

MULVANE CITY COUNCIL
REGULAR MEETING MINUTES

September 7, 2016

7:30 p.m.

The Mulvane City Council convened at the City Building at 211 N. Second at 7:30 p.m. Presiding was Mayor Shelly Steadman, who called the meeting to order.

Council Members Present: Joe Johnson, Jenean Keck, Nancy Mottola and Kevin Cardwell.

Others Present:Debbie Parker, Kent Hixson, Mike Robinson, Chris Young of Young & Assoc., Brad Modlin, Dave Williams, Kevin Baker, Ray Fleming, Lowell Ester, Greg Vahrenberg of Piper-Jaffray, Kirk Miller, Jaima Nicholson of the Mulvane Recreation Commission, Lillian Sweet, Laurel McClintock, Amy Houston, Lancia Price, Chris Hanney, Renee Lippincott of KDOC.

Pledge of Allegiance: All stood for the Pledge of Allegiance led by Mayor Steadman.

Approval of Regular Meeting Minutes Dated 8-15-16:

MOTION by Johnson, second by Mottola to approve the Regular meeting minutes dated 8-15-16.
MOTION approved unanimously.

Correspondence: None

Review and Closing of the Agenda:

Request by Mayor Steadman to add consideration of a special event permit for a wine and beer festival. This would be item 6 under Ordinances and Resolutions.

Appointments, Awards and Citations:None

OLD BUSINESS

1. Flood Damage Recovery - review :

The department heads were present to review the work that has been done to recover from the flash flood that occurred on 8-19-16.

NEW BUSINESS

1. Mulvane Recreation Commission - Request to set aside land a for potential new MRC facility:

Jaima Nicholson of the MRC and representatives from Hanney Architects presented a site concept for a new MRC facility that could be located by the City swimming pool at 111th and Webb Road. The City attorney advised that the land is not zoned for this type of facility and the council would have to vote on the zoning. Therefore, no commitment should be made at this time for the land.

The city administrator stated that the developers who have offered to buy 40 acres of the Rivers property are concerned that the appraisal process is not moving more quickly. They can provide comparable land sales information for the council to consider. The council will discuss the issue at the 9-19-16 council meeting.

2. Villa Senior Housing Addition Final Plat - Accept Dedications to the Plat:

The subject property was platted before. It was platted in two separate additions. The property is being re-platted in order to have the large amount of easements needed for the project shown on a plat instead of dedicating them by separate instrument, which means by separate documents. The Planning Commission approved the Final plat of the Villa Maria Senior Housing Addition on February 11, 2016. The approval had several conditions attached to it. Since that time the Developer has had their engineer working on getting those conditions addressed in order for it to be brought to the Council for consideration. The conditions placed on the plat by the Planning Commission have been met and now the plat comes to the Council for the acceptance of the dedications on it. The dedications on this plat include extensive utility, and drainage easements and reserves. Before a plat can be recorded the Council has to accept the dedications of a final plat.

MOTION by Keck, second by Cardwell to accept the dedications of the Villa Maria Senior Housing Addition Final Plat.

MOTION approved unanimously.

2a. Villa Senior Housing Addition - Engineers Design/Bid/Construction Phase Agreement for Water and Sanitary sewer design:

Kirk Miller explained to the council that the Villa Maria Senior Housing Addition is proposed as a two phase development. The first phase will include 8 – 3 unit structures (24 apartments). The second phase will include roughly the same. The developers of Villa Maria Senior Housing Addition are requesting a waterline and sanitary sewer line be constructed to serve the first phase only. Kirk Miller of K.E. Miller presented a Design/Bid/Construction Phase Agreement for the water and sanitary sewer improvements and for general services during the bid and construction phases of the initial projects.

MOTION by Keck, second by Cardwell to approve the Agreement for Engineering Services with K.E. Miller Engineering, P.A. in the amount of \$16,200 for design, bid, and construction phase services of the water system and sanitary sewer improvements associated with the first phase of the development.

MOTION approved unanimously.

