

LINDSBORG CITY COUNCIL
J.O. Sundstrom Conference Center
April 5, 2021– 6:30 p.m.
Meeting Minutes

MEMBERS PRESENT:

Becky Anderson, Mark Friesen, Rick Martin, Blaine Heble, Emile Gallant, Rebecca Van Der Wege, Ed Radatz, Kirsten Bruce

ABSENT:

Jodi Duncan

OTHERS PRESENT:

Lucas Neece, Roxie Sjogren, Bill Gusenius, Greg DuMars, Chris Lindholm, Holly Lofton, David Hay, Chief Michael Davis, Gary Shogren, James Roraback, Amy Roraback, Mike Dreier, Stacey Lott, Roma Roebke

The meeting was called to order at 6:30 p.m. by Mayor Becky Anderson followed by the pledge of allegiance.

PUBLIC INPUT:

James Roraback spoke in regard to the how the City was billing for electric service after the February weather event. Stacey Lott, member of the Covenant Church, shared that they pray weekly for the Council and wanted to thank for their service.

AMENDMENTS TO THE AGENDA:

No amendments to the agenda.

MAYOR'S REPORT:

Mayor Anderson congratulated Bethany College on the 140th continuous presentation by the Bethany Oratorio Society. Mayor Anderson also thanked the Smoky Valley School administrators, teachers and parents who are making Prom possible this year for the kids. She asked that we all agree to disagree and do so with kindness and respect.

CONSENT AGENDA: Rick Martin moved to approve the minutes of the March 15, 2021 regular council meeting, Payroll Ordinance 5289, and Purchase Order Ordinance 5290. Motion seconded by Blaine Heble and passed unanimously by roll call vote.

APPOINTMENTS:

Emile Gallant moved to appoint Kade Stover to the Lindsborg EMS . Seconded by Ed Radatz and passed unanimously by voice vote.

PLANNING & ZONING: Gary Shogren gave an update on the Comprehensive Plan hearing and that the Planning & Zoning Commission approved the updated Comprehensive Plan.

OLD BUSINESS: No old business

NEW BUSINESS:

Insurance Renewal

The insurance package for the City of Lindsborg—except for workers compensation insurance—runs from April 1 to March 31; the City brokers insurance services. The current insurance broker is the Fuqua Insurance Group.

This year, due to legal reasons, Fuqua was not able to just bill us a flat Broker Fee. This fee must be included in the premiums and are based upon a percentage of the premiums.

Mark Friesen moved to approve the insurance proposal from Fuqua Insurance Group in the amount of \$114,099.00. Seconded by Emile Gallant and passed unanimously by roll call vote.

Industrial Revenue Bond (IRB) Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing

In order to move forward with issuing Industrial Revenue Bonds, a TEFRA hearing is required to be held.

This refers to a 1982 law, the Tax Equity and Fiscal Responsibility Act. In a TEFRA hearing, the hearing is opened, and opportunity is provided for public comment on the advisability of issuing Industrial Revenue Bonds for the financing of the childcare facility, and then the public hearing is closed.

At 6:51pm, Mayor Anderson opened the public hearing for issuance by the City of Lindsborg of tax-exempt industrial revenue bonds for the Sprout House Learning Center for the construction, furnishing and equipment of approximately 10,000 square foot facility at Wells Fargo Road and Emerald Drive.

Mike Dreier spoke on behalf of Sprout House as the board president; he offered his thanks to the City and Council.

The hearing was closed by Mayor Anderson at 6:53pm

Charter Ordinance No. 24 – Sewer Improvement Band Issuance

In 2010, the wastewater treatment plant was upgraded. This upgrade was financed through KDHE Revolving Loan program. The revolving loan could be refinanced through the issuance of bonds. The refinance would save approximately \$110,000 over the remaining life of the debt. Bond counsel has informed City staff that to issue bonds would require a referendum under state statute for new sewer projects. Since the original financing was a revolving loan, the refinancing through the use of bonds is considered a new sewer project and necessitates referendum passage to use bonds.

Under the Kansas statutes, when statutes do not apply equally to all classes of cities, a municipality may “charter” out of the statute and through Home Rule establish its own ordinance governing the issue. The statute concerning the requirement for a referendum for new sewer projects using bond financing is non-uniform across classes of cities.

To charter out of state statute, a municipality adopts a charter ordinance opting out of state statute. A charter ordinance is subject to protest petition. The ordinance must be published one time, for two consecutive weeks. Upon second publication there is a 60-day protest period. During this time, a sufficient protest petition may be filed which would require a vote on the charter ordinance. If no protest petition is filed, then on the 61st day after the second publication the charter ordinance becomes effective.

Charter Ordinance No. 24 would “charter” the City of Lindsborg out of state statute requiring a referendum to issue bonds for new sewer projects. For a charter ordinance to be adopted it must pass by a minimum of 2/3 majority.

Rick Martin moved to approve Charter Ordinance No. 24. Seconded by Kirsten Bruce and passed unanimously by roll call vote.

Resolution No. 05-2021: Authorizing the WWTP Project Financed by KDHE Loan

Resolution No. 05-2021 authorizes the wastewater treatment plant project (WWTP) which was originally financed through the Kansas Department of Health & Environment (KDHE) Revolving Loan. The resolution would authorize the project which is a condition of issuing bonds. The bond proceeds would be used to refinance the remaining \$1,997,366.35 debt on the KDHE Revolving Loan which was used to finance the WWTP upgrade in 2010. The estimated savings in refinancing the revolving loan through the issuance of bonds is approximately \$110,000.

Ed Radatz moved to approve Resolution No. 05-2021. Seconded by Blaine Heble and passed unanimously by roll call vote.

