

**Call To Order:**

The regular meeting of the Lansing City Council was called to order by Mayor Gene Kirby at 7:00 p.m.

**Roll Call:**

Mayor Gene Kirby called the roll and indicated which councilmembers were in attendance.

**Councilmembers Present:**

**Ward 1:** Kevin Gardner and Dave Trinkle

**Ward 2:** Andi Pawlowski and Don Studnicka

**Ward 3:** Jesse Garvey and Kerry Brungardt

**Ward 4:** Tony McNeill

**Councilmembers Absent:** Gregg Buehler

---

**OLD BUSINESS:**

**Consent Calendar:** Councilmember Brungardt moved to approve the regular meeting minutes of August 6, 2015. Councilmember Studnicka seconded the motion. The motion was approved with Councilmember McNeill abstaining from the vote.

**NEW BUSINESS:**

**Audience Participation:** Mayor Kirby called for audience participation and there was none.  
**Presentation**

**COUNCIL CONSIDERATION OF AGENDA ITEMS:**

**Ordinance No. 950 – Authorizing and Providing for the Issuance of General Obligation Refunding and Improvement Bonds, Series 2015-A:** Councilmember Trinkle moved to adopt Ordinance No. 950 – Authorizing and Providing for the Issuance of General Obligation Refunding and Improvement Bonds, Series 2015-A. of the City of Lansing, Kansas; Providing for the Levy and Collection of an Annual Tax for the Purpose of Paying the Principal of and Interest on Said Bonds as they become due; Authorizing certain other Documents and Actions in Connection Therewith; and Making Certain Covenants with Respect thereto. Councilmember McNeill seconded the motion.

- Finance Director Beth Sanford stated I have Mr. Dave Arteberry here from George K. Baum and Mr. Kevin Wempe, he's with Gilmore & Bell, and Dave is going to review the results of the sale today and review the documents you have in front of you.
  - City Financial Advisor Dave Arteberry stated thank you Beth, again my name is Dave Arteberry with George K. Baum, we serve as the Financial Advisor to the City and it's a pleasure to be here tonight. As Beth mentioned, I'm just going to go over a few things about the results of the sales that occurred today for some temporary notes for the City and some bonds, and answer any questions you might have about the sale. Then as far as the action items on the agenda, I think what I'd like to do is turn that over to Kevin Wempe with Gilmore & Bell, the legal Bond Counsel on the transaction, and he can answer questions that you might have about those and guide you through that. Today at eleven o'clock the City opened up bids for the sale of four million four hundred fifty thousand dollars of short term temporary notes; this is temporary financing for the 7 Mile Project. You ended up, I'm pleased to say, getting two really good bids on these notes, a bid from Commerce Bank and a bid from Oppenheimer & Co. Oppenheimer's bid with slightly better interest rate .6512%, a little bit better than Commerce Bank's bid which was .758%, so both in my opinion were excellent bids, lower than I think the interest rate that you got when you sold temporary notes last year; so I was real pleased. Both bids meet all the bidding parameters, Oppenheimer's bid is a little bit better so we're recommending that you go ahead and accept the bid from Oppenheimer. Then at eleven thirty this morning we opened bids for the sale of approximately seven million dollars of general obligation bonds, and these bonds did two things: they provided permanent financing of about 2.2 million dollars for the school district benefit district project, there are some outstanding temporary notes, so last year, for that project this bond issue will pay those notes off, and it also, the bond issue also provided money to refinance two old bond issues that the City has, 2006 bond issue and 2008 bond issue. We ended up getting four bids on that, and again I was real pleased. The low bid, the firm that offered to buy the bonds at the lowest rate was submitted by, it says BOSC, that's actually Bank of Oklahoma Securities Company, with a true interest cost of 2.339%, again, we're really pleased with the results, I think I had been projecting in the last numbers that I ran about a 2.6% rate, so we even beat that. The bid from the Bank of Oklahoma meets all the bidding parameters that we had, including they provide a good faith deposit of 2%, and it's all mathematically correct, and again, I see no reason you wouldn't want to accept the bid. I did put together some schedules I want to go over real quick if you don't mind looking at a few numbers. You should have a report in front of you that says Final Schedules, this sort of summarizes the results of the bond sale and what the final bond issue will look like. If you turn to page 1 here, you can see the two different purposes of the issue, the benefit district project on a total of

