

July 7, 2016

The regular meeting of the London City Council was called to order by President Jennifer Hitt. She led those present in the Pledge of Allegiance and observed a moment of silent reflection.

ROLL: Trint Hatt, present; Rex Castle, present; Brenda Russell, present; Dick Minner, present; Lora Long, present; Josh Peters, present; Megan Douglas, absent.

MINUTES of the June 23 will be available at the July 21 meeting.

CORRESPONDENCE/ANNOUNCEMENTS:

Girl Scout group 2362 addressed city council. Riley Douglas, Kitty Byrd, Madison Epps, Peyton Cave, and Sophia Nelson presented their community project for a free library exchange box to be located at Cowling Park. The box will be attached to a pole between the shelter house and the monkey bars. Landscaping will be done around the pole. The book exchange box will be ready by August 12. There is no expense for the city and the upkeep will be done by the girl scout group. Donations are welcome.

The girls are dedicating the exchange box to Mary Pat Murry who passed away from ALS in 2014.

Group leaders are J.T.Byrd, Nikki Bryd, and Adrean Daniels.

President Hitt thanked the group for coming in this evening and commended them on their great presentation. She thanked them for their investment in the community and for doing something nice.

Mr. Mike Burns, a financial advisor with Robert W. Baird & Company, addressed council. Mr. Burns passed out information to council members regarding his presentation and for their review. He explained that he's been working with city administration regarding refinancing bonds for Keny Boulevard.

There's also been discussion regarding purchasing new bonds for the renovation of the former London City School building purchased by the city for purpose of centralizing city offices.

He explained that the city secured a 20 year bond in 2011 for about \$2.89 million for the Keny Boulevard project. The interest rates have continued to climb from 1.2% to 2.05% with a projected rate of 4.75% by 2030 with the city paying a total of \$4.4 million.

Mr. Burns went over the handouts and discussed the options and process. He proposed that the 2011 outstanding bonds for the Keny Boulevard project be refinanced saving the city approximately \$103,744.

Mr. Burns explained the difference between a direct placement and public offering bond. Direct placement bonds are limited to 15 years and the sale is limited to a number of investors, avoiding the need for federal registration if the securities are purchased for investment as opposed to resale.

The direct placement bonds would have an anticipated interest rate around 2.1 percent. It would be about 2.36 percent with his fee calculated, for a savings of about \$103,744.

With the public offering bond, the sale is offered through under writers who have the responsibility to place the offering with individual and institutional investors, creating more work for city administrators. With a public offering, the interest rate would be approximately 1.95 percent and with is fee calculating, approximately 2.13. This would be a cost savings of about \$122,446.

Councilman Hatt asked if the interest rates change monthly.

Mr. Burns said the rates are changing constantly.

Councilman Castle asked if these rates will be locked in.

Mr. Burns confirmed that it would be a fixed rate.

Councilman Castle recapped that the one piece of legislation is to refinance a current loan. The bond will be refinanced to terms ending the same time as the initial bonds. The interest rate will be lower, saving the city money.

The other bond is for a project we are not sure we are going to do.

Auditor Nick Szabo asked that council suspend the three reading rule for Ordinance No. 135-16 so they get started on the process. This does not commit the city. "It allows banks to compete and see what we get."

Councilman Castle also pointed out that the current bonds rates have increased steadily. With this refinanced bond, we'll know what the payments will be.

Mr. Burns added that it is not changing the structure of the bond, just trying to create a level savings.

PUBLIC HEARINGS: None

AUDIENCE CONCERNS: None

COMMITTEE REPORTS: Councilman Castle reported that the auditor's office auditor was completed by the state and they received good comments. The next finance committee meeting is July 18, 6:00 p.m.

Councilman Peters announced that the next public service is July 14, at 6:00 p.m.

President Hitt reminded the next public safety committee meeting is July 12 and the next city properties meeting is July 20, 7:00 p.m.

CITY OFFICIAL REPORT: Mayor Pat Closser gave his administrative update at this time.

Safety Service Director Joe Mosier shared a thank you from Susie Bennett to everyone who helped get the pool ready for their swim meet. The swim meet went well.

He also thanked the Student Mission Life Camp who donated their time at Cowling Park adding mulch around the trees and edging sidewalks. The effort was coordinated through Julia Cummings of the Soil and Water Conservation District.

The group will be working on the bike trail tomorrow.