3. Financial Advisory Agreement with Piper-Jaffray:

The City Council considered an authorizing resolution for the proposed issuance of the Series 2016-B General Obligation Refunding Bonds. The proceeds of the Series 2016-B Bonds are being used to refinance certain outstanding bonds of the City in order to lock-in a savings for the taxpayers of the City. The refinancing of outstanding bonds consists of the City selling a new series of General Obligation Refunding Bonds, the proceeds of which will be used to make the remaining payments on the bonds being refinanced until their first available prepayment or redemption date. The process for completing a refinancing of outstanding bonds begins with providing permission to the Financial Advisor and Bond Counsel to begin working on the refinancing. This permission is given through the adoption of an authorizing resolution for the proposed issuance of the refunding bonds.

Upon receiving approval to proceed, the Financial Advisor will prepare the draft Preliminary Official Statement, which is the disclosure document provided to investors for the sale of the Refunding Bonds. A bond rating will also be requested from the rating agency, Standard & Poor's ("S&P"). As part of the process of issuing the refunding bonds, the Financial Advisor will assist the City with obtaining the bond rating, preparing the Preliminary Official Statement and coordinating all aspects of the sale of the

refunding bonds. The engagement agreement is the document, which upon execution, provides the Financial Advisor with an agreement to proceed with the proposed refunding bond issue.

The Outstanding Series 2010-B General Obligation Bonds, Series 2011-A General Obligation Bonds and Series 2010 Electric, Waterworks and Sewer Utility System Refunding Revenue Bonds (collectively the “Refunded Bonds”) appear to be the best remaining candidates for refinancing. The average interest rate on the Refunded Bonds is 3.36% and the estimated interest rate on the proposed refunding bonds would be approximately 1.57%. This results in an estimated additional savings of \$286,301, which would bring the combined savings on both refunding bond issues this year to in excess of \$1 Million. The cost of the financial advisory services provided by Piper Jaffray & Co. is approximately \$17,500. This cost will be paid from the proceeds of the proposed refunding bond issue and the savings estimate is net of the costs of issuance, including the financial advisory fee.

The Council can authorize the engagement agreement with Piper Jaffray & Co. to be signed which allows the Financial Advisor to begin work on the proposed refunding bond issue. The Council has the legal authority to take all of these steps.

MOTION by Mottola, second by Johnson to authorize the engagement agreement between the City of Mulvane and Piper Jaffray & Co. for the refinancing of a portion of the outstanding General Obligation Bonds of the City.

MOTION approved unanimously.

ORDINANCES AND RESOLUTIONS

1. Resolution Of Advisability for the Villa Senior Housing Addition Water & Sewer Petitions:

The City has received two petitions and a Developer’s Agreement for water and sanitary sewer improvements to serve the Villa Maria Senior Housing Addition (the “Subdivision”). The petitions request the improvements be made by the City and the costs “specially assessed” against the landowners in the Subdivision.

The Developer has presented a Developer’s Agreement regarding the Developer’s obligation to present the City with various Letters of Credit to support the City’s undertaking the Project.

The benefited properties in the petitioned benefit district will be responsible for 100% of the costs associated with the Improvements. General Obligation Bonds will ultimately be issued to pay the costs and Special Assessments to be levied against the benefited properties following completion and acceptance of the Improvements. No cost to the city-at-large is anticipated. In the event the landowner(s) fail to pay all or any portion of the special assessments, the City can draw on the letter of credit to complete the Improvements or make payments on the Bonds. Special assessments constitute a “tax lien” on real property that must be discharged or paid before the landowner can realize upon any equity.

The Council must formally (1) accept the petitions requesting the Improvements to serve the Subdivisions, (2) approve the Developer’s Agreement for the Improvements, (3) adopt the advisability resolution, and (4) adopt the work ordinance in order to special assess the cost of the improvements to the benefitted properties.

Staff recommendation is to accept the petitions, approve the Developer’s Agreement and adopt the Resolutions and Ordinance authorizing the Improvements, all as prepared by Bond Counsel.

MOTION by Mottola, second by Keck to accept the two petitions for the water and sewer improvements necessary to serve the Villa Maria Senior Housing Addition.

MOTION approved unanimously.

MOTION by Keck, second by Cardwell to accept the Developer's Agreement for the Villa Maria Senior Housing Addition with Thomas Schmeidler, William Kehr, Joyce Schmeidler and Joseph Schmeidler and authorize the Mayor to sign.

