

City of Tonganoxie
City Council Minutes
04/19/10

The Governing Body of the City of Tonganoxie met for a special meeting in the Tonganoxie City Council Chambers on April 19, 2010, at 6:30 pm for the purpose of reconsidering the bond issue that was approved at the last regular meeting April 12, 2010 to include the construction of 4th Street Phase III and the Engineering inspection costs associated with that project. Mayor, Mike Vestal; Councilmembers Jason Ward, Jim Truesdell, Burdel Welsh, Tom Putthoff and Paula Crook were present.

Also present were Asst City Administrator, Kathy Bard, City Administrator, Mike Yanez and City Attorney, Mike Kelly, City Superintendent Butch Rodgers and Utility Superintendent Kent Heskett.

Mayor Michael Vestal explained why he requested the council members call the meeting. City Administrator Mike Yanez went over each project and the construction dollars associated with each project. He said at the previous meeting there were incorrect numbers inadvertently presented which inflated the bond issue. The dollar figures presented tonight are all correct to the best of our knowledge.

He explained the mills needed in 2011 budget for the Bond & Interest Fund with the 4th Street Construction and inspections included were 12.78. If the bonds are issued without including the cost of 4th Street then the mills needed will be 12.25. The difference is .53 mills or an annual cost of \$6.10 on a \$100,000 home. The mills described are assuming there is no revenue other than ad valorem tax.

The Council was disappointed in staff for presenting incorrect information and requested in the future when action is requested they would like previous actions and previous direction given to staff to be included in the packet.

Councilmember Putthoff said his feelings have not changed. A half of a mill is a half of a mill and he did not want any potential tax increase approved.

Councilmember Ward said doing the project simultaneously with the water line as previously planned, provides the economics of efficiency. He said, when the project was discussed at the last meeting he did not ask the questions whether the waterline needed to go in now or if it could wait and if the projects could be performed as stand alone projects without increasing the overall cost of the project. At this point, we are faced with financial issues, partnership issues, utility and contractor issues. He said, at this point he wants to move forward and do both projects simultaneously.

Councilmember Crook said the council is not going to see the bid prices this low again. We need to keep up with our street improvement projects and maintenance if the City chooses to defer this they are all going to start falling apart.

Financial Advisor Tom Kaleko said with the lower bond issue amount the cost of issuance would also reduce and they would not rate this issue and it would not be a competitive bid.

At this time the Mayor allowed public input. Bill Peak, 612 Washington said he has spoken against doing the 4th Street Phase III construction and inspection at least eight times.

He said when projecting future payments they should be done on a zero valuation assumption. Borrowing money to fix roads is not good. He said he does not see the validity of the project and he does not want to see taxes increase. He said he has seen the council quibble over a 2% pay increase or a \$500 invoice. These items are questioned and projects of this magnitude are approved with a head nod. He said the entire thing is suspect.

Dennis Bixby, 704 East Street said he wanted to applaud the council for re-looking at this project and the financing of the project. He said the Fire Department expansion he is for it 100% and he is 100% for replacing the Pleasant Street Bridge. He said 4th Street today is a good road and we are not growing and don't need to improve it. He said last week there was a \$300,000 error in the numbers. He asked the council what makes you think these numbers are correct. He said it was going to take eight years for the city to recover from the economic slump. He added the 2nd & Cox project was shelved for over 10 years when money was tight.

Councilmember Welsh said we will need to prepare a realistic budget for 2011. He said with the public's persistence they nickel and dimed the budget to death for 2010, for what amounted to the cost of a pizza, counting on a light winter that did not happen and now we cannot afford maintenance.

First Resolution includes all the projects. Thereupon, there was presented a Resolution entitled:

A RESOLUTION DETERMINING AUTHORIZING THE IMPROVEMENT OR REIMPROVEMENT OF CERTAIN MAIN TRAFFICWAYS WITHIN THE CITY OF TONGANOXIE, KANSAS; PROVIDING FOR THE PAYMENT OF THE COSTS THEREOF; AND REPEALING RESOLUTION NO. 04-10-06.

Thereupon, Councilmember Jim Truesdell moved that said Resolution be adopted. The motion was seconded by Councilmember Paula Crook. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, being as follows:

Yea: Paula Crook, Jim Truesdell and Jason Ward.

Nay: Tom Putthoff and Burdel Welsh.

Thereupon, the Mayor declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. 04-10-07 and was signed by the Mayor and attested by the Clerk.

Next Resolution authorized the Fire Station expansion. Thereupon, there was presented a Resolution entitled:

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE CONSTRUCTION OF IMPROVEMENTS TO AN EXISTING PUBLIC BUILDING IN THE CITY OF TONGANOXIE, KANSAS; PROVIDING FOR THE PAYMENT OF THE COSTS THEREOF; AND REPEALING RESOLUTION NO. 04-10-02.

Thereupon, Councilmember Burdel Welsh moved that said Resolution be adopted. The motion was seconded by Councilmember Jason Ward. Said Resolution was duly read and considered, and upon being put, the motion for the adoption of said Resolution was carried by the vote of the governing body, being as follows:

Yea: Tom Putthoff, Jim Truesdell, Jason Ward and Burdel Welsh.

Nay: Paula Crook.

Thereupon, the Mayor declared said Resolution duly adopted and the Resolution was then duly numbered Resolution No. 04-10-08 and was signed by the Mayor and attested by the Clerk.

And finally, the matter of providing for the offering for sale of General Obligation Bonds, Series 2010A, came on for consideration and was discussed.

Councilmember Jim Truesdell presented and moved the adoption of a Resolution entitled:

**RESOLUTION AUTHORIZING THE OFFERING FOR SALE OF
GENERAL OBLIGATION BONDS, SERIES 2010A, OF THE CITY OF
TONGANOXIE, KANSAS, AND REPEALING RESOLUTION NO. 04-
10-03.**

Councilmember Jason Ward seconded the motion to adopt the Resolution. Thereupon, the Resolution was read and considered, and, the question being put to a roll call vote, the vote thereon was as follows:

Aye: Paula Crook, Jim Truesdell and Jason Ward.

Nay: Tom Putthoff and Burdel Welsh.

The Mayor declared the Resolution duly adopted; the Clerk designating the same Resolution No. 04-10-09.

With no further discussion for the work session there was a **motion** by Crook to adjourn. Second by Putthoff. Motion carried. All Ayes. Aye 5. Meeting adjourned at 6:55 PM.

Respectfully submitted,
Kathy Y. Bard
Asst. City Administrator/City Clerk