, 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, Bratton, Filipin and Caldwell. City Staff present at the meeting were: Deputy City Manager Bret Glendening, City Clerk Tammy Seamands, City Attorney Jeff Deane, Utility Director Terry Upshaw, Public Works Director Michele Silsbee, Assistant to the City Manager Sam Moon. Members of the public were: Derek Henness and Father Barry Clayton

INVOCATION. – Father Barry Clayton, St. Philip Neri Church

CONSENT AGENDA. Approval of June 22, 2023 Agenda, June 8th Council Meeting Minutes, Pay Application – Crossland Heavy Contractors – WWTP - \$69,349.99. **Motion** made by LaDuex, seconded by Schasteen to approve the consent agenda as presented. Yeas: All

COMMENTS FROM THE PUBLIC. – Father Barry Clayton – The Osawatomie Ministerial Association has been working on developing their organizational structure. We have made quite a bit of progress on this. The end goal is to better serve our community going forward.

We currently have a painting project that is close to completion at St. Philip Neri. The Fall Bazar is October 29th and will be located at the City Auditorium. We will be providing a nice meal for folks.

PUBLIC HEARINGS. – None.

PRESENTATIONS, PROCLAMATIONS AND APPOINTMENTS. -none.

UNFINISHED BUSINESS. – none.

NEW BUSINESS.

RESOLUTION 1145 – DIRECTING STAFF TO SEND RNR NOTIFICATION TO THE MIAMI COUNTY CLERK - This resolution does two things. First, it directs staff to notify the county clerk that the city’s intention is to exceed the revenue neutral rate (this is a new addition to the state budget law as of the 2021 legislative session). Secondly, it directs the city manager to finalize the 2024 budget and prepare the notice of public hearing for both the RNR hearing as well as the budget itself (also a requirement of state law).

More importantly however, we expand on the 2024 budget policy resolution that was adopted at the last city council meeting specifically as it relates to the property tax levy.

In the bond and interest fund, we are levying property taxes sufficient only to retire the obligations due in 2024, but after we account for portions of that debt that are being retired by the utility funds (primarily, Sewer). The bond & interest fund does not meet the 25% goal for fund balance, and the 2024 budget does not get us closer to that 25% goal. Required mill levy is: 21.822.

In the employee benefits fund, we are only levying for benefits for those employees who are not working in either one of the utility funds or the golf course. Those funds pay for the benefits of those employees. We have nowhere near the 25% fund balance as required in our financial policies and in order to achieve that necessary fund balance, the levy would need to be increased by 6.50. To reduce the demand for property taxes in the employee benefit fund, we have eliminated three full time positions, one intern and one part-time position. As other positions become vacant, we ask ourselves the following questions: 1. Is this position required in order to fulfill our obligations as a municipality under state law? 2. Is this position critical to achieving our five goals? Additionally, any full-time, non-enterprise fund vacancies are currently frozen. So, if a vacancy occurs, we will not fill it immediately. As we stand today, the levy requirement just to meet the obligations for 2024 and is at: 24.961.

Our general fund catches nearly everything else that this municipality does. From administrative staff to manage the day-to-day operations, to code enforcement, police, fire, public works, to the library and the cabin, the departments in the general fund interact with the public in some way, shape, or form, on a daily basis and with that in mind, we built the budgets in the general fund with our five goals in focus:

1. Clean the community up;
2. Repair & maintain Streets;
3. Invest in hard infrastructure;
4. Invest in soft infrastructure;
5. Renew focus on economic development, including housing of all types.

We also continue to focus our efforts on expanding the tax base. Whether it is property taxes, sales taxes, utility revenues or all the other user charges and fees for services that we have in place, we cannot solely depend on locally collected property taxes to finance our efforts. The more outside dollars we can collect to help rebuild this community, the better. Property taxes currently comprise just under 20% of the total 2024 general fund expenditures. The fund balance is 25% of where it needs to be. While we are working towards building fund balances in all of our budgeted funds, we cannot do so overnight nor can we do so in one budget year. The mill levy for the general fund in 2024 is forecasted to be: 31.217.

If we are to rebuild this community and do so in a fiscally responsible and sustainable way, we must continually keep not only these goals in mind, but also our comprehensive financial policies that the council adopted almost 15 years ago. **Motion** made by LaDuex, seconded by Caldwell to approve Resolution 1145 – Regarding the governing body’s intent to levy a property tax exceeding the revenue neutral rate as presented. Yeas: All.

RESOLUTION 1146 – APPROVING EXTENDING LEASE TO GREAT OSAWATOMIE, INC FOR SRS BUILDING – In 2000, the City of Osawatome entered into a lease agreement with Greater Osawatome, Inc. for land the city owned adjacent to the railroad on Brown Ave. In 2008, we purchased some additional property from the railroad, anticipating that with the closure of a couple of other SRS offices in neighboring counties, the state would consolidate services into the Osawatome location. Both lease agreements ran through December 31, 2029.

