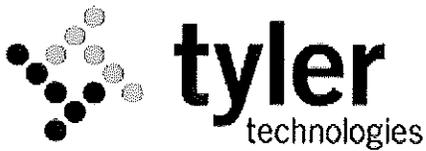


OSAWATOMIE CITY COUNCIL
AGENDA
June 26, 2019
6:30 p.m., Memorial Hall

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. June 26th Agenda
 - B. Pay Application – Tyler Technologies
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. Fireworks Ordinance Amendment
 - B. Grocery Store Equipment
10. New Business
 - A. Health Insurance Renewal
11. Council Report
12. Mayor's Report
13. City Manager & Staff Reports
14. Executive Session
15. Other Discussion/Motions
16. Adjourn

NEXT MEETING – Thurs., July 11, 2019



Remittance:
 Tyler Technologies, Inc.
 (FEIN 75-2303920)
 P.O. Box 203556
 Dallas, TX 75320-3556

Invoice

Invoice No	Date	Page
025-261322	05/29/2019	1 of 1

Questions:
 Tyler Technologies - Local Government
 Phone: 1-800-772-2260 Press 2, then 2
 Email: ar@tylertech.com



Bill To: City of Osawatomie
 PO Box 37
 Osawatomie, KS 66064

Ship To: City of Osawatomie
 PO Box 37
 Osawatomie, KS 66064

Customer No.	Ord No	PO Number	Currency	Terms	Due Date
44137	95888	2018-0088	USD	NET45	07/13/2019

Date	Description	Units	Rate	Extended Price
May 20 2019	Floyd Harris OSAWATOMIE, KS 2018-0088 - Courts -Justice Court-Production assistance - Court Case Management	Incode 6	125.00	750.00
May 21 2019	Floyd Harris OSAWATOMIE, KS 2018-0088 - Courts -Justice Court-Production assistance - Court Case Management	Incode 8	125.00	1,000.00
May 22 2019	Floyd Harris OSAWATOMIE, KS 2018-0088 - Courts -Justice Court-Production assistance - Court Case Management	Incode 8	125.00	1,000.00
May 23 2019	Floyd Harris OSAWATOMIE, KS 2018-0088 - Courts -Justice Court-Production assistance - Court Case Management	Incode 8	125.00	1,000.00
May 24 2019	Floyd Harris OSAWATOMIE, KS 2018-0088 - Courts -Justice Court-Production assistance - Court Case Management	Incode 6	125.00	750.00
May 24 2019	Floyd Harris OSAWATOMIE, KS 2018-0088 - Courts -Justice US Rates	Airfare 1 Per Diem 5	443.69 55.00	443.69 275.00
May 24 2019	Floyd Harris OSAWATOMIE, KS 2018-0088 - Courts -Justice Rental - Gas	Auto 1	57.78	57.78
May 24 2019	Floyd Harris OSAWATOMIE, KS 2018-0088 - Courts -Justice Rental	Auto 1	250.99	250.99
May 25 2019	Floyd Harris OSAWATOMIE, KS 2018-0088 - Courts -Justice Hotel/Lodging	1	792.55	792.55

****ATTENTION****
 Order your checks and forms from
 Tyler Business Forms at 877-749-2090 or
 tylerbusinessforms.com to guarantee
 100% compliance with your software.

Subtotal	6,320.01
Sales Tax	0.00
Invoice Total	6,320.01

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CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: June 26, 2019

AGENDA ITEM: Fireworks Ordinance Amendment

PRESENTER: Meagan Borth, Assistant to the City Manager

ISSUE SUMMARY: During the comments from the public session at the June 13th City Council meeting, a City-permitted fireworks vendor asked for an extension of the sale of fireworks until July 6th. The current City Ordinance allows for the sale of fireworks in city limits until July 4th. This extension requires amending sections 7-303, 7-304, and 7-311 of the Municipal Code.

Staff compiled a list of surrounding comparable city's current firework ordinances:

City	Firework Discharges	Firework Sales
Spring Hill	July 3 through July 6, 8 a.m. to 11 p.m.	June 27 to July 5, 8 a.m. to 10 p.m.
Garnett	June 27 until July 5, 8 a.m. to 10 p.m. July 4 until midnight	June 27 until July 5, no designated times
Baldwin	June 29 through July 2, 8 a.m. to 10 p.m. July 3 and 4, 8 a.m. to Midnight	June 29 through July 2, 8 a.m. to 10 p.m. July 3 and 4, 8 a.m. to Midnight
Louisburg	Unlawful	Unlawful
DeSoto	July 2 and July 3, 10 a.m. to 10 p.m. July 4 until midnight	June 29 through July 4, 8:00 a.m. to 10:00 p.m.
Tonganoxie	June 30 through July 4, 8 a.m. to 11 p.m.	June 30 through July 4, 8 a.m. to 11 p.m.
Eudora	July 1 through July 2, 7 a.m. to 10 p.m. July 3 and 4, 7 a.m. to Midnight	July 1 through July 2, 7 a.m. to 10 p.m. July 3 and 4, 7 a.m. to Midnight

