

Hillsboro, Kansas  
August 1, 2017

1. The city council met in regular session on Tuesday, August 1, 2017 in council chambers with Mayor Delores Dalke and Council members Byron McCarty, Bob Watson, David Loewen, and Brent Driggers present.
2. Others Present: Steve Fast, Museum Coordinator; Anthony Roy, Economic Development Director; Russell Groves, MCCEDC; Don Ratzlaff, Hillsboro Free Press; Phyllis Zorn, Hillsboro Star Journal; Josh Boehm, City Attorney; Jonah Gehring, Candidate for City Council; 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** – Council member Loewen said a citizen had asked if a sidewalk along Ash Street, between Carriage Hills and Willow Glen, could be built. City Administrator Paine said this would not qualify for any grant funds; but, could be a 2019 budget item.
5. **MINUTES** – The minutes of the 7-18-17 regular 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 \$283,626.79. Motion carried unanimously.
7. **BUDGET PUBLIC HEARING** – At 4:03 p.m., council recessed into a public hearing for the proposed 2018 budget. The budget as advertised is \$9,269,249.00 (\$867,015.00 of this is ad valorem tax). The mill levy is 48.499 (5.673 mills higher than this year). City Administrator Paine reviewed the income and expenditures of all the city's funds, including the existing and proposed new leases. There were no public comments. The public hearing closed at 4:28 p.m. and the regular council meeting resumed.
8. **2018 BUDGET REVIEW** – City Administrator Paine told council they could adopt the budget, amend the budget, or postpone their decision until the next city council meeting. The 2018 budget has to be certified to the county clerk by August 25<sup>th</sup>. The only thing council cannot do is increase budget expenditures. Council member Watson said he would like to see Hillsboro contribute something toward Marion County economic development since we are the largest city in the county. He suggested a contribution of \$25,000.00 for one year with one seat on the board. Mayor Dalke pointed out that any obligation could only be for one year. Council member Driggers said he was still struggling with how much burden would be put on Hillsboro taxpayers by contributing both locally and for the county. Mr. Groves said they would welcome participation from Hillsboro as Bob suggested. Whether Hillsboro participates financially or not, he was thankful for cooperation from Anthony and Randy (Marion's economic development director). City Administrator Paine said he wanted to make clear that in the past, the City of Hillsboro and the City of Marion have been working together and doing a good job. After further discussion, motion was made by Council member Watson to contribute \$25,000.00 to MCCEDC for one year with one position on the board. Motion died for lack of a second. A decision should be made in two weeks when the budget is finalized.
9. **MARION COUNTY ECONOMIC DEVELOPMENT** – Mayor Dalke said our county commissioner, Kent Becker, had asked her for suggestions for one of the three county representatives to the Economic Development Board. She suggested Mr. Russell Groves, who is the group's current chairman. Motion

was made by Council member Watson and seconded by Council member Driggers to suggest Mr. Groves be nominated for a county appointment representing our part of the county. Motion carried unanimously.

**10. RESOLUTION 2017-06a – 311 S. EISENHOWER** – Since there was a mix-up regarding the publication of the previous resolution for 311 S. Eisenhower, motion was made by Council member McCarty and seconded by Council member Loewen to approve Resolution 2017-06a – *(A RESOLUTION FIXING A TIME AND PLACE AND PROVIDING FOR NOTICE OF A HEARING BEFORE THE CITY COUNCIL OF THE CITY OF HILLSBORO, MARION COUNTY, KANSAS, AT WHICH THE OWNER, HIS OR HER AGENT, LIEN-HOLDERS OF RECORD, OCCUPANTS AND OTHER PARTIES IN INTEREST OF STRUCTURES LOCATED WITHIN SAID CITY AND DESCRIBED HEREIN MAY APPEAR AND SHOW CAUSE WHY SUCH STRUCTURE SHOULD NOT BE CONDEMNED AND ORDERED REPAIRED OR DEMOLISHED AS AN UNSAFE OR DANGEROUS STRUCTURE)*. Council was polled with the following vote: Council member Loewen, yes; McCarty, yes; Watson, yes; and, Driggers, yes. Motion carried unanimously.

**11. LKM VOTING DELEGATES** – The annual League of Municipalities Conference is in Wichita this year on September 16-18<sup>th</sup>. As a city, we get two voting delegates and two alternate voting delegates. Motion was made by Council member Driggers and seconded by Council member McCarty to designate Mayor Dalke and Council member Watson as voting delegates. Motion carried unanimously. Motion was made by Council member McCarty and seconded by Council member Driggers to designate Council member McCarty and City Administrator Paine as alternate voting delegates. Motion carried unanimously.

