

**ABILENE CITY COMMISSION - STUDY SESSION AGENDA**  
**419 N. BROADWAY AVENUE**  
**May 2, 2017 - 4:00 pm**

1. **PUBLIC COMMENTS.** Persons who wish to address the City Commission may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court are not permitted. Speakers are limited to three minutes. Any presentation is for informational purposes only. No action will be taken.
  
2. **ITEMS TO BE PLACED ON THE REGULAR AGENDA**
  - a. **Meeting Minutes: April 24, 2017 regular meeting**
  
  - b. **Travel & Tourism Proclamation**
  
  - c. **Discussion of Debt Restructuring.**
  
  - d. **Discussion of Police Department Firearms Trade.**
  
  - e. **Discussion of 2017 Street Sealing Bids.**

## **2017 National Travel & Tourism Week Proclamation**

**Whereas** tourism has a positive effect on Abilene, Dickinson County and Kansas' economic prosperity and image.

**Whereas** tourism provides significant economic benefits for Abilene, its businesses and attractions, it also generated more than \$140,000 in Transient Guest Tax revenue in 2016.

**Whereas** nearly 300,000 people visited Abilene's attractions and events in 2016.

**Whereas** tourism is a component of economic development, community sustainability and pride.

**Now, therefore,** I, Mayor Dee Marshall, do hereby proclaim May 7-13, 2017 at National Travel and Tourism Week in Abilene and urge the citizens of Abilene to join me in this special observance and celebration with the Abilene Convention & Visitors Bureau on Thursday, May 11 from 5:30-7:00 at the Eisenhower Presidential Library Courtyard.

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MAYOR

[AFFIX SEAL]

## Memorandum

**To:** City Commission  
**From:** Jay Newton, Interim City Manager  
**Subject:** Debt restructuring  
**Date:** May 2, 2017

### Issue:

Review of the 2017 Annual Budget and the 2015 Audit report with recommendations from findings.

### Background:

I have spent some time reading and reviewing the current 2017 Abilene city budget as well as the most recent annual audit. The focus of the review was the Statement of Indebtedness of all current City of Abilene bond issues. The city has slightly more than \$30,000,000.00 of debt and while that might seem large for a community with an assessed valuation of fifty-three million, more than half of that debt (\$17,000,000.) includes the PBC revenue bond debt for the hospital.

The one item of city debt that stood out was the GO Bond Series 2010-A with interest rates that varied from 2.05 to 4.60% running to 2030. This is the Highlands Addition bond issue originally intended to be retired with special assessments on the property within that subdivision although now, since the bonds are the general obligation of the city, being paid for by all the property tax payers of Abilene. The 2017 budgetary city at large expense for that bond issue was \$308,414.00 or 5.774 mills. That is about 11.5% of the city's total mill levy for the year.

Following some discussion with City Treasurer, Marcus Rothchild, we contacted the city's bond advisor, Dustin Avey of PiperJaffray concerning the high interest rate on the 2010-A bonds (for the current bond market) and asked what the impact of restructuring the 2010-A bond issue could have on interest rates, debt service and subsequent future mill levies.

### Findings:

Attached is a summary prepared by Mr. Avey proposing a restructuring of the 2010-A bonds by reducing the interest cost from the current maximum of 4.60%, reducing the annual debt service and thus the mill levy by about 2 mills. To accomplish the reduction of interest rate and mill levy GO refunding bonds would be issued extending the debt service for the Highland Addition by ten years reducing the current accumulative debt that would run until 2030 by \$1,385,696. Beginning with 2031 the restructured debt would continue until 2040 but at an annual rate less than now being paid annually. In addition to reducing current debt service expense, the extension of time provided by the restructuring would allow additional time for planning and disposal of the property in the Highland Subdivision.

Restructuring of the debt this year would result in a \$39,267.00 reduction of 2017 budget expense that would become a cash balance forward in the 2018 budget and that would result in an additional one time .75% reduction in the debt service budget.

### Recommendation:

1. Consider restructuring of the 2010-A GO bond issue.

### Attachments:

Summary analysis by PiperJaffray



**MEMORANDUM**

**TO:** City Commission  
**FROM:** Public Works, Lon  
**SUBJ:** Onyx Mastic Street Surface Preservation Treatment  
**DATE:** April 25, 2017

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**ISSUE: Continued street maintenance practices**

Background: Invited bids from 3 paving contractors for this asphalt emulsion/fine aggregate mixture known in the industry as Onyx Mastic sealer. Project #17-1OMS prepared in house, entails application of this product to a total of 56,198 square yards of our streets. Streets affected include the N. Buckeye frontage roads, Charles Road, and select sections of Cottage Ave., NW 3<sup>rd</sup>, N. Pine, N. Mulberry, NE 10<sup>th</sup>, and NW 15<sup>th</sup> Streets. Received bids from Circle C Paving of Goddard, KS for \$85,867.30 and Hall Brothers of Marysville, KS for \$78,999.58.(our estimate was \$79,239)

**Recommendation: Accept bid from Hall Brothers**

**Fiscal: Sales tax earmarked for street rehab and budgeted monies produce a target of \$300,000 for 2017 street work**

**ATTACHMENTS:**