

Hillsboro, Kansas
July 16, 2019

1. The city council met in regular session on Tuesday, July 16, 2019 at 4:00 p.m. in council chambers with Mayor Lou Thurston and Council members Brent Driggers, Jonah Gehring, Byron McCarty, and David Loewen present.

2. Others Present: Renee Gehring, Candidate for City Council; Greg Vahrenberg, Raymond James Public Finance; Anthony Roy, Economic Development Director; Phyllis Zorn, Hillsboro Star Journal; Josh Boehm, City Attorney; Larry Paine, City Administrator; and, Glenda Stoppel, Deputy City Clerk. Absent: Laura Paulus, Hillsboro Free Press.

3. **CALL TO ORDER** – Mayor Lou Thurston called the meeting to order at 4:00 p.m.

4. **PUBLIC COMMENTS** – none

5. **MINUTES** – Motion was made by Council member Loewen and seconded by Council member McCarty to approve the minutes of the 7/2/19 regular council meeting as submitted. Motion carried unanimously.

6. **VOUCHERS** – Motion was made by Council member Driggers and seconded by Council member McCarty to approve the vouchers in the amount of \$386,368.96. Motion carried unanimously.

7. **ELCON INVOICES** – Motion was made by Council member Driggers and seconded by Council member Loewen to approve payment of Invoice #11532 (Replace Bulb – Hillsboro Welding School), in the amount of \$298.00. Vote: Council members Driggers, McCarty, Loewen, yes; Council member Gehring, abstained. Motion carried.

8. **BOND ORDINANCE** – Greg Vahrenberg, Managing Director for Raymond James Public Finance, explained the final analysis of the \$4,075,000 General Obligation Bonds – Series 2019. The following bids were submitted using PARITY and displayed ranked by the lowest TIC:

Hutchinson, Shockey, Erley & Co.	3.763451
Crews & Associates, Inc.	3.928877
Central States Capital Markets, LLC	3.99999

Bid was awarded to Hutchinson, Shockey, Erley & Co. = 3.763451. Closing date of August 1st. Total interest expense: \$1,815,150.00, less premium of \$24,827.45 = Net interest expense of \$1,790,322.55.

The City's current Standard & Poor's Rating is a BBB+. The rating is down from past years, possibly due to the debt/issues at the hospital. The amount of the bonds was downsized from \$4,075,000 to \$4,055,000 due to payment of the premium that was bid by Hutchinson, Shockey, Erley & Co. Because the bonds are issued in \$5,000 increments, the bond was reduced to \$4,055,000.

This ordinance initiates the final step in financing the street construction projects we have underway. This bond refinances the interim financing that was approved last summer to repay the cost of building B Street from Lincoln to Adams and doing the mill/overlay of "D" Street. The projects that will be financed, in addition to the interim construction, include rebuilding Wilson Street, First Street, "C" Street, Kennedy Street, Washington Street (First to Second Streets), Lincoln Street (First to Second Streets), the culvert on Jefferson Street, and West Grand (Ash to Hickory). This ordinance will accept the results of the bond sale and direct other actions to be carried out by the mayor and city council.

Motion was made by Council member McCarty and seconded by Council member Driggers to approve Ordinance #1301 – *(AN ORDINANCE OF THE CITY OF HILLSBORO, KANSAS, AUTHORIZING THE ISSUANCE OF THE CITY'S GENERAL OBLIGATION BONDS, SERIES 2019, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,055,000, FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION TEMPORARY NOTES OF THE CITY AND FINANCING THE COSTS OF MULTIPLE CAPITAL IMPROVEMENTS IN 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.)* Council was polled with the following vote: Council member Loewen, yes; McCarty, yes; Gehring, yes; Driggers, yes. Motion carried unanimously.

9. BOND RESOLUTION – This bond resolution directs how the bonds will be issued and describes payment and redemption of the bonds as they progress through the life of the bond.

Motion was made by Council member McCarty and seconded by Council member Loewen to approve Resolution 2019-05 – *(A RESOLUTION PRESCRIBING THE FORM AND DETAILS OF AND AUTHORIZING AND DIRECTING THE SALE AND DELIVERY OF GENERAL OBLIGATION BONDS, SERIES 2019, IN THE TOTAL AGGREGATE PRINCIPAL AMOUNT OF \$4,055,000, OF THE CITY OF HILLSBORO, KANSAS, PREVIOUSLY AUTHORIZED BY ORDINANCE NO. 1301 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.)* Council was polled with the following vote: Council member Loewen, yes; McCarty, yes; Gehring, yes; Driggers, yes. Motion carried unanimously.

10. 2020 BUDGET REVIEW – City Administrator Paine said he was still working on the numbers for the budget. This year, we are getting the impact of the tax lid. Originally, the budget showed a substantial cut in expenditures needed to be made so as not to require an election. That has been fixed, and now the 2020 levy is currently at 48.454. The 2019 levy is 44.168. City Administrator Paine explained the remainder of the 2020 budget.

11. BOARD APPOINTMENTS – deferred

12. CITY ADMINISTRATOR’S REPORT –

East Grand Street Project – City Administrator Paine invited council members to check out the progress on East Grand Street. Sixty feet of brick has been laid with another 500 feet to go. Possibly, another 8 more days will need to be planned for brick laying.

Neighborhood Meeting – A neighborhood meeting concerning summer street construction projects was held on July 11th. The session went really well. There are a few things yet that need to be resolved.

13. EXECUTIVE SESSION – At 5:28 p.m., motion was made by Council member Driggers and seconded by Council member Gehring to recess into executive session regarding consultation with an attorney, which would be deemed privileged in the attorney-client relationship pursuant to K.S.A. 75-4319(b)(2). Attendance will include Josh Boehm and Larry Paine. The open meeting will resume in the council chambers at 5:45 p.m. Motion carried unanimously. Council meeting resumed at 5:45 p.m. No action was taken.

14. ADJOURNMENT – Meeting adjourned at 5:46 p.m.

/s/
LOUIS THURSTON, MAYOR

ATTEST:

/s/
GLENDA STOPPEL, DEPUTY CITY CLERK