2.145 million dollars of bonds will be issued and the refunding component was just a shade under 5 million dollars, so the total bond issue size will be seven million one hundred-thirty thousand dollars. If you flip over to the next page then what you'll see is what the payments will look like on the benefit district portion of the issue. You can see there, there are payments of approximately one hundred-eighty thousand dollars a year over the next 15 years, and half of this will be paid for by the school district. On the next page I think is probably the good news here, and this is the savings, because the interest rate was lower than we had anticipated, that results in more savings, and what you'll see over on the right hand side of the paper is the total savings that you'll get on an annual basis. And you can see the total savings that the City will realize in 2016 is four hundred-twenty thousand dollars, so your payment next year is going to be four hundred-twenty thousand dollars less than what was budgeted for. On a present value basis, as a percentage of the bond issue, the present value benefit is 8.9%, I think the minimum target you'd established a couple meetings ago was 5%, so we're pleased to report that well exceeds what you're minimum target is. Obviously, I'm real happy with that result, that's really about it. On the next page you should see the total debt service on the whole issue, then on the final page you'll see some details about how the bonds were priced. I'd be happy to answer any questions that you have.

- Councilmember Trinkle stated I appreciate you staying on top of it.
  - City Financial Advisor Dave Arteberry replied you know we had some fits and starts there about some things, but it turned out real well.
    - Councilmember Trinkle stated it's one of those things you expect, you aren't going to hear nothing, then the Mayor says well you know we've got, we need to move on this and it's good.
- Councilmember Pawlowski asked so the total amount we're refunding is 5 million give or take.
  - City Financial Advisor Dave Arteberry replied yeah.
    - Councilmember Pawlowski stated and then, so what makes it seven? Are we doing temp notes and permanent financing on the 2 million dollars?
      - City Financial Advisor Dave Arteberry replied no, the bond issue will be in the ordinance and resolution you have will be for seven million one hundred and thirty, and that is sort of split apart and there's two purposes for that money. One purpose is two million one forty-five for the high school benefit district, that's a long term financing that repays some old temporary notes. And then the balance, four million nine eighty-five, that's for the refinancing component. The temporary notes that are being issued are for the 7 Mile Project that was the first sale that is separate from the other.
        - Councilmember Pawlowski asked so we're taking the two old series and the temp notes and combining them into one.
          - City Financial Advisor Dave Arteberry replied exactly.
            - Councilmember Pawlowski asked but we'll have to go back and finance, permanently, those temp notes next year.
              - City Financial Advisor Dave Arteberry replied yes I think that is the plan.
  - Councilmember Pawlowski asked we couldn't do those right now at 2 point whatever, pretty good interest rate.
    - City Financial Advisor Dave Arteberry replied well no, the project is not done. I'll turn it over to Kevin to walk you through, if you don't have any questions, to go over the steps you need on action items.
  - City Bond Counsel Kevin Wempe stated hi Mayor, councilmembers, as Dave said, I'm Kevin Wempe from Gilmore & Bell bond counsel to the City. I can keep pretty short after Dave, I can echo what a great result it was and congratulations; and tonight for your action items, I believe you have in front of you the bond ordinance and resolution, which will need separate motions, and the note resolution, again, another separate item. Your action tonight will lock in the interest rate for these purchasers and authorize the finance team to move forward with closing with expected delivery of funds on September 10th for both the note and bond, with that, I'd be happy to answer any questions you may have on the documents in front of you.

The motion was unanimously approved.

