

January 17, 2017
Reno County Courthouse
Hutchinson, Kansas

The Board of Reno County Commissioners met in agenda session with, Chairman Dan Deming, Commissioner Ron Hirst and Commissioner Bob Bush, County Administrator Gary Meagher, County Counselor Joe O'Sullivan, and Minutes Clerk Cindy Martin, present.

The meeting began with the Pledge of Allegiance and a short sectarian prayer led by Associate Pastor Kim Biery, Trinity United Methodist Church.

There were two additions to the agenda; report on the orientation in Topeka for new commissioners, report on the request for new vision aids in the commission chamber.

Mr. Bush moved, seconded by Mr. Hirst, to approve the Consent Agenda consisting of the Accounts Payable Ledger for claims payable on January 20, 2017 of \$1,108,146.82 and also consisting of pending Added, Abated and Escaped Taxation Change Orders numbered 2016-8669, 8672, 8673, and 2017-0005, 0008 through 0013, 0016 through 0021, 0023 through 0030, 0032, 0034 through 0039. Next on the consent agenda was an appointment of Darren Seyb as Albion Township Clerk as the previous Clerk, Jon Stucky, was elected Township Trustee in the recent November election. Next was the appointment of Kevin Rimbey as Valley Township Clerk as the previous Clerk, Andrew Blubaugh, moved and resigned said position. Last item on agenda was the reappointment of Jeanette Marks, Chris Owens and Randy Lind to the Health Department Advisory Board for a three year term from 1/1/17 to 12/31/19. The motion was approved by a roll call 3-0.

Mr. Bush moved, seconded by Mr. Hirst, to open the public hearing. The motion was approved by a 3-0 vote.

County Planner Mark Vonachen met with the Board to recommend approval for Planning and Zoning Case No. 2016-06, a request by Reno County Sewer District #3/10 to vacate a portion of Redwood Road located South of Juniper Drive and North of West 69th Avenue in Blue Spruce Subdivision north of Hutchinson. He reminded the commission that three things have to be found in order to grant the vacation; (1) proper notice was provided to

the public, (2) the public will suffer no loss or inconvenience from the vacation, (3) no private rights will be injured or inconvenienced. He stated that staff and Planning Board voted 7-0 to approve the request. If approved today Mr. Vonachen will prepare a resolution for next week's approval to order the vacation of the road.

Mr. Bush moved, seconded by Mr. Hirst, to close the public hearing. The motion was approved by a 3-0 vote.

Mr. Hirst moved, seconded by Mr. Bush, to approve the Planning and Zoning Case No. 2016-06, requested by Reno County Sewer District #3/10 to vacate a portion of Redwood Road located between Juniper Drive and West 69th Avenue in Blue Spruce Subdivision as discussed. The motion was approved by a roll call 3-0.

Commissioner Hirst asked that if in the issuance of the bonds for Sewer District #8, who is responsible for the ad valorem tax that would pay for the bonds. County Administrator Gary Meagher replied that the taxes would pay for the majority of the payments along with user fees. Mr. Hirst asked if they do not pay then is the county as a whole responsible for paying the note. Mr. Meagher stated yes since they are were backed by the full faith and credit of the county.

Bond Attorney Kevin Cowan of Gilmore and Bell stated this was a unique structure for this particular project by using ad valorem tax on the district and user fees. Only if one of those were insufficient would the county have any at-large responsibility. Mr. Cowan explained the "Double Barrel Bond" is a dedicated revenue source where you want to have the notes payable from initially, then if one of those fails you have the backstop of the county which helps you get a lower borrowing cost giving you the double barrel aspect.

County Counselor Joe O'Sullivan noted even if in one year the revenue shortfall for the sewer district existed that shortfall could be picked up the next year. Mr. Cowan replied yes it could be picked up then.

