

Hillsboro, Kansas
March 3, 2020

1. The city council met in regular session on Tuesday, March 3, 2020 in council chambers with Mayor Lou Thurston and Council members David Loewen, Byron McCarty, Renee Gehring, and Brent Driggers present.

2. Others Present: Greg Vahrenberg, Managing Director, Raymond James Public Finance; Gary Andrews, Golf Superintendent; Phyllis Zorn, Hillsboro Star Journal; Laura Paulus, Hillsboro Free Press; Josh Boehm, City Attorney; Larry Paine, City Administrator; and, Jan Meisinger, City Clerk.

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

4. PUBLIC COMMENTS – none

5. MINUTES – Motion was made by Council member Gehring and seconded by Council member Driggers to approve the minutes of the 2-18-2020 regular meeting as distributed. Motion carried unanimously.

6. VOUCHERS – Motion was made by Council member Driggers and seconded by Council member Loewen to approve the vouchers in the amount of \$479,672.61. Motion carried unanimously.

7. GREG VAHRENBERG – BOND STRATEGY – Greg Vahrenberg met with council to discuss the Mill Levy Fund Balance Management Plan. This plan needs to be reviewed annually, especially in the next 5 years. The purpose of the report is to set forth the plan for the management of the mill levy in the Bond & Interest Fund for the City of Hillsboro, Kansas. After the issuance of the Series 2019-A General Obligation Bonds for Street Improvements in the City, City Administrator Paine developed a plan for the stabilization of the mill levy in the Bond & Interest Fund with the goal of not having an increase in the Bond & Interest Fund Mill Levy in any upcoming year. The plan includes certain elements that will need to be evaluated and potentially adjusted each year, including the following:

- Utilization of savings in utility systems resulting from the issuance of the Series 2019-B General Obligation Refunding Bonds toward mill levy in the Bond & Interest Fund.
- Utilization of sales tax approved by voters for the Aquatic Center and Mill Levy Reduction to manage mill levy in the Bond & Interest Fund.
- Use planned transfers from the Utility System for payment of Debt Services.
- Use TIF and Special Assessment Revenue for payment of Debt Services.
- Work toward establishing and maintaining minimum fund balances of the City in Operating Funds.

Mr. Vahrenberg discussed the General Obligation Bonded Indebtedness limit. The city's total debt, subject to the debt limit, is \$4,913,207.42. Based on valuation, the total debt limit would be \$6,335,596.00 (30% of assessed valuation). When the ½ cent sales tax question was passed in 2005, it included approval to use such tax to stabilize the City's Ad valorem Property Tax as well as for the Family Aquatic Center. Also discussed was the Fund Balance Reserve Policy. Fund balance measures the net financial resources available to finance expenditures of future periods. Rating agencies examine fund balance when considering the overall health and credit quality of the City of Hillsboro. Reserves protect the city's essential service programs during periods of economic downturn, which may temporarily reduce actual resources or cut the growth rate of city resources below that necessary to maintain pre-existing service levels. Currently, our fund balances are short in the General Fund and the Electric Utility Fund.

Mayor Thurston thanked Mr. Vahrenberg for his help with the refinancing and budget last year because we want to be good stewards of public finances.

8. LAWN MOWER FOR SPORTS COMPLEX – We budgeted \$30,000.00 for a new mower and work truck for the Sports Complex. Gary took bids for a new lawnmower and received two bids for a 104" Hustler mower. Jacob Ventures, dba Hales Sales, Sedgwick, KS - \$23,833.04 less \$4,000.00 trade-in for a net of \$19,833.00. Ag Power, Hillsboro, KS - \$32,648.00 less \$8,814.90 discount, less \$2,483.04 trade-in, for a net of \$21,350.00. There is a less than 10% difference. Because of past service experience and the fact that Hales has all parts on hand vs 1 week for parts delivered locally, Gary's preference is to purchase the mower from Hales Sales. Motion was made by Council member Driggers and seconded by Council member McCarty to approve the purchase of the mower from Hales Sales for \$19,833.00. Motion carried unanimously.

9. ELCON INVOICES – We have two invoices from Elcon Services totaling \$1,528.66. Invoice 11981 (fire station doors) - \$58.75; and, Invoice 11983 (welding school bathroom addition) - \$1,469.91. Motion was made by Council member McCarty and seconded by Council member Driggers to approve payment of these two invoices totaling \$1,528.66. Vote: Council members McCarty, Driggers, and Loewen, yes; Council member Gehring, abstained. Motion carried.

10. KDHE REIMBURSEMENT #19 – Reimbursement #19 is for \$110,204.96 (EBH Engineering, Inc - #12417 - \$17,013.79, and Pay Estimate #5 – Goins Enterprises - \$93,191.17). Motion was made by Council member McCarty and seconded by Council member Gehring to approve Reimbursement Request #19 to KDHE for waterline improvements. Motion carried unanimously.

11. HWY 56/INDUSTRIAL ROAD KDOT ENGINEERING PAY ESTIMATE #7 – We have an Engineering Reimbursement Request for work done on the Hwy 56/Industrial Road widening project. The engineering fee is \$2,349.76. Motion was made by Council member Driggers and seconded by Council member Loewen to approve this pay request. Motion carried unanimously.

12. STRATEGIC PLAN UPDATE – City Administrator Paine discussed the goals of the Strategic Plan:

- Population Growth – Grow the Hillsboro population by .05%/year (15 people) by 2025. Develop community amenities that will attract new people.
- Create new housing opportunities for seniors and new homebuyers. Need duplexes and apartments too. Develop tiny house subdivision.
- Better technology/communications & internet. Develop 1 GB “fiber to the premises” infrastructure.
- Fully fund the Cash Balance Policy. Develop plan to have 90-day Fund Balance Reserves in specific funds.
- Child Care – If we’re going to grow population, parents will need quality childcare.
- Community Plaza – Hospital Trail Project – Solar project, electric vehicle charging station, splash pad, meeting place connect to downtown.
- Public Safety Building – Have police, fire and ambulance in one common facility.
- Clean-up old building sites – need money for demolition.
- Update Master Plan Zoning Code & Subdivision Regulations. Hire consultant to assist in review.
- Increase Educational Public/Private Partnership.

City Administrator Paine asked council to review the objectives, write down what needs to be done, and give the information to him in one month.

13. BOARD APPOINTMENTS – none

14. CITY ADMINISTRATOR’S REPORT –

CODERED – We have a contract with CODERED for emergency notifications. We will be ready to roll that out soon.

League Webinar – Next week, City Administrator Paine will participate in a League webinar regarding pandemic planning. ICMA has also made some resources available.

Solar Project – City Administrator Paine and the Electric Department are working on a policy for solar energy.

56/Santa Fe – Extra Turn Lane – Darin Neufeld, EBH Engineers, has made application to the State for a turning lane at Hwy 56 & Santa Fe.

Electric Bucket Truck – The new electric bucket truck arrived today.

15. ADJOURNMENT – Meeting adjourned at 5:32 p.m.

/s/
LOUIS THURSTON, MAYOR

ATTEST:

/s/
JANICE K. MEISINGER, CITY CLERK