

**MINUTES FOR NOVEMBER 17, 2014**  
**BOARD OF CHEROKEE COUNTY COMMISSIONERS**  
**CHEROKEE COUNTY, KANSAS**

**CONVENE**

Commissioner Hilderbrand called the regular session of the Cherokee County Board of Commissioners (The Board), to order and led all in attendance in the Pledge of Allegiance at 9:00 AM on Monday, November 17, 2014 in the Commission Room, #109 of the Cherokee County Courthouse located at 110 W Maple St., Columbus, Kansas. Commissioners Richard Hilderbrand, Charles Napier, Pat Collins, and County Clerk Rodney Edmondson were present.

Members of the press present: Larry Hiatt, Machel Smith, Jordan Zabel

A motion was made by Commissioner Napier to approve the Minutes of the November 10, 2014 BOCC Meeting as written. The motion was seconded by Commissioner Hilderbrand. The motion carried 3-0.

A motion was made by Commissioner Napier to approve the Payroll for the month of November, 2014. The motion was seconded by Commissioner Collins. The motion carried 3-0.

A motion was made by Commissioner Napier to approve the Accounts Payables for the month of November, 2014. The motion was seconded by Commissioner Collins. The motion carried 3-0.

**Brent Hillier and Brian Hillier - Benefit Health Advisors**

They appeared before the Board along with employee members of the Health Insurance Committee. They provided an update on the current health plan as well as information regarding the plan renewal set for January 1, 2015. The committee recommends going with ARCH as the reinsurance carrier, unless the current carrier ARBOR will match the bid. They also recommend staying with Meritain as the plan administrator.

A motion was made by Commissioner Hilderbrand to adopt the recommended plan changes. The motion was seconded by Commissioner Napier. The motion carried 3-0.

At 10:00 AM the Board recessed to the District Courtroom for the KAC Awards Ceremony to recognize county employees for their years of service.

The meeting reconvened at 10:30 AM in the Commission Room.

**Property Tax Relief Applications - Baxter Springs Tornado**

The Board reviewed Property Tax Relief Applications for consideration of tax abatements to homesteads damaged as a result of the tornado in Baxter Springs on April 27, 2014.

The Board reviewed the following applications and made determinations as indicated.

Terri Tessman - 1913 Park Ave, 1915 Park Ave, and 1918 Lincoln Ave. All homes were destroyed and were removed by Moates Excavating. A motion was made by Commissioner Hilderbrand, seconded by Commissioner Napier to grant a 100% abatement. The motion carried 3-0.

OK

All properties are located within the city limits of Baxter Springs. The abatements granted are for tax year 2014. The approved abatements will apply to property taxes on structures. Land values and taxes assessed on land are not affected.

A motion was made by Commissioner Hilderbrand to amend the agenda from 11:45 AM to 11:02 AM for Sandra Friend of the Shawnee Township. The motion was seconded by Commissioner Napier. The motion carried 3-0 at 11:02 AM.

### **Sandra Friend - Shawnee Township**

She appeared before the Board on behalf of the Shawnee Township Board. They are seeking the county's authority to negotiate a long term lease for a building in Crestline to be used by the township as a community center. The township would be responsible for the maintenance of the building. They will also contact other townships to see if they are interested in using it also. The Board will consult with Counselor Nathan Coleman regarding obligations to the county in a long term lease. The township is also wanting to get their cemetery information online. They would like to purchase a computer program to map out the information.

The Board will contact her after review by Mr. Coleman.

### **Kim Lauffer - County Appraiser**

A motion was made by Commissioner Hilderbrand to enter an Executive Session with the Board, County Appraiser Kim Lauffer, and County Clerk Rod Edmondson for the purpose of Non/Elected Personnel for a period of 10 minutes. The motion was seconded by Commissioner Collins. The motion carried 3-0 at 11:17 AM.

The meeting reconvened at 11:27 AM.

County Appraiser Kim Lauffer announced that she was tendering her resignation effective on July 1, 2015.

The Board signed a contract with Mark Hixon, current Shawnee County Appraiser, to become Assistant Appraiser on March 1, 2015 and to replace Lauffer as Appraiser on July 1, 2015.

