

CITY OF IOLA

Page 1

01/26/2026

The City Council of Iola held a regular meeting on January 26, 2026, at 6:00 p.m. at the Riverside Park Community Building, 510 Park Avenue, Iola, Kansas.

CALL MEETING TO ORDER

Mayor French called the meeting to order at 6:00 p.m.

ROLL CALL

Mayor French, Council Members Kerr, Wells, Peters, Lohman, Peterson, Shallah, and Ivy were present.

Administrator Rehder, Assistant Administrator Schinstock, City Attorney Vaughn, and City Clerk Hutton were present.

Council Member Grundy was absent.

REVIEW & APPROVAL OF AGENDA

Council Member Wells motioned to approve the agenda as presented. Council Member Peters seconded the motion. All in favor. Motion carried.

PUBLIC COMMENTS

Persons wishing to address the City Council on agenda items may do so when called. Persons wishing to address the City Council regarding items not on the agenda may do so when called upon. Comments on personnel matters and matters pending in court or outside tribunals are not permitted. Speakers are limited to three minutes. No action will be taken.

Richard Zajic, 205 N Colborn, asked when the next tax sale would be for properties delinquent in taxes. Staff and City Attorney Vaughn told Mr. Zajic that the County Counselor would be at the County Commission meeting tomorrow at 8:30 a.m. at the Courthouse. They are responsible for tax sales and would have the information he is seeking.

Dan Davis stated that his group was more than willing to help the city and the county continue the recycling program. Many citizens still bring their recycling to the center and remain interested in recycling.

CITY OF IOLA

Page 2

01/26/2026

Steve Strickler said he is still waiting for the May meeting with the City and the County. He hopes the City staff will work with him and others who have been handling recycling for years to develop a successful recycling program.

CONSENT AGENDA

- A. Minutes Approval**
 - **January 12, 2026**
- B. Appropriations Approval**
- C. Board Appointments - BZA Planning Commission - Ben Middleton & Brian Shaughnessy**

Council Member Shallah made a motion to approve the consent agenda. Motion seconded by Council Member Peterson. All in favor. Motion carried.

NEW BUSINESS

A. 54 Highway Project Bond Ordinance & Resolution Approval - Dave Arteberry, Stifel, Nicolaus and Company, presented a plan that was discussed with staff earlier. If the City chooses to separate the General Obligation Bonds into two issues, it will allow the City to sell Bank Qualified Bonds. This will keep the interest rate lower. The bond amount must stay under \$10,000,000 to meet the criteria for Bank Qualified Bonds. The first phase will consist of \$9,995,000, with a bond sale on March 9th. A payment length of 25 years and a payment amount of \$656,035.

The second phase will be \$4,600,000, subject to the project's actual bid amount. A bond sale on March 9th of 2027. A payment length of 25 years and a payment amount of \$301,854.

Council Member Wells asked whether there would be any issue selling the bonds. Mr. Arteberry stated that bid proposals would be sent to area banks and that, with the city's strong credit rating and attractive bond returns, the city would likely receive 4-6 bids.

Mayor French asked whether the city had any unspent funds at year-end and whether it could prepay principal to retire the bonds sooner. Mr. Arteberry noted that most bonds have an 8-10-year non-callable period. This allows the bank that holds them to use the funds for daily banking operations. Mr. Arteberry stated that surplus funds could be held in an escrow account and set aside to pay down the principal amount once the bonds become callable.

Mr. Arteberry noted that the Resolution before the Council this evening authorizes staff to work with Gilmore, Bell, and the Stifel group to solicit bids for the first phase of the bond issue.

On March 9th, when bids have been received, the Council will approve the best bid at that time by adopting a Bond Resolution. This step will commit the city to funding the project.

The process will be repeated in 2027, with a similar timeline for phase II of the project.

Motion made by Council Member Wells and seconded by Council Member Kerr to approve Resolution 2026-05 authorizing the Solicitation of the Sale of General Obligation Bonds for the street project on Madison Avenue. All in favor. Motion carried.

B. Generation Project Power Plant #3

Mike Phillips, Electric Superintendent, informed the group that a third unit identical to the other two recently purchased is available.

Mr. Phillips noted that this is not the generation required for power generation; it is for capacity credits. With the Data Center moving north of town, the city needs to secure additional capacity.

Mayor French asked whether this generator would still leave the city short of data center capacity, affecting the houses being built in the north end of town. Mr. Phillips assured them that there would be sufficient capacity for the data center and the houses.

Motion made by Council Member Wells and seconded by Council Member Peters to authorize staff to move forward with the purchase of one additional 2Mw Caterpillar generating unit from High Plains Power Systems to be installed at the North Industrial Sub-Station - Power Plant #3. All in favor. Motion carried.

C. Hope Unlimited Request - Pickleball Tournament - Hope Unlimited is requesting to use the pickleball court for a tournament for a fundraiser.

Motion made by Council Member Shallah and seconded by Council Member Lohman to approve the request from Hope Unlimited to hold a fundraising pickleball tournament at Meadowbrook Park on April 18, 2026. All in favor. Motion carried.

D. Peerless Products Economic Development Incentive Agreement-

Administrator Rehder stated that he thought a representative from Peerless might be at the meeting tonight to discuss this matter.

Camille Lavon, Economic Director, stated that she was representing Peerless Products. Ms. Lavon noted that while they appreciate all the City of Iola has done for them, and even with the current situation of another Iola plant laying off several employees, Peerless was unable to meet its staffing quota to continue under the agreement.