A Facebook post was also created on the City of Osawatomie's page in order to get citizen input on the issue. The poll allowed viewers to choose between two (2) answers:

1. Yes, extend until the 6th **70%**
2. No, just until the 4th **30%**

*It is important to note that this poll was open to the public, therefore, all votes may not have been submitted by only Osawatomie citizens. Attached is a screenshot of the post and the poll results.

COUNCIL ACTION NEEDED: Either:

1. Vote yes to the proposed amendment to allow the extension
2. Reject the proposed amendment (no change to the current ordinance)
3. Delay Action and consider this topic at a later date with more available options

STAFF RECOMMENDATION TO COUNCIL: There is no staff recommendation. However, it should be noted that because of the current timeframe, the only amendment that could take-effect for this year is to extend the date. If the Council wishes to consider other options (such as lessening the number of days or hours, or making the sale and discharge of fireworks unlawful year-round), they can do so, but it will only impact years to come. Amendments must be published in the newspaper before becoming law, and the soonest this could occur is July 3rd.

ORDINANCE NO. _____

AN ORDINANCE EXTENDING THE TIME PERIOD FOR THE DISCHARGE AND SALE OF FIREWORKS IN CITY LIMITS FROM JULY 4TH TO JULY 6TH; BY AMENDING SECTIONS 7-303, 7-304, AND 7-311 OF THE MUNICIPAL CODE OF THE CITY OF OSAWATOMIE, AND REPEALING THE EXISTING SECTION THEREIN;

WHEREAS, Chapter 7, Article 3 of the Municipal Code of the City of Osawatomie incorporates the Firework Ordinance for the City of Osawatomie; and

WHEREAS, Chapter 7, Article 3, Sections 7-303, 7-304, and 7-311 of the Municipal Code of the City of Osawatomie provides the dates and times that fireworks are permitted to be discharged and sold in city limits; and

WHEREAS, the City of Osawatomie has determined that the discharge and sale of fireworks in city limits should be cohesive, and that the City should allow the stop date to be July 6th instead of July 4th.

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

Section 1. AMENDING SECTION. Sections 7-303, 7-304, and 7-311 of Article 3 of Chapter 7 of the Code of the City of Osawatomie are hereby amended to read as follows:

7-303. Same: exceptions; discharges.

(a) Section 7-302 of this article shall not apply to the firing or discharge of fireworks in the City of Osawatomie between the hours of 8:00 a.m. and 10:00p.m. on June 29th through July 6TH, except that on July 4th between the hours of 8:00 a.m. and 11:00 p.m.

(b) The Governing Body of the City may, in its discretion, grant permission at any time for the public display of fireworks by responsible individuals or organizations when such display or displays shall be of such a character and so located, discharged and fired as shall not be a fire hazard or endanger persons or surrounding property.

(c) It shall be unlawful for any person, firm or corporation to give any public display of fireworks without having first obtained a permit thereof.

7-304. Same: exception; sale of fireworks.

Any person who has first obtained a valid permit to sell fireworks within the City of Osawatomie may do so between the hours of 8:00 a.m. and 10:00 p.m. commencing June 29th and through July 6th of each year.

7-311. Retail display of fireworks.

(a) All retailers are forbidden to expose fireworks where the sun shines through glass on the merchandise displayed, except where such fireworks are in the original package.

(b) All fireworks displayed for sale must remain in original packages, except where an attendant is on constant duty at all times where such fireworks are on display; provided, that fireworks in open stock may be kept in show cases or counters out of the reach of the public without an attendant being on duty.

(c) Signs reading “Fireworks for Sale - No Smoking Allowed” shall be displayed in the section of a store or premises set aside for the sale of fireworks. No person shall smoke any cigarette, cigar, pipe or other similar device within 25 feet of any store or premises, or section thereof which is so posted.

(d) Any retailer may post one sign which is visible from any adjacent street, road, or thoroughfare which reads “Fireworks” or “Fireworks for Sale”. In addition, any such sign may set forth the name of the person, group or organization holding the permit issued hereunder. No such sign shall be placed on the premises earlier than June 27th or remain on the premises after July 6th. No retailer shall be required to obtain a separate permit for the sign permitted by this subsection, but any such sign shall in all respects conform to size and other restrictions set forth in the ordinances of the City.

