

Hillsboro, Kansas  
August 21, 2007

1. The city council met in regular session on Tuesday, August 21, 2007 at 4:00 p.m. in council chambers with Mayor Delores Dalke and Council members Shane Marler, Byron McCarty & Bob Watson present. Absent: Council member Shelby Dirks.

2. Others Present: RoseMary Saunders, Ranson Financial; Phil Wyssenbach, President, Flint Hills Industries, Inc.; Larry Kleeman, M&I Bank; Bob Previtera, Reiss & Goodness Engineers; Don Ratzlaff, Free Press; Susan Berg, Hillsboro Star Journal; Dan Baldwin, City Attorney; Larry Paine, City Administrator; and, Jan Meisinger, City Clerk

**3. PUBLIC COMMENTS** – none

**4. MINUTES** – The minutes of the 8-7-07 regular meeting were approved as distributed.

**5. VOUCHERS** – After questions, motion was made by Council member Marler and seconded by Council member Watson to approve the vouchers in the amount of \$167,164.91. Motion carried unanimously.

**6. PUBLIC HEARING – RE: FLINT HILLS TAX ABATEMENT** – At 4:02 p.m., council recessed into a public hearing. Flint Hills Industries is asking for a tax abatement for a 22,500 square foot addition to an existing manufacturing facility (estimated cost \$530,000.00). Mr. Kleeman reviewed the cost benefit analysis, which is required for economic development tax abatement. The city's cost benefit ratio is 6.55%. Based on the city's current policy, if approved, Flint Hills Industries would receive 98.5% abatement. They would still pay a 1.5% payment in lieu of taxes. Mr. Wyssenbach told council the building they were using (former battery plant) was extremely inefficient and hard to heat because of the high ceilings and big doors. By having a more efficient building, they will be able to invest more in other equipment and hire more people and move forward. Mr. Wyssenbach said he hoped to achieve \$30,000,000.00 in sales in five years. Currently, they employ 53 people. To reach \$30,000,000.00 they would need to employ 140 people.

The public hearing closed at 4:15 p.m., and the regular meeting resumed.

**7. ORDINANCE 1151** – Motion was made by Council member Watson and seconded by Council member McCarty to approve Ordinance 1151 – (*AN ORDINANCE OF THE CITY OF HILLSBORO, KANSAS EXEMPTING CERTAIN PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES*). Council was polled with the following vote: Marler, yes; McCarty, yes, Watson, yes. Motion carried unanimously.

**8. PUBLIC HEARING, RE: CDBG GRANT** – At 4:16 p.m., council recessed into a public hearing for the purpose of considering an application to be submitted to the Kansas Department of Commerce for Small Cities Community Development Block Grant funds

under water-wastewater category. The proposed project is the replacement of 3500 feet of existing 4” water line with 8” water line and appurtenances on Birch Street from “D” Street to one block north of Grand Avenue, and on Cedar Street from “B” Street to Grand Avenue. Mr. Previterra estimated the cost to be \$418,250.00 (\$209,125.00 CDBG & \$209,125.00 local share). The surveys from last year can be used, and this area qualifies as low to moderate income.

The public hearing closed at 4:19 p.m.

Motion was made by Council member Marler and seconded by Council member McCarty to approve Resolution 2007-09 – *(A RESOLUTION CERTIFYING LEGAL AUTHORITY TO APPLY FOR THE 2008 KANSAS SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FROM THE KANSAS DEPARTMENT OF COMMERCE AND AUTHORIZING THE MAYOR TO SIGN AND SUBMIT SUCH APPLICATION)*. Council was polled with the following vote: Marler, yes; McCarty, yes; Watson, yes. Motion carried unanimously.

Motion was made by Council member McCarty and seconded by Council member Watson to approve Resolution 2007-10 – *(A RESOLUTION ASSURING THE KANSAS DEPARTMENT OF COMMERCE THAT FUNDS WILL BE CONTINUALLY PROVIDED FOR THE OPERATING AND MAINTENANCE OF IMPROVEMENTS TO THE WATER SYSTEM TO BE FINANCED WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS)*. Council was polled with the following vote: Marler, yes; McCarty, yes; Watson, yes. Motion carried unanimously.