### **Nathan Coleman - County Counselor**

He appeared before the Board regarding legal matters concerning Cherokee County.

Attorney Larry Prauser appeared before the Board to schedule a fence viewing as requested by his client. The viewing was scheduled for December 8, 2014 at 2:00 PM at a location three miles north and 1.5 miles east of the Columbus Ford intersection.

Juanita Hodgson, County Treasurer, appeared with Mr. Coleman to inform them of recent developments with USD 247 regarding taxes that were collected in 2013 that were levied incorrectly. USD 247 has refunded the money to Crawford, Cherokee, Labette, and Neosho Counties. Mr. Coleman has spoken with Crawford County Counselor and is in agreement that the county should send the money back to USD 247. The county cannot hold the money, and USD 247 needs to work on a resolution. It affects 2,162 tax statements from Cherokee County.

A motion was made by Commissioner Hilderbrand to enter an Executive Session with the Board, County Counselor Nathan Coleman, Sheriff David Groves, and Under-Sheriff Terry Clugston for the purpose of Non/Elected Personnel for a period of 10 minutes. The motion was seconded by Commissioner Napier. The motion carried 3-0 at 11:47 AM.

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The meeting reconvened at 11:57 AM.

A motion was made by Commissioner Hilderbrand to enter an Executive Session with the Board, County Counselor Nathan Coleman, Sheriff David Groves, and Under-Sheriff Terry Clugston for the purpose of Non-/Elected Personnel for a period of 10 minutes. The motion was seconded by Commissioner Collins. The motion carried 3-0 at 11:57 AM.

The meeting reconvened at 12:07 PM.

No action was taken as a result of the Executive Session.

A motion was made by Commissioner Hilderbrand to recess for lunch until 1:15 PM. The motion was seconded by Commissioner Napier. The motion carried 3-0 at 12:12 PM.

**Steve Goehl - D.A. Davidson & Co.**

He appeared before the Board to bring an update on the potential refinancing of the Series 2005 Certificates of Participation on the financing of the Law Enforcement Center. He stated that the county is in the area needed to refinance. Current markets would yield a present value saving of \$575,000 and would be paid in full in 2020 instead of 2021 as is currently scheduled. If refinancing is done, it would be a tax exempt bond because advance refunding has already been done once before. The interest rate would be approximately 2.19%. If desired the Board would need a motion to move forward with a base, such as 2.5%. The Board will take time to consider all options. Mr. Goehl will forward a copy of the proposal to Gene Mense.

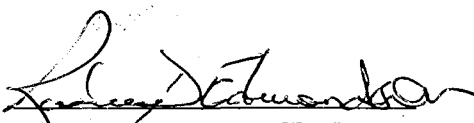
Commissioner Hilderbrand made a motion to enter an Executive Session with the Board for the purpose of Non/Elected Personnel for a period of 10 minutes. The motion was seconded by Commissioner Collins. The motion carried 3-0 at 1:32 PM.

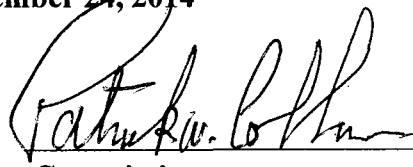
The meeting reconvened at 1:42 PM.

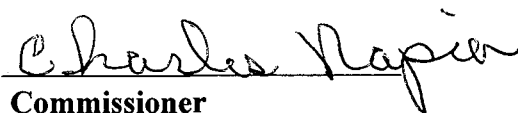
No action was taken as a result of the Executive Session.

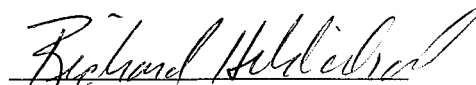
Commissioner Hilderbrand made a motion to adjourn until the next regularly scheduled meeting set for November 24, 2014 at 9:00 AM. The motion was seconded by Commissioner Napier. The motion carried 3-0 with all voting yes at 1:43 PM.