(e) Stands shall be operated by adults, 18 years of age or older only. Fireworks shall be attended in a stand or tent 24 hours. Persons under the age of 18 may work in the tent but must always be under adult supervision.

Section 2. EXISTING SECTION REPEALED. Sections 7-303, 7-304, and 7-311 of Article 3 of Chapter 7 of the Code of the City of Osawatomie as adopted prior to the passage of this Ordinance is hereby repealed.

Section 3. EFFECTIVE DATE. This ordinance shall take effect and be in force upon publication in the official City newspaper.

ADOPTED AND APPROVED by the Governing Body of the City of Osawatomie, Kansas, a majority being in favor thereof, this 26th day of June, 2019.

APPROVED AND SIGNED by the Mayor.

CITY OF OSAWATOMIE, KANSAS

[seal]

By _____
L. Mark Govea, Mayor

ATTEST:

By _____
Tammy Seamands, City Clerk

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: June 26, 2019

AGENDA ITEM: Grocery Store Equipment

PRESENTER: Don Cawby, City Manager

BACKGROUND: In September 2017, the City Council approved the purchase of the equipment from Ron's/Moon's grocery store. The City then waited for approximately 9 months for the foreclosure process to finish so that the City could market the store. With the building owner, First Option Bank, an incentive package was crafted to entice an operator to open the store again. This package included a very low price for the store, plus it would essentially give the equipment to the operator after 5-7 years of them operating the store.

The City Council negotiated a lease-purchase agreement with First Option Bank to allow the City to carry the \$150,000 in equipment until they could be sold/leased to a new operator. That agreement for a 3% loan was renewed in October 2018. The City paid the interest on the loan from the industrial development fund.

Over the past 9 months, the City has really only worked with one credible operator who spent the time and resources to investigate the building and business. That operator was very positive about the prospects in Osawatomie and the incentives offered, but was concerned that the building's deficiencies weren't enough to overcome the attractive incentive package. Those deficiencies include: the absence of modern features, being oversized for the market, and severely deferred building maintenance.

Having received that news mid-winter, First Option Bank made the decision to list the property with a commercial realtor to find a viable alternative use for the property, in accordance with their Small Business Administration backed loan. If there were no viable builders, then First Option Bank and the City would consider what redevelopment options might be available for the site for a potential new grocery store or other use. At that time, the City would have to make a determination on what, if any, equipment to sell or keep.

Four weeks ago, First Option Bank received an offer on the building from Equip-Bid, an online equipment auction site, to purchase the property, but the offer was contingent upon Equip-Bid being allowed to sell the equipment through their site. Since the Bank did not own the equipment and the City had no fiduciary interest in the building, the proposal was a bit awkward. I discussed it with the bank and decided that the City would discuss terms with Equip-Bid directly and then make a determination if it was in our best interests to do so.

At the last Council meeting, on June 13, Equip-Bid provided a proposal to liquidate the grocery store equipment, as part of the building sale. At that meeting, I also provided an alternative bid from a national grocery store equipment auction company. Staff recommended not using Equip-Bid, at that time, because of the lack of time to receive proposals and look at alternatives.

After reviewing the proposals and taking comments from Andy O'Hanlon, owner of Equip-Bid, the Council authorized the City Manager to negotiate with Equip-Bid on the terms of the agreement. A meeting was held the next day and was attended by Mr. O'Hanlon, and Hannes Potter, the seller's agent for First Option and apparently the buyer's agent for Equip-Bid. At the meeting, I asked for Mr. O'Hanlon's best offer, and he agreed to lower our part of his commission to 20% from the proposed 25%. At that time Mr. Potter and Mr. O'Hanlon verbally agreed to move the close date to the Thursday after the next Council meeting, which would have been June 27.

On Monday morning, June 17, I was informed by a local business that they would make an offer matching the Equip-Bid offer and would not have any contingencies on the offer. They indicated they would give the City ample time (3 months was discussed) to move the equipment out of the building. As of Tuesday night, I had not heard from anyone with First Option or the prospective new bidder. I then reached out to First Option on Wednesday morning to learn that (1) the contingency had been removed by Equip-Bid, (2) Equip-Bid's offer was accepted by the Bank on Tuesday, (3) that the closing was moved to Monday, June 24, and (4) that the Bank was aware there was another offer.

Later Wednesday, I went back through our storage agreement with Willard's Inc. In the agreement we included a provision that stated that if the property was foreclosed upon by a bank or lender, that we should receive sixty-days' notice from the bank that the property was to be removed. The agreement specifically stated that it was attached to the building. While the bank did not sign the agreement, I believe that information was shared with First Option when the agreement was signed and drafted.

