

CITY OF HILLSBORO
CITY COUNCIL MEETING

Agenda – Regular Meeting-Tuesday, March 16, 2021 at 4:00 p.m.

- A. Meeting Called to Order
- B. Approval of Minutes From 3-2-2021 Regular Meeting
- C. Approval of Vouchers:
Manual Checks \$30,894.91 + \$26,098.19 Computer Checks = \$56,993.10
- D. Public Comments
- E. Business
 - 1. Kathy McNeil – 2021 Liability Insurance Renewal
 - 2. Trojan Boys Basketball Proclamation
 - 3. Resolution 2021-03 Setting a Public Hearing for Countryside Feed Tax Abatement Application
 - 4. Ordinance 1327 TCW Franchise
 - 5. TCW Ground Lease
 - 6. Transformer Purchase
 - 7. Elcon Invoice \$99.01
 - 8. Discussion of KPP Fees
 - 9. Mask Ordinance Expiration
- F. Board Appointments
 - a. Fire Advisory: Tony Hein – Menno Township (1 year)
 - b. Fire Advisory: Paul Penner- Risley Township (1 year)
 - c. Fire Advisory: DeLayne Herbel – Lehigh Township (2 year)
 - d. Fire Advisory: Cameron Gottwald – City of Lehigh (2 year)
 - e. Fire Advisory: Jared Jost - Liberty Township (2 year)
- G. City Administrator’s Report
- H. Council Comments
- I. Adjournment

Hillsboro, Kansas
March 2, 2021

1. The City Council met in regular session via Zoom, due to the Corona Virus pandemic, on Tuesday, March 2, 2021 at 4:00 p.m. with Mayor Lou Thurston and Council members Renee Gehring, David Loewen, Brent Driggers, and Byron McCarty participating.
2. Others Participating: RoseMary Saunders and Crystal Hinnen, Ranson Financial; Kimberlyn Gilchrist, City Attorney; Laura Paulus, Hillsboro Free Press; Phyllis Zorn, Hillsboro Star Journal; Darin Neufeld, EBH & Associates; Matt Stiles, City Administrator; and, Jan Meisinger, City Clerk.
3. **CALL TO ORDER** – Mayor Thurston called the meeting to order at 4:00 p.m.
4. **MINUTES** – Motion was made by Council member Loewen and seconded by Council member Gehring to approve the minutes of the 2-16-21 regular meeting as submitted. Motion carried unanimously.
5. **VOUCHERS** – Motion was made by Council member Driggers and seconded by Council member Loewen to approve the vouchers in the amount of \$115,728.03. Motion carried unanimously.
6. **PUBLIC COMMENTS** – Mayor Thurston told Laura Paulus “all best wishes for a speedy recovery.”
7. **PUBLIC HEARING FOR GRANT PERFORMANCE CDBG-CV** – At 4:03 p.m., Council recessed into a public hearing for reviewing the grant performance for the CDBG-CV grant that the City received. The City received \$132,000.00 in grant funds (\$122,000.00 ED grants and \$10,000.00 for grant administration). Six local businesses received \$15,000.00 each; two businesses received \$10,666.67 each; and, one business received \$10,666.66. We were able to retain 12 full-time jobs and 11 part-time jobs with these funds. No public comments were received. Mayor Thurston thanked RoseMary and Crystal for their expertise and help administering the grant. The public hearing closed at 4:07 p.m. and the regular council meeting resumed. Motion was made by Council member McCarty and seconded by Council member Loewen to authorize the mayor and city clerk to sign the close-out documents and submit them to the State. Motion carried unanimously.
8. **RESOLUTION 2021-01 GAAP WAIVER** – Motion was made by Council member Driggers and seconded by Council member McCarty to approve Resolution 2021-01 – *(A RESOLUTION REGARDING THE WAIVER OF GENERAL ACCEPTED ACCOUNTING PRINCIPLES (“GAAP”) IN THE PREPARATION OF FINANCIAL STATEMENTS AND FINANCIAL REPORTS FOR THE CITY OF HILLSBORO, KANSAS FOR FISCAL YEAR 2020.)* Council was polled with the following vote: Council member Loewen, yes; Gehring, yes; Driggers, yes; McCarty, yes. Motion carried unanimously.
9. **RESOLUTION 2021-02 EMERGENCY DECLARATION** – This resolution is in conjunction with the County declaring an emergency due to the recent very cold weather, which increased the demand for natural gas and electricity. This resolution places the public on notice that it is exploring every avenue of relief and is declaring an extraordinary local State of Financial Emergency. Motion was made by Council member McCarty and seconded by Council member Loewen to approve Resolution 2021-02 – *(A RESOLUTION OF THE CITY OF HILLSBORO, KANSAS DECLARING A LOCAL STATE OF FINANCIAL EMERGENCY)*. Council was polled with the following vote: Council member McCarty, yes; Driggers, yes; Gehring, yes; Loewen, yes. Motion carried unanimously.
10. **KDOT CCLIP FY23-24 APPLICATION – DARIN NEUFELD** – Darin Neufeld, EBH & Associates, told Council this application would be for funds to fix Elm Street (by Sonic); add a deceleration lane (like what is at Ash Street); and, replace the center island patch on Ash Street. All work would be inside city limits. This is a 95%/5% (City) grant and the City’s local match would be \$26,000.00. If awarded, this would be a 2023/2024 project. After further discussion, motion was made by Council member Gehring and seconded by Council member Driggers to submit the KDOT CCLIP FY 23-24 application by EBH as identified. Motion carried unanimously.
11. **SETTING A WORKSESSION FOR STRATEGIC PLANNING** – Motion was made by Council member Loewen and seconded by Council member McCarty to set a work session on Tuesday, March 23rd at 4:00 p.m. to revisit and finish the strategic plan that was started last year before COVID hit. Motion carried unanimously.
12. **AWARD CONCRETE CRUSHING BIDS** – The City received the following concrete crushing bids:

