

**CITY OF OSAGE CITY**  
**COUNCIL MEETING**  
**January 10, 2023**

**ROLL CALL:** Now on this 10th day of January 2023, 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: Mike Gilliland, Mayor. Council Members: Cathryn Houghton, Brian Stromgren, Shirley Bausman, Jeff Tice, Eric Tincher, Sharon Larson, and Jeanette Swarts. Excused: Bruce Schoepflin, Council Member. Officials present: Rick Godderz, City Attorney; Rod Willis, City Manager; Katie Hodge, Deputy City Manager/City Treasurer; Sadie Boos, City Clerk and Dale Schwieger, Utility Director. Others present: Gary Thompson, Parks and Facilities Superintendent; Fred Hallowell, Sanitation Superintendent; Brett Waggoner, Governmental Assistance Services. Joined remotely: Vernon “Jay” Bailey, Caller 01

**APPROVAL OF THE AGENDA:**

*Motion made by Tincher, second by Tice to approve the amended agenda. The motion was declared carried.*

**RECOGNITION OF VISITORS:** None

**APPROVAL OF THE CONSENT AGENDA:**

1. **Approval of December 13, 2022 Regular Meeting Minutes.**
2. **Approval of December 27, 2022 No Meeting**

*Motion made by Houghton, second by Larson to approve the consent agenda. The motion was declared carried.*

**BUSINESS BEFORE THE COUNCIL:**

1. **Public Hearing for the purpose of evaluating the performance of Community Development Block Grant No. 20 PF 032 for Sanitary Sewer Improvements Project – Grant Administrator Brett Waggoner of Western Consultants dba Governmental Assistance Services**

Mayor Gilliland opened the Public Hearing at 7:07 p.m. with Brett Waggoner, our CDBG administrator of Governmental Assistance Services present to address any questions from the public. No comments were received from the public and staff received none prior to the hearing. Mayor Gilliland asked for a motion to close the hearing.

*Motion by Tincher, second by Tice to close the hearing with no comments received at 7:09 p.m. The motion was declared carried.*

2. **Approval and authorization for Mayor Gilliland to execute CDBG (Community Development Block) closeout documents for Grant No. 20 PF 032 including Grantee’s Release Form, Certificate of Completion, Notice of Completion/Final Inspection and Final**

**Wage Compliance Report. Upon approval of the documents, the Request for Payment of CDBG Funds #7 will be signed by the City Manager and Deputy City Manager/City Treasurer – Grant Administrator Brett Waggoner**

Grant Administrator Brett Waggoner explained the grant closeout process on CDBG Grant No. 20 PF 032 used for Phase 3 of the sewer improvement project. The closeout is necessary to complete to apply for the next phase CDBG grant application due February 1, 2023.

*Motion by Larson, second by Houghton to approve and authorize Mayor Gilliland to execute CDBG closeout documents for Grant No. 20 PF 032. The motion was declared carried.*

- 3. Public Hearing for the purpose of considering an application to be submitted to the Kansas Department of Commerce for Small Cities Community Development Block Grant funds under the Water and Sewer category. Estimated total project cost is \$1,185,000 with the grant request for \$592,500 of the project costs with the remaining \$592,500 in matching funds contributed by the City of Osage City in the form of KDHE SRF loan funds – Grant Administrator Brett Waggoner**

Mayor Gilliland opened the Public Hearing at 7:13 p.m. with Brett Waggoner, our CDBG administrator of Governmental Assistance Services present to address any questions from the public. Brett explained the grant will be in conjunction with the KDHE loan, split 50/50 with the grant open 2 years from the award date of March 15, 2023. No comments were received from the public and staff received none prior to the hearing. Mayor Gilliland asked for a motion to close the hearing.

*Motion by Tice, second by Stromgren to close the hearing with no comments received at 7:16 p.m. The motion was declared carried.*

- 4. Approval of Resolution No. 1092 Certifying Legal Authority to Apply for the 2023 Kansas Small Cities CDBG Program from the Kansas Department of Commerce and authorizing Mayor Gilliland to sign – Brett Waggoner**

Brett Waggoner explained that only cities and counties can apply for the CDBG grants.

