



CITY OF OSAWATOMIE
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CITY OF OSAWATOMIE

CITY MANAGER'S REPORT

April 9, 2009

2007 AND 2008 STREET PROJECTS:

Payments have been made as approved by the council at the February 12, 2009 Council Meeting. Retainage remains to be held by the city for the 2007 project in the amount of \$24,768.60 and for the 2008 project in the amount of \$22,745. A letter communicating the city's position regarding the 1,505 feet of damaged sidewalk was transmitted with the last payment to Miller Paving. On April 1, 2009, we received a letter from Miller Paving offering to settle the matter of the 1,505 feet of damaged sidewalk which consists of the city being credited \$6,738.61 and the contractor receiving \$15,000. I recommend the council accept this offer and allow staff to move forward with finalizing the projects. Additionally, provided all other documentation and bid items are addressed, I would recommend the council authorizing by motion, giving staff the ability to release all remaining retainage (less the credit for the sidewalk) to the contractor (this total is: \$40,774.99). Any unexpended funds are required by law to be transferred to the city's Bond and Interest Fund.

OSAWATOMIE COMPLETE COUNT COMMITTEE:

Based on the Council's discussion from the March city council meeting, I have contacted representatives of the agencies and businesses we recommended having representation on the Complete Count Committee and the group's first meeting will be held on April 14, at 7:00 p.m. A representative from the US Bureau of the Census will be in attendance to discuss the role of the Complete Count Committee and provide guidance on ensuring a successful Census count for 2010. I will keep the council updated on the group's work as we move closer to the 2010 Census.

UPDATE TO OSAWATOMIE COMPREHENSIVE PLAN:

Data continues to be gathered and compiled for our comprehensive plan update. Interviews with various stakeholders as identified by the consultant have been set up and are taking place currently. At least one public meeting will need to take place and we hope to have that scheduled in the near future.

SCHEDULE FOR LEVEE CERTIFICATION STUDY PHASE 1:

Wilson & Co. will be present at the April 9th meeting to present their findings from Phase 1 of the levee certification study. The report will not be available put in the packet, but will be made available as soon as possible. I have asked them to bring them if at all possible to the April 9th meeting. Phase 2 will need to be performed under a separate contract and the cost will be determined on how much work needs to be done.

WOODLAND HILLS PAY REQUEST:

The eighth pay request for the infrastructure at Woodland Hills has been received. The amount of this pay request for offsite infrastructure work only is \$129,486.55.

UPDATE ON NORTHLAND SEWER:

At the time of this writing, we have received a proposal to construct the force main to the Northland. Our engineers are reviewing the proposal with USDA Rural Development to ensure its accuracy, completeness and adequacy. Once this process is complete, it is likely that the change order will be approved, pending authorization being issued by the City Council.

2010-2014 CAPITAL IMPROVEMENTS PROGRAM:

Included in this council packet is the proposed 2010 to 2014 CIP. The Capital Improvements Program is simply a plan, and not a commitment to spend any resources. It is used as a guide during the budget process to set aside funds to accomplish items in the 2010 year and work towards getting finances in order to address items in the 2011 through 2014 out years. I would encourage the council to review the plan prior to the April 9 council meeting. I also recommend the adoption of the plan. The plan was compiled in accordance with the guidelines set forth in the city's Comprehensive Financial Policies.

2009 BUDGET SAVINGS UPDATE:

After our discussion in February on ways to save money, we are requesting authorization to dispose of 3 pieces of underutilized equipment. In accordance with the city's financial policies, the council must authorize the disposal of any asset with an anticipated value in excess of \$1,000. There are three pieces of equipment that are no longer of use to the city and we are requesting authorization to take sealed bids on these pieces of equipment. The first piece is a 1989 Chevrolet dump truck assigned to the water department. This truck, once sold will be replaced by a 1987 Ford F-700 dump truck. This truck will be shared between the water and public works departments. It is not used for snow removal. The next two pieces of equipment are old tractors that are not being used. They are taking up space in the public works yard and disposing of them will free up space as well as allow us to take them off our insurance policy. These pieces of equipment will be sold, pending council approval along with the parks and recreation truck that is being replaced by the old mechanics truck, which was previously approved for replacement with a new vehicle, with the capability of carrying a snow plow and spreader. Any revenues received from the disposal of these pieces of equipment will be placed in the CIP fund to help pay for future CIP needs.

