

**MEETING OF THE BOARD OF COUNTY COMMISSIONERS
SITTING AS THE GOVERNING BODY OF FIRE DISTRICT #1**

REGULAR MEETING

May 26, 2010

The Regular Meeting of the Board of the County Commissioners of Sedgwick County, Kansas, was called to order at 10:20 a.m., on Wednesday, May 26, 2010, in the County Commission Meeting Room in the Courthouse in Wichita, Kansas, by Chairman Karl Peterjohn; with the following present: Chair Pro Tem Gwen Welshimer; Commissioner David M. Unruh; Commissioner Tim R. Norton; Commissioner Kelly Parks; Mr. William P. Buchanan, County Manager; Mr. Rich Euson, County Counselor; Mr. Chris Chronis, Chief Financial Officer; and Ms. Katie Asbury, Deputy County Clerk.

GUESTS

ROLL CALL

The Clerk reported, after calling roll, that all Commissioners were present

NEW BUSINESS

- A. A RESOLUTION DECLARING AN INTENT TO ISSUE GENERAL OBLIGATION BONDS FOR THE FIRE DISTRICT IN ORDER TO PAY ALL OR A PORTION OF THE COSTS OF FINANCING THE ACQUISITION OF LAND AND THE DESIGN, CONSTRUCTION, REMODELING AND EQUIPPING OF FIRE STATIONS WITHIN THE DISTRICT AND PROVIDING FOR PUBLICATION OF SUCH INTENTION AS REQUIRED BY LAW.**

Mr. Chris Chronis, Chief Financial Officer, greeted the Commissioners and said, "In 2004, the Commission approved a plan to relocate five fire stations in order to improve response times throughout the Fire District. In 2005, the Commission approved a resolution of intent to sell not more than \$6 million worth of bonds to finance some of those improvements. Those bonds were never sold because over the years the plan has evolved in response to annexations of district property by the cities and changing patterns of development within the Fire District. We now are to the point where we have constructed three of those original five new stations, and we have plans to construct two additional new stations. In addition to that, the plan has been adapted to incorporate the renovation of one existing station."

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“And we plan to finance the cost of virtually all of those improvements with bond proceeds. And so today we are here to ask for your approval of the resolution that’s before you. It affirms your determination that this work is necessary, first, and it also provides a notice of your intent to issue bonds in the amount of not more than \$5 million to finance a portion of those improvements. The stations that are to be constructed or improved with this money are Station 35 located near Goddard, Station 36 near Derby and a remodel of Station 34 in Haysville. Those projects are all included in the current adopted CIP (Capital Improvement Program). One of them is to be undertaken in 2010. That is Station 35 in Goddard. And the other two projects are to be constructed in 2012, according to that CIP. The bonds that are cited in this resolution are scheduled to be issued in 2011.

“The issuance of the bonds is contemplated in the Fire District’s financial plan and they are included as funding sources in that adopted Capital Improvement Program. The bonds will be secured by a pledge of the district’s full faith and credit, which means that bond holders who purchase these bonds once they’re issued will be able to compel the Fire District to levy property taxes if that should be necessary to repay the debt to those bond holders. A preliminary estimate of the annual debt service that will be required to pay these bonds is \$500,000 a year and the term of the bonds, the maximum term of the bonds, is 20 years. The financial plan contemplates that the bonds will be repaid with property taxes, but it will not be necessary to increase the Fire District property tax rate to do so. In 2004, the Fire District tax rate was increased by nearly 1.9 mills to provide funding for the fire station relocation plan, and the proceeds of that mill levy increase have been used to fund the projects that have been done to date and will be used to pay that debt service going forward.

“If you approve this resolution today, the next step in the process will be for us to publish the notice of intent in the county record, and that will initiate a 60 day protest period. If at the conclusion of that period, a resolution has been filed with the County Clerk protesting the issuance of the bonds, and that resolution has been signed by at least five percent of the qualified electors residing in the district, then we will not be authorized to issue the bonds until a referendum is conducted and approved by a majority of the voters in the district. However, if at the end of the 60 day period a bona fide resolution is not submitted to the Clerk, then we have full authority to proceed with the issuance of the bonds, and as I said, we expect to do that in 2011. State law limits the aggregate amount of general obligation debt that can be issued by the Fire District to no more than five percent of the assessed value in the district. Currently the Fire District has no outstanding general obligation debt and the addition of this \$5 million of debt will put the district well below that five percent threshold.”

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Mr. Chronis continued, “And so with all of that, I would recommend that you approve the resolution that’s before you. I will note that the resolution was drafted by the county’s bond counsel, Joe Norton, of the firm of Gilmore & Bell. Joe is in the room and is prepared to answer any technical questions that you might have about the resolution and I’ll be happy to answer any other questions that you might have about it. And if you have none, I would recommend that you approve the resolution.”

Chairman Peterjohn said, “Thank you. Any questions from the Commission for either Mr. Chronis or Mr. Norton? Commissioner Welshimer.”