**ATTEST: Resolved and ordered this day, November 24, 2014**

  
Cherokee County Clerk

  
Commissioner

  
Commissioner

  
Commissioner

*Cherokee County*  
2014 Government Service Awards

<i>Last</i>	<i>First</i>	<i>Position</i>	<i>Years of Service Award</i>
Bilke	Barbara	Register of Deeds	8
Blockburger	Tina	School Resource Officer	8
Dobyns	Rebecca	Vehicle Supervisor	8
Glover	Jared	Laborer	8
Haynes	Michelle	Administrative Assistant	8
Justice	David	Patrol Sergeant	8
Mooney	Daisy	Field Appraiser	8
Sparks	Glenn	Truck Driver	8
York	Walter	Backhoe Operator	16
Hart	Tresa	Office Manager	24
Hess	Vickie	Clerk's Office Clerk	24
Murray	Debra	Registered Nurse	24
Wagner	Ronald	Truck Driver	24
Zwahlen	Johnny	Crew Supervisor	24
Langerot	Charles	County Lot Supervisor	32
McFarling	James	Utility Foreman	32
Vanatta	Leonard	Road & Bridge Supervisor	40

**SOURCES AND USES OF FUNDS**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

Dated Date                    12/15/2014  
Delivery Date                12/15/2014

**Sources:**

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Bond Proceeds:	
Par Amount	3,415,000.00
Other Sources of Funds:	
Ser. 2005 DSRF	500,000.00
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	3,915,000.00
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**Uses:**

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Refunding Escrow Deposits:	
Cash Deposit	0.47
SLGS Purchases	<u>3,774,310.00</u>
	3,774,310.47
Other Fund Deposits:	
Debt Service Reserve Fund (6-mo. Int.)	30,013.26
Delivery Date Expenses:	
Underwriter's Discount	49,517.50
Special Counsel	37,565.00
Title Insurance	6,000.00
Rating Fee	11,000.00
Trustee	2,500.00
Escrow Verification	<u>2,200.00</u>
	108,782.50
Other Uses of Funds:	
Bond Rounding	1,893.77
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	3,915,000.00
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Note: \* Prior Pmt contributed at closing is net of bond rounding amount.

**SUMMARY OF REFUNDING RESULTS**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

Dated Date	12/15/2014
Delivery Date	12/15/2014
Arbitrage yield	2.188897%
Escrow yield	0.089492%
Value of Negative Arbitrage	74,110.29
Bond Par Amount	3,415,000.00
True Interest Cost	2.662062%
Net Interest Cost	2.644186%
All-In TIC	3.241933%
Average Coupon	2.197265%
Average Life	3.244
Par amount of refunded bonds	3,610,000.00
Average coupon of refunded bonds	4.834347%
Average life of refunded bonds	4.165
PV of prior debt to 12/15/2014 @ 2.188897%	3,990,134.44
Net PV Savings	107,041.47
Percentage savings of refunded bonds	2.965138%

**SAVINGS**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 12/15/2014 @ 2.1888965%
06/01/2015	83,760.00	304,491.51	-220,731.51		-218,526.80
12/01/2015	528,760.00	305,535.00	223,225.00	2,493.49	218,602.89
06/01/2016	74,971.25	309,008.75	-234,037.50		-226,710.28
12/01/2016	539,971.25	302,314.75	237,656.50	3,619.00	227,723.66
06/01/2017	65,438.75	310,527.25	-245,088.50		-232,302.61
12/01/2017	550,438.75	303,375.50	247,063.25	1,974.75	231,639.17
06/01/2018	55,375.00	310,967.50	-255,592.50		-237,041.64
12/01/2018	565,375.00	308,227.00	257,148.00	1,555.50	235,902.41
06/01/2019	42,625.00	310,240.00	-267,615.00		-242,846.79
12/01/2019	577,625.00	306,818.00	270,807.00	3,192.00	243,082.95
06/01/2020	29,250.00	308,012.50	-278,762.50		-247,515.08
12/01/2020	589,250.00	278,932.50	310,317.50	31,555.00	272,550.05
06/01/2021	15,250.00		15,250.00		13,248.98
12/01/2021	625,250.00		625,250.00	640,500.00	537,327.53
	4,343,340.00	3,658,450.26	684,889.74	684,889.74	575,134.44