| | | | | |
|-----------------|-------------------|------------------------|----------------------------|--------------------|
| APM | Total \$60,470.00 | 3" concrete \$6.23/Ton | 1 1/2" concrete \$6.23/Ton | asphalt \$5.50/Ton |
| Vogt's Crushing | Total \$71,900.00 | 3" concrete \$7.50/Ton | 1 1/2" concrete \$7.50/Ton | asphalt \$5.50/Ton |
| APAC | Total \$85,800.00 | 3" concrete \$8.50/Ton | 1 1/2" concrete \$8.50/Ton | asphalt \$6.00/Ton |

APAC's total price includes \$4,500.00 in mobilization costs. APM and Vogts do not have additional mobilization charges. APM is the low bidder and also recently won a similar bid for Marion County. Street Superintendent Dale Dalke reviewed the work that APM has done and concluded that they can meet the needed specifications. The funds for the concrete crushing will come from the Special Highway Fund. Approximately 4,000 tons may be available for sale. Motion was made by Council member Gehring and seconded by Council member Loewen to award the bid to APM for concrete crushing in the amount of \$60,470.00. Motion carried unanimously.

13. HEALTH INSURANCE PROPOSAL FROM FREEDOM CLAIMS MANAGEMENT, INC – City Administrator Stiles presented a proposal from Freedom Claims Management Inc (FCMI) for the City's health insurance called the Freedom Choice Plan. Freedom Choice is a partially self-funded plan. The City buys a high deductible umbrella plan for employees, then runs its own funded plan under the high deductible administered by FCMI. Employees receive the same benefits that they are used to having only they are technically double insured. Claims run through the umbrella Blue Cross Blue Shield plan, then through the City's plan. Based on the rough projections that FCMI has done, by switching to a less expensive, high deductible umbrella policy, the City would retain \$77,532.24 per year to fund the City's plan compared to what we pay Blue Cross Blue Shield for our current coverage. Those funds would be deposited locally and administered by FCMI as our health plan. Health insurance is age related. As we transition several folks to retirement and hire in new employees, the profile of our plan is going to change. The City will save an additional \$6,000.00 annually that we are currently paying our broker, HUB International. We want to keep good benefits, but have some control over costs. Motion was made by Council member Driggers and seconded by Council member McCarty to approve the proposal with Freedom Claims Management and authorize the city administrator to work with FEMI on the employee health insurance. Motion carried unanimously.

