

MULVANE CITY COUNCIL
REGULAR MEETING MINUTES

January 17, 2022

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 at 7:30 p.m.

Council Members Present: Kevin Cardwell, Amanda Ford, Tim Huntley.
Remote Attendance: Brent Allen, Nancy Farber Mottola.

Others Present: Mike Robinson, Debra Parker, Joel Pile, Kent Hixson, J.T. Klaus, Gordon Fell, Chris Young.

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

Approval of Regular Meeting Minutes Dated 1-03-2022:

MOTION by Cardwell, second by Allen to approve the Regular meeting minutes dated 1-03-22.
MOTION approved unanimously.

It was noted that councilmembers can vote to approve the minutes even if they were not in attendance at the previous meeting.

Correspondence: Mayor Steadman was contacted by the Director of the Sr. Center regarding the Sales Tax Election. Hixson will visit the Sr. Center and explain the Sales Tax projects and answer questions.

Review and Closing of the Agenda: The two new councilmembers were recognized, and photos were taken. Allen, Ford and Huntley were sworn in prior to the meeting.

Appointments, Awards and Citations:

1. Elect a City Council President:

Pursuant to K.S.A. 14-204, as chartered from with substitute provisions by the City of Mulvane, Kansas (the "City") and as set forth in the Code of Mulvane, Kansas, the City Council shall elect from its membership a President of the Council. Historically, the City Council has rotated the position between Council Members. The President of the Council presides at the City Council meeting in the absence of the mayor, but still retains his or her voting rights. The President votes as a regular Council Member and does not cast any tie-breaking votes. In the event of a permanent vacancy in the office of Mayor, the President of the Council does automatically become the Mayor and the City Council then appoints a replacement Council Member. Each year, the City Council has elected a President from its membership.

MOTION by Cardwell to nominate Brent Allen as President of the Council. Second by Mottola.
MOTION approved unanimously.

OLD BUSINESS

None

NEW BUSINESS

1. Homestead Affordable Housing – Approve Multifamily Mortgage:

City Attorney, J.T. Klaus, explained that Homestead Affordable Housing was financed with IRB's. Klaus explained how the IRB's work and the difference between Series A and Series B issued for Homestead. Series A was for a construction loan and is now ready for permanent financing. Series B was sold to the Developer and represented their ownership interest in the facility. Series B will remain in place.

In 2020, the City issued its Taxable Multi-Family Housing Revenue Bonds, Series 2020 (Homestead Senior Residences Mulvane Phase II, LLC) (the "Bonds") in the principal amount of not-to-exceed \$4,100,000 in connection with the development of a second phase of the Homestead Senior Residences Mulvane to include 24 apartments located in Country Walk 4th Estates Addition (the "Project"). In connection with the Bonds, the City granted a 100% property tax abatement for the Project for ten years. The Bonds were purchased entirely by Homestead Senior Residences Mulvane Phase II, LLC ("Homestead"). The city is the record title holder of the fee title to the Project and leases the Project to Homestead through the bond structure.

Homestead is in the process of obtaining a loan in the amount of \$675,000 from Bonneville Mortgage Company (the "Lender") to finance a portion of the Project. The Lender intends to take a mortgage upon the Project to secure the loan. Since the City is the record title holder to the Project, the Lender has requested the City sign the mortgage as an "accommodation party". The Lender has also requested the city sign an estoppel certificate making certain statements regarding the lease between the City and Homestead.

The Bonds are Industrial Revenue Bonds, and the city is NOT legally obligated to pay the principal and interest on the Bonds. Likewise, the city will not be legally obligated to pay any portion of the loan. The city will not be liable for any obligations under the mortgage and the Lender's recourse against the city will be limited to foreclosure of the Project. The City's Bond Counsel has negotiated the terms of the mortgage and estoppel certificate.

This transaction does not lengthen nor change the tax abatement. Homestead will be responsible for any costs associated with the transaction.

