

CITY OF OSAGE CITY

COUNCIL MEETING

March 9, 2021

ROLL CALL: Now on this 9th day of March, 2021 the Governing Body of the City of Osage City, Kansas, met at the Osage City Council Chamber in said City. The following members being present and participating to wit were: Mayor: Becky Brewer. Council Members: Cathryn Houghton, Jim Peterson, Bruce Schoepflin, Karey Heiserman, Dale Schwieger, Mike Gilliland, Sharon Larson and Jeanette Swarts. Officials present: Rick Godderz, City Attorney; Rodney Willis, City Manager; Katie Hodge, City Treasurer; Terri Fultz, City Clerk and Sadie Boos, Deputy City Clerk. Others present: Gary Rush and Patrick & Kyle Osborne. Present virtually: Colton Hallgren.

APPROVAL OF THE AGENDA:

Motion made by Schwieger, second by Schoepflin to approve the amended agenda. The motion was declared carried.

RECOGNITION OF VISTORS: None

APPROVAL OF THE CONSENT AGENDA:

1. Approval of February 23, 2021 Regular Meeting Minutes.

Motion made by Heiserman, second by Schwieger to approve the Consent Agenda. The motion was declared carried.

BUSINESS BEFORE THE COUNCIL:

- 1. Update on 803 Lincoln Street formerly owned by Christine Gutierrez and Lloyd and Kathy Isaacs, by the new owners Pat & Kyle Osborne of Osborne Exteriors of 1326 E Street in Osage City. Public Hearing for structure condemnation was held July 28, 2020 at which time City Council gave Lloyd & Kathy Isaacs until January 1, 2021 to show improvements after getting the property back from Christine Gutierrez:**

Kyle Osbourne told the City Council that they purchased the property from Pat & Kathy Isaacs in November 2020 with the intent to fix up the existing house on the property. Since their purchase the price of materials have increased so much that they have decided to tear down the house and rebuild in the future.

City Manager Rod Willis explained the process needed to demolish the structure and receive cost share for the demolition and also if they rebuild.

City Council agreed that if the Osbornes could show progress cleaning up the property City Council was in favor of allowing them a couple months to do so.

- 2. Approval of Union and American Cemetery Mowing Bid for 20 times maximum per growing season. Received bids are: Osage Mowing LLC – Mike Wagley in the amount of \$1,250.00 per mowing; Hallgren Mowing & Snow Removal LLC – Colton Hallgren in the amount of \$1,375.00 per mowing; M.R. Lawn Service – Mike Reser in the amount of \$1,600.00 per mowing; and Spencer Stromgren in the amount of \$1,638.80 per mowing – Parks & Facilities Superintendent Gary Thompson:**

Parks & Facilities Superintendent Gary Thompson told the City Council that Mike Wagley, Osage Mowing LLC called to say he wasn't sure he could do the job in a satisfactory way since it would be only him and his wife mowing and trimming. Mr. Wagley said he would honor the bid if the City did decide to choose him.

Recommendation from Gary Thompson was to choose the next bid in line from Hallgren Mowing & Snow Removal LLC for \$1,375.00 per mowing.

Motion made by Swarts, second by Larson to approve the bid from Hallgren Mowing & Snow Removal LLC in the amount of \$1,375.00 per mowing of the Osage American and Osage Union Cemeteries starting April 1, 2021 to October 31, 2021 and using the same terms for the contract as was used in 2020. The motion was declared carried.

- 3. Authorize sand volleyball court to be constructed in Huffman Park utilizing Tom Lane Memorial funding and donated labor and equipment – City Council Member Jeanette Swarts and Parks & Facilities Superintendent Gary Thompson:**

Parks & Facilities Superintendent Gary Thompson explained that the sand volleyball court would be approximately 40 to 50 feet east of the shelter house. The dimensions for the single court would be 50 by 80 feet. Martin Lane is donating his time in preparing the space, drainage material, poles and net. Jason Gilliland JAG Trucking has donated his time in hauling of material. Council Member Jeanette Swarts has applied for grants with the Community Foundation & MFA Oil. State Farm Insurance would match funds given from the Lane Memorial Fund. The cost of sand would come from the grant funding.

Motion made by Schwieger, second by Gilliland to authorize the construction of a sand volleyball court in Huffman Park utilizing The Tom Lane Memorial Fund, donated labor and equipment from Martin Lane, hauling of material and grant funding. The motion was declared carried.