Auditor Nick Szabo reported that his office had a "clean" report from the state auditor's office.

He asked that Ordinance 134-16 go three readings. He also asked that all council members attend the next finance committee meeting as there is a lot to discuss.

Auditor Szabo asked that council suspend the readings on the Keny Boulevard legislation so they can move forward on the process. It is an opportunity for the city to save some money.

NEW BUSINESS: RESOLUTION 133-16 Sponsored by: Rex Castle A RESOLUTION INCREASING APPROPRIATIONS Motion by Castle to place on first reading, second by Hatt. President Hitt read. Councilman Castle explained \$30,000 was donated to the city to be used specifically for the pool and recreation department. The donation just needs to be appropriated so it can be spent.

Motion by Castle to suspend the rules, second by Hatt. Roll to suspend: Hatt, yes; Castle, yes; Russell, yes; Minner, yes; Long, yes; Peters, yes.

Motion by Castle to adopt, second by Minner. Roll to adopt: Castle, yes; Russell, yes; Minner, yes; Long, yes; Peters, yes; Hatt, yes.

ADOPTED.

ORDINANCE 134-16 AUTHORIZING THE ISSUANCE OF BONDS IN THE AMOUNT OF NOT TO EXCEED \$1,435,000 FOR THE PURPOSE OF RENOVATING AND IMPROVING AN EXISTING FACILITY FOR MUNICIPAL ADMINISTRATIVE PURPOSES, INCLUDING SITE IMPROVEMENTS AND APPURTENANCES THERETO; FURNISHING AND EQUIPPING THE SAME; AND ACQUIRING LAND AND INTERESTS IN LAND AS NECESSARY IN CONNECTION THERETO; AND AUTHORIZING AND APPROVING RELATED MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS Sponsored by: Rex Castle Motion by Castle to place on first reading, second by Peters. President Hitt read.

Councilman Castle explained that this legislation has all the legal terms and conditions to seek out a bond for the renovation for the primary bulding. He noted that the city is still waiting on things from that project.

Councilman Peters questioned the amount of the bond. Auditor Szabo explained that it covers all related costs for the bond too. This legislation does not obligate the city.

LEFF ON 1ST READING.

ORDINANCE 135-16 AUTHORIZING THE ISSUANCE OF BONDS IN THE AMOUNT OF NOT TO EXCEED \$2,215,000 FOR THE PURPOSE OF ADVANCE REFUNDING A PORTION OF BONDS ISSUED IN FEBRUARY 2011 FOR THE PURPOSE OF CONSTRUCTING AN EXTENSION OF KENY BOULEVARD, TOGETHER WITH ALL NECESSARY APPURTENANCES THERETO; AND AUTHORIZING AND APPROVING RELATED MATTERS IN CONNECTION WITH THE ISSUANCE OF THE BONDS Sponsored by: Rex Castle Motion Minner to place on first reading, second by Long.

Councilman Castle explained that this is for the Keny Boulevard project. It's been recommended that the rules be suspend to take advantage of the lower interest rates.

Councilman Peters asked how much money will be saved.

Councilman Castle replied approximately \$103,744.00.

Councilman Hatt asked if monies could be used to take care of current issues on Keny Boulevard with it falling apart.

The response was "no, we do not have the ability to cover repair work with th at money."

Motion by Castle to suspend rules, second by Peters. Roll to suspend: Russell, yes; Minner, yes; Long, yes; Peters, yes; Hatt, yes; Castle, yes.

Motion by Russell to adopt, second by Long. Roll to adopt: Minner, yes; Long, yes; Peters, yes; Hatt, yes; Castle, yes; Russell, yes. **ADOPTED.**

ORDINANCE 136-16 APPROVING A WRITTEN POST-ISSUANCE COMPLIANCE POLICY IN CONNECTION WITH THE ISSUANCE OF TAX-EXEMPT AND TAX-PREFERRED OBLIGATIONS BY THE CITY OF LONDON Sponsored by: Rex Castle Motion by Russell to place on first reading, second by Castle. Clerk read.

This needs to be passed this evening to apply for the bonds. This piece of legislation does not obligate the city.

Mr. Burns explained why.

President Hitt shared that this legislation language was approved by the law director.

Motion by Catle to suspend rules, second by Long. Roll to suspend: Long, yes; Peters, yes; Hatt, yes; Castle, yes; Russell, yes; Minner, yes.