Just recently, Greater Osawatomie, Inc. and the State of Kansas signed a new, 10/5 lease for the property. The amendment being requested by GO, Inc. is for 10 years, and runs through December 31, 2037. In the event the state exercises its right to extend, the lease would need to have a 5-year option through 12/31/2042. **Motion** made by Schasteen, seconded by Filipin to approve Resolution 1146 – Amending the terms of the lease agreement between the City of Osawatomie and Greater Osawatomie, Inc. as presented. Yeas: (7) Schasteen, Macek, Diehm, Dickinson, LaDuex, Bratton, and Filipin. Nays: (1) Caldwell.

RESOLUTION 1147 – CHANGE ORDER FOR KILLOUGH CONSTRUCTION – Last month we informed the council of the issues we were running into with the base preparation on Main Street Terrace. We consulted with a geotechnical engineer whose recommendation was to remove certain portions of the native soil underneath Main Street Terrace and replace it with AB3. Additionally, he recommended utilizing geogrid to further stabilize the base in order for construction to progress.

If we did nothing, the chances of the street failing prematurely would increase exponentially and we are spending a significant amount of money reinvesting in our streets to not ensure we get the most life out of them as possible.

The original contract price was: \$1,734,521.07. This change order adds \$36,246.91 to the contract value. Keep in mind, this does not include the deduct which will be forthcoming for the Walnut Ave./6th Street intersection. **Motion** made by Schasteen, seconded by Caldwell to approve Resolution 1147 – Authorizing a change to the 2023 street project to add geogrid and additional ab3 for road stabilization on Main Street Terrace as presented. Yeas: All.

EXECUTIVE SESSION – Motion made by Dickinson, seconded by Diehm 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 7:30 p.m. Also attending will be Deputy City Manager Bret Glendening, City Clerk Tammy Seamands and City Attorney Jeff Deane. Yeas: All.

The council meeting resumed to open session at 7:30 p.m. with no action taken.

COUNCIL REPORTS

Cathy Caldwell ~ I loved my trip to Oregon. I found their city market interesting it was a much larger scale than what we are wanting but still very similar.

Tomorrow I am going to be talking to Four Kids for Kritters about a Trap Neuter and Release Program. There would not be any cost to the city for this program. I am going to help them facilitate some of the things that they need to do. They will bring this to the council.

Karen LaDuex ~ The events with Stan Herd on Thursday and Saturday were very well planned. I really enjoyed the opportunity to meet everyone that was invited. Thank you, Sam, for organizing it.

Lawrence Dickinson ~ I agree with Karen's comments I thought that those events were great. I also think that everyone had a good time at the parade.

Kenny Diehm ~ I agree with Karen and Lawrence it was a good weekend.

Dan Macek ~ We got the first dock installed out at the lake on Saturday. Next weekend is Lights on the Lake. We are still looking for volunteers for the event.

Kevin Schasteen ~ I echo everyone else about the events. They have now begun the process on my street.

MAYOR'S REPORT - I think that Thursday was the first time since I have been on the council that all of the governing body was present to ride in the parade.

The event on Saturday was well attended and very well organized.

My daughter worked the Jamboree and it was well attended.

The street project looks great. Michele and her crew are doing a great job.

CITY MANAGER & STAFF REPORTS.

Sam Moon – Cinda Atwater's visitation is at Eddy-Birchard Funeral Home on Monday from 6:00 p.m. to 8:00 p.m. and the funeral services are Tuesday at 10:00 a.m.

KCTV 5 did pick up our Stan Herd piece. It is a short little piece because they came down on Juneteenth when we were out of the office. I have talked to the camera man and they are interested in coming down to do a longer piece when Stan Herd is back in town.

Bret Glendening – Brown Avenue has some storm water issues. We have been talking with the engineer to look at alternative solutions to avoid this. In a few weeks, we are going to have to cut open Main Street at 10th Street & 8th Street and remove a 10-foot section of panel to be able to remove an 18" storm pipe and to replace it with a 36" storm pipe. We will then repour the concrete on Main Street. We really don't have another option.

The FONSI was published on June 2, 2023 for the Water Treatment Plant. The 30-day comment period has begun. We are still working towards securing the letter of conditions from USDA as well. These are the last couple of pieces that need to be in place in order to move forward with the financing.

OTHER DISCUSSION/MOTIONS.

Motion made by LaDuex, seconded by Diehm to adjourn. Yeas: All. The mayor declared the meeting adjourned at 07:53 p.m.

/s/ Tammy Seamands
Tammy Seamands, City Clerk