14. LETTING MOWING BIDS – One of the avenues we are looking at to save manpower and reduce costs is to contract mowing. We have identified approximately 85 acres of property that the Street Department and Recreation Department currently mow that could be contracted out. The areas are:

| | |
|--|-------------|
| Hillsboro Heights | 12.81 acres |
| AMPI area | 2.18 acres |
| Willow Glen | .91 acres |
| Old Post Office | .16 acres |
| ROW by new post office between Main & Ash | .79 acres |
| Around recycling area | .13 acres |
| Old hospital | .66 acres |
| Airport | 43.54 acres |
| Park/Museum | 22.37 acres |
| Schaeffler House | .85 acres |

Each of the areas is categorized by the frequency that it needs to be cut. The contractor would be paid monthly and be required to keep the grass at a certain length, no matter how many times per month it needs to be cut. We have a contractor that mows the Schaeffler House and we would retain them for the service. Motion was made by Council member McCarty and seconded by Council member Gehring to approve the city administrator to solicit bids for mowing contractors for the 85 acres identified. Motion carried unanimously.

15. APPROVAL OF JOB DESCRIPTIONS: CITY CLERK, SEWER/WATER TRAINEE, AND FRONT DESK CLERK – City Administrator Stiles reviewed the revised job descriptions for Council. Motion was made by Council member McCarty and seconded by Council member Loewen to approve the job descriptions as submitted. Motion carried unanimously.

16. APPOINT ANTHONY ROY AS PUBLIC OFFICER – In order to take action on code enforcement issues, the City needs to formally appoint a public officer. Motion was made by Council member McCarty and seconded by Council member Driggers to appoint Anthony Roy as public officer. Motion carried unanimously.

17. BOARD APPOINTMENTS – none

18. CITY ADMINISTRATOR'S REPORT –

City Administrator Stiles said he didn't feel that the personnel manual was clear regarding hiring department heads. He wanted to make sure the Council was on board. The mayor and Council concurred and asked that he keep them informed.

Work on the hospital trail began yesterday and should be completed in May. The highway work will begin soon and should be completed in June.

The Youth Entrepreneur Challenge was today. There were six contenders, all from Hillsboro. Jessi Dalke won with her photography.

City Administrator Stiles said he and Todd Simmons volunteered last Wednesday at the health department's shot clinic.

Electric Supervisor – After careful consideration, interviewing, and reference checking, City Administrator Stiles has decided to promote Todd Helmer to the electric supervisor role. Todd will officially take the reins from Mike Duerksen once Mike officially retires.

Aquatics Center Manager – Doug Sisk has officially hired Cara Duell to serve as the next aquatics center manager. Cara brings a wealth of experience in pool management, lifeguarding and swimming instruction to the position. She has already begun the process of identifying assistant managers, lifeguards and pool staff. We are anticipating opening the pool on schedule. At this point, we don't know what type of COVID protocols may be needed, but we will continue to monitor the situation and take advice from recreational organizations.

Other Hiring – We have posted the Golf Superintendent, City Clerk and Sewer/Water Trainee positions. City Administrator Stiles hopes to do a first review of resumes and applications on March 12th. If the Council approves the revised job descriptions, City Administrator Stiles plans on posting for the Front Desk Clerk position this week and begin that process. In subsequent weeks, we will also be out hiring for pool staff and other recreation staff for the summer season.

EMS Building – Chief Steketee and City Administrator Stiles met with Darin Neufeld, EBH, about the property for the EMS building. There are a few issues that will need to be resolved from a platting prospective, but that should not hold up the transfer of property to the County.