Motion made by Council Member Lohman and seconded by Council Member Shallah to enforce clause #1 and nullify the remaining 5 years of a 50% city property tax abatement

CITY OF IOLA

Page 4

01/26/2026

with Peerless Products. Voting in favor of the motion were Council Members: Kerr, Peterson, Shallah, Peters, Ivy, and Lohman. Voting against the motion was Council Member Wells. Motion passed with a majority vote.

ROUNDTABLE

A. Allen Community College EDA Grant - Discussions: Sonia Cugnani, Grant Administrator, and Kelly Baker, Career and Technical Director for the college, appeared via Zoom. Dr. Leffler, College President, was in attendance at the meeting.

Ms. Cugnani presented an overview of the EDA grant the college is applying for. The grant focuses on expanding workforce training infrastructure for Commercial Driver's License (CDL) and Diesel Technology.

Ms. Cugnani stated that the grant will be submitted in mid-February, with an award date of June. She is asking the Council for a letter of support to add to the grant application and for the Council to consider sending employees to the program for CDL's.

Council Member Peters stated that the program in Ft Scott has waitlists. He noted that Neosho County is launching a program in August and asked whether that would be a competitor to Allen. Ms. Cugnani stated that individuals taking the course at Allen would receive college credit. The program would be replicated after Hutchinson College.

Council Member Kerr asked whether this would compete with the Tech Center within the school district. He also asked whether the college could use that facility for courses. Ms. Cugnani said IHS students can receive dual credit for the courses. The long-term goal is to return to campus once the facility is built.

A discussion arose about using the park parking lot for the truck-driving portion of the class. Staff will review the prior MOU for this program type and bring it back to Council. Council was in favor of sending a letter of support to be attached to the grant application.

B. Iola Public Library - Flewharty Annex Discussions - Lora Force, Assistant Director of the Library, noted that with the Flewharty House being City of Iola property She and members of the Library Board are present at the meeting to discuss the property's plans.

The board has tried several ways to use the property over the years, but has not found it feasible as library property. It has become a financial burden for the library to maintain the property and prevent deterioration.

The Library Board offered the property to the school district in June of last year. The will allows for the board to transfer the property to the school. The school declined the property, as it did not see a need for it. They stated that if the property did not sell, they would reconsider taking it.

Council Member Lohman asked why the library is selling the house for relocation rather than selling it as it sits. Ms. Force stated that the will doesn't allow for the house to be sold unless it is moved and the property is used for Library Purposes. The Library Board is also interested in using the land.

Mayor French indicated he is interested in buying the house. He wondered whether the bid information gave a buyer enough time to review the house and prepare a bid that accounted for other costs associated with utilities and moving. The board members present indicated that the time frame could be extended for that purpose.

UNFINISHED BUSINESS

A. Transient Vendor License - Administrator Rehder presented the draft changes to the Ordinance.

Council Member Kerr asked where the funds from the applications went. Staff stated that it was charged to the General Fund.

Council Member Shallah requested that the Ordinance not be placed on the Consent Agenda so she could abstain from the vote.

COUNCIL AND ADMINISTRATOR REPORTS

A. Council Member Ivy—Council Member Ivy had nothing to report.

B. Council Member Lohman—Council Member Lohman was pleased with the staff who removed the snow from the streets in a timely manner.

C. Council Member Grundy—Council Member Grundy was absent.

D. Council Member Peterson—Council Member Peterson asked where the city's \$1,000,000 for the road project would be coming from. Staff indicated it would come from the Special Road Fund (98), which has been receiving transfers from the Sales Tax Fund for a few years for this project.

Council Member Peterson congratulated Chuck Heffern on his retirement.

E. Council Member Shallah—Council Member Shallah noted she was impressed with the job the city staff has done with snow removal. She appreciated the video the newspaper produced with Assistant Administrator Schinstock about the Highway 54 project.

F. Council Member Peters—Council Member Peters asked the Council about possibly putting a columbarium in at Highland Cemetery. He believes that, given the rise in cremation burials in recent years, residents would prefer this option to purchasing a full burial space. Staff will conduct research on costs and accessibility.

CITY OF IOLA

Page 6

01/26/2026

G. Council Member Wells—Council Member Wells thanked all of the city staff who have had to get out and work in the cold and snow. They all do a great job, and he appreciates all of them.

H. Council Member Kerr—Council Member Kerr thanked city staff for the great job they did on the snow removal.

I. Mayor French - Mayor French thanked the city staff for all of the work they have done over this winter storm.

J. Administrator Rehder—Administrator Rehder stated that the Iola Register will be doing a story on the landbank, giving the public more information on what it does and how it helps the development of future housing.

K. Assistant Administrator Schinstock—Assistant Administrator Schinstock told the Council that he and the Register will do some future videos as work progresses on the 54 project. He will also be doing a Facebook Informational Campaign during the process.

L. City Clerk Hutton—City Clerk Hutton reported that following the article for the Iola Register, she had visited with some local restaurants as well as retail businesses, and they have stated that January has been a slow month for them. With the time of year and the snowstorm, they have been hit hard. She asked the Council and the general public to support local businesses during this time so they can continue operating in the community.

DATE / TIME OF NEXT MEETING

City Council Meeting at 6:00 p.m. on Monday, February 9, 2026

City Council Meeting at 6:00 p.m. on Monday, February 23, 2026

7:26 p.m. Council Member Wells made a motion, seconded by Council Member Shallah, to adjourn the meeting.

It was approved by the City Council of Iola, Kansas, on February 9, 2026.



Mayor Steve French

City Clerk Roxanne Hutton