**Savings Summary**

PV of savings from cash flow	575,134.44
Less: Prior funds on hand	-500,000.00
Plus: Refunding funds on hand	31,907.03
Net PV Savings	107,041.47

**BOND PRICING**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Certificates:					
	06/01/2015	275,000	1.050%	1.050%	100.000
	12/01/2015	275,000	1.110%	1.110%	100.000
	06/01/2016	280,000	1.210%	1.210%	100.000
	12/01/2016	275,000	1.300%	1.300%	100.000
	06/01/2017	285,000	1.510%	1.510%	100.000
	12/01/2017	280,000	1.720%	1.720%	100.000
	06/01/2018	290,000	1.890%	1.890%	100.000
	12/01/2018	290,000	2.060%	2.060%	100.000
	06/01/2019	295,000	2.320%	2.320%	100.000
	12/01/2019	295,000	2.580%	2.580%	100.000
	06/01/2020	300,000	2.720%	2.720%	100.000
	12/01/2020	275,000	2.860%	2.860%	100.000
		<b>3,415,000</b>			

Dated Date	12/15/2014	
Delivery Date	12/15/2014	
First Coupon	06/01/2015	
Par Amount	3,415,000.00	
Original Issue Discount		
Production	3,415,000.00	100.000000%
Underwriter's Discount	-49,517.50	-1.450000%
Purchase Price	3,365,482.50	98.550000%
Accrued Interest		
Net Proceeds	3,365,482.50	



**BOND SUMMARY STATISTICS**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

Dated Date	12/15/2014
Delivery Date	12/15/2014
First Coupon	06/01/2015
Last Maturity	12/01/2020
Arbitrage Yield	2.188897%
True Interest Cost (TIC)	2.662062%
Net Interest Cost (NIC)	2.644186%
All-In TIC	3.241933%
Average Coupon	2.197265%
Average Life (years)	3.244
Weighted Average Maturity (years)	3.244
Duration of Issue (years)	3.117
Par Amount	3,415,000.00
Bond Proceeds	3,415,000.00
Total Interest	243,450.26
Net Interest	292,967.76
Bond Years from Dated Date	11,079,694.44
Bond Years from Delivery Date	11,079,694.44
Total Debt Service	3,658,450.26
Maximum Annual Debt Service	619,194.50
Average Annual Debt Service	613,719.52
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	14.500000
Total Underwriter's Discount	14.500000
Bid Price	98.550000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Certificates	3,415,000.00	100.000	2.197%	3.244	1,046.55
	3,415,000.00			3.244	1,046.55

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,415,000.00	3,415,000.00	3,415,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-49,517.50	-49,517.50	
- Cost of Issuance Expense			
- Other Amounts		-59,265.00	
Target Value	3,365,482.50	3,306,217.50	3,415,000.00
Target Date	12/15/2014	12/15/2014	12/15/2014
Yield	2.662062%	3.241933%	2.188897%

**BOND DEBT SERVICE**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
06/01/2015	275,000	1.050%	29,491.51	304,491.51	
12/01/2015	275,000	1.110%	30,535.00	305,535.00	610,026.51
06/01/2016	280,000	1.210%	29,008.75	309,008.75	
12/01/2016	275,000	1.300%	27,314.75	302,314.75	611,323.50
06/01/2017	285,000	1.510%	25,527.25	310,527.25	
12/01/2017	280,000	1.720%	23,375.50	303,375.50	613,902.75
06/01/2018	290,000	1.890%	20,967.50	310,967.50	
12/01/2018	290,000	2.060%	18,227.00	308,227.00	619,194.50
06/01/2019	295,000	2.320%	15,240.00	310,240.00	
12/01/2019	295,000	2.580%	11,818.00	306,818.00	617,058.00
06/01/2020	300,000	2.720%	8,012.50	308,012.50	
12/01/2020	275,000	2.860%	3,932.50	278,932.50	586,945.00
	<b>3,415,000</b>		<b>243,450.26</b>	<b>3,658,450.26</b>	<b>3,658,450.26</b>