Community Garden Proposal – We have received a proposal from Stan Thiessen (212 N. Ash) to develop a community garden space. The garden would be in the old railroad right-of-way between Stan's house and the post office property. The City has title to property that extends from Ash to Main (south of Thiessen and east by the Pick-up Line). One potential hitch is that the Central Kansas Conservancy has rights to the old right-of-way, designated for trail development. Anthony and City Administrator Stiles met the Conservancy reps and are working on identifying what area could be used for a community garden. Once we have a clear idea of what can be done on the property, we will work with Stan to determine if a community garden is feasible and desired by residents.

19. COUNCIL COMMENTS – none

20. ADJOURNMENT – Council meeting adjourned at 5:13 p.m.

LOUIS THURSTON, MAYOR

ATTEST:

JANICE K. MEISINGER, CITY CLERK

Manual Checks

3/16/20201

| | | |
|-------|---|---------------------|
| 31494 | HRC - Grant Money from Central KS Comm Foundation | \$ 3,800.00 |
| 31495 | Nex-Tech Wireless, Inc - iPad Data/Cell Phone Plan | \$ 142.88 |
| 31496 | Verizon Wireless - iPad Data Plans | \$ 120.03 |
| 31497 | Evergy - Utilities | \$ 514.32 |
| 31498 | Flint Hills REC, Inc - Utilities | \$ 1,263.28 |
| 31499 | Atmos Energy - Utilities | \$ 3,971.81 |
| 31500 | City of Hillsboro - Utilities | \$ 6,630.87 |
| 31505 | Central Nat'l Bank - Federal w/h & FICA | \$ 13,432.07 |
| 31506 | KS Payment Center - Child Supp w/h | \$ 289.85 |
| 31507 | Linebarger Groggan Blair & Sam - Wage Garnishment w/h | \$ 151.49 |
| 31508 | KS Payment Center - Child Supp w/h | \$ 578.31 |
| | | <u>\$ 30,894.91</u> |
| | COMPUTER CHECKS | \$ 26,098.19 |
| | TOTAL | <u>\$ 56,993.10</u> |

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST | GL ACCOUNT | CK SQ |
|------------------------------------|------|----------|--------------|---------------------------------|----------------|------|--|-------|
| CENTRAL NATIONAL BANK | | | | | | | | |
| 43790 | 1 | 3/17/21 | 2/01/21 | 3173 911 CUSTOM VEST FOR JOHN H | 950.00 | 101 | 101-050-2271 ACCOUNTS PAYABLE | 1 |
| | 2 | | | ADTL ITEMS FOR JOHN H VEST | 68.00 | 101 | 101-050-2271 ACCOUNTS PAYABLE | 1 |
| | | | | INVOICE TOTAL | 1,018.00 | | | |
| | | | | VENDOR TOTAL | 1,018.00 | | | |
| 1629 AG POWER | | | | | | | | |
| 031121A | 1 | 3/17/21 | 3/11/21 | FEB SUPP | 32.21 | 619 | 619-830-5301 ELEC DIST COMMODITIES | 1 |
| | 2 | | | FEB SUPP | 449.65 | 619 | 619-830-5215 ELEC DIST VEHICLE MAINTENA | 1 |
| | 3 | | | FEB SUPP | 63.37 | 101 | 101-220-5215 FIRE VEHICLE MAINTENANCE | 1 |
| | 4 | | | FEB SUPP | 40.30 | 101 | 101-210-5301 POLICE COMMODITIES | 1 |
| | 5 | | | FEB SUPP | 28.97 | 101 | 101-340-5301 SPORTS COMPLEX COMMODITIES | 1 |
| | 6 | | | FEB SUPP | 20.70 | 101 | 101-410-5301 STREET COMMODITIES | 1 |
| | 7 | | | FEB SUPP | 214.20 | 101 | 101-410-5210 STREET EQUIPMENT MAINTENAN | 1 |
| | 8 | | | FEB SUPP | 192.85 | 101 | 101-410-5215 STREET VEHICLE MAINTENANCE | 1 |
| | 9 | | | FEB SUPP | 169.63 | 618 | 618-812-5215 WATER PROD VEHICLE MAINT | 1 |
| | 10 | | | FEB SUPP | 24.97 | 618 | