

MULVANE CITY COUNCIL  
REGULAR MEETING MINUTES

October 17, 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:** Jenean Keck, Joe Johnson, Terry Richardson and Nancy Mottola.

**Others Present:** Debbie Parker, Kent Hixson, Mike Robinson, J.T Klaus, Brad Modlin, Chris Young of Young & Assoc., Diane and Ron Paul, Tom and Mary Fagan, Warren Johnston, Ben Sciortino and Carol Roberts.

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

**Approval of Regular Meeting Minutes Dated 10-03-16:**

MOTION by Keck, second by Richardson to approve the Regular meeting minutes dated 10-03-16 as presented.

MOTION approved unanimously.

**Correspondence:** None

**Review and Closing of the Agenda:**None

**Appointments, Awards and Citations:**None

**OLD BUSINESS**

**1. Sale of City Property located at 111<sup>th</sup> & Webb Road (Rivers Property):**

The City bought 76.25 acres on the northwest corner of 111<sup>th</sup> Street and Webb Road from the Rivers Family in 2004 for \$5,048.93/acre (\$384,498.00). Of that, 4.8 acres is currently used for the swimming pool and parking lot. The City parks plan provides for a potential City park in this area, but such a park has not been established. Since 2007, the City has leased the remaining 71.45 acres to a local farmer. The City receives an estimated \$4,270/year for the lease and annual taxes are approximately \$677.64.

Diane Paul and Tom Fagan have offered to buy approximately 40 acres of the “Rivers Property”. Ms. Paul’s and Mr. Fagan’s offer indicates their intent to develop the property into 90 residential lots.

The use of the property for residential development would meet the intent of the City’s Comprehensive Plan. The proposal would also still allow any part of the remaining approximately 31 acres to be used as a park, if the Council so decided in the future.

An offer was presented to the Council at the 8-01-16 Council Meeting, but no action was taken.

At the 8-15-16 Council Meeting, the council expressed an interest in selling some of the Rivers property. City staff was instructed to get an appraisal for the land which has been received.

According to the Martens appraisal:

*“The range in market value of \$460,000 to \$540,000 equates to \$6,500 to \$7,500 per acre for the entire 71.45 acre tract of land (vacant commercial land) as one economic unit”.*

The Paul-Fagan offer to buy 40 acres for \$280,000 is \$7,000/acre.

According to City Staff, no part of the 40 acres subject to the offer is open to public use. As long as a park has not been formally, or even informally, established on any part of the subject property and the property has not been placed in a Land Bank, the City can sell the property in a privately negotiated transaction without a notice, bid, or advertising process.

Although the offer suggests the intent to develop residential lots, if the City sells the land, the owner will be free to develop it, or not develop it, as they see fit, subject to ordinary zoning and planning regulations and approval, unless conditions are placed on the sale. Often times a City will “condition” the sale of its property upon a specific development plan, which if not started within a specified time, will subject the property to repurchase by the City at the exact price it was originally sold.

It was the consensus of the council to have the city attorney draft a land sales contract for their review that would sell 40 acres of land on the NW corner of 111<sup>th</sup> and Webb Road for \$280,000 to Diane Paul and Tom Fagan.

## **NEW BUSINESS**

### **1. American Legion Post 136 – Request to waive liquor license fee:**

Warren Johnston was present to request the council waive the liquor license fee for the American Legion Post 136.

MOTION by Richardson, second by Keck to waive the liquor license fee for the American Legion Post 136.

MOTION approved unanimously.

### **2. Review Bids for the Sale of Bonds:**

On 9-07-16, the City Council authorized the public sale of approximately \$4,480,000 of the City’s General Obligation Refunding Bonds, Series B, 2016 (the “Bonds”) to currently refund the City’s outstanding Electric, Waterworks and Sewer Utility System Refunding Revenue Bonds, Series 2010, General Obligation Refunding and Improvement Bonds, Series B, 2010 and General Obligation Refunding Bonds, Series A, 2011 (collectively, the “Refunded Bonds”). Bids for underwriting of the Bonds received earlier in the day were opened, read aloud, and awarded to the bidder with the lowest true interest cost for the Bonds. The adoption of the Bond Ordinance and Bond Resolution is the final step of refunding of the Refunded Bonds, and issuing the Bonds. The City Council is reminded that the Series 2010 Revenue Bonds will be converted to a General Obligation Bond of the City.