Resolution No. 06-2021: Authorizing the Sales of Bonds and Prepayment of KDHE Loan

Resolution 06-2021 would authorize the sale of bonds through private placement and also authorize prepayment of the Kansas Department of Health & Environment (KDHE) Revolving Loan with the proceeds of the bond issuance. The resolution would cause to be prepared a Preliminary Official Statement (POS) for the sales of the bonds. The following parameters are placed on the sale of the bonds: 1) the principal amount of the bonds shall not exceed \$2,000,000, and 2) the net present value of saving of prepaying the KDHE Loan shall not be less than 4%.

Kirsten Bruce moved to approve Resolution No. 06-2021. Seconded by Rick Martin and passed unanimously by roll call vote.

Resolution No. 07-2021: Authorizing Issuance of IRBs for Childcare

The attached resolution would need to be adopted in order to move forward with issuing Industrial Revenue Bonds (IRBs) for Sprout House. The interest in issuing IRBs for the project is twofold: firstly, it would create a project exemption certificate for the project, saving approximately \$60,000 on for the project. Secondly, it is a financing mechanism to finance the project over time. While Sprout House has already raised approximately 75% of the cost of the project, this financing mechanism allows some flexibility in getting construction started.

It is necessary to find that the project will “promote, stimulate and develop the general economic welfare and prosperity of the Issuer, and thereby promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas.”

This project has been a priority both of the broader community and of City Council because of its overwhelming public purpose.

It is notable that specifically, the Issuer is not obligated on these bonds beyond the requirements of issuing them. Sprout House is responsible for paying the bonds.

Rebecca Van Der Wege moved to approve Resolution No. 07-2021 determining the advisability of issuing Industrial Revenue Bonds for the purpose of financing the acquisition, construction, furnishing and equipping of a childcare facility to be located in Lindsborg, and authorizing execution of related documents. Seconded by Blaine Heble and passed unanimously by roll call vote.

Digital Billboard

Outfront Media has offered a reduced rate to place digital billboards in the Kansas City Metro area. CVB staff has contacted members of the business community to partner to place these billboard ads, May – September 2021 at a cost of \$2,100 per month. The KC Metro area is one that frequently brings overnight stays to our community and 2021 will be a year that more people choose to travel regionally due to COVID pandemic restrictions. This could bring an audience to Lindsborg that will continue to visit for many more years. Six Outfront Media billboards will be in the mix, offering our advertising in multiple choice locations in the Kansas City area.

CVB staff recommends approval of this plan with a \$1,000 to come from the Transient Guest Tax fund and the remaining \$9,500 to come from the business community, (Total of \$10,500 for five months of digital billboard service.) Currently, twelve entities are partnering to collectively meet this total billboard contract cost.

Blaine Heble moved to approve of the use of \$10,500 for digital billboard advertising with Outfront Media in the metropolitan Kansas City area with \$1,000 to be used from transient guest tax funds and partnering with the local business community for \$9,500 for the total of \$10,500. Seconded by Ed Radatz and passed unanimously by roll call vote.

Mandatory Mask Ordinance Discussion

Ordinance No. 5267 implemented the wearing of face masks when inside a public place. The ordinance defines what is a public place and outlines exceptions to wearing a mask. The ordinance remains in effect until rescinded by City Council action. A request was received to discuss what benchmarks or metrics that will be used to rescind or amend Ordinance No. 5267. There are several different metrics that could be used. These include percent of positive cases, number of positive cases, active cases, hospitalizations, percent of population receiving at least one vaccination, or percent of population being fully vaccinated. Additionally, are the metrics used to be evaluated on a countywide basis, area county basis, statewide or nationally.

Currently in the Kansas Legislature, Senate Bill 286 has had a hearing. The bill would allow for business compensation for governmental taking due to the COVID-19 pandemic. Requiring face masks in public places, including businesses, are defined as a public place under Ordinance 5267, would constitute a governmental taking if the unit of government required the business to enforce the mandatory face mask requirement. This bill has not passed yet but is still active in the legislature. Under SB 286, if a mandatory mask ordinance was in place on May 31, 2021 and the unit of government

required the business to enforce the ordinance, a business could file a claim against that unit of government for governmental taking.

Blaine Heble moved to rescind the mask ordinance. Seconded by Rick Martin. City Attorney Bill Gusenius informed Council that they should have a written ordinance to the rescind the mask mandate prior to voting. Blaine Heble withdrew his motion, Rick Martin withdrew his second of the motion.

Council directed staff to prepare an ordinance for the April 19 Council meeting, rescinding Ordinance No. 5267 mandating masks and that the ordinance to rescind be effective mid-May 2021.

EXECUTIVE SESSION: Matters related to Purchase of Real Estate

Rick Martin moved to go into executive session to discuss the acquisition of real estate exception K.S.A. 75-4319(b)(6) for 15 minutes and to include the assistant city administrator, city administrator and the city attorney. The open meeting will resume at 7:53 p.m. Seconded by Ed Radatz and passed unanimously by voice vote.

Mayor Anderson reported the no action was taken.

OTHER:

Greg DuMars explained how/why the City is billing for the February weather incident.

Chief Davis informed Council that he met with the Board of Emergency Management on April 1 regarding the City's EMS being out of service. They will be issuing a \$5000 fine and have a hearing to start proceedings to revoke the City's license for EMS.

There will be a capital improvement budget meeting on Monday, April 26 at 6:30pm.

ADJOURNMENT:

Moved by Kirsten Bruce and seconded by Ed Radatz and passed unanimously. Adjourned at 8:27 p.m.

Respectfully Submitted,
Roxie Sjogren
City Clerk