MOTION approved unanimously.

MOTION by Cardwell, second by Mottolathat we adopt Resolution No. 2016-14, determining the advisability of making certain improvements consisting of Water Improvements and Sanitary Sewer Improvements in the Villa Maria Senior Housing Addition.

MOTION approved unanimously.

RESOLUTION NO. 2016-14

A RESOLUTION DETERMINING THE ADVISABILITY OF MAKING CERTAIN INTERNAL IMPROVEMENTS IN THE CITY OF MULVANE, KANSAS; SETTING FORTH THE GENERAL NATURE OF THE IMPROVEMENTS, THE ESTIMATED OR PROBABLE COSTS THEREOF, THE EXTENT OF THE BENEFIT DISTRICT TO BE ASSESSED FOR THE COSTS THEREOF, THE METHOD OF ASSESSMENT AND THE APPORTIONMENT OF THE COSTS BETWEEN THE BENEFIT DISTRICT AND THE CITY AT LARGE; AUTHORIZING AND PROVIDING FOR THE MAKING OF THE IMPROVEMENTS IN ACCORDANCE WITH THE FINDINGS OF THE GOVERNING BODY; AND DIRECTING THE PUBLICATION AND RECORDING OF THIS RESOLUTION (WATER IMPROVEMENTS AND SANITARY SEWER IMPROVEMENTS).

2. Work Ordinance authorizing construction of Water and Sewer Improvements for Villa Maria Senior Housing Addition:

MOTION by Mottola, second by Keck to adopt Ordinance No. 1473, authorizing the construction of Water Improvements and Sanitary Sewer Improvements in the Villa Maria Senior Housing Addition. MOTION approved unanimously.

ORDINANCE NO. 1473

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF CERTAIN INTERNAL IMPROVEMENTS IN THE CITY OF MULVANE, KANSAS, AS HERETOFORE DETERMINED ADVISABLE AND AUTHORIZED TO BE MADE BY RESOLUTION NO. 2016-14 OF THE CITY, UNDER THE AUTHORITY OF K.S.A. 12-6a01 *ET SEQ.*, AS AMENDED AND SUPPLEMENTED; PROVIDING FOR THE PAYMENT OF THE COSTS OF SAID IMPROVEMENTS; AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE PAYMENT OF THE COSTS OF SAID IMPROVEMENTS AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF TEMPORARY IMPROVEMENT NOTES FROM TIME TO TIME AS FUNDS ARE NEEDED FOR THE ORDERLY CONSTRUCTION OF SAID IMPROVEMENTS.

3. Resolution of Intent to Refund Series 2010 Revenue Bonds:

In 2002, the City issued \$4,635,000 in aggregate principal amount of its Electric, Waterworks and Sewer Utility System Refunding and Improvement Revenue Bonds, Series 2002 (the "2002 Bonds") which refunded previously issued bonds financing enlargements, extensions and improvements to the City's Electric, Waterworks and Sewer Utility System (the "System"). In 2005, the City issued \$10,000,000 in aggregate principal amount of its Electric, Waterworks and Sewer Utility System Refunding and

Improvement Revenue Bonds, Series 2005 (the “2005 Bonds”) for the purposes of (i) refunding and retiring the City’s outstanding 2002 Bonds and (ii) paying the costs of acquiring a site and constructing and equipping a new wastewater treatment plant thereon (the “2005 Project”). In 2006, the City issued its Electric, Waterworks and Sewer Utility Revenue Bonds to pay additional completion costs of the 2005 Project. The 2006 Bonds were not issued as general obligations of the City payable from taxation, but are to be paid solely from revenues derived from the operations of the System, including the 2005 Project, as completed.

In 2010, the City issued Electric, Waterworks and Sewer Utility System Refunding Revenue Bonds, Series 2010 (the “2010 Bonds”) to refund the 2006 Bonds.

In 2011, the City issued General Obligation Refunding Bonds; Series A, 2011 to refund a portion of the 2005 Bonds and in 2015, the remaining maturities of the 2005 Bond were refunded by the City’s General Obligation Refunding Bonds, Series A, 2015. The 2010 Bonds are the only revenue bonds which remain outstanding which are payable only from the revenues of the System.