Additionally, after an initial review of the phone lines we currently have, we have been able to eliminate two lines at the electric department; one for the fax machine (all faxes will now be routed through City Hall) and one voice line for the shop area. The 755-6800 number which

currently rings to their office will remain active. We continue to evaluate invoicing and look for areas to save taxpayer dollars. We are in the process of finalizing a draft RFP for water tower tank inspection services. We have located approximately a dozen or so companies that can perform this task and each will receive a copy of the RFP at some point this year.

REZONING RECOMMENDATION FOR 327TH AND LONESTAR ROAD:

Edward and Inga Smoot made application to rezone 14.4 acres of property at the SE corner of the intersection of 327th and Lonestar Road. The application was requesting the zoning classification be changed from Business Park (BP) to Highway Commercial (C-3). The stated purpose for the rezoning application was to relocate their RV repair business which is currently based in Olathe. According to their rezoning application, "the owners believe this to be the best location for their business and are hoping to have a 4 to 6 bay facility on the property to house their repair business with some limited retail sales of RV parts and supplies. They are proposing a clean, upscale facility meant to compliment the surrounding area." Staff recommended approval to the planning commission for the rezoning change as it met all of the criteria outlined in Section 2-25 of the zoning regulations. The Planning Commission, upon the conclusion of the public hearing, approved the rezoning request. All necessary materials accompanied the application for staff and the planning commission to consider the change requested. There is a 14 day protest period that must lapse and provided no petition is submitted, the Council can consider the ordinance formally affecting the change at either the March 26th or April 9th council meeting.

OSAWATOMIE MAGAZINE PUBLICATION:

At the last council meeting, you heard from Jeff Gulley regarding a proposal to design and layout a magazine similar to the Raymore publication. I believe the cost (without printing) was approximately \$2,000/issue. I believe this is a great communication tool and putting it on the website or everyone to access saves the printing and postage expense. There is a module that we can add to our website called "Notify Me" which is basically a tool that allows us to send out email notifications to everyone who signs up to receive them. The module itself (software, etc.) costs \$600 to set up (this includes training). Then the monthly cost is \$100. This module can be used to notify users of the availability of council packets, job openings, etc. The only question the council needs to answer is if this is the right time to begin an program such as this. As far as the frequency goes, I would recommend a quarterly publication; something that can be put out prior to the beginning of each season.

FINANCIAL YEAR IN REVIEW:

Attached to this City Manager report is the 2008 financial year in review. It shows 2008 beginning cash balance, 2008 ending cash balance, percent change in cash balance, as well as where we are at with our goal of retaining a 15% fund balance in our operating funds. Keep in mind that these figures are unaudited. As is the case from last year's review, I have marked those funds that are typically labeled as "agency" funds (or, money in, money out) whereby the city simply collects and remits to a separate agency. As you can see, there are only 4 funds that did not meet the 7% goal: General, Water, Employee Benefits, and Golf Course). Of these four, all were significantly deficient in meeting the goal. The General Fund was fairly close (comparatively speaking) to its goal; off by 1.4%. All other funds are significantly above their goal of 7%, and the ultimate goal of 15%. We will continue to work towards improvements in

these fund balances. The water fund will be easier to improve as it is an enterprise fund. The General Fund will also be easier to improve as it has multiple revenue sources. The most difficult fund to improve will be employee benefits because its sole source of revenue is the property tax. Should you have any questions, feel free to contact me.

2008 AUDIT:

Representatives of Lowenthal, Singleton, Webb & Wilson have begun gathering information needed to conduct the audit for the year ending December 31, 2008. We are hopeful that the audit can be presented to the council sometime in August or September at the very latest.

CANCELTION OF APRIL 23 WORK SESSION AND MEETING:

Absent any issues the council wishes to discuss at the April 23 work session, and absent anything coming up that would require our attention, I would recommend the council cancel the April 23 work session. This is the Thursday before the Fiddlers and Pickers convention comes to town. If we are able to cancel the work session this month, the musicians have requested the ability to use Memorial Hall to practice as the City Auditorium where most of their activities will be held, will be unavailable because there will be people setting up for the concerts.

