

MULVANE CITY COUNCIL
REGULAR MEETING MINUTES

July 3, 2017

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, Terry Richardson, Jenean Keck and Nancy Mottola.

Others Present: Debbie Parker, Kent Hixson, J.T Klaus, Joel Pile, Cathy Walker, Chris Young of Young & Assoc., Mike Robinson, Brent Allen, Carol Roberts and Rachael Blackwell.

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

Approval of Regular Meeting Minutes Dated 6-19-17:

MOTION by Mottola, second by Keck to approve the Regular meeting minutes dated 6-19-17. MOTION approved unanimously.

Correspondence: None

Review and Closing of the Agenda:None

Appointments, Awards and Citations:

1. Mulvane Planning Commission:

MOTION by Johnson, second by Mottola to approve the appointment of John Melick to fill the unexpired term (Sumner County – rural) on the Mulvane Planning Commission. MOTION approved unanimously.

OLD BUSINESS

NEW BUSINESS

1. Villa Maria Health Care Facility Revenue Bond Issue:

Villa Maria, Inc. (“Villa Maria”), a 501(c) (3) corporation, currently operates a 64-bed skilled nursing facility and a 34-unit assisted living facility within the City. On January 16, 2017, the City Council approved a Resolution of Intent to issue federally tax-exempt Health Care Facility Refunding and Improvement Revenue Bonds, Series 2017 (Villa Maria, Inc.) (the “Bonds”) to refinance the outstanding 2004 Bonds and provide funds for certain renovations to the skilled nursing facility (the “Project”).

Under Kansas law and the Internal Revenue Code, a City can issue Bonds to finance facilities of the type requested by Villa Maria and do so on a federally tax-exempt basis. The City is required to hold a public hearing regarding the issuance of such Bonds. Notice of such public hearing was published on June 15, 2017, in *The Mulvane News*.

The Bond Ordinance presented authorizes the issuance of the Bonds and the Mayor and City Clerk to execute and deliver all related documents and take all necessary actions related thereto. There are no other financial considerations for the City. Villa Maria is not requesting any property tax abatement in connection with the Bonds and will pay all costs of the City for issuance of the Bonds.

MOTION by Mottola, second by Johnson to recess City Council meeting for the purpose of holding the public hearing and allow all interested persons the opportunity to present their views in the matter of Villa Maria, Inc. Health Care Facility Refunding and Improvement Revenue Bonds.

MOTION approved unanimously.

There was no one present to speak on the issue.

MOTION by Richardson, second by Mottola to close the public hearing for the Villa Maria, Inc. Health Care Facility Refunding and Improvement Revenue Bonds and reconvene as the Mulvane City Council.

MOTION approved unanimously.

MOTION by Keck, second by Mottola to adopt Ordinance No. 1494 authorizing the issuance of the City's Health Care Facility Refunding and Improvement Revenue Bonds, Series 2017 (Villa Maria, Inc.) and authorizing the Mayor and City Clerk to execute and deliver all related documents and take all necessary actions related thereto.

MOTION approved unanimously.

ORDINANCE NO. 1494

AN ORDINANCE AUTHORIZING THE CITY OF MULVANE, KANSAS TO ISSUE ITS HEALTH CARE FACILITY REFUNDING AND IMPROVEMENT REVENUE BONDS, SERIES 2017 IN THE AGGREGATE PRINCIPAL AMOUNT OF \$5,100,000 FOR THE PURPOSES OF (I) REFUNDING, REDEEMING AND RETIRING ITS OUTSTANDING HEALTH CARE FACILITY REVENUE BONDS, SERIES 2004 (VILLA MARIA, INC.) AND (II) PURCHASING, ACQUIRING, CONSTRUCTING, FURNISHING AND EQUIPPING IMPROVEMENTS TO AN EXISTING SKILLED NURSING FACILITY; PRESCRIBING THE FORM AND AUTHORIZING EXECUTION OF A TRUST INDENTURE BETWEEN THE CITY AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., ST. LOUIS, MISSOURI, AS TRUSTEE; PRESCRIBING THE FORM AND AUTHORIZING EXECUTION OF A LEASE AGREEMENT BETWEEN THE CITY AND VILLA MARIA, INC., AS TENANT; APPROVING THE FORM OF A GUARANTY AGREEMENT BETWEEN VILLA MARIA, INC., AS GUARANTOR, AND THE TRUSTEE; PRESCRIBING THE FORM AND AUTHORIZING THE EXECUTION OF A BOND PLACEMENT AGREEMENT BETWEEN THE CITY, THE TENANT, AND BAYSTONE GOVERNMENT FINANCE, A DIVISION OF KS STATEBANK, MANHATTAN, KANSAS, AS PURCHASER OF THE 2017 BONDS; PRESCRIBING THE FORM AND AUTHORIZING THE EXECUTION OF A TAX COMPLIANCE AGREEMENT BETWEEN THE CITY, THE TENANT, AND THE TRUSTEE.