Refunding the 2010 Bonds is estimated by the Financial Advisor to save the City \$144,454.87 over the course of the bond issue or present value savings of \$137,488.37 (which is a net present value savings of 12.331% compared to the principal amount of the outstanding 2010 Bonds). This savings computation takes into account costs of issuing the new bonds.

MOTION by Keck, second by Cardwell adopt Resolution No. 2016-15, indicating the City’s intent to refund the outstanding 2010 Bonds (which are revenue bonds) with the City’s general obligation bonds. MOTION approved unanimously.

RESOLUTION NO. 2016-15

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF MULVANE, KANSAS, DECLARING IT NECESSARY TO REFUND AND REDEEM THE CITY’S ELECTRIC, WATERWORKS AND SEWER UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2010; TO ISSUE GENERAL OBLIGATION BONDS OF THE CITY IN AN AMOUNT NOT TO EXCEED \$1,175,000 FOR THE PURPOSE OF PAYING THE COSTS THEREOF; AND PROVIDING FOR THE PUBLICATION OF THE NOTICE OF SUCH INTENTION IN THE MANNER REQUIRED BY LAW.

4. Public Sale Resolution for Refunding:

As currently recommended by the City’s financial advisor, a current refunding of the City’s (i) Electric, Waterworks and Sewer Utility System Refunding Revenue Bonds, Series 2010, (ii) General Obligation Refunding and Improvement Bonds, Series B, 2010, and (iii) General Obligation Bonds, Series A, 2011 (collectively, the “Refunded Bonds”) will be refinanced by the bond issue. The proposed resolution authorizes the public sale of those bonds on Monday, October 17, 2016 at the City’s meeting and authorizes the publication and sending of the Notice of Bond Sale to prospective bidders of the bonds with an expected closing date for the new bonds on or about November 15, 2016.

MOTION by Mottola, second by Johnson to adopt Resolution No. 2016-16 authorizing the public sale of approximately \$4,480,000 in the City’s General Obligation Refunding Bonds, Series B, 2016, setting the date, time and place of the sale of the bonds and providing for the publication of the notice of bond sale in the required newspapers.

MOTION approved unanimously.

RESOLUTION NO. 2016-16

A RESOLUTION OF THE CITY OF MULVANE, KANSAS, AUTHORIZING AND PROVIDING FOR THE PUBLIC SALE OF THE CITY'S GENERAL OBLIGATION REFUNDING BONDS, SERIES B, 2016, IN A TOTAL PRINCIPAL AMOUNT OF APPROXIMATELY \$4,480,000; SETTING FORTH THE DETAILS OF SAID PUBLIC SALE; AND PROVIDING FOR THE GIVING OF NOTICE THEREOF.

5. Resolution to demolish and assess cost to property at 309 S. 4th:

On March 21, 2016, the Council approved Resolution No. 2016-5, which required the property owner of 309 South 4th within the City to repair or remove the structure located thereon, to make the property safe and secure, to commence said work within 60 days of the date of Resolution No. 2016-5, and to diligently prosecute the work on or before July 18, 2016. On Friday July 15th the daughter of the property owner called and advised they would not have the structure removed by July 18th. The matter was brought to the council at the August 1, 2016 meeting. A Resolution was presented if the Council decided to take action on the removal of the structure. The Council gave the owner until September 1st to have the structure removed and the property graded. Since that time very little progress has been made, and the debris from the work that has been done is still stacked around the structure which is still standing.

The first contact for this process was made in August 2015. The Zoning Administrator recommends passing the Resolution finding that the owner has not diligently prosecuted the work by July 18th with an extension of time to September 1, 2016, authorizing the hiring of a contractor to complete the work, and charging the costs thereof back to the property owner.

The city attorney explained to Lillian Sweet and Laurel McClintock, daughters of the property owner, how a lien on the property works. He explained that they could pay off that lien at any time.

MOTION by Johnson, second by Mottola to pass Resolution No. 2016-17 requiring the demolition of the structure and removal of objects located at 309 south 4th Street Mulvane, Ks.

MOTION approved unanimously.