#### **Resolution No. B-4-15, A Resolution Prescribing the Form and Details of an Authorizing and Directing the Sale and Delivery of General Obligation Refunding Bonds, Series 2015-A:**

Councilmember Studnicka moved to approve Resolution No. B-4-15, a Resolution Prescribing the Form and Details of and Authorizing and Directing the Sale and Delivery of General Obligation Refunding Bonds, Series 2015-A, of the City of Lansing, Kansas, Previously Authorized by Ordinance No. 950 of the Issuer; Making Certain Covenants and Agreements to Provide for the Payment and Security Thereof; and Authorizing Certain Other Documents and Actions Connected Therewith. Councilmember Trinkle seconded the motion. The motion was unanimously approved.

**Resolution No. B-5-15, Authorizing the Sale of General Obligation Temporary Notes, Series 2015-1, of the City of Lansing, Kansas:** Councilmember Trinkle moved to approve Resolution No. B-5-15, Authorizing the Sale of General Obligation Temporary Notes, Series 2015-1. Councilmember Brungardt seconded the motion. The motion was unanimously approved.

**Title VI Agreement and Plan:** Councilmember Trinkle moved to approve the Nondiscrimination Agreement and adopt the Title VI Program as they are presented, and make recommended modifications to the Purchasing Manual. Councilmember Studnicka seconded the motion.

- Councilmember Pawlowski stated and the way I read that is this becomes Sarah's realm of excellence.
  - City Clerk Sarah Bodensteiner replied that is correct.

The motion was unanimously approved.

### **REPORTS:**

**City Attorney:** City Attorney had nothing to report.

**City Engineer:** City Engineer had nothing to report.

**Governing Body:** Councilmember Brungardt stated great start to the school year, high school's awesome, there is construction started on the new middle school/the old high school, it's pretty cool. There's cranes, rebar, lots of things to look at, pretty excited.

Councilmember Gardner stated I'd like to thank everybody, Beth and everybody for the effort to get the rates down and the savings up. Jesse, the other day you had a real good speech at Angel Falls, I appreciate it, it was real good oration that you had for everybody. The high school visit with Dr. Bagby and Mr. Dike, I'd like to thank them for their help getting us through there, but Colby, I believe her name is Mortenson, the girl that took us through there, she had a certain level of energy and professionalism that just made us listen to everything she had to say while she was taking us through there, she did a real good job.

Councilmember Garvey stated the attendance for the ribbon cutting was awesome, it was great to see everybody out there. With that being said, do we have any other opportunities to expand the trails? I know there's an area out here by Leavenworth/Lansing Nursery, on Gillman up to Willow.

- Public Works Director John Young stated well there's a section through there where we can widen the existing 4 foot sidewalks for about \$25,000.00 to complete a connection from the new high school to the rest of the trail system. The only other remaining section to make that connection is being constructed as part of the current phase of Rock Creek Ridge subdivision. This could be done without encroaching in anyone's yard and this would probably be a good next priority.
  - Councilmember Garvey asked can you look into that for us.
    - Public Works Director John Young replied I sure will.

Councilmember McNeill stated I just want to echo the comments on Angel Falls Trail and recommend to everybody who hasn't been out there yet to go ahead and walk the trail because it's a really nice trail, it's a great addition. Prior to making a motion to adjourn I heed my time to the City Administrator.

**City Administrator:** City Administrator Tim Vandall stated one thing I forgot to mention but I put in my report, it looks like the planning commission is wanting to do a joint work session with you all to talk about a unified development ordinance and I wasn't sure we'd be able to do that at the September 24<sup>th</sup> work session, if that works for you all I'll pass that along to the planning commission.

- Councilmember Pawlowski stated wouldn't we need to give them more time than that? Oh wait, that's in September. What do we have on the Agenda?
  - City Administrator Tim Vandall replied the only other thing that evening is code updates from Sarah, so it depends on how many code updates we have on how long that would take. Do you [John Young] have any estimate on how long the planning commission discussion would take?
    - Public Work Director John Young replied I would say probably a 30 minute discussion.

**ADJOURNMENT:** Councilmember McNeill moved to adjourn. Councilmember Pawlowski seconded the motion. The motion was unanimously approved. The meeting was adjourned at 7:18 p.m.

**ATTEST:**

---

Louis E. Kirby, Mayor

---

Sarah Bodensteiner, City Clerk