

CITY OF OSAGE CITY

COUNCIL MEETING

June 8, 2021

ROLL CALL: Now on this 8th day of June 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, Bruce Schoepflin, Karey Heiserman, Dale Schwieger, Mike Gilliland, Sharon Larson and Jeanette Swarts. Council Member Jim Peterson excused. Officials present: Rick Godderz, City Attorney; Rod Willis, City Manager; Katie Hodge, City Treasurer; Terri Fultz, City Clerk; Sadie Boos, Deputy City Clerk; Director of Utilities, Kris Kline; Electric Distribution Supervisor, Eric Heiserman; Street and Sanitation Superintendent, Fred Hallowell; Chief of Police, Fred Nech; Parks & Facilities Superintendent, Gary Thompson. Others present: Richard Burkdoll.

APPROVAL OF THE AGENDA:

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

RECOGNITION OF VISITORS: None

APPROVAL OF THE CONSENT AGENDA:

1. Approval of May 08, 2021 Regular Meeting Minutes.

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

BUSINESS BEFORE THE COUNCIL:

- 1. Approval of Resolution No. 1074 Finding that the Structure Located on Dodd & Martin Addition, Tract in Block 9, beginning 221.25 feet west of southeast corner said Block 9, thence west 104 feet, thence north 185 feet, thence east 104 feet, thence south 185 feet to point of beginning, lot width 104.0 feet, lot depth 185.0 feet, in the City of Osage City, Osage County, Kansas, commonly known as 626 Prospect Street, Osage City, Kansas, is unsafe or dangerous and directing the structure to be repaired or removed and the premises made safe and secure:**

Motion made by Schwieger, second by Schoepflin to adopt Resolution No. 1074 Finding that the Structure Located on Dodd & Martin Addition, Tract in Block 9, beginning 221.25 feet west of southeast corner said Block 9, thence west 104 feet, thence north 185 feet, thence east 104 feet, thence south 185 feet to point of beginning, lot width 104.0 feet, lot depth 185.0 feet, in the City of Osage City, Osage County, Kansas, commonly known as 626 Prospect Street, Osage City, Kansas, is unsafe or

dangerous and directing the structure to be repaired or removed and the premises made safe and secure. Motion was declared carried.

- 2. Authorize the purchase of a 2019 Dodge Charger Pursuit vehicle in the amount of \$22,100 from the Kansas Highway Patrol for the Police Department. The adopted 2021 Budget amount is \$27,903 for the purchase of a patrol vehicle – Chief of Police Fred Nech:**

Motion made by Swarts, second by Heiserman to authorize the purchase a 2019 Dodge Charger Pursuit from Kansas Highway Patrol Fleet Sales in the amount not to exceed \$22,100.00. The motion was declared carried.

- 3. Sewer Project Updates – Utilities Director Kris Kline:**

Utility Director Kris Kline gave an update on the Sewer Improvement Project. The contractor is in town and has staged their equipment over at the Builders Choice concrete plant. They have begun working in the alley between Topeka Ave. and the railroad tracks and street between Lakin and Holliday. The contractor has started by replacing manholes and fixing point repairs.

- 4. City Council Candidates for November 2, 2021 Election – City Clerk Terri Fultz:**

City Clerk Terri Fultz gave results of candidates that filed for the Mayor and Ward Positions. Dale Schwieger has filed for Mayor, Karey Heiserman has filed for Ward 2 and Jeanette Swarts has filed for Ward 3. Wards 1 & 4 had no one file. Ward 1 and Ward 4 will be filled by either write in votes or if there are none than those position will be appointed.

- 5. Information - Utility Low-Interest Loan Agreement in the amount of \$1,650,000.00 received May 28, 2021 from Kansas State Treasurer's office at \$14,238.45 monthly for 117 payments for \$2,388,130.29 February gas bill:**

City Manager Rod Willis gave a copy of the Loan Agreement between the Kansas State Treasurer and the City of Osage City signed by the Mayor for informational purposes.

- 6. Information – Airport Improvement Plan Notice to Proceed dated June 2, 2021:**

City Manager Rod Willis provided the letter for the Airport Improvement Plan Notice to Proceed as directed by the Federal Aviation Administration for informational purposes.