2. Mulvane Senior Center – Meals on Wheels Agreement:

MOTION by Keck, second by Johnson to approve and enter into a Facility Agreement between the Mulvane Senior Center and Aging Projects, Inc. for the 2017-2018 Meals on Wheels/Friendship Meals program.

MOTION approved unanimously.

3. Pix Center – HVAC System Replacement for 104 Prather:

The City has recently completed a renovation of the Pix Community Center at 101 E. Main. The renovation included remodel work on the adjoining space at 104 Prather. The Council granted a use license to the Chamber of Commerce for the space at the June 19, 2017 City Council Meeting. At the present time, the heating and air conditioning system for the space at 104 Prather is inoperable. On June 23, 2017, technicians from South Central Commercial & Mechanical assessed the existing system and determined the 28 year old system was beyond repair and recommended replacement.

Two quotes have been provided to replace the heating & air conditioning system in 104 Prather.

MJB Heating & Cooling for a total amount of	\$6,950
South Central Commercial & Mechanical for a total amount of	\$6,860

MOTION by Johnson, second by Mottola to accept the bid dated June 23, 2017 from South Central Commercial & Mechanical in the amount of \$6,860 to replace the heating and air conditioning system at 104 Prather.

MOTION approved unanimously.

MULVANE HOUSING AUTHORITY

MOTION by Keck, second by Richardson to recess the City Council Meeting and convene as the Mulvane Housing Authority.

MOTION approved unanimously.

MOTION by Johnson, second by Keck to approve the Mulvane Housing Authority Meeting minutes dated 10-17-16.

MOTION approved unanimously.

Carol Roberts was present to review bids for painting and repairs to the Quad County Manor facility and request the withdrawal of \$9,000 from the Reserve Fund.

Painting:

Quad County Manor is in need of re-painting the exterior of all five buildings. Front side only as the backside is brick. The process will power wash all the buildings, repair any holes, scrape areas as needed, caulk around all windows, paint all trim work and face of buildings, install larger apartment numbers and new porch lights.

Painting Bids:

Brewer Painting - \$9,000.00

Painting Plus - \$15,750.00
Andy Mackey Painting - \$17,000.00

Funds Withdrawal:

The withdrawal form will need to be signed by a MHA Board member as well as the bank debit withdrawal. Both of these forms will be sent to the USDA Rural Development area office in Newton for approval. USDA will also sign the withdrawal slip as it requires two signatures to transfer funds from reserves.

MOTION by Keck, second by Mottola to approve the withdrawal of \$9,000 from the Reserve Fund and authorize a Mulvane Housing Authority board member to sign the form and bank debit withdrawal.

MOTION approved unanimously.

MOTION by Keck, second by Richardson to approve the bid from Brewer Company Painting in the amount of \$9,000 to prepare and paint the Quad County Manor facility.

MOTION approved unanimously.

MOTION by Keck, second by Mottola to adjourn the Mulvane Housing Authority meeting and reconvene the regular City Council meeting of July 3, 2017.

MOTION approved unanimously.

2018 ANNUAL BUDGET COUNCIL WORKSHOP

City Finance Director, Cathy Walker, reviewed the budget worksheets that include all city departments. Walker reviewed the mill levy computation and tax lid requirements. Staff does not propose a mill levy (i.e. property tax) increase in 2018.

City staff and attorney reminded the council that the casino has protested its appraisal from Sumner County every year. Once those protests are settled by the Ks. Board of Tax Appeals, the City could have our future tax distributions reduced significantly. City staff is trying to anticipate and prepare for this.

Walker then reviewed the Land Bank budgets for 2017 and 2018.

No action was taken by the council.

ENGINEERS REPORT:

1. Nottingham Estates – Plan Review & Oversight Agreement:

Staff recommends that the Council approve an agreement with Young & Associates, PA for design plan review and construction oversight services for the installation of public streets, storm sewer, water line and sanitary sewer improvements to serve the Nottingham development. A revised petition that includes water service lines was given to the city clerk. This increased project cost will not impact the Young & Associates fees.