Motion by to adopt, second by Long. Roll to adopt: Peters, yes; Hatt, yes; Castle, yes; Russell, yes; Minner, yes; Long, yes. **ADOPTED.**

RESOLUTION 137-16 Sponsored by: Trint Hatt A RESOLUTION AUTHORIZING THE SAFETY SERVICE DIRECTOR TO ENTER INTO A CONTRACT FOR THE PURCHASE OF A PRE-OWNED FIRE APPARATUS

Motion by Long to place on first reading, second by Russell. President Hitt read.

Councilman Hatt explained that this will allow for the Mr. Mosier to put out bids for a new truck.

Chief Eades said he would have the finances legislation to move money prepared for the next meeting

Motion by Hatt to suspend rules, second by Castle. Roll to suspend: Hatt, yes; Castle, yes; Russell, yes; Minner, yes; Long, yes; Peters, yes.

Motion to adopt by Hatt, second by Russell. Roll to adopt: Castle, yes; Russell, yes; Minner, yes; Long, yes; Peters, yes; Hatt, yes.
ADOPTED.

RESOLUTION 138-16 A RESOLUTION AUTHORIZING THE SAFETY SERVICE DIRECTOR TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT TO SELL PROPERTY UNNEEDED, OBSOLETE OR UNFIT FOR MUNICIPAL PURPOSES Sponsored by: Trint Hatt Motion by Long to place on first reading, second by Russell. President Hitt read.

Councilman Hatt explained that this gives Mr. Mosier the authorization to seek bids and enter into a contract. Once the best bid is determined, he will come back with legislation for funding.

It would be best to suspend the rules, in case a good offer comes in. Authorization will be in place.

Motion by Long to suspend rules, second by Russell. Roll to suspend rules: Russell, yes; Minner, yes; Long, yes; Peters, yes; Hatt, yes; Castle, yes.

Motion by Russell to adopt, second by Long. Roll to adopt: Minner, yes; Long, yes; Peters, yes; Hatt, yes; Castle, yes; Russell, yes.
ADOPTED.

ORDINANCE 139-16 A RESOLUTION ASSESSING THE COSTS OF THE REMOVAL OF HIGH GRASS AND WEEDS AND DECLARING AN EMERGENCY Sponsored by Trint Hatt Motion by Russell to place on first reading, second by Hatt. President Hitt read.

Councilman Hitt explained that this is to access the property owner for cleaning up and mulching their property on 16 East High Street where their building was demolished.

Motion by Russell to suspend rules, second by Hatt. Roll to suspend rules: Long, yes; Peters, yes; Hatt, yes; Castle, yes; Russell, yes; Minner, yes.

Motion by Russell to adopt, second by Hatt. Roll to adopt: Peters, yes; Hatt, yes; Castle, yes; Russell, yes; Minner, yes; Long, yes.
ADOPTED.

ROUND TABLE: Councilman Hatt thanked the Girl Scout group for their community project offer. He commended them on their great presentation.

He also thanked Mr. Burns for his presentation.

Councilman Castle thanked everyone for coming in this evening. He enjoyed the 4th of July parade and was impressed with the attendance. The parade gets better every year.

Councilwoman Russell thanked the Girl Scouts for coming in this evening. She thanked the Mayor for organizing the 4th of July parade. She is looking forward the Jazz and Rib festival.

Councilwoman Long thanked the Girl Scouts for coming in and told them they did a good job with the presentation. She promised to donate books for their community project.

Councilman Peters thanked the Girl Scouts for their community project. He also thanked Mr. Burns. He commented on how great the 4th of July parade was.

President Hitt announced that council will be adjourning to executive session. There will be no further business afterwards.

EXECUTIVE SESSION: Motion by Councilman Castle motioned to enter into executive session, which must be a majority of a quorum of the public body, to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee or official. Mayor and Safety-Service Director were invited to join council in the executive session. Motion was second by Councilman Hatt.

Roll to enter into executive session: Hatt, yes; Castle, yes; Russell, yes; Minner, yes; Long, yes; Peters, yes.

REGULAR MEETING: Motion by Caste to enter back into the regular meeting, second by Hatt. Roll call: Castle, yes; Russell, yes; Minner, yes; Long, yes; Peters, yes; Hatt, yes.

ADJOURN: Motion to adjourn by Russell.

Arlene Duffey, Clerk of Council

Jennifer Hitt, Council President