

Hillsboro, Kansas  
February 7, 2017

1. The city council met in regular session on Tuesday, February 7, 2017 at 4:00 p.m. in council chambers with Mayor Delores Dalke and Council members Byron McCarty, Bob Watson, and David Loewen present. Absent: Council member Brent Driggers.

2. Others Present: David Brown & Richard Dirks, Museum Advisory Board; Lou Thurston, 303 Willow Road; Randy Hagen, 907 East "C"; Don Ratzlaff, Hillsboro Free Press; Kelsey Unruh, Hillsboro Star Journal; Morgan Marler, Sr. Water Treatment Technician; 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** – David Brown & Richard Dirks, members of the Museum Advisory Board, met with council to announce that the Kansas State Historical Society has approved a Heritage Trust Fund grant in the amount of \$69,340.00 for interior and exterior repairs to the Adobe House. There were 38 applicants competing for the 2.6 million dollars available. Last week in Topeka, 35 were given a 3-minute opportunity to make their case for approval. David Brown & Mary Regier represented Hillsboro. Mr. Brown pointed out that this doesn't solve all of their problems. The Schaeffer House, Kreutziger School, and windmill are also in need of repairs.

5. **MINUTES** – The minutes of the 1-24-17 special meeting were approved as distributed.

6. **VOUCHERS** – Motion was made by Council member Watson and seconded by Council member Loewen to approve the vouchers in the amount of \$79,745.50. Motion carried unanimously.

7. **TAX ABATEMENT REVIEW** – Flint Hills Industries, Inc. is the only remaining abatement pursuant to EDX provision (not through an industrial revenue bond). Their abatement ends in 2019. The Tax Abatement Review Committee (mayor, city administrator, and city clerk) met with Bond Counsel J.T. Klaus via conference call on Tuesday, January 31<sup>st</sup>. After reviewing the information submitted, the committee recommended approval of the tax abatement for 2017. Motion was made by Council member McCarty and seconded by Council member Watson to continue the tax abatement for 2017. Motion carried unanimously.

8. **RANDY HAGEN – INSURANCE CLAIM** – City Administrator Paine talked to our insurance claims adjuster. Basically, they denied the claim because the things Joe did in cleaning the line were within industry standards and he did nothing negligent in the cleaning process; and, the date of the actual loss was not established. Prior notification (by door hangar), though recommended, is not required by KDHE. Mr. Hagen didn't feel he should be out \$4,000.00 when he didn't have any control over what happened. If he had been given prior notification, he said he could have taken measures to cover drains, stool, etc. He said he just wanted to get his basement put back together, and that he wasn't blaming Joe. He just didn't want to see it happen again. The mayor and council were not blaming Joe for what happened either. They felt he was doing his job to the best of his ability, but Randy happened to get caught in the middle. They were, however, disappointed with the insurance company. After further discussion, motion was made by Council member Watson and seconded by Council member McCarty to pay Mr. Hagen \$3,800.00 as a token of good will without admitting to any negligence. Motion carried unanimously. Mr. Hagen thanked the mayor and council for their decision.

9. **CITY ADMINISTRATOR PURCHASE AUTHORITY** – Policy 49, which was adopted 11-7-2000, gives the city administrator authority to purchase routine maintenance & supply items, and contractual services under \$5,000.00. Recently, chemical & equipment purchases have exceeded that amount. City Administrator Paine is requesting an extended purchasing authority of \$10,000.00. Motion was made by Council member Watson and seconded by Council member McCarty to change policy 49 to increase the city administrator's purchasing authority to \$10,000.00. Motion carried unanimously.

10. **JOHN DEERE BOX BLADE** – The Street Department's front-end loader needs to be replaced or repaired. The best way to acquire one is to do a lease purchase. The city currently has the John Deere box blade on a lease purchase with a balance of \$43,899.87 still owing. The current balance in the Equipment Reserve Fund is \$50,131.00. We still have \$37,500.00 to transfer to this fund in 2017. City Administrator Paine would like to pay the John Deere box blade lease off early. Then, look at bids for a front-end loader. Motion was made by Council member McCarty and seconded by Council member Watson to pay the John Deere box blade lease off early. Motion carried unanimously.

**11. WATER PROJECT REVIEW** – City Administrator Paine reviewed the scope of the work needed to be done to upgrade Hillsboro’s water lines. A preliminary engineering report will need to be sent to USDA Rural Development. RDA will use this to determine what they would fund in a loan and if there would be any grant money involved. According to our budget, we wouldn’t be eligible for grant funds until the project got over \$10,000,000.00. This is mostly due to the fact Hillsboro does not have greater than 51% low/moderate income residents. Projects and project costs discussed:

Wilson Street rebuild	\$ 701,900.00
Kennedy Street	\$ 179,500.00
Floral (abandoned 2" elec conduit)	\$ 26,500.00
AMR Meters	\$ 1,954,400.00
Alley - West A/West B	\$ 60,900.00
Ash Street (relocate around pond)	\$ 115,900.00
Water Tower (AC pipe)	\$ 32,800.00
Alley - West A/Grand (AC pipe)	\$ 52,900.00
Grand Avenue (AC pipe)	\$ 597,600.00
Industrial Area	\$ 776,100.00
Total	\$ 4,498,500.00

There have been 89 leaks on Wilson Street since 2003. Council members were having doubts about spending 1.9 million dollars on an automatic meter reading system when it’s only costing approximately \$20,000.00 per year for a meter reader. Council also discussed developing a regional water system project. The regional water system would involve upgrading the supply line from Marion Reservoir to Hillsboro, making some water plant upgrades, and building a water line from Nighthawk/190<sup>th</sup> to Marion. Before agreeing to move forward with an engineering report, council wanted to know what the cost would be. Item deferred until the next meeting.

**12. BOARD APPOINTMENTS** – deferred

**13. CITY ADMINISTRATOR’S REPORT** –

*Resolution 2017-01* – The city attorney prepared a resolution allowing for the abatement of nuisance conditions at 101 S. Birch (non-operating recreation vehicle, tires, appliances, and other debris); and, at 110 N. Jefferson (abandoned Buick Regal). The building inspector has been working with these two individuals, but we now seem to be at a standstill. If clean-up costs are not paid, they can be assessed against the property owner. Motion was made by Council member McCarty and seconded by Council member Watson to approve Resolution 2017-01 – (*A RESOLUTION ALLOWING FOR THE ABATEMENT OF NUISANCE CONDITIONS IN THE CITY OF HILLSBORO, MARION COUNTY, KANSAS*). Council was polled with the following vote: Council member Watson, yes; McCarty, yes; Loewen, yes. Motion carried unanimously.

*Cost of Water* – There is a bill (2241) before the Kansas House that would change the cost of water we purchase from \$.10 per thousand gallons to \$.40 per thousand gallons that we draw from the reservoir. This means our annual fee would go from \$15,000.00 to \$60,000.00. City Administrator Paine provided information to Colin Hansen, KMU executive director, who is providing testimony in opposition to House Bill 2241.

*800 MHz Radios* – There is a meeting Thursday evening with the county commissioners concerning the new 800 MHz radios that are going to be required for the Police and Fire departments.

**14. ADJOURNMENT** – Motion was made by Council member Watson and seconded by Council member McCarty to adjourn at 6:05 p.m. Motion carried unanimously.

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/s/  
DELORES DALKE, MAYOR

ATTEST:

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/s/  
JANICE K. MEISINGER, CITY CLERK