

Hillsboro, Kansas
May 16, 2017

1. The city council met in regular session on Tuesday, May 16, 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; Josh Boehm, City Attorney; Larry Paine, City Administrator; Jan Meisinger, City Clerk; and, Phyllis Zorn, Hillsboro Star Journal, arrived later in the meeting.

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 5-2-17 regular 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 \$306,146.12. Motion carried unanimously.

7. CITY CONTRIBUTION TO FLEX PLAN – In the past couple of years, health insurance premiums and deductibles have increased significantly. To lessen the financial impact on staff, council has contributed up to \$500.00 (each full-time employee) to the employee's flex plan (pre-tax dollars). This year, we are expecting a 5.65% increase in the cost of health insurance. After further discussion, motion was made by Council member Driggers and seconded by Council member Loewen to contribute up to \$500.00 in the employee's flex plan. Motion carried unanimously.

8. TOTAL FLEX PLAN CONTRIBUTION – Because of a cost of living adjustment, we can elect to amend our plan and increase the maximum contribution to \$2,600.00 with automatic future cost of living increases. The cost to add the amendment is \$250.00. There is a risk to the city to do this. At the beginning of each benefit year, (July 1st), the whole amount is available to the employee. Even though we collect the annual benefit on a paycheck by paycheck basis, 100% of the benefit is available on day one. The risk to the city is that if an employee leaves the city before they make the full contribution, we could be out some cash if they used more than we have collected. Motion was made by Council member Driggers and seconded by Council member Watson to approve moving to the \$2,600.00 max with future cost of living increases. Motion carried unanimously.

9. DISCUSSION OF STREET CONSTRUCTION PROJECTS – A price quote was received from APAC for doing a 3" asphalt overlay on the city's portion of Industrial Road. It is \$92,230.70. The price could be cheaper if the county does their portion at the same time. City Administrator Paine felt this should be done as soon as possible. Motion was made by Council member Watson and seconded by Council member Driggers to accept the quote from APAC for \$92,230.70 for an overlay on Industrial Road. Motion carried unanimously. This would be paid for out of Special Highway funds. This project will be coordinated with the county.

None of the city's bonds are being paid off until 2023. A new bond issue of \$1,600,000.00 would equal an approximate annual repayment of \$163,000.00. Council felt the next street to be replaced is "B" Street (Lincoln to Adams). Next on the list is Grand (Ash to Hickory). This concrete street is

approximately 40 years old. It could be milled and then overlayed with asphalt, which would probably be cheaper than replacing it with concrete. The water line under the street would need to be replaced. Third on the list is Wilson Street. There is no base or curb & gutter. And again, the water line would need to be replaced. Fourth on the list is Grand Street, (Washington to Adams). Costs would vary depending on whether it's replaced with concrete or new bricks. Mayor Dalke said she would rather give up the brick and see it replaced with concrete with parking along the north side. Council member Driggers said he was concerned about what we could be adding to the mill levy. Some of the next streets on the list could qualify for CDBG funds. Council discussed the merits of concrete vs asphalt (cost & longevity). City Administrator Paine felt he had good direction for the next step.

10. BOARD APPOINTMENTS – Mayor Dalke appointed Linda Peters to the Fire Advisory Board representing Liberty Township. Motion was made by Council member McCarty and seconded by Council member Watson to approve this appointment. Motion carried unanimously.

11. CITY ADMINISTRATOR'S REPORT –

Resolution 2017-03 states that the governing body followed procedures correctly in the bidding process; and, it authorizes the mayor and city clerk to sign documents for the bank. Motion was made by Council member Watson and seconded by Council member McCarty to approve Resolution 2017-03. Council was polled with the following vote: Council member Loewen, yes; McCarty, yes; Watson, yes; Driggers, yes. Motion carried unanimously.

Bond Rating – City Administrator Paine shared a list of questions he will be answering to Standard & Poor's to try and improve the city's bond rating.

12. ADJOURNMENT - Motion was made by Council member Watson and seconded by Council member McCarty to adjourn at 4:58 p.m. Motion carried unanimously.

_____/s/_____
DELORES DALKE, MAYOR

ATTEST:

_____/s/_____
JANICE K. MEISINGER, CITY CLERK