

Road projects need to be done in two-year timeline

By Tom Betz

The Goodland Star-News
Once the sales tax bond issue is sold on Tuesday, a two-year "project window" begins, and the city and county road projects can move into high gear.

Todd Loescher of D.A. Davidson, the bond financial advisor, and Kevin Cowan of Gilmore and Bell, bond counsel, both of Wichita met with Sherman County commissioners and representatives from the City of Goodland on Aug. 22 to review the details of the bond sale, and the construction plans.

Loescher said once the bonds are sold, the city and county have just two years to spend the money, or the Internal Revenue Service will take any interest they earn.

"The spend-down requirements will have to be watched," Loescher said. "You have to have the proceeds spent within two years."

Cowan said they have to spend all the money from the bonds, plus any interest.

He said that 10 percent (\$1.2 million) should be spent by March, 45 percent (\$5.4 million) by September, 75 percent (\$9 million) by the 18-month mark and all the money has to be spent by Sept. 22, 2008.

County Commission Chairman Kevin Rasure shared a copy of the anticipated construction draw payment schedule with Commissioners Mitch Tiede and Chuck Thomas and City Commissioner Josh Dechant, who was representing the city.

"We have to monitor this," Cowan said.

Sales tax bond sale Tuesday

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"We talked about that, and if we use the web sheet, the bidders will want to know that is the main way for the bids to be received," Cowan said.

"It has become more of an on-line auction basis," Loescher said. "It has become a good process. One thing is you cannot enter an erroneous bid.... My recommendation is to go with the on line auction."

"We have seen over the past two years that deals of this size find the electronic bidding to be better than the faxed bids," Cowan said. "You may lose a bidder or two, but those who want to be in the process will be on line."

"How is the money invested?" Rasure asked.

"It is invested with the county and then we will have an investment contract," Loescher said.

"The money comes to the county first?" Rasure asked. "The banks will have to have reserves to cover it while it is in their possession?"

Loescher said it could be just a short time, but they should notify the banks.

"Since it is a city-county joint process, I would like to have the City Clerk Mary Volk be part of the monitoring process on what is coming in and going out," Rasure said.

"If this was a \$2 million bond, you would see bidders mostly in the state," Cowan said. "With this size of project, don't be surprised that you get bids from Chicago or New York."

Associates, who is handling the city streets and the County Road 14 project, said the city could pay for the materials up front on the 17th Street project.

Cowan said it appears the second six months would be ahead of the mark by \$2 million.

DeBoer, of Penco Engineering of Plainville, who is handling the county projects on old U.S. 24, Eighth Street out to County Road 14 and a one-mile section of County Road 16, said they were talking about giving the contractor a six-month window.

"Might have to make that a four-month window," Loescher said, "to make it by September."

"We can move the city up and have the project contracts signed so we have the ability to make payments up front to meet the schedule," Neufeld said.

Cowan brought up the reserve account, which would allow the county to take part of the money coming in from the sales tax and build a reserve to be able to make a payment if the sales tax is ever short.

"Both Todd and I think this is a good idea," Cowan said. "We think it makes sense to let the reserve build to allow the money to grow and be available to pay any shortfall. It can be up to 10 percent based on federal regulations, so about \$1.2 million."

"The reserve allows the excess money to be invested and keep the interest. The limit is on how much you can put in, but there is no limit on the interest made on the money. It allows you to earn some extra money, or

at least break even."

"We invest that on our own?" Commissioner Chuck Thomas asked.

"Yes," Cowan said, "It won't be all \$1.2 million at closing, but it will build over the years."

"It will have an exception when you reach the bond call date in 2014. You can access the reserve money to help pay off the bonds."

"What kind of a window for savings is there?" Rasure said.

"You are looking at \$125,000," Loescher said. "It is a sizable amount."

"We have to stay with the \$12 million?" Thomas asked.

"Yes, we have to stay with the \$12 million through the election," Cowan said. "If there is a surplus of sales tax money, you could fund other parts of the roads."

The agreement between the city and county, Cowan said, says the figures are estimates, and if there is a variance, the city and county will have to get together to make a decision about how the changes could be handled.

"There will have to be something to allow us to handle any surprises," Rasure said.

Cowan said the agreement has to be approved after the bond sale on Tuesday and before the closing on Sept. 22.

The commissioners will meet next at 8 a.m. on Tuesday in the commission room on the main floor of the Sherman County courthouse, 813 Broadway.

Raising academic standards top goal for Goodland School Board

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which she said will be on the next agenda,

She said the other three areas are technology, personnel and programs and school and community relations.

The superintendent said there had been some work done on the budget and finance in July with the help of former superintendent Marvin Selby.

"These are the basic direction that I will follow as superintendent," Angelos said. "It is an exciting and challenging time to be in education. I think we have a chance to make a difference."

In other business the board:

• Approved an investment bid

from First National for two certificates of deposit. Angelos said they would break the total of \$1,040,000 to be invested into two parts, with \$840,000 in one certificate and \$200,000 in another.

There were three bids, from First National Bank for 5.2678 percent interest if it was either a six-month or 12 month certificate. Angelos said the certificate has been in First National. Peoples State Bank bid 5.04 percent for six months on both certificates and 5.03 percent on a 12-month certificate. Western State Bank bid 4.05 percent on the six-month certificates and 4.3 percent on the 12 month. Bankwest, the official depository for the district, did not bid.

Short said that the higher interest

rate will generate another \$60,000.

• Approved bills totaling \$145,021. Angelos said those included a stipend paid to teachers for attending a program in Garden City during the summer. She said those who attended said it was well worth the effort.

Angelos noted that another of the bills is for the roof at Central Elementary. Insurance will repay all but \$1,000 of that back. She said it is all but done except for a final piece and the inspection.

"That is my favorite bill," she said, "because we get it back."

• Held a closed-door session for 10 minutes with Superintendent Angelos on personnel matters. When the board reconvened, they approved hiring Mark Hagerman as

the art club sponsor for a 2 percent supplemental contract; Duane Unger and Sheryl Carson as co-sponsors of National Honor Society; Dylan Warden as an assistant high school football coach; Ardith Showalter and Alyssa Mason as aides at Central; Erin Gleason as a kindergarten aide at North Elementary; Valerie Grammon as an aide at North; Amie Reicks as an aide at West Elementary; and Nicole



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Glassman as a half-time cook at North.

• Held a closed-door session for 20-minutes with for a brief, informal evaluation of Angelos. They came back into open session at 9:10

p.m. and the meeting, which started at 7p.m., adjourned at 9:12 p.m.

The next meeting will be at 7 p.m. on Monday, Sept. 11, at the district office, 1312 Main.

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