**12. WATER PROJECT PRIORITY** – Since there is no federal funding yet for USDA, we are looking at the KDHE 20-year revolving loan program as an alternative. City Administrator Paine shared the following information:

Opinion of Probable Cost			
Hillsboro, KS			
Proposed Water Distribution Improvements			
SUMMARY			
17-Jul			
ITEM NUMBER/ PRIORITY	DESCRIPTION	Total Project Cost	Accumulated Total Costs
1	WILSON STREET, FIRST STREET AND C STREET	\$ 683,100.00	\$ 683,100.00
2	KENNEDY STREET	\$ 186,500.00	\$ 869,600.00
3	FLORAL STREET	\$ 26,400.00	\$ 896,000.00
4	ASH STREET	\$ 124,900.00	\$ 1,020,900.00
5	AMR METERS, PIT TRANSCIVERS, METER PIT, AND LID	\$ 1,371,600.00	\$ 2,392,500.00
6	WATER TOWER	\$ 34,100.00	\$ 2,426,600.00
7	ALLEY BETWEEN WEST A STREET AND WEST B ST	\$ 59,500.00	\$ 2,486,100.00
8	ALLEY BETWEEN GRAND AVENUE AND WEST A ST	\$ 52,400.00	\$ 2,538,500.00
9	GRAND AVENUE	\$ 599,600.00	\$ 3,138,100.00
10	WASHINGTON STREET	\$ 369,400.00	\$ 3,507,500.00
11	JEFFERSON STREET	\$ 398,400.00	\$ 3,905,900.00
12	MADISON STREET	\$ 106,600.00	\$ 4,012,500.00
13	INDUSTRIAL AREA	\$ 700,900.00	\$ 4,713,400.00
		\$ 4,713,400.00	\$ 32,590,700.00

	Rural		
	Development	KDHE	KDHE
City loan	\$ 4,713,400.00	\$ 4,713,400.00	\$ 3,100,000.00
Years	40	20	20
Interest Rate	2.75%	2.21%	2.21%
Yearly Payment	\$ 195,754.64	\$ 294,130.71	\$ 193,449.57

City Administrator Paine felt we should consider items 1-9 now and 10-14 at a future time. Council discussed the AMR (Automatic Meter Read) system advantages and if they wanted to spend that much money. This would only be for the water meters and at some point, the electric meters would need upgrading as well. City Administrator Paine said council wasn't committing to spending this money – they would be approving this list as to where we are going and adjustments will be made from there. After further discussion, motion was made by Council member Loewen and seconded by Council member McCarty to accept the priority list as proposed. Vote: Council member Loewen, McCarty and Driggers, yes; Watson, no. Motion carried.

**13. DRAFT DEBT MANAGEMENT POLICY** – City Administrator Paine said as he was preparing for the Standard & Poor review, he and Financial Advisor Greg Vahrenberg were talking about things we could do to help our eventual rating. One of those things would be a debt management policy. This also fits in with the questions Council member Driggers asked as we were reviewing the 2016 audit. The draft policy included in the packet is for council review. Work still needs to be done on it to fit Hillsboro.

**14. BOARD APPOINTMENTS** – deferred

**15. CITY ADMINISTRATOR'S REPORT** –

*Adobe House Project* – Steve Fast, Museum Coordinator, presented bids for lighting and electrical at the Adobe House and barn. This would put LED track lighting in each of the Adobe rooms and the barn, replace the service entrance, and wire the sump pump (being installed by Dillis Owen) for the root cellar. The advantages of the project are:

- 1) Safety – The current lights are homemade from old kerosene lanterns and ungrounded, and the service entrance does not meet code.
- 2) Illumination – Better lighted exhibits are more attractive to visitors and suffer less UV damage. The track lights can be aimed to highlight whatever is important.
- 3) Better use of existing space – Allows us to use the barn as a rotating exhibit area (instead of the school house). Half of the barn space is wasted now due to poor lighting. This will allow us to keep fresh exhibits and attract repeat visitors.
- 4) Keeps the water pumped out of the root cellar so that the stones don't fall off again; and, reduces the attractiveness to termites.

Costs – Lighting & Sump Pump –  
 Funk Electric - \$4,525.00  
 Elcon Services - \$4,701.00

Funk Electric asked a lot more questions and made three trips here to make sure they understood exactly what we need, while Elcon made a quick visit and wrote out an estimate. Funk Electric also

noticed that the electrical riser and service panel are in poor condition, and recommended replacing those for \$1,621.00. Ben Steketee, Building Inspector, confirmed that there are a number of code violations on the service entrance. He said that it is unsafe and that we should get it replaced. That would make the total cost for Funk Electric \$6,145.55. We only included \$2,500.00 for electrical work in the grant proposal because we had not considered making such extensive improvements to the lighting and service entrance. There is a contingency line of \$14,445.00 in the grant, and the balance could be taken from there. Mr. Fast's recommendation was to accept the bid from Funk Electric. Motion was made by Council member Driggers and seconded by Council member Loewen to award the bid to Funk Electric. Motion carried unanimously.

*Grant* – The application for the recreational trail has been submitted to the Kansas Department of Wildlife, Parks & Tourism. (This is in the sports complex area).

*Pool Slide* – The slide has been inspected and reopened. The state is requiring us to increase our liability coverage, which is going to cost approximately \$1,000.00.

*Electric Issues* – Randy Jantz went to Kingman yesterday to borrow an electric meter that will monitor the amount of current going into David Zeller's home. This will determine if we have a problem or if the problem is in his house.

**16. ADJOURNMENT** – Motion was made by Council member Watson and seconded by Council member Driggers to adjourn at 5:40 p.m. Motion carried unanimously.

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/s/  
DELORES DALKE, MAYOR

ATTEST:

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/s/  
JANICE K. MEISINGER, CITY CLERK