

Hillsboro, Kansas  
January 24, 2017

1. The city council met in special session on Tuesday, January 24, 2017 at 4:00 p.m. in council chambers with Mayor Delores Dalke and Council members Byron McCarty, Bob Watson, and Brent Driggers present. Absent: Council member David Loewen.

2. Others Present: Kelsey Unruh, Hillsboro Star Journal; Don Ratzlaff, Hillsboro Free Press; Lou Thurston, 303 Willow Road; Randy Hagen, 907 East "C"; Ben Steketee, Fire Chief; Brook Bradford, Prospective Firefighter; Austin Welch, Jr. Firefighter; Josh Boehm, City Attorney; Larry Paine, City Administrator; and, Jan Meisinger, City Clerk.

3. **CALL TO ORDER** – Mayor Dalke called the meeting to order at 4:00 p.m.

4. **PUBLIC COMMENTS** – none

5. **MINUTES** – The minutes of the 1-10-17 special meeting were approved as distributed.

6. **VOUCHERS** – Motion was made by Council member McCarty and seconded by Council member Watson to approve the vouchers in the amount of \$258,705.30. Motion carried unanimously.

7. **RANDY HAGEN – INSURANCE CLAIM** – Randy Hagen told council that on October 17<sup>th</sup>, he discovered that there had been a sewer back-up in his basement at 907 East "C". Prior to that date, the city had cleaned the sewer line. However, he had not received any prior notification. He talked with City Administrator Paine and has submitted a claim with the city's insurance for clean-up and restoration for approximately \$9,000.00. He also submitted a claim to his insurance company and has received \$5,000.00, plus a waiver of his \$1,000.00 deductible. The city's adjuster from EMC Insurance, Tim Rush, investigated the claim and indicated to Mr. Hagen that the city was at fault and that the claim should be paid. Later, EMC denied payment of the claim because there wasn't sufficient proof that the city was negligent in the loss that occurred. Mr. Hagen is seeking assistance for approximately \$4,000.00 that wasn't covered by his insurance. What appears to be the facts in this case are:

- That the sewer department cleaned pipe in Hagen's neighborhood.
- That running the sewer jetter up the line, water was forced up the lateral and backed up in the toilet and shower in the Hagen basement and spilled on the floor and caused damage in his basement.
- That no specific date for the incident was determined.
- The adjuster determined that our department was operating our equipment within the specifications – in fact, they were operated at water pressures below those that other communities operate their equipment. Our adjuster surveyed other communities with similar equipment and learned they operate at 1900 psi and that we operate at 1500 psi.
- That there does not appear to be a backflow prevention device installed on the Hagen lateral. Whether there was no backflow prevention device installed or that it was inoperable could not be determined. The fact that a backflow prevention device was not installed or failed is not the responsibility of the City of Hillsboro.
- There appears to be no photographic or physical evidence of the claim (that City Administrator Paine has been made aware of).

In review of this issue, we identified there was a council policy that was approved several years ago that said claims that were denied by our insurance company would not be considered for payment afterward. The purpose of the policy was to give direction to the staff and the council in dealing with those denied claims.

Council member McCarty didn't feel any of what happened was Randy's fault. Council member Watson said he was sympathetic and didn't understand why the city's insurance wasn't paying. Council member Driggers said the letter from the insurance company indicated that the city wasn't legally responsible. He questioned what constituted being legally responsible? City Administrator Paine said steps have been taken to make sure residents are notified prior to sewer line cleaning. After further discussion, the mayor and council asked City Administrator Paine to talk to the city's insurance company again because they felt the city had some responsibility for damage in this instance.

8. **KMEA BOARD APPOINTMENT** – The city's Director #1 position with KMEA (Kansas Municipal Energy Agency), is up for reappointment. That position is currently being held by Mike Duerksen. Motion was

made by Council member McCarty and seconded by Council member Driggers to reappoint Mike Duerksen for a two-year term on the KMEA Board of Directors. Motion carried unanimously.

**9. FIREFIGHTER APPOINTMENT** – Motion was made by Council member Watson and seconded by Council member McCarty to appoint Brook Bradford as firefighter on the Hillsboro Fire Department. Motion carried unanimously.

**10. TAX EXEMPTION POLICY** – One of the key issues being proposed by certain members of Congress is to remove the tax-exempt status of municipal bonds. Repealing the exemption would be a significant burden on local governments across the country because our financing costs would be significantly higher. KMU members will be going to Washington DC in February and they are trying to get utility governing bodies to sign on to a letter asking Congress to forego a change in the exemption. Motion was made by Council member McCarty and seconded by Council member Watson to authorize the mayor to join other Kansas communities and sign the letter opposing the elimination of municipal tax-exempt financing.

**11. BOARD APPOINTMENTS – CVB (Convention & Visitor’s Bureau)** – Mayor Dalke reappointed Rod Hamm for the first term 12-31-2014 through 12-31-2016 and second 2-year term from 12-31-2016 through 12-31-2018. Motion was made by Council member McCarty and seconded by Council member Watson to approve the reappointments. Motion carried unanimously.

Mayor Dalke reappointed Peggy Goertzen for a term of 12-31-2014 through 12-31-2016. She will need to be replaced on the board because this fulfills her 4<sup>th</sup> 2-year appointment. Motion was made by Council member Watson and seconded by Council member Driggers to approve this reappointment. Motion carried unanimously.

Mayor Dalke reappointed Lola Unruh for the first term 12-31-2014 through 12-31-2016 and for the second term 12-31-2016 through 12-31-18. Motion was made by Council member Watson and seconded by Council member McCarty to approve this reappointment. Motion carried unanimously.

Mayor Dalke reappointed Sue Wadkins, Shana Stepanek, Sam Hall and Doug Sisk for terms from 12-31-15 through 12-31-17. Motion was made by Council member Watson and seconded by Council member McCarty to approve these reappointments. Motion carried unanimously.

**12. CITY ADMINISTRATOR’S REPORT –**

The city is recruiting for two positions – Economic Development Director and Museum Director.

City Administrator Paine said he wanted to discuss different elements of the water bond project at the next council meeting.

Tomorrow is League Governing Day at the capitol in Topeka. City Administrator Paine and Mayor Dalke plan to attend.

**13. ADJOURNMENT** – Motion was made by Council member McCarty and seconded by Council member Watson to adjourn at 5:02 p.m. Motion carried unanimously.

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/s/  
DELORES DALKE, MAYOR

ATTEST:

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/s/  
JANICE K. MEISINGER, CITY CLERK