**NET DEBT SERVICE**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Debt Service Reserve Fund (6-mo. Int.)</b>	<b>Net Debt Service</b>	<b>Annual Net D/S</b>
06/01/2015	275,000	29,491.51	304,491.51	-27.68	304,463.83	
12/01/2015	275,000	30,535.00	305,535.00	-30.01	305,504.99	609,968.82
06/01/2016	280,000	29,008.75	309,008.75	-30.01	308,978.74	
12/01/2016	275,000	27,314.75	302,314.75	-30.01	302,284.74	611,263.48
06/01/2017	285,000	25,527.25	310,527.25	-30.01	310,497.24	
12/01/2017	280,000	23,375.50	303,375.50	-30.01	303,345.49	613,842.73
06/01/2018	290,000	20,967.50	310,967.50	-30.01	310,937.49	
12/01/2018	290,000	18,227.00	308,227.00	-30.01	308,196.99	619,134.48
06/01/2019	295,000	15,240.00	310,240.00	-30.01	310,209.99	
12/01/2019	295,000	11,818.00	306,818.00	-30.01	306,787.99	616,997.98
06/01/2020	300,000	8,012.50	308,012.50	-30.01	307,982.49	
12/01/2020	275,000	3,932.50	278,932.50	-30,043.27	248,889.23	556,871.72
	<b>3,415,000</b>	<b>243,450.26</b>	<b>3,658,450.26</b>	<b>-30,371.05</b>	<b>3,628,079.21</b>	<b>3,628,079.21</b>

**SUMMARY OF BONDS REFUNDED**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

<b>Bond</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Par Amount</b>	<b>Call Date</b>	<b>Call Price</b>
Ser. 2005 COP Adv Refg of '03s (callable 12/1/15):					
SERIAL	12/01/2015	3.950%	445,000.00		
	12/01/2016	4.100%	465,000.00	12/01/2015	100.000
	12/01/2017	4.150%	485,000.00	12/01/2015	100.000
TERM19	12/01/2018	5.000%	510,000.00	12/01/2015	100.000
	12/01/2019	5.000%	535,000.00	12/01/2015	100.000
TERM21	12/01/2020	5.000%	560,000.00	12/01/2015	100.000
	12/01/2021	5.000%	610,000.00	12/01/2015	100.000
			<b>3,610,000.00</b>		

**ESCROW REQUIREMENTS**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

Dated Date                   12/15/2014  
Delivery Date               12/15/2014

<b>Period Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal Redeemed</b>	<b>Total</b>
06/01/2015		83,760.00		83,760.00
12/01/2015	445,000.00	83,760.00	3,165,000.00	3,693,760.00
	445,000.00	167,520.00	3,165,000.00	3,777,520.00

**PRIOR BOND DEBT SERVICE**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2014  
Full Advance Refunding of Series 2005 Refunding COPs  
Assumes 'A' Rating, Accelerated Solution, 2021 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
06/01/2015			83,760.00	83,760.00	
12/01/2015	445,000	3.950%	83,760.00	528,760.00	612,520.00
06/01/2016			74,971.25	74,971.25	
12/01/2016	465,000	4.100%	74,971.25	539,971.25	614,942.50
06/01/2017			65,438.75	65,438.75	
12/01/2017	485,000	4.150%	65,438.75	550,438.75	615,877.50
06/01/2018			55,375.00	55,375.00	
12/01/2018	510,000	5.000%	55,375.00	565,375.00	620,750.00
06/01/2019			42,625.00	42,625.00	
12/01/2019	535,000	5.000%	42,625.00	577,625.00	620,250.00
06/01/2020			29,250.00	29,250.00	
12/01/2020	560,000	5.000%	29,250.00	589,250.00	618,500.00
06/01/2021			15,250.00	15,250.00	
12/01/2021	610,000	5.000%	15,250.00	625,250.00	640,500.00
	<b>3,610,000</b>		<b>733,340.00</b>	<b>4,343,340.00</b>	<b>4,343,340.00</b>