Last week Mr. Cowan pointed out the process. This note resolution's details are that it is a two year maturity with a plan to close on January 27th to February 1, 2017. He stated the maturity of the note would then be February 1, 2019. Mr. Cowan further stated the note is callable for redemption with early payment after one year, so February 1, 2018. At the commission's

discretion, you could call them in and pay them off and then issue the permanent bonds at that time or any time after depending on the how the construction schedule goes. The interest rate is 2.25 percent from First National Bank with an interest cost of about \$26,000 a year. After the permanent bonds are issued, if you payoff in a year it would be the \$1,170,000 plus \$26,000 interest and with two years maturity it would be \$52,000 interest at pay off. Mr. Deming asked if they were selling permanent bonds today what could we expect for an interest rate. Mr. Cowan replied it depended on the length of the issue but he did check the Bloomberg's website and rates are down today. Over the last month interest rates jumped up a little after the election but were still very low. He stated if you had a twenty year bond with AAA rating it would be in the mid to upper 2's.

Mr. Hirst moved, seconded by Mr. Bush, to approve resolution #2017-03; A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE, SALE AND DELIVERY OF GENERAL OBLIGATION TEMPORARY NOTES, SERIES 2017-1, OF RENO COUNTY, KANSAS; PROVIDING FOR THE LEVY AND COLLECTION OF AN ANNUAL TAX, IF NECESSARY, FOR THE PURPOSE OF PAYING THE PRINCIPAL OF AN INTEREST ON SAID NOTS AS THEY BECOME DUE; MAKING CERTAIN CONVENANTS AND AGREEMENTS TO PROVIDE FOR THE PAYMENT AND SECURITY THEREOF; AND AUTHORIZING CERTAIN OTHER DOCUMENTS AND ACTIONS CONNECTED THEREWITH. The motion was approved by a roll call 3-0 vote. This is for Sewer District #8. Mr. Cowan reiterated the closing would be on January 27th, 2017 recommending the Chair sign assembled documents after approval.

Mr. Meagher went over the Mortgage Registration Tax and Recording Fee Revenue for 2016. He introduced the new Registrar of Deeds, Michelle Updegrove, who will be presenting the report in the future. He stated that we received less in 2016 than 2015 for both and then went on to explain some of the possible reasons for the drop. The mortgage registration tax is being stepped down over a five year period and increased the recording fees to compensate for the decrease in mortgage tax. In Reno County it was projected to be about even however we are not seeing that as it is still decreasing. This is one of the major revenue resources for the county so we are seeing a flat revenue stream and will take that into consideration when preparing the budget.

Commissioner Deming asked about the decrease in revenue from other counties. Mr. Meagher explained that if companies have multi county mortgages and they pay revenue but have

property in another county, we would pay them the fees like in 2015.

Mr. Meagher was also available to briefly discuss providing better visibility for the public to see the agenda by purchasing flat screen TV's, one larger one to put behind the commission and a fifty-five inch for the south wall for \$900 to \$1,000. One of the problems they have is the resolution on the projector is old technology and if we try to use both, the projector and a big screen TV, it will give us a smaller image on the TV. Trading out the projector we can get the resolutions compatible giving the Board a larger size screen to view items and the one behind you will be in tandem so the public will see the same items.

Mr. Meagher stated the flags have been moved out.

Commissioner Deming mentioned having the goals and changes by January 31st meeting.

Commissioner Bush wanted to wait for a few months to obtain more information to develop goals. Mr. Bush wanted to push the date to May to have fore thought before making any changes. This timeline will also give Mr. Deming time to discuss this publicly to see what people in the community would like to see us accomplish.

Commissioner Hirst would like to not push it off too far and stated the first part of May would be fine to be able to get started on the year.

Commissioner Hirst outlined an interesting, educational, and informative Kansas Association of Counties meeting in Topeka for new commissioners. There were about 100 participants represented. His table had counties that were small to large and all directions discussing ideas and views. He said it gave us opportunities for networking and TO make contacts. They went over the open meetings law and a study on health and safety of Public Works.

Commissioner Hirst wanted to remind the public on January 25th in the afternoon is local government day in Topeka. That is where the city and counties come together to listen to their representatives talk. He believes that Reno County should be involved since new legislation this year and issues from the last session. He will be going and would like others to attend. Mr. Bush will also be attending.

At 9:30 the meeting adjourned until 9:00 a.m. Tuesday,
January 24, 2017.

Approved:

Chair, Board of Reno County Commissioners

(ATTEST)

Reno County Clerk
cm

Date