Commissioner Welshimer said, “One of the fire stations is in my district, it will be, the site for that would be sold, have you, is this, what you’re asking for here, does this include some deduction for what we would sell these stations for?”

Mr. Chronis said, “It does not.”

Commissioner Welshimer said, “It does not. But it would be deducted from the...”

Mr. Chronis said, “Yes.”

Commissioner Welshimer said, “...bonds?”

Mr. Chronis said, “The resolution of intent sets a maximum limit on the bonds that might be sold. When we reach 2011 and we’re ready to sell the bonds, we will have a firmer estimate of the pricing of the projects and of other revenues that might be applied to the projects, and so the bond sizing will be what we’ll take into account those revenues at that time.”

Commissioner Welshimer said, “Thank you.”

Chairman Peterjohn said, “Commissioner Parks.”

Commissioner Parks said, “I believe you made the statement just a few moments ago that presently no other GO (general obligation) bonds are indebted to the Fire District, is that correct?”

Mr. Chronis said, “Yes.”

Commissioner Parks said, “Thank you.”

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Chairman Peterjohn said, "A question I have is, you mentioned a possibility of a protest petition signed by five percent of the registered voters, do you have any idea how many registered voters would be within the Fire District at five percent?"

Mr. Chronis said, "I do not have that information. I can find out and send you a note."

Chairman Peterjohn said, "Okay. I'd be interested, but this would strictly be limited to people who live within the Fire District?"

Mr. Chronis said, "Yes."

Chairman Peterjohn said, "Okay. And the question I had was, this would help pay for the Goddard Station 35 that's being built on 199th Street in Goddard, my understanding is construction has already started, so if there is a protest petition, does that have any impact on that construction or..."

Mr. Chronis said, "It doesn't have an impact on the construction, it has an impact on the ability to sell bonds to finance the construction. That construction has, I'm not sure if the authorization to proceed has been given to the contractor or not yet, but we're very close to that point. It's about to begin if it hasn't already. And this resolution, among other things, the notice of intent is what will authorize us to reimburse the cash that we pay to the contractor for that construction activity now. We'll be able to reimburse that cash with the bond proceeds when we sell the bonds in 2011."

Chairman Peterjohn said, "Okay. And these bonds would be 20 year bonds?"

Mr. Chronis said, "Yes."

Chairman Peterjohn said, "Seeing no further discussion from the Commission, oh, Commissioner Parks."

Commissioner Parks said, "I had another question here. The 1.9 mills that was approved back in 2004, that's going to generate the same money next year as it would have in 2004?"

Mr. Chronis said, "Almost certainly it will not generate the same amount of money as it generated in 2004. It will be applied against the current taxable value in the Fire District, and that number, that amount of taxable value almost certainly is different than the tax base was in 2004."

Commissioner Parks said, "Okay. Thank you."

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Chairman Peterjohn said, “Okay. Well, seeing no other lights up here, I would only mention to add whenever we talk about bonding issues, I always view them as an equivalent of like putting another mortgage on your house. So, we’ve got, according to the backup information, this would only cover six-tenths of a percent of the taxable assessed value with the limitation of five percent being there, so we’re at just over 10 percent of the assessed value of taxable property within the limit district that state law provides the limitation on, so we’ve got a lot of room there. So seeing no further discussion, what is the will of the Commission?”

MOTION

Commissioner Welshimer moved to adopt the Resolution.

Commissioner Unruh seconded the motion.

There was no discussion on the motion, the vote was called.

VOTE

Commissioner Unruh	Aye
Commissioner Norton	Aye
Commissioner Parks	Aye
Commissioner Welshimer	Aye
Chairman Peterjohn	Aye

Mr. Chronis said, “Thank you.”

Chairman Peterjohn said, “Next item.”

B. OTHER

Chairman Peterjohn said, “Seeing no further lights, I will entertain a motion to adjourn.”

MOTION

Commissioner Welshimer moved to adjourn.

Chairman Peterjohn seconded the motion.

There was no discussion on the motion, the vote was called.

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VOTE

Commissioner Unruh	Aye
Commissioner Norton	Aye
Commissioner Parks	Aye
Commissioner Welshimer	Aye
Chairman Peterjohn	Aye

Chairman Peterjohn said, “And we are adjourned for the Fire District #1 meeting.”

C. ADJOURNMENT

There being no other business to come before the Board, the Meeting was adjourned at 10:32 a.m.

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**BOARD OF COUNTY COMMISSIONERS OF
SEDGWICK COUNTY, KANSAS**

KARL PETERJOHN, Chairman
Third District

DAVID M. UNRUH, Commissioner
First District

TIM R. NORTON, Commissioner
Second District

KELLY PARKS, Commissioner
Fourth District

GWEN WELSHIMER, Commissioner
Fifth District

ATTEST:

Kelly B. Arnold, County Clerk

APPROVED:

July 7, 2010