Other items to be signed by the mayor as authorized by Resolution 2007-09 are: Statement of Assurances and Certifications; Certificate of Available Funds; Residential Anti-Displacement and Relocation Assistance Plan; and, CDBG Disclosure Report.

Bids for grant administrator were received from SCKEDD, Pittsburg State University & Ranson Financial Consultants, LLC. These will be reviewed and a decision will be made at the next council meeting.

**9. ORDINANCE 1149 AND AMENDMENT TO KDOT REVOLVING LOAN FUND** – Motion was made by Council member Marler and seconded by Council member Watson to approve Ordinance 1149 – *(AN ORDINANCE AUTHORIZING THE EXECUTION OF A CERTAIN AMENDMENT TO AN EXISTING LOAN AGREEMENT BETWEEN THE CITY OF HILLSBORO, KANSAS AND THE STATE OF KANSAS, ACTING BY AND THROUGH THE KANSAS DEPARTMENT OF TRANSPORTATION DATED OCTOBER 17, 2006; AUTHORIZING AND APPROVING CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION WITH THE LOAN AGREEMENT)*. Council was polled with the following vote: Marler, yes; McCarty, yes; Watson, yes. Motion carried unanimously.

Motion was made by Council member Watson and seconded by Council member Marler to approve the amendment to the KDOT Loan Agreement. Motion carried unanimously.

#### **10. ENGINEER'S REPORT –**

Mr. Previtera said he would have the drainage reports for Birch Street and West Winds at the next council meeting.

He has started the drainage study on Wilson & Adams Street, south of "D", and found that the alley was vacated in 1960, but the city still retains an easement for utilities. The east/west portion was not vacated and is still an alley. After discussion, council felt that the asphalt meltings that were put in by the city should be removed. This should then take care of a lot of the drainage problems. City Administrator Paine said the city needed to make sure the residents there understood that this was still a dedicated easement, and the city had a right to be there to take care of our utilities when necessary. Mr. Previtera will help the city determine how much will need to be removed to improve drainage.

Mr. Previtera picked up the signed copy of the Hillsboro Business Park plat so mylar file copies can be made.

The city sent Tabor College an invoice for the 8" sewer pipe, manhole, engineering, inspection & overhead in the amount of \$9,535.50 (Adams Street Project). Tabor then sent the city a letter asking for documentation and a breakdown of the expenses. City Clerk Meisinger read an excerpt from the 10-3-06 city council minutes. Mr. Previtera will provide a breakdown of the overhead costs.

#### **11. BOARD APPOINTMENTS – none**

#### **12. FOLLOW-UP FROM PREVIOUS MEETINGS – All items deferred.**

**13. REPRESENTATIVE TO KANSAS POWER POOL –** Motion was made by Council member McCarty and seconded by Council member Marler to appoint City Administrator Larry Paine as the city's KPP representative. Motion carried unanimously. The city's alternative representative is Council member Shelby Dirks.

#### **14. CITY ADMINISTRATOR'S REPORT –**

*Martin Rhodes* – City Administrator Paine said he had received a resignation from Martin Rhodes this morning, effective September 4, 2007. Motion was made by Council member Watson and seconded by Council member Marler to accept this resignation. Motion carried unanimously.

*AMPI* – City Administrator Paine is working on a proposal for the restoration and rehabilitation of the AMPI building.

*Water* – An article was placed in the newspaper regarding what was causing the color and odor change in the water.

*Economic Development* – City Administrator Paine said he had spent some time this past week with Clint regarding economic development projects.

**15. EXECUTIVE SESSION** - Motion was made by Council member Marler and seconded by Council member McCarty to recess into executive session at 5:10 p.m. for 15 minutes to discuss trade secrets. The meeting would be scheduled to resume at 5:25 p.m. Motion carried unanimously. Also present in executive session: City Administrator Paine & City Attorney Dan Baldwin. The city council meeting resumed at 5:25 p.m. No action was taken.

**16. ADJOURNMENT** – Motion was made by Council member McCarty and seconded by Council member Marler to adjourn at 5:30 p.m. Motion carried unanimously.

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DELORES DALKE, MAYOR

ATTEST:

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JANICE K. MEISINGER, CITY CLERK