- 4. Approval of Phase 2 Sanitary Sewer Improvements bid in the amount of \$849,361.00 from Utility Solutions LLC of Basehor, Kansas. Other bid received was \$1,178,800.00 from Infrastructure Solutions LLC of Lenexa, Kansas. Phase 2 Bid Evaluation Report from Waldo Margheim, P.E. of Burns & McDonnell:**

City Manager Rod Willis said there were ten sets of plans picked by different firms. There were only two firms that bid on the project as shown above. Waldo Margheim, P.E. of Burns & McDonnell has reviewed the bids and is recommending approval of the bid from Utility Solutions LLC in the amount of \$849,361.00. This is Phase 2 of the Sanitary Sewer Improvements which will be funded through the KDHE Revolving Loan Fund.

Motion made by Schoepflin, second by Heiserman to approve the bid from Utility Solutions LLC of Basehor, Kansas in the amount of \$849,361.00 for Phase 2 of the Sanitary Sewer Improvements. The motion was declared carried.

- 5. Approval of Phase 3 Sanitary Sewer Improvements bid in the amount of \$868,805.79 from Utility Solutions LLC of Basehor, Kansas. Other bid received was \$968,800.00 from Infrastructure Solutions LLC of Lenexa, Kansas. Phase 3 Bid Evaluation Report from Waldo Margheim, P.E. of Burns & McDonnell:**

Motion made by Schwieger, second by Larson to approve the bid from Utility Solutions LLC of Basehor, Kansas in the amount of \$968,800.00 for Phase 3 of the Sanitary Sewer Improvements. The motion was declared carried.

- 6. Authorize Mayor Brewer to sign the Phase 2 Notice of Award to Utility Solutions LLC and Phase 3 Notice of Award to Utility Solutions LLC:**

Motion made by Larson, second by Schwieger to authorize Mayor Brewer to sign the Notice of Award to Utility Solutions LLC for Phase 2 and Notice of Award to Utility Solutions LLC for Phase 3 of the Sanitary Sewer Improvements. The motion was declared carried.

- 7. Approval of Amendment No. 2 to Professional Services Agreement – Task Order Engineer-Owner Agreement pertaining to KDHE State Revolving Fund (SRF) Contract Provisions for Consultant Contracts:**

City Manager Rod Willis explained that Amendment No. 2 as presented for Professional Services is required by KDHE State Revolving Loan Fund. Federal Law requires that contracts relating to such funded projects insure certain provisions are followed. The State Revolving Loan Fund assures that the services provided by the Engineer comply with the contract provisions.

Motion made by Schwieger, second by Gilliland to approval Amendment No. 2 Professional Services Agreement – Task Order Engineer-Owner Agreement pertaining to KDHE State Revolving Fund Contract Provisions for Consultant Contract. The motion was declared carried.

- 8. Authorize Mayor Brewer to sign the Interlocal Agreement for the Community Development Block Grant (CDBG) Commercial Rehabilitation Grant application for the Star Block Building at 520-522 Market Street:**

Motion made by Schwieger, second by Houghton to authorize Mayor Brewer to sign the Interlocal Agreement for the Community Development Block Grant Commercial Rehabilitation Grant application for the Start Block Building at 520-522 Market Street. The motion was declared carried.

9. Special One-Half Percent Sales Tax for Streets historical revenues before and since implementation in 2013 – City Treasurer Katie Hodge:

City Treasurer Katie Hodge provided a spreadsheet showing the street expenses from 2002 to 2020 and street sales tax revenue from 2013 to 2020. Total spent from 2002-2012 was \$2,193,219.86 and spent from 2013-2020 was \$5,186,810.00 on street work, showing an increase of \$2,993,590.14 in spending since the sales tax revenue began in 2013.

The sales tax began in 2013 with a 10-year sunset. To continue with collecting the .5% sales tax it would need to go on the 2021 November ballot for citizens to vote for another 10 year term for street related expenses.

It was the general consensus of the City Council to move forward with the process of putting it on the ballot in November 2021.

10. Wards 1, 2, 3, 4 election participation totals provided by Osage County Clerk & Election Officer Rhonda Beets:

City Manager Rod Willis provided information on a spreadsheet showing the Ward population, register voters per Ward, 2019 General Election voter count and 2020 the General Election voter count.

There was ongoing discussion to possibly reduce the of Wards from four Wards to two Wards or to go At-Large. Also, in the discussion was to possibly reduce the number of Council Members. City Attorney Rick Godderz commented that he will do more research to find out what that procedure is.