*Motion by Tincher, second by Tice to approve Resolution No. 1092 Certifying Legal Authority to apply for the grant. The motion was declared carried.*

- 5. Approval of Resolution No. 1093 Assuring the Kansas Department of Commerce that funds will be continuously be provided for the operation and maintenance of the improvements to the sewer system to be financed with CDBG funds and authorizing Mayor Gilliland to sign – Brett Waggoner**

Brett Waggoner explained the engineer's report for the grant application must also address alternative options for continuous operating and maintenance costs for the City's system.

*Motion by Houghton, second by Larson to approve Resolution No. 1093 assuring funds will be continuously provided for the operation and maintenance of the improvements financed with CDBG funds. The motion was declared carried.*

- 6. Approval and authorization for Mayor Gilliland to execute the Community Development Block Grant (CDBG) application documents including the Statement of Assurances and Certifications, HUD Applicant/Recipient Disclosure Report, Residential Anti-Displacement and Relocation Assistance Plan, Environmental Determination of Level of Review – Grant Administrator Brett Waggoner**

Brett Waggoner explained HUD requires assurance for the participation funds up front, as a letter from KDHE that matching funds are available from the State Revolving Fund.

*Motion by Swarts, second by Tice to approve and authorize Mayor Gilliland to execute the CDBG application documents. The motion was declared carried.*

- 7. Approval and authorization for Mayor Gilliland to execute the Contract for Administration Services (contingent on grant award) for the Osage City, Kansas 2023 CDBG Sewer Project between Western Consultants dba Governmental Assistance Services and City of Osage City in an amount not to exceed \$30,000 for administration during the projected 24-month completion date, plus the one-time fee of \$5,000 for completion of the Environmental Assessment – Brett Waggoner**

Brett Waggoner stated the administration contract is only valid if the CDBG grant is awarded. Staff highly recommends Governmental Assistance Services for going above and beyond with all their assistance through the Utility Solutions situation.

*Motion by Tincher, second by Tice to approve and authorize Mayor Gilliland to execute the Contract for Administration Services with Western Consultants dba Governmental Assistance Services in an amount not to exceed \$30,000.00 plus the one-time fee of \$5,000.00 for completion of the Environmental Assessment. The motion was declared carried.*

- 8. Approval of 2024 International HV607 SBA (HV607) Truck Chassis quote in the amount of \$102,685 from Rush Truck Center of Kansas City, Missouri to replace the current sanitation truck used daily year round. Price is subject to adjustment due to cost of supplies, freight, beyond Rush's control as there is approximately 24 months from order to delivery with current supply chain issues – Sanitation Superintendent Fred Hallowell**

Sanitation Superintendent Fred Hallowell explained the need for a new truck, as the 2018 truck will have 8,300 hours by next year and has already hauled 20 million pounds of trash. Fred emphasized the need to order the truck, as it can take up to 24 months to receive the new truck. The current truck will become the backup truck with the older 1999 truck as trade-in.

*Motion by Larson, second by Tice to approve the purchase of the 2024 International HV607 SBA Truck Chassis with the price subject to adjustment beyond Rush Truck Center's control as stated. The motion was declared carried.*

- 9. Sanitation rate review and recommended rate increase – City Council tabled on December 13, 2022 – Sanitation Superintendent Fred Hallowell and Deputy City Manager/City Treasurer Katie Hodge**

*After much discussion, the motion was made by Houghton, second by Stromgren to increase trash rates as presented in the spreadsheet and Resolution 1094 developed by City Treasurer Katie Hodge and Sanitation Superintendent Fred Hallowell. The motion was declared carried.*

*Realizing the effective date was not part of the motion previously approved, motion by Larson, second by Bausman to set the effective date of July 1, 2023. Motion was carried by a 6 to 1 vote, Tincher opposed preferring a two-year phase-in for fixed income individuals.*

