

**MINUTES FOR JANUARY 12, 2015**  
**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, January 12, 2015 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, Mabelle Smith, Jordan Zabel

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

He appeared before the Board to bring an update on the potential refinancing of the jail loan. He is estimating savings of 3.89% with total savings of \$757,000 and reducing the term of the loan by one year.

A motion was made by Commissioner Hilderbrand to move forward with the refinancing of the jail loan, upon recommendation and approval of Gene Mense, with a 3% floor for savings. The motion was seconded by Commissioner Napier. The motion carried 3-0.

A motion was made by Commissioner Collins to approve the Minutes of the January 5, 2015 BOCC Meeting as written. The motion was seconded by Commissioner Napier. The motion carried 3-0.

A motion was made by Commissioner Collins to approve the Mid-Month Accounts Payables for January 2015. The motion was seconded by Commissioner Napier. The motion carried 3-0.

**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.

Jeffery & Amanda McKarus, 528 E 10<sup>th</sup> St. - A motion was made by Commissioner Hilderbrand, seconded by Commissioner Collins to grant a 100% abatement. The motion carried 3-0.

Jeffery & Amanda McKarus, 539 E 9<sup>th</sup> St. - A motion was made by Commissioner Hilderbrand, seconded by Commissioner Collins to grant a 100% abatement. The motion carried 3-0.

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.

**Nathan Coleman - County Counselor**

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

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At 11:32 AM the Board convened as Fence Viewers. Mr. Coleman provided documents from both sides stating their position. Mr. Larry Prauser addressed the Board on behalf of John R. Gaither. Mr. Prauser would like to have a copy of Mr. Roth's written response and be allowed time to respond in writing before the Board makes a decision. Mr. Prauser will submit a written response on January 22, 2015 to the Clerk and County Counsel for the Board to consider at their meeting on January 26, 2015. Phillip A. Roth addressed the Board stating his position.

The Board will render a decision on January 26, 2015.

At 12:00 PM the Board reconvened as the Board of County Commissioners.

A motion was made by Commissioner Hilderbrand to enter an Executive Session with the Board and Mr. Coleman for the purpose of Non/Elected Personnel for a period of five minutes. The motion was seconded by Commissioner Napier. The motion carried 3-0 at 12:10 PM.

The meeting reconvened at 12:17 PM.

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

At 12:21 PM the Board recessed to the District Courtroom for the purpose of attending the swearing in of Commissioner Collins as District #1 Commissioner, and Oliver Kent Lynch as District Judge.

The Board will reconvene at 1:45 PM in the Commission Room following a lunch break.

The Board reconvened at 1:45 PM for the annual reorganization for 2015.

Commissioner Collins made a motion to appoint Commissioner Hilderbrand as the Board Chair for 2015. The motion was seconded by Commissioner Napier. The motion carried 3-0.

Commissioner Collins made a motion to appoint Commissioner Napier the Board Vice-Chair for 2015. The motion was seconded by Commissioner Hilderbrand. The motion carried 3-0.

Commissioner Collins made a motion to appoint Leonard Vanatta as the County Road & Bridge Supervisor for 2015. The motion was seconded by Commissioner Napier. The motion carried 3-0.

Commissioner Collins made a motion to appoint Gene Langerot as the County Lot Supervisor for 2015. The motion was seconded by Commissioner Napier. The motion carried 3-0.

Commissioner Collins made a motion to appoint Kristin Seal as County Noxious Weed Director for 2015 with license renewal to be presented to the Board within 90 days. The motion was seconded by Commissioner Napier. The motion carried 3-0.

Commissioner Hilderbrand made a motion to designate the American Bank of Baxter Springs, Columbus, and Galena as the official working bank for Cherokee County for 2015, with all other banks to be recognized as depositories. The motion was seconded by Commissioner Napier. The motion carried 3-0.

Commissioner Napier made a motion to designate the Columbus News Report as the official County Newspaper for 2015. The motion was seconded by Commissioner Collins. The motion carried 3-0.

21

Commissioner Collins made a motion to appoint Nathan Coleman as the Legal Counselor to the Board of County Commissioners for 2015. The motion was seconded by Commissioner Napier. The motion carried 3-0.

Commissioner Collins made a motion to appoint Jason Allison as the Emergency Preparedness Director for Cherokee County for 2015. The motion was seconded by Commissioner Hilderbrand. The motion carried 3-0.

Commissioner Hilderbrand made a motion to appoint Betha Elliott as the Director of the Cherokee County Health Department for 2015. The motion was seconded by Commissioner Napier. The motion carried 3-0.

Commissioner Napier made a motion to appoint Mense, Churchwell, and Mense as the official Auditing Firm for Cherokee County for 2015. The motion was seconded by Commissioner Collins. The motion carried 3-0.