11. Approval of Resolution No. 1068 Authorizing the City of Osage City to Apply for the City Utility Low-Interest Loan Program for obtaining a loan in the amount not to exceed \$1,650,000 for the extraordinary natural gas costs during the extreme weather event of February 2021. The Kansas Municipal Energy Agency (KMEA) estimated wholesale natural gas bill is \$2,470,203 for the City of Osage City Gas Utility. The City Utility Low-Interest Loan Program deadline is March 15, 2021:

Motion made by Schoepflin, second by Schwieger to adopt Resolution No. 1068 authorizing the City of Osage City to apply for the City Utility Low-Interest Loan Program in the amount not to exceed \$1,650,000 for the extraordinary natural gas costs during the extreme weather event in February 2021. The motion was declared carried.

- 12. Approval of Ordinance No. 1652 Authorizing the Execution of a Loan Agreement between the City of Osage City and the State of Kansas to finance extraordinary natural gas costs incurred during the extreme winter weather event of February 2021. The loan shall be in the amount not to exceed \$1,650,000 for 10 years on monthly payments at the initial simple interest rate of 0.25% (one-quarter of one percent) and is recalculated January 1st each year at 2% below the market rate. Minimum interest rate is 0.25% annually.**

Motion made by Peterson, second by Schwieger to adopt Ordinance No. 1652 authorizing execution of a Loan Agreement between the City of Osage City and the State of Kansas to finance the extraordinary natural gas costs in the amount not to exceed \$1,650,000 for 10 years on monthly payments at the initial simple interest rate of 0.25% and is recalculated January 1st each year at 2% below the market rate with the minimum interest rate of 0.25% annually. The motion was declared.

- 13. Budget Amendment is required to avoid a cash basis budget violation, as \$700,000 for gas purchases was adopted in the 2021 Annual Budget. Notice of Budget Amendment Hearing will be published Thursday March 11, 2021 and the Hearing and Amendment will be on the March 23rd City Council agenda for approval. The estimated \$2,470,203 gas bill cannot be paid until the 2021 Budget Amendment is approved by City Council – City Treasurer Katie Hodge:**

Motion made by Schwieger, second by Schoepflin to set a Public Hearing on March 23, 2021 for approval of a Budget Amendment to the 2021 Annual Budget. The motion was declared carried.

- 14. Approval to purchase 37 poles from Bell Lumber & Pole Co. for the Electric Distribution Department in the amount of \$12,247.00:**

Motion made by Schwieger, second by Gilliland to approve the purchase of 37 electrical poles from Bell Lumber & Pole Co. in the amount of \$12,247.00. The motion was declared carried.

- 15. Follow up discussion from Regular Meetings on October 13, 2020 and February 9, 2021 on community concerns with Asset Life Cycle and the progress of cleaning up the property:**

Council Members are still receiving complaints that Asset Life Cycle have still not shown any progress on cleaning up the property. The plastic bags of material that are deteriorating, large pile of pallets, and the over grown vegetation outside the building have not had any substantial progress made.

Motion made by Schwieger, second by Swarts to direct the City Manager to set up an inspection with owner and the City Code Enforcement Officer to inspect the property and follow up with a letter to owner Beverly Drew giving a specific timeframe to do

noticeable cleanup to the outside of the building and property. The motion was declared carried.

16. Council Member Jeanette Swarts on citizen concerns for the safety of pedestrians and the crosswalks on Market Street particularly at 6th and Market Street:

Council Member Swarts was contacted with concerns about a pedestrian that has a vision impairment that was crossing the street at 6th and Market Street going to the Senior Center. Discussion of what the City could possibly do to mark the crosswalk better to avoid an accident with a vehicle and pedestrian in the future. There was also discussion of other crosswalks along Market Street.

17. Executive Session for financial affairs of second parties to include City Council, City Attorney, Consultant Quintin Robert, City Treasurer, City Clerk, Utilities Director, and City Manager:

Motion made by Schwieger, second by Schoepflin at 8:27 p.m. to recess to Executive Session for the purpose of Financial Affairs of Second Parties for a period of 5 minutes to include Mayor, City Council, Consultant Quintin Robert, City Treasurer, City Clerk, Utility Director and City Manager. The motion was declared carried.

At 8:32 p.m. Mayor Brewer declared the meeting back into open session with no formal action to be taken.

ADJOURNMENT: *At the request of Council Member Heiserman at 8:35 p.m., and on her motion, seconded by Council Member Schoepflin and carried unanimously, the meeting adjourned.*

APPROVED: _____ ATTESTED: _____
Rebecca Brewer **Teresa Fultz**
Mayor **City Clerk**