**10. Approval of Turf Tank Memorandum of Understanding between USD 420 and City of Osage City for the cost and use of a Turf Tank autonomous robot for painting sports surfaces, i.e. football, baseball, soccer, track fields, plus street crosswalks, parking lots, handicapped parking, etc. – School Superintendent Ted Hessong, Parks & Facilities Superintendent Gary Thompson, Parks & Recreation Director Corey Linton**

Parks & Facilities Superintendent Gary Thompson explained how the Turf Tank Spray Robot operates having seen a live demonstration on the football field in 2 hours, which takes Gary 6 hours to manually accomplish. Gary stated the robot will be useful for the 7 on 7 fields and rec programs during the summer. The MOU calls for a 50/50 split on costs for the first year with following years prorated by usage. First year for the City is \$5,750 with 50/50 at \$7,500 for the following years if 50% prorated usage. USD 420 will pay for the insurance costs on the robot sprayer. City Attorney Rick Godderz pointed out the MOU allows the City to end the MOU after the first year if not satisfied with the Turf Tank utilization and performance.

*Motion by Tincher, second by Houghton to approve the Turf Tank Memorandum of Understanding between USD 420 and the City. The motion was declared carried.*

**11. Discussion on Kansas Municipal Gas Agency (KMGA) Prepay Gas Supply Project through Minnesota Municipal Gas Agency (MMGA) as Tax Exempt Bond Issuer, Royal Bank of Canada (RBC) as Gas Supplier, BP Energy as Commodity Swap Provider, and KMGA and Member cities as Participants for a discount range from 25 – 40 cents below market index prices. Osage City and KMGA signed a similar agreement in 2019 shortly before Covid-19 dramatically affected financial market interest rate spreads which ended the prepay project at that time. Information and draft agreement from Dixie Riedel and Paul Mahlberg of KMGA**

City Manager Rod Willis explained this prepay project being put together is like the 2019 prepay agreement the City agreed to participate with KMGA which market conditions during Covid-19 dramatically ended the possibility. Although prepay is a 30 year contract, the bond is repriced every 5 to 6 years. If the repricing cannot guarantee the minimum gas price discount to the cities, the member cities are allowed to leave the contract.

*Motion by Tincher, second by Houghton to authorize city manager to let KMGA know Osage City is interested in participating. The motion was declared carried.*

**12. Information – Star Block pre-bid meeting for interested contractors is Thursday January 12, 2023 and bid opening is Thursday February 9, 2023 – CDBG Grant Administrator Rose Mary Saunders**

The second phase of Star Block work for the façade and windows will utilize the CDBG \$250,000 grant. Nathan Willis will present a power point and walk thru on January 10<sup>th</sup> beginning at Henry’s Coffee House.

**13. Information – Kansas Mayor’s Association Local Government Day is Wednesday January 25, 2023 in Topeka**

Mayor Gilliland will plan to attend on January 25<sup>th</sup>.

**14. Executive session for financial affairs of second parties to include Mayor and City Council, City Attorney, Deputy City Manager/City Treasurer, Utilities Director, City Clerk, and City Manager**

*Motion by Tice, second by Larson to go into executive session for financial affairs of second parties for 5 minutes from 9:19 p.m. to 9:24 p.m. to include Mayor and City Council, City Attorney, Deputy City Manager/City Treasurer, Utilities Director, City Clerk, and City Manager.*

At 9:24 p.m. Mayor Gilliland declared the meeting back in open session with formal action to be taken.

*Motion by Houghton, second by Tice to approve the Option to Purchase Real Estate Agreement between the City of Osage City as Seller and Osage County Entertainment, LLC as buyer in the amount of \$21,250.00 for a family entertainment center. The motion was declared carried.*

**IV. Adjournment: At the request of Council Member Tincher at 9:26 p.m., and on his motion, seconded by Council Member Tice and carried unanimously, the meeting adjourned.**

**APPROVED:** \_\_\_\_\_  
Mike Gilliland, Mayor

**ATTESTED:** \_\_\_\_\_  
Sadie Boos, City Clerk