RESOLUTION NO. 2016-17

A RESOLUTION REQUIRING THE DEMOLITION OF THE STRUCTURE AND REMOVAL OF OBJECTS LOCATED AT 309 SOUTH 4TH STREET, MULVANE.

6. Resolution and Special Event Permit for a Wine & Beer Festival:

The Kansas legislature has authorized the issuance of "temporary permits" to sell alcohol in varying capacities since 1987. In 2009, the City of Wichita lobbied the legislature to allow the issuance of temporary permits for "Special Events", which would even allow the consumption of alcohol on City streets, parks and public ways, if it was part of a "Special Event" officially sanctioned by the City Council and limited to a defined area, so as to accommodate such events as Winefest, Beerfest, etc.

Amy Houston approached the City for the designation of a special event so as to allow the sale and service of liquor in Cobb Family Historical Park and on the adjacent Main Street in connection with a Wine & Beer Festival event to be held on Saturday, October 29, 2016 from 2:00 p.m. to 8:00 p.m. Applicants would need to obtain a Temporary Permit or other Kansas Liquor License for sale and service of liquor which is valid during the proposed Special Event.

Consumption of alcohol on City property is illegal in the City, unless the City Council designates an exemption by Special Event. Cobb Family Historical Park is a City park owned by the City. The City Council can, at its discretion, approve a Special Event, which would make the Special Event “legal” within the meaning of the Code. A Special Event allowing alcohol to be sold and consumed on City property must be approved by Resolution.

MOTION by Johnson, second by Cardwell to approve Resolution No. 2016-18 authorizing the issuance of a special event on City property in connection with the Wine & Beer Festival allowing the sale and service of alcoholic liquor within the City limits to Amy Houston on the afternoon/evening of October 29, 2016.

MOTION approved 3-0 with Mottola abstaining due to possible conflict of interest.

RESOLUTION NO. 2016-18

A RESOLUTION OF THE CITY OF MULVANE, KANSAS, AUTHORIZING A SPECIAL EVENT ON CITY PROPERTY IN CONNECTION WITH THE SALE AND SERVICE OF ALCOHOLIC LIQUOR WITHIN THE CITY LIMITS AND STREET CLOSING.

Engineer’s Report/Project Review and Update:

Chris Young of Young & Associates updated the council on the GIS mapping of city utility, new library construction progress, E. Mulvane Street drainage project, Cedar Brook 2nd Addition, Hunters Pointe Addition and the Villa Maria senior housing project drainage plan review.

Lancie Price of 907 N. 1st stated that her house gets flooded even after small rains. She would like the City to study why North 1st Street has drainage problems and begin to address those problems.

City Clerk: Nothing

City Administrator:

The annual Ks. League of Municipalities conference is Oct. 8 – 10. No council member could attend.

City Attorney:

Executive Session:

The City Attorney requested an executive session not to exceed fifteen (15) minutes to discuss matters privileged in the attorney-client relationship. The executive session to include the Mayor, Council, City Administrator and City Attorney.

MOTION by Keck, second by Mottola to recess for a period not to exceed fifteen (15) minutes to discuss matters privileged in the attorney-client relationship to include the Mayor, Council, City Administrator and City Attorney. To return at 9:57 p.m.

MOTION approved unanimously at 9:42 p.m.

MOTION by Mottola, second by Cardwell to return from executive session at 10:02 p.m.

MOTION approved unanimously.

Mayor Steadman stated that no binding actions were taken in executive session.

Consent Agenda:

MOTION by Keck, second by Cardwell to approve the Consent Agenda items 1 – 5 as follows:

1. Payroll dated 8-26-16 (\$201,692.47)
2. City Dept. Utility Bills (\$20,503.38)
3. Community Room – flood damage clean-up invoice from Service Master (\$14,209.23)
4. Refund Sales Tax on electricity (\$5,869.49).
5. Uncle Roy's Tavern – Temporary Extension of Premise

MOTION approved unanimously.

Announcements, Meetings and Next Agenda Items:

Adjournment:

MOTION by Mottola, second by Cardwell to adjourn the council meeting at 10:05 p.m.

MOTION approved unanimously.

Debbie Parker, City Clerk