I shared the agreement with Mark Fuchs at First Option and asked that the provision be included in the real estate contract for purposes of retaining the City's rights. Mr. Fuchs shared the agreement with the parties, and it was suggested we work with Andy O'Hanlon to ink a deal directly with Equip-Bid for those sixty days, rather than including it in the sale. Staff began work on the agreement on Thursday, June 20 and were able to have a signed agreement with Equip-Bid before the closing of the sale in the afternoon on Monday, June 24.

ISSUE SUMMARY: With the clock now running, the City has 58 days to remove the equipment from the building. Only two options remain:

1. Disconnect and move the equipment to a secondary site for either continued storage or sale at a later date.

We have not investigated this option thoroughly, as we would have more time to implement this option. David Spears, who has been advocating to keep the equipment, gave us a bid of \$12,800 to dismantle and remove all the equipment. He also located a storage site in LaCygne for \$850 per month. I think this bid is in the ball park of what it would cost, with the possible exception of dismantling the compressors. We would look for other storage options in Osawatomie or closer to the City, if available.

Pros: Gives us more time to consider our options. Some of the cost of moving will be eliminated because items will be more “pick-up” ready if and when an auction occurs. If a local cooperative-type store can be created, the City could still provide part of the equipment to help offset some of the initial costs of starting the business.

Cons: Will create some duplicate costs. Will have additional out-of-pocket costs and now on-going storage costs. Value of the assets will continue to depreciate. May have some damage and loss in moving and storing. Any future auction will likely bring less because the equipment won't be in-place and running when the sale occurs.

2. Hire a seller to auction off the equipment within the allotted time and coordinate removal and distribution.

Because we would need to move quickly to complete the auction and remove the equipment by August 23, I have spent more time on evaluating this option. At this time, we have at least 3 proposals to consider for equipment liquidation: Equip-Bid, Grafe, and Spears Auctions. We may have a couple more by the meeting on Wednesday.

If the Council provides direction on the company to use at this meeting, I would estimate that the sale would occur in late July or very early August, with 14 days for removal and repairs of damage.

Pros: Provides possibly the peak value for most all of the equipment, especially the refrigeration cabinets. We would eliminate our costs for insuring the equipment and interest on the loan. We would know what our loss is before the budget is finalized and be able to adjust for it in the current year. It would be the quickest and easiest way to remove the equipment from the building.

Cons: We will most certainly take some amount of loss on the equipment because of the commission to the seller. The timeline for selling gives us know ability to place it in the market at a good time, if we are able to determine when that is.

Included in this packet is information from proposed providers for sales of the equipment. Some of these details were discussed at the previous meeting.

COUNCIL ACTION NEEDED: Review and provide direction to staff.

STAFF RECOMMENDATION TO COUNCIL: At this time, staff is still evaluating the proposals and will have a recommendation and evaluations of the proposals at the meeting.

CITY OF OSAWATOMIE



STAFF AGENDA MEMORANDUM

DATE OF MEETING: June 26, 2019

AGENDA ITEM: Health Insurance Renewal

PRESENTER: Don Cawby, City Manager

ISSUE SUMMARY: This year we looked at options for health insurance to control costs and see if other approaches should be considered.

Earlier this month we received a renewal offer from Humana on our health insurance for 2019. A straight renewal was about a 16% increase. This was the best offer received after considering bids from various Health Insurance providers. However, after reviewing these and negotiating, Humana agreed to drop down to a 10% increase.

This plan will continue several benefits:

- Dental Insurance which had no premium increase for 2019.
- Vision Plan which had no premium increase for 2019.
- City buys down premiums by providing the last \$1,000 of one deductible per employee on a PPO plan.
- Provide all full-time employees with \$15,000 of life insurance paid for by the City.

The budget impact of the proposed renewal is approximately \$20,000 savings to the City for the 2019 plan year. The budget savings also reflects an budgeted rate increase of 16% for this July 1 and higher budgeted usage. The total annualized cost of the plan, based on current usage, would be an increase of about \$28,000 over previous rates.

COUNCIL ACTION NEEDED: Review and discuss.

STAFF RECOMMENDATION TO COUNCIL: Approve the proposed insurance renewal with Humana at the negotiated increase percentage.