UPDATE ON GRANT APPLICATIONS FOR STIMULUS PROJECTS:

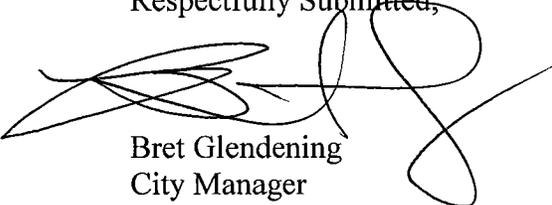
The first round of awards for the grant dollars has been made. The City and Rural Water District #1 jointly made application to KDHE for grant assistance in constructing a water tower north of town to help with supply issues. This grant application was denied as it did not meet a very refined set of criteria. However, this project will continue to be shopped around to other agencies in the hopes of getting some assistance with the project. On a higher note however, we have been notified by KDOT that we have received grant funding for one of our two mill and overlay projects we submitted to them early last month. The project that received funding was a mill and overlay of 8th street from Main Street to the Creamery Bridge over the Marais des Cygnes River. We were awarded \$118,000 in grant, with a match of approximately \$53,000 (including engineering). Should the council choose to accept the grant, I would recommend taking half of our match requirement from the Street Improvement Fund, and half from the Capital Improvement Fund. Money is available in both funds. The project that did not get funded was a complete mill and overlay of 6th Street from the city limits on the south, to just North of Parker, on the North.

We also received word on March 31, 2009 that we were awarded a grant for a downtown streetscape project. This is something the council has discussed off and on since I've been in town and I'm very pleased that we were selected. There is a lot of work to do between now and the start of the project. Engineering, survey work, and public input are all required. We will be working with our engineers immediately, pending final council approval. The amount of the downtown streetscape grant is just under \$650,000. Our required match is approximately \$215,000. I have begun discussions with our financial advisor on some possible short term (less than 5 years) financing options. There were 101 applicants to this program, of which 14 were selected for funding.

In the event we were to receive additional stimulus projects (i.e. the Brown/14th/Pacific to 18th Street, Brown from 7th to 12th, Main St from 1st to 18th, or 15-20 mill/overlay projects on various

city streets) we will have to either be selective on what we choose to do and forego some projects, or consider the possibility of providing our required matching funds through a longer term general obligation instrument like what we did for the last round of street construction projects.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Bret Glendening', written over the printed name.

Bret Glendening
City Manager

Comparison of 2008 Beginning and Ending Cash Balances and 2009 Budgeted Beginning Cash to Actual Cash Balances

CASH BALANCES - ALL CITY FUNDS - FOR 2008

<u>Fund</u>	<u>2008 Begin</u>	<u>2008 End*</u>	<u>Goal (7%)</u>	<u>\$ Difference</u>
General	\$ 11,555	\$ 103,364	\$ 135,384	\$ (32,020)
Water	\$ 32,117	\$ 3,847	\$ 58,073	\$ (54,226)
Electric	\$ 455,008	\$ 757,966	\$ 229,583	\$ 528,383
Employee Benefits	\$ 13,394	\$ 127	\$ 32,138	\$ (32,011)
Refuse	\$ 3,285	\$ 5,005	\$ 23,995	\$ (18,990)
Library	\$ 3,670	\$ 160	\$ 6,721	\$ (6,561)
Recreation	\$ (21,664)	\$ 2,301	\$ 11,081	\$ (8,780)
Rural Fire	\$ -	\$ -	\$ 1,445	\$ (1,445)
Industrial	\$ 20,522	\$ 31,486	\$ 2,068	\$ 29,418
Revolving Loan Fund	\$ 57,547	\$ 64,961	\$ -	\$ 64,961
Special Parks & Rec.	\$ 2,185	\$ 3,853	\$ 197	\$ 3,656
Street Improvement	\$ 80,084	\$ 65,903	\$ 11,280	\$ 54,623
Bond & Interest	\$ 73,354	\$ 125,066	\$ 6,396	\$ 118,670
Public Safety Equip.	\$ 20,479	\$ 16,180	\$ 420	\$ 15,760
Fire Ins. Proceeds	\$ -	\$ 2,825	\$ 1,672	\$ 1,153
Sewer	\$ 297,029	\$ 386,964	\$ 47,835	\$ 339,129
Recreation EBF	\$ -	\$ -	\$ 816	\$ (816)
Golf Course	\$ 639	\$ 1,019	\$ 19,467	\$ (18,448)
Sp. Revenue - Fire Eq.	\$ 443	\$ 443	\$ -	\$ 443
Sp. Revenue - 911	\$ 11,979	\$ 11,979	\$ -	\$ 11,979
LLEBG Grant	\$ 5	\$ 5	\$ -	\$ 5
Tourism	\$ 7,629	\$ 21,636	\$ 1,129	\$ 20,507
Capital Projects Fund	\$ 50,000	\$ 16,622	\$ 5,836	\$ 10,786

* Please note: The figures for 2008 Ending Cash are UNAUDITED.