- 7. Equipment Reserve for 2022 Budget – Department Heads and City Treasurer Katie Hodge:**

City Treasurer Katie Hodge provided information for the 2022 Equipment purchase requests made by each of the City Departments. Each year during budget time the City Council makes the decision of what they want for carry over dollars and equipment purchases.

The decision of how much to carry over from 2021 to 2022 will determine what dollars will be available for purchasing equipment. Below are the approved equipment purchases for 2022.

Parks & Recreation

- 1 Mower \$12,000

Street

- Salt & Sand Dump Truck \$175,000 (payments for 5 years)

Electric

- Utility Poles \$25,000
- Phasing Equipment \$6,500 (part of GIS Mapping project)

Water/Gas/Sewer

- Back-up Gas Rover \$4,000

Sanitation

- Polycart & Dumpster Replacement \$14,000

Golf Course

- Mower for Zoysia Grass \$20,000

8. Discussion on Wage Survey Comparison from League of Kansas Municipalities (LKM) and 2021 and 2022 Pay Matrix – City Treasurer Katie Hodge:

City Treasurer Katie Hodge provided results from LKM 2018 Wage Survey to create a comparison sheet of 2nd Class Cities and All Cities entry level, actual and maximum wages. Also, on the sheet is the 2021 Osage City wages for all department positions in comparison to 2018 wages. Katie explained that 2nd Class Cities have a wide range population span, between 2,000 to 15,000 so wages can range greatly. The sheet gives an average of wages.

It was the general consensus of the City Council to have the City Treasurer and City Manager bring back increases made to the matrix and the department heads salaries in reference to what this would do within the budget.

9. Revenue Neutral Rate Legislation signed into law and effects on 2022 Municipal Budgeting and future years – City Treasurer Katie Hodge:

City Treasurer Katie Hodge explained that the Kansas State Legislature passed the Revenue Neutral Rate Senate Bill 13, which the Governor signed into law on March 26, 2021, which repealed the tax lid on the property tax law. SB 13 requires each County Clerk to provide the Revenue Neutral Rate to all the cities within their county boundaries.

Key Aspects of SB13

- Impacts the 2022 budget
- Ad Valorem (Property Tax is only affected)
- Cities and counties no longer have an automatic CPI (Consumer Price Index) or other increases
- Cities and counties no longer have an election requirement to increase property tax, but the cities and counties will have to hold an additional public hearing (Revenue Neutral Rate Hearing)
- County Clerk shall calculate and provide the Revenue Neutral Rate (RNR) to taxing subdivisions along with the assessed valuation estimates by June 15th.
 - Revenue Neutral Rate is defined in SB13 as “the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year’s total assessed valuation”
- Penalty for violating or going above the Revenue Neutral Rate – the city would have to pay back the over collected taxes to the tax payers
- Revenue Neutral Rate Hearing – county clerks must notify each property owner of the hearing (notification is per property so if you have six properties, you will get six letters). 2022 & 2023 the State will reimburse the county for notification costs. Thereafter, the county will pass the costs on to the respective city.
- Your adopted budget’s RNR is set on the estimated assessed valuation in June. Taxes are collected on the certified Assessed Valuation in November.

There will be 2 options either hold an RNR public hearing or ask the County Clerk to hold our tax collection at the RNR level in the budget.

10. Executive Session for Attorney-Client matters to include Mayor and City Council, City Attorney, City Treasurer, City Clerk, Utilities Director, and City Manager:

Motion made by Schwieger, second by Schoepflin at 8:31 p.m. to recess to Executive Session for a period of 10 minutes for the purpose of Attorney-Client matters to include Mayor, City Council, City Attorney, City Treasurer, City Clerk, Utilities Director and City Manager. The motion was declared carried.

At 8:41 p.m. the Mayor declared the meeting back into open session with no formal action to be taken.

ADJOURNMENT: *At the request of Council Member Schwieger at 8:46 p.m., and on his motion, seconded by Council Member Heiserman and carried unanimously, the meeting adjourned.*

APPROVED: _____ ATTESTED: _____

Becky Brewer
Mayor

Teresa Fultz
City Clerk