MOTION by Richardson, second by Mottola that the City enter into an agreement with Young & Associates, P.A. in the amount of \$43,500.00 for providing Design Plan Review and Construction Oversight Services for the Nottingham at Hunters Pointe development project.
MOTION approved unanimously.

2. Engineer's Report/Project Review and Update:

Chris Young of Young & Associates updated the Council on the Cedar Brook 2nd Addition, Hunters Pointe Addition, the O'Reilly Addition, and the Villa Maria Senior Housing Project.

City Clerk: None

City Administrator:None

City Attorney:

City attorney informed the council that the State legislature has changed the laws governing executive sessions. In addition to listing the topic of the executive session, the motion needs to include a purpose and justification.

MULVANE LAND BANK

MOTION by Mottola, second by Keck, to recess City Council meeting and convene as the Mulvane Land Bank.

MOTION approved unanimously.

MOTION by Mottola, second by Keck to approve the Land Bank Board of Trustees meeting minutes dated 6-05-17.

MOTION approved unanimously.

MOTION by Mottola, second by Johnson to approve the legal services invoice from Triplett Woolf & Garretson, LLC in the amount of \$1,874.00 for the purchase of the properties set out in the Real Estate Purchase Agreement with Pendergraft Properties of Kansas, LLC.

MOTION approved unanimously.

MOTION by Mottola, second by Keck to recess for a period not to exceed five (5) minutes to discuss land acquisition relating to economic development. The executive session to include the Chair, Trustees, City Administrator and City Attorney.

To return at 8:30 p.m.

MOTION approved unanimously at 8:25 p.m.

MOTION by Mottola, second by Richardson to return from executive session at 8:35 p.m.

MOTION approved unanimously.

Chairman Steadman announced that no binding decisions were made during the Executive Session.

MOTION by Mottola, second by Richardson to adjourn the meeting of the Mulvane Land Bank Board of Trustees and reconvene as the Mulvane City Council.
MOTION approved unanimously.

Executive Session # 1:

The City Attorney requested an executive session not to exceed thirty (30) minutes to discuss land acquisition that could result in land being acquired for public storm drainage projects. The executive session to include the Mayor, Council, City Administrator, City Attorney and representatives Young & Assoc.

MOTION by Keck, second by Richardson to recess for a period not to exceed thirty (30) minutes to discuss land acquisition that could result in land being acquired for public storm drainage projects. The executive session to include the Mayor, Council, City Administrator, City Attorney and representatives from Young & Assoc..

To return at 9:05 p.m.

MOTION approved unanimously at 8:35 p.m.

MOTION by Mottola, second by Keck to return from executive session at 9:13 p.m.

MOTION approved unanimously.

Mayor Steadman announced that no binding decisions were made during the Executive Session.

Executive Session#2

The City Attorney requested an executive session not to exceed ten (10) minutes to discuss land acquisition that could result in land being acquired for public storm drainage projects. The executive session to include the Mayor, Council, City Administrator, City Attorney and representatives Young & Assoc.

MOTION by Mottola, second by Keck to recess for a period not to exceed ten (10) minutes to discuss land acquisition that could result in land being acquired for public storm drainage projects. The executive session to include the Mayor, Council, City Administrator, City Attorney and representatives from Young & Assoc..

To return at 9:25 p.m.

MOTION approved unanimously at 9:15 p.m.

MOTION by Mottola, second by Keck to return from executive session at 9:27 p.m.

MOTION approved unanimously.

Mayor Steadman announced that no binding decisions were made during the Executive Session.

Consent Agenda: Items 1 – 4

MOTION by Richardson, second by Keck to approve Consent Agenda items 1 – 4.

1. **Payroll:** Dated 6-30 -17 (\$211,875.80).
2. **City Dept. Utilities -** May (\$18,889.46)
3. **Villa Sr. Housing Addition** – Pay App. # 4 (\$14,555.70)
4. **Augusta Water Issue** – Triplett Woolf & Garretson Invoice (\$17,324.59)

MOTION approved unanimously.

ANNOUNCEMENTS, MEETINGS AND NEXT AGENDA ITEMS:

- July 17th - Next council meeting @ 7:30 p.m.

Adjournment:

MOTION by Mottola, second by Keck to adjourn the council meeting at 9:29 p.m.

MOTION approved unanimously.

Debra M. Parker, City Clerk