NET INCREASE - ALL FUNDS \$ 502,452

COMPARISON OF 2009 BUDGETED BEGINNING CASH BALANCE TO ACTUAL BEGINNING CASH

<u>Fund</u>	<u>2009 Budget</u>	<u>2009 Actual*</u>	<u>Difference</u>	<u>% Difference</u>
General	\$ 111,750	\$ 103,364	\$ (8,386)	5.3%
Water	\$ 59,422	\$ 3,847	\$ (55,575)	0.5%
Electric	\$ 548,187	\$ 757,966	\$ 209,779	23.1%
Employee Benefits	\$ 677	\$ 127	\$ (550)	0.0%
Refuse	\$ 4,285	\$ 5,005	\$ 720	n/a
Library	\$ 1,784	\$ 160	\$ (1,624)	n/a
Recreation	\$ -	\$ 2,301	\$ 2,301	n/a
Rural Fire	\$ -	\$ -	\$ -	n/a
Industrial	\$ 15,005	\$ 31,486	\$ 16,481	106.6%
Revolving Loan Fund	\$ 63,647	\$ 64,961	\$ 1,314	n/a
Special Parks & Rec.	\$ 21	\$ 3,853	\$ 3,832	136.8%
Street Improvement	\$ 77,024	\$ 65,903	\$ (11,121)	40.9%
Bond & Interest	\$ 75,285	\$ 125,066	\$ 49,781	136.9%
Public Safety Equip.	\$ 21,776	\$ 16,180	\$ (5,596)	269.7%
Fire Ins. Proceeds	\$ 853	\$ 2,825	\$ 1,972	n/a
Sewer	\$ 345,729	\$ 386,964	\$ 41,235	56.6%
Recreation EBF	\$ -	\$ -	\$ -	n/a
Golf Course	\$ -	\$ 1,019	\$ 1,019	0.4%
Sp. Revenue - Fire Eq.	\$ 443	\$ 443	\$ 0	n/a
Sp. Revenue - 911	\$ 11,549	\$ 11,979	\$ 430	n/a
LLEBG Grant	\$ 5	\$ 5	\$ -	n/a
Tourism	\$ 17,029	\$ 21,636	\$ 4,607	134.2%
Capital Projects Fund	\$ -	\$ 16,622	\$ 16,622	19.9%

NET DIFFERENCE - ALL FUNDS \$ 267,241

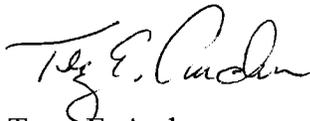
* Please note: The figures for 2009 Actual Beginning Cash are UNAUDITED. All UNAUDITED figures are likely, and subject to change.

Building Permit Activity for the Month of March 2009

Category	Total Permits	Total Value	Received by City
New Residences	0	0	0
Re-roofs	21	104,622	480.00
Remodels	0	0	0
Accessory Buildings	3	4,000	135.44
Concrete	0	0	0
Mechanical	1	1,000	50.00
Repairs	9	45,530	100.00
Decks & Porches	2	400.00	60.00
Additions	3	27,674	235.84
Com. Buildings	1	400,000	5,477.00
Demolishing	1	0	0
Fences	2	2,000	0
Plumbing	5	10,839.00	200.00
Electrical	0	0	0
Ag. Buildings	0	0	0
Penalties	1	100.00	100.00
Plan Review	1	250.00	250.00
Totals	50	\$596,415.00	\$7,088.28

Accessory list includes detached accessory structures, storage sheds, signs and carports.

Concrete list includes driveways, sidewalks, concrete pads, porches, basements foundations & patios.



Terry E. Anderson
Building Official

Building Permit Activity for the First Quarter of 2009

Category	Total Permits	Total Value	Received by City
New Residences	6	654,570.00	11,265.48
Re-roofs	28	138,049.70	720.00
Remodels	7	493,850.00	4,192.52
Accessory Buildings	3	4,000.00	135.44
Concrete	0	0	0
Mechanical	3	7,700.00	110.00
Repairs	10	45,680.00	130.00
Decks & Porches	2	400.00	60.00
Additions	3	27,674	235.84
Com. Buildings	1	400,000.00	5,477.00
Demolishing	3	0	60.00
Fences	3	4,000.00	0
Plumbing	16	15,589.00	520.00
Electrical	3	3,900.00	130.00
Ag. Buildings	0	0	0
Penalties	1	100.00	100.00
Plan Review	8	1,400.00	1,400.00
Totals	89	\$1,796,912.70	\$24,476.28

Accessory list includes detached accessory structures, storage sheds, signs and carports.

Concrete list includes driveways, sidewalks, concrete pads, porches, basements foundations & patios.



Terry E. Anderson
Building Official