Bond Counsel J.T. Klaus reviewed the bond sale results.

MOTION by Mottola, second by Richardson to accept the low bid for the Bonds received from UMB Bank N.A. for the purchase of the Series B, 2016 Bonds.  
MOTION approved unanimously.

## ORDINANCES AND RESOLUTIONS

### **1. Ordinance authorizing the issuance of General Obligation Bonds:**

MOTION by Johnson, second by Mottola to adopt Ordinance No. 1479, an ordinance authorizing the issuance of General Obligation Refunding Bonds, Series B, 2016, all as prepared by Bond Counsel and provided for our consideration.  
MOTION approved unanimously.

#### ORDINANCE NO. 1479

AN ORDINANCE OF THE CITY OF MULVANE, KANSAS, AUTHORIZING THE ISSUANCE OF THE CITY'S GENERAL OBLIGATION REFUNDING BONDS, SERIES B, 2016, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,590,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS AND REVENUE BONDS OF THE CITY; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AND INTEREST ON SAID BONDS; AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS; AND MAKING CERTAIN COVENANTS WITH RESPECT THERETO.

### **2. Resolution for the sale and delivery of General Obligation Bonds:**

MOTION by Keck, second by Richardson to adopt Resolution No. 2016-19, a resolution establishing the terms and provisions governing the City's General Obligation Refunding Bonds, Series B, 2016 as previously authorized by Ordinance, all as prepared by Bond Counsel and provided for our consideration.  
MOTION approved unanimously.

#### RESOLUTION NO. 2016-19

A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION REFUNDING BONDS, SERIES B, 2016, IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$4,590,000, OF THE CITY OF MULVANE, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 1479 OF THE CITY; MAKING CERTAIN COVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH.

### **Mulvane Housing Authority:**

MOTION by Johnson, second by Mottola to recess the City Council Meeting and convene as the Mulvane Housing Authority.  
MOTION approved unanimously.

MOTION by Johnson, second by Mottola to approve the Mulvane Housing Authority Meeting minutes dated 10-19-15.

MOTION approved unanimously.

Carol Roberts, the manager of the Quad County Manor, presented the MHA with the proposed 2017 annual budget for QCM. An annual budget is required by USDA Rural Development.

MOTION by Mottola, second by Keck to approve the proposed 2017 annual budget for Quad County Manor.

MOTION approved unanimously.

MOTION by Keck, second by Johnson to adjourn the Mulvane Housing Authority meeting and reconvene the regular City Council meeting of October 17, 2016.

MOTION approved unanimously.

**Engineer's Report/Project Review and Update:**

Chris Young of Young & Associates updated the council on the GIS mapping of city utility, E. Mulvane Street drainage project, Cedar Brook 2<sup>nd</sup> Addition, Hunters Pointe Addition and the Villa Maria senior housing project.

**City Clerk:** None

**City Administrator:** None

**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 Richardson, 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 9:05 p.m.

MOTION approved unanimously at 8:50 p.m.

MOTION by Mottola, second by Keck to return from executive session at 9:10 p.m.

MOTION approved unanimously.

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

**Consent Agenda:**

MOTION by Mottola, second by Richardson to approve the Consent Agenda items 1 – 3 as follows:

1. Payroll dated 10-07-16 (\$186,402.28)
2. Warrant Register (\$1,660,414.38)
3. Purchase of 48,000lbs of ferric chloride for \$9,084.00 and 22,500lbs of sodium hydroxide for \$4,381.50 at a total cost of \$13,465.50 from Brenntag, Inc.

MOTION approved unanimously.

**Announcements, Meetings and Next Agenda Items:** None

**Adjournment:**

MOTION by Richardson, second by Keck to adjourn the council meeting at 9:11 p.m.

MOTION approved unanimously.

Debra M. Parker, City Clerk