

Hillsboro, Kansas
January 10, 2017

1. The city council met in special session on Tuesday, January 10, 2017 at 4:00 p.m. in council chambers with Mayor Delores Dalke and Council members David Loewen, Byron McCarty, Bob Watson and Brent Driggers present.

2. Others Present: Dale Dalke, Street Superintendent; Kelsey Unruh, Hillsboro Star Journal; Bailey Kaufman, Hillsboro Free Press; Mitch Frantz, Leader, and Logan Frantz & Logan Rogers, Boy Scouts; 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 12-20-16 regular meeting were approved as distributed.

6. VOUCHERS – Motion was made by Council member Watson and seconded by Council member Driggers to approve the vouchers in the amount of \$109,183.98. Motion carried unanimously.

7. CONCRETE CRUSHING – Since 2012, the pile of concrete at the city shop, from a number of demolition projects, has been growing. Street Superintendent Dale Dalke would like to have the concrete crushed and reuse it for projects that would require a rock base or in alleys. He has estimated the quantity to be about 7,000 tons. Dale received three proposals for crushing the concrete –

- Vogts Crushing - \$5,000.00 mobilization fee - \$7.00/ton - \$54,000.00
- APAC Construction - \$3,500.00 mobilization fee - \$6.50/ton + \$1.00/ton for any pre break - \$51,500.00
- Central Sand Crushing – No mobilization fee - \$8.75/ton - \$61,250.00

His recommendation is to use Vogts because they have 2 magnets to pull rebar and wire from the finished product, making it more tire friendly. After discussion, motion was made by Council member McCarty and seconded by Council member Watson to approve the proposal from Vogts Crushing. Motion carried unanimously.

The front end loader has a major transmission problem. City Administrator Paine said he would like to look at a way to pay off the existing lease on the box blade and then do a bid process for the loader. The estimate to fix the transmission is \$23,000.00.

8. BOY SCOUTS - Mayor Dalke welcomed the scouts who were present. They are working on their citizenship badges.

9. KPP LETTER OF INTENT – City Administrator Paine introduced the KPP letter of intent to the council. When KPP was in the process of purchasing electric generation capacity in the Dogwood Energy Center power plant, all the cities approved a purchase power agreement (PPA). The PPA committed each city to taking power for the duration of the bond issue used to back the purchase of a share of Dogwood. Unfortunately, all the PPA's agreed to by the cities were not all alike – some had local construction projects included in the agreement, which would be funded by the bonds and paid by the cities, and the

rest did not have local construction projects. These two different PPA documents ended up with having different effective dates and therefore different expiration dates. The different ending dates puts a cloud on when a city can terminate service should they decide to pursue different service alternatives.

The letter of intent was generated by KPP to reorganize the various contracts to a common expiration date. At the KPP annual meeting, members approved a resolution calling for governing bodies of certain cities to agree to sign a new purchase power agreement, once developed, that would reset the contract expiration date.

The current PPA has been in place and the revisions that will occur as a result of the letter of intent will not reset the 20 year commitment established in the PPA. Fourteen years remain on the bond contract.

Mayor Dalke asked if the PPA had any impact on the city's debt limit. City Administrator Paine explained KPP approved a resolution prior to the bond issuance that makes the debt the debt of KPP and not of the member cities. In addition, the resolution specifically stated KPP would not be doing any bond financing any longer than the initial 20 years. With 14 years remaining on the resolution's bond authority, the longest any additional debt to be considered would be limited to those 14 years. Should another project be proposed to the membership that needed to be financed for a period longer than the 14 years remaining, governing bodies of the respective member cities will be asked to approve a new PPA covering the new length of time.

Motion was made by Council member Driggers and seconded by Council member Watson to authorize the mayor to sign the letter of intent. Motion carried unanimously.

10. USD 410 SHARED USE AGREEMENT – The Shared Use Agreement with USD 410 for recreation facilities has been revised. The USD 410 superintendent and the city administrator will meet once a year in May to review the performance of the agreement and to see if any budget adjustments need to be made. Motion was made by Council member Watson and seconded by Council member McCarty to authorize the mayor to sign the Shared Use Agreement with USD 410. Motion carried unanimously.

11. SALARY ADJUSTMENTS – The 2017 budget included a 1.5% COLA salary adjustment for employees. Council received a copy of what the individual adjustments would be, plus a copy of the salary range and step chart that City Administrator Paine uses. After questions, motion was made by Council member Watson and seconded by Council member McCarty to authorize the 1.5% COLA for 2017. Motion carried unanimously.

12. BOARD APPOINTMENTS – deferred

13. CITY ADMINISTRATOR'S REPORT –

Dashboard – City Administrator Paine presented the final dashboard for 2016. Overall, cash has increased from \$2,450,817.00 to \$3,167,808.70. Cash in the Water, Refuse and Sewer has increased, but cash in the Electric utility has declined.

USDA – City Administrator Paine said he and our engineers were going to Topeka next Thursday to talk with USDA officials about applying for a grant for the water projects we have been discussing.

14. EXECUTIVE SESSION PERSONNEL – Motion was made by Council member McCarty and seconded by Council member Loewen to recess into executive session at 5:00 p.m. for 15 minutes to discuss personnel. The meeting would be scheduled to resume at 5:15 p.m. Motion carried unanimously. Also present in executive session: City Administrator Paine. At 5:16 p.m., motion was made by Council member Loewen and seconded by Council member Watson to extend the executive session by an additional 15 minutes. Motion carried unanimously. The city council meeting resumed at 5:31 p.m. The executive session was for the city administrator’s evaluation. Motion was made by Council member McCarty and seconded by Council member Watson to grant a 1.5% COLA to City Administrator Paine. Motion carried unanimously.

15. ADJOURNMENT – Motion was made by Council member McCarty and seconded by Council member Watson to adjourn at 5:32 p.m. Motion carried unanimously.

/s/
DELORES DALKE, MAYOR

ATTEST:

/s/
JANICE K. MEISINGER, CITY CLERK