MOTION by Ford, second by Cardwell to approve the Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing by the City and Homestead Senior Residences Mulvane Phase II, LLC in favor of Bonneville Mortgage Company and the Lessor's Estoppel Certificate in the forms substantially presented and authorize the mayor to sign and City Clerk to attest.

MOTION approved unanimously.

2. Transient Guest Tax Request and Disbursement to Kansas Star Casino:

In 2008, the governing body of the City of Mulvane, Kansas (the "City") passed Charter Ordinance No. 26 which established a 5% Transient Guest Tax ("TGT"). In 2011, the City passed Resolution No. 2011-9 which defined how the Transient Guest Tax funds can be used and disbursed. With the

construction of the 300-room Hampton Inn, the Kansas Star Casino (the “Casino”) was granted a priority on the first \$3,800,000 of TGT. The TGT must be used on programs likely to result in overnight stays. The only hotel is attached to the Casino.

According to City policy, the Casino must apply to the City for any event or Project which meet the statutory requirements. The City Administrator approves the request and then places it on the City Council agenda. The 2022 budget balance in the TGT fund is \$200,000.00. If approved, the city will disburse \$175,000.00 to the Casino for 2022. The Casino manager has traditionally supported promotion of local events and has agreed to set aside TGT funds that the City can disburse to support local events and festivals. The Casino Manager has agreed to allow \$25,000.00 to be set aside for local programs.

MOTION by Allen, second by Cardwell to authorize the City Administrator to approve the 2022 request from the Kansas Star Casino for Transient Guest Tax funds in the amount of \$175,000.00. MOTION approved unanimously.

3. Transient Guest Tax – Review Local Program and Events Grant Rules:

Hixson reviewed the TGT Program / Event Application with the council and asked for recommendations or changes to the application. Ideas on how to utilize the funds were discussed. The following rules apply:

- Limit request to no more than \$2,000.00.
- Request must include a \$1.00 to \$1.00 match.
- One application per calendar year per event:
- The funds must be expended in the 2022 calendar year.

Council would like to keep the current rules with the addition of:

- Class reunions will not be funded.

Council would like to continue to communicate events in the Kansas Travel Guide.

ORDINANCES & RESOLUTIONS

1. Annexation Ordinance for Property at 1299 E. 119th Street South:

The owner of 1299 E. 119th has submitted a petition requesting annexation into the City of Mulvane. The annexation request was submitted so the property owner could make application to connect to city water. City Code Section 700.020(A) declares the City has no obligation to grant connection for services for real property which is not within the limits and boundaries of the City as a whole. The owner of the subject lot has remodeled a single-family residence on the lot and has made application to the city for connection to the city water system.

The property owner is responsible for all costs associated with the extension of city infrastructure, water tap fees and any other utility fees. Annexation would permit the property owner to continue with plans to make a connection to the city water system versus private well.

City Attorney, J.T. Klaus, pointed out that there was a new statute last year, that before a City can annex property, it needs to conduct a study determining the best provider of electricity.

MOTION by Cardwell, second by Huntley to approve Ordinance No. 1549 annexing certain property (1299 E. 119th St. South) to the City of Mulvane subject to consideration regarding provisions of the utilities to be researched by the City Attorney.

MOTION approved unanimously.

ORDINANCE NO. 1549

AN ORDINANCE ANNEXING LAND TO THE CITY OF MULVANE, KANSAS.

ENGINEER

1. 2nd Street Traffic Study:

On September 8, 2021, the City Council directed staff to examine and make recommendations for improving pedestrian access across Second Street at Martha Ave.

On September 13th City staff, including Police, Public Works, Planning, Administration and Engineer, met to discuss the subject crosswalk at Martha and to determine if a manually operated flashing beacon crosswalk (similar to the Lockridge crosswalk) or other crossing improvements should be installed.