CITY OF OSAWATOMIE
 YTD TREASURERS REPORT
 AS OF: APRIL 30TH, 2019

FUND	BEGINNING CASH BALANCE	Y-T-D REVENUES W/ACCRUAL	Y-T-D EXPENSES W/ACCRUAL	ACCRUAL ENDING CASH BALANCE	NET CHANGE OTHER ASSETS	NET CHANGE LIABILITIES	ENDING CASH BALANCE
01 -GENERAL OPERATING	380,726.69	978,731.46	807,862.80	551,595.35	0.00	(25,791.11)	525,804.24
02 -WATER	286,565.26	353,984.03	236,853.94	403,695.35	0.00	(9,563.79)	394,131.56
03 -ELECTRIC	470,999.15	1,294,993.71	1,009,409.24	756,583.62	0.00	(74,183.86)	682,399.76
04 -SEWER	226,028.83	267,286.89	248,124.90	245,190.82	0.00	(13,789.15)	231,401.67
05 -REFUSE	6,485.72	240.00	1,790.00	4,935.72	0.00	(1,383.05)	3,552.67
06 -LIBRARY	104,505.74	9,253.48	550.59	113,208.63	0.00	(89.76)	113,118.87
07 -RECREATION	0.00	0.00	0.00	0.00	0.00	0.00	0.00
08 -RURAL FIRE	0.00	0.00	6,900.00	(6,900.00)	0.00	0.00	(6,900.00)
09 -INDUSTRIAL PROMOTION	102,181.83	6,624.76	17,003.49	91,803.10	0.00	0.00	91,803.10
10 -REVOLVING LOAN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 -SPECIAL PARK & RECREATION	34,674.20	6,309.42	0.00	40,983.62	0.00	0.00	40,983.62
12 -STREET IMPROVEMENTS	244,185.16	59,898.92	19,874.09	284,209.99	0.00	(437.85)	283,772.14
13 -TOURISM	47,849.20	19,739.38	4,654.95	62,933.63	0.00	(765.34)	62,168.29
14 -PUBLIC SAFETY EQUIPMENT	89,459.54	33,756.91	72,904.01	50,312.44	0.00	(1,050.00)	49,262.44
15 -SPECIAL 911 REVENUE	9,897.41	0.00	0.00	9,897.41	0.00	0.00	9,897.41
17 -RECREATION EMPLOYEE BENEF	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18 -GOLF COURSE	18,672.52	57,273.54	70,013.82	5,932.24	0.00	(803.00)	5,129.24
21 -CIP - GENERAL	174,072.57	35,000.00	40,000.00	169,072.57	0.00	0.00	169,072.57
22 -CIP -WATER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23 -CIP - ELECTRIC	194,622.89	1,491.70	64,375.56	131,739.03	0.00	(1,837.50)	129,901.53
24 -CIP - SEWER	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25 -CIP - STREET PROJECT	771,652.38	0.00	220,944.38	550,708.00	0.00	0.00	550,708.00
27 -CIP - GRANTS	24,466.42	0.00	4,848.00	19,618.42	0.00	(35.00)	19,583.42
29 -CIP - SPECIAL PROJECTS	0.00	72,731.00	0.00	72,731.00	0.00	0.00	72,731.00
31 -EMPLOYEE BENEFITS	203,007.31	301,411.39	209,561.12	294,857.58	0.00	0.00	294,857.58
32 -CAFETERIA 125	80,319.46	10,709.30	13,019.49	78,009.27	0.00	0.00	78,009.27
35 -TECHNOLOGY FUND - CIP	133,103.19	8,910.57	53,706.30	88,307.46	0.00	(7,479.69)	80,827.77
41 -BOND & INTEREST	201,266.98	340,525.16	125,040.00	416,752.14	0.00	0.00	416,752.14
43 -ELECTRIC DEBT SERVICE	149,988.39	144,883.49	96,250.00	198,621.88	0.00	0.00	198,621.88
51 -COURT ADSAP	7,401.00	0.00	0.00	7,401.00	0.00	0.00	7,401.00
52 -COURT BONDS	14,864.54	7,006.00	10,696.00	11,174.54	0.00	0.00	11,174.54
53 -FORFEITURES	2,562.35	4,260.42	0.00	6,822.77	0.00	0.00	6,822.77
54 -EVIDENCE LIABILITY	12,899.79	0.00	0.00	12,899.79	0.00	0.00	12,899.79
57 -FIRE INSURANCE PROCEEDS	0.84	0.00	0.00	0.84	0.00	0.00	0.84
93 -CREDIT CARD CLEARING FUND	0.01	0.00	0.00	0.01	0.00	0.00	0.01
95 -CLEARING ACCOUNT	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	3,992,459.37	4,015,021.53	3,334,382.68	4,673,098.22	0.00	(137,209.10)	4,535,889.12

*** END OF REPORT ***