Commissioner Hilderbrand made a motion to appoint Melanie Bingham, Sam Marsh, Candace Gayoso, and Kevin Cure as court appointed counsels for the District Court, pending the return of the signed contracts. The motion was seconded by Commissioner Collins. The motion carried 3-0.

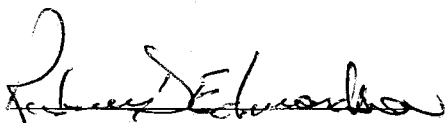
The Board set the agenda for the Special Meeting to be held on Tuesday, January 20, 2015. Items to be considered are: Opening and Pledge, Approval of Accounts Payables and Payroll, and consideration of Property Tax Relief Applications from the tornado in Baxter Springs.

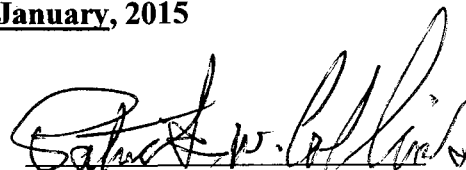
The Board approved the renewal of the Mass Notification Service (NIXLE) as presented by Jason Allison, Emergency Preparedness Director, at a cost of \$3,485.00.

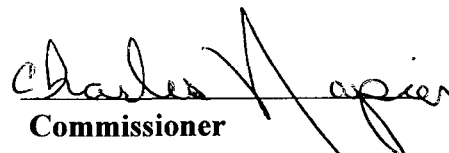
Commissioner Hilderbrand made a motion to adjourn until the next scheduled Special Meeting set for January 20, 2015 at 9:00 AM. The motion was seconded by Commissioner Napier. The motion carried 3-0 with all voting yes at 2:19 PM.

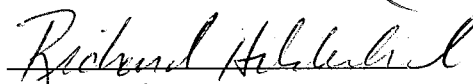
The Board will not meet on Monday, January 19, 2015 due to the observance of the Martin Luther King, Jr. holiday.

**ATTEST: Resolved and ordered this 26<sup>th</sup> day, January, 2015**

  
Cherokee County Clerk

  
Commissioner

  
Commissioner

  
Commissioner

**SOURCES AND USES OF FUNDS**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015  
(PRIVATE PLACEMENT STRUCTURE)  
Full Advance Refunding of Series 2005 Refunding COPs  
Non-Rated, Accelerated Solution, 2020 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

Dated Date                    02/12/2015  
Delivery Date                02/12/2015

**Sources:**

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Bond Proceeds:	
Par Amount	3,362,200.00
Other Sources of Funds:	
Ser. 2005 DSRF	500,000.00
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	3,862,200.00
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**Uses:**

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Refunding Escrow Deposits:	
Cash Deposit	0.12
SLGS Purchases	<u>3,773,385.00</u>
	3,773,385.12
Delivery Date Expenses:	
Cost of Issuance	88,751.90
Other Uses of Funds:	
Bond Rounding	62.98
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	3,862,200.00
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**SUMMARY OF REFUNDING RESULTS**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015  
(PRIVATE PLACEMENT STRUCTURE)  
Full Advance Refunding of Series 2005 Refunding COPs  
Non-Rated, Accelerated Solution, 2020 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

Dated Date	02/12/2015
Delivery Date	02/12/2015
Arbitrage yield	2.197494%
Escrow yield	0.138385%
Value of Negative Arbitrage	60,658.56
Bond Par Amount	3,362,200.00
True Interest Cost	2.197494%
Net Interest Cost	2.197000%
All-In TIC	3.131357%
Average Coupon	2.197000%
Average Life	3.028
Par amount of refunded bonds	3,610,000.00
Average coupon of refunded bonds	4.842011%
Average life of refunded bonds	4.006
PV of prior debt to 02/12/2015 @ 2.197494%	4,002,654.67
Net PV Savings	140,517.65
Percentage savings of refunded bonds	3.892456%

**SAVINGS**

**CHEROKEE COUNTY, KANSAS**  
**TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015**  
**(PRIVATE PLACEMENT STRUCTURE)**  
**Full Advance Refunding of Series 2005 Refunding COPs**  
**Non-Rated, Accelerated Solution, 2020 Maturity (semian. P&I)**  
**[ Preliminary -- for discussion only ]**

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 02/12/2015 @ 2.1974938%
06/01/2015	83,760.00	300,465.45	-216,705.45		-215,276.19
12/01/2015	528,760.00	311,978.84	216,781.16	75.71	213,010.95
06/01/2016	74,971.25	309,023.91	-234,052.66		-227,482.61
12/01/2016	539,971.25	305,867.88	234,103.37	50.71	225,059.07
06/01/2017	65,438.75	309,512.95	-244,074.20		-232,094.56
12/01/2017	550,438.75	306,284.43	244,154.32	80.12	229,647.50
06/01/2018	55,375.00	311,957.00	-256,582.00		-238,713.91
12/01/2018	565,375.00	308,732.90	256,642.10	60.10	236,174.86
06/01/2019	42,625.00	311,808.80	-269,183.80		-245,024.16
12/01/2019	577,625.00	308,415.50	269,209.50	25.70	242,384.36
06/01/2020	29,250.00	252,523.29	-223,273.29		-198,840.67
12/01/2020	589,250.00	249,308.90	339,941.10	116,667.81	299,451.40
06/01/2021	15,250.00		15,250.00		13,287.61
12/01/2021	625,250.00		625,250.00	640,500.00	538,871.02
	4,343,340.00	3,585,879.85	757,460.15	757,460.15	640,454.67