On October 4, 2021, City staff presented the following recommendations to the City Council:

- Based on the low pedestrian usage and incidence of accidents, staff recommended the Second St. pedestrian crossing at Martha be either left in place (as is) or eliminated.
- Mulvane PD continues to monitor pedestrian counts and report any increases in usage or accidents.
- Remove any sidewalk ramps directed toward Second St. which are not signed and marked.

The City Council directed staff to obtain a proposal for performing pedestrian and traffic flow analysis as needed to recommend improving the safety of pedestrians crossing Second St. at Martha.

On November 22nd a “Request for Proposal” was prepared and sent to Transystems engineers. A proposal was submitted to the City on December 29, 2021. Staff has reviewed the proposed scope of work, fees and schedule as submitted by Transystems. The work proposed would provide a comprehensive examination of pedestrian routing on Second Street and would include an evaluation of relocating and/or signalizing the existing pedestrian crosswalk at Martha.

The proposed cost for the study is \$12,000. Project cost for installing a flashing beacon signalized crosswalk is estimated between \$15,000 and \$25,000.

City staff's recommendations were presented in their October 4th memorandum (i.e., remove the crossing or leave it in place). While the proposed study would provide a comprehensive examination of pedestrian traffic on Second St., staff believes the study could produce a similar recommendation for the Martha crossing. Accordingly, staff feels the \$12,000 expenditure for a study might be better spent on other sidewalk capital improvements.

After much discussion, the City Council decided not to proceed with the study and leave the ramps in place at this time. Allen may check with the school about volunteers to staff the crossing.

2. Municipal Swimming Pool Painting – Issue Notice to Proceed:

On October 18th the City Council approved issuing a Notice of Award to Koehn Painting. Contract documents including bonds and insurance certificate were prepared by Koehn Painting and approved by the City Council on November 15, 2021.

Pool staff plan to begin prep work for filling the pool on April 26, 2022. An addendum in the bid documents established a start date no later than February 4, 2022. Based on the 60-calendar day contract, the latest contract completion date would be April 5th.

MOTION by Huntley, second by Ford that the City issue and approve a Notice to Proceed with Koehn Painting Co., LLC to paint the municipal swimming pool with the work to commence on February 4, 2022 and authorize the Mayor to sign.

MOTION approved unanimously.

3. Project Review and Update:

City Engineer, Chris Young, reviewed project updates with the council which included: Main "A" Sanitary Sewer Improvements, Rock Road Sewer Lift Station Abandonment, BRIC Grant – Flood Mitigation Funding.

Hixson reviewed how these projects would be financed.

LAND BANK

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

MOTION approved unanimously.

MOTION by Mottola, second by Huntley to approve the 8-16-21 Land Bank Trustee meeting minutes.

MOTION approved unanimously.

MOTION by Cardwell, second by Mottola that the Mulvane Land Bank Trustees approve the Mulvane Land Bank Annual Report for 2021.

MOTION approved unanimously.

MOTION by Allen, second by Ford to adjourn the meeting of the Mulvane Land Bank Board of Trustees and reconvene as the Mulvane City Council.

MOTION approved unanimously.

City Clerk: None

City Administrator: None

City Attorney: Thanked city staff for their patience during his time off.

Councilmember Allen expressed his congratulations to the new councilmembers and looks forward to working with them.

Consent Agenda Items 1 - 3:

MOTION by Mottola, second by Ford to approve Consent Agenda items 1-3.

1. Payroll dated 1-07-22 (\$218,792.16)
2. Warrant Register (\$1,097,855.93)
3. Police Dept. Training – Lexipol Invoice (\$10,117.58)

MOTION approved unanimously.

ANNOUNCEMENTS, MEETINGS, AND NEXT AGENDA ITEMS:

- Monday, February 7th - next council meeting @ 7:30 p.m.

ADJOURNMENT:

MOTION by Cardwell, second by Ford to adjourn the City Council meeting at 8:50 p.m.

MOTION approved unanimously.

Minutes by:
Debra M. Parker, City Clerk