**Savings Summary**

PV of savings from cash flow	640,454.67
Less: Prior funds on hand	-500,000.00
Plus: Refunding funds on hand	62.98
Net PV Savings	140,517.65

**BOND DEBT SERVICE**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015  
(PRIVATE PLACEMENT STRUCTURE)  
Full Advance Refunding of Series 2005 Refunding COPs  
Non-Rated, Accelerated Solution, 2020 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	278,100	2.197%	22,365.45	300,465.45	
12/01/2015	278,100	2.197%	33,878.84	311,978.84	612,444.29
06/01/2016	278,200	2.197%	30,823.91	309,023.91	
12/01/2016	278,100	2.197%	27,767.88	305,867.88	614,891.79
06/01/2017	284,800	2.197%	24,712.95	309,512.95	
12/01/2017	284,700	2.197%	21,584.43	306,284.43	615,797.38
06/01/2018	293,500	2.197%	18,457.00	311,957.00	
12/01/2018	293,500	2.197%	15,232.90	308,732.90	620,689.90
06/01/2019	299,800	2.197%	12,008.80	311,808.80	
12/01/2019	299,700	2.197%	8,715.50	308,415.50	620,224.30
06/01/2020	247,100	2.197%	5,423.29	252,523.29	
12/01/2020	246,600	2.197%	2,708.90	249,308.90	501,832.19
	<b>3,362,200</b>		<b>223,679.85</b>	<b>3,585,879.85</b>	<b>3,585,879.85</b>

## BOND SUMMARY STATISTICS

**CHEROKEE COUNTY, KANSAS**  
**TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015**  
**(PRIVATE PLACEMENT STRUCTURE)**  
**Full Advance Refunding of Series 2005 Refunding COPs**  
**Non-Rated, Accelerated Solution, 2020 Maturity (semian. P&I)**  
**[ Preliminary -- for discussion only ]**

Dated Date	02/12/2015
Delivery Date	02/12/2015
First Coupon	06/01/2015
Last Maturity	12/01/2020
Arbitrage Yield	2.197494%
True Interest Cost (TIC)	2.197494%
Net Interest Cost (NIC)	2.197000%
All-In TIC	3.131357%
Average Coupon	2.197000%
Average Life (years)	3.028
Weighted Average Maturity (years)	3.028
Duration of Issue (years)	2.916
Par Amount	3,362,200.00
Bond Proceeds	3,362,200.00
Total Interest	223,679.85
Net Interest	223,679.85
Bond Years from Dated Date	10,181,149.44
Bond Years from Delivery Date	10,181,149.44
Total Debt Service	3,585,879.85
Maximum Annual Debt Service	620,689.90
Average Annual Debt Service	617,959.19
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	_____
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Term Certificates	3,362,200.00	100.000	2.197%	3.028	970.42
	3,362,200.00			3.028	970.42

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,362,200.00	3,362,200.00	3,362,200.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		-88,751.90	
- Other Amounts			
Target Value	3,362,200.00	3,273,448.10	3,362,200.00
Target Date	02/12/2015	02/12/2015	02/12/2015
Yield	2.197494%	3.131357%	2.197494%



**SUMMARY OF BONDS REFUNDED**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015  
(PRIVATE PLACEMENT STRUCTURE)  
Full Advance Refunding of Series 2005 Refunding COPs  
Non-Rated, Accelerated Solution, 2020 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
TERM19	12/01/2017	4.150%	485,000.00	12/01/2015	100.000
	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
			3,610,000.00		

**ESCROW REQUIREMENTS**

**CHEROKEE COUNTY, KANSAS  
TAXABLE CERTIFICATES OF PARTICIPATION, SERIES 2015  
(PRIVATE PLACEMENT STRUCTURE)  
Full Advance Refunding of Series 2005 Refunding COPs  
Non-Rated, Accelerated Solution, 2020 Maturity (semian. P&I)  
[ Preliminary -- for discussion only ]**

Dated Date 02/12/2015  
Delivery Date 02/12/2015

<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 2015  
(PRIVATE PLACEMENT STRUCTURE)  
Full Advance Refunding of Series 2005 Refunding COPs  
Non-Rated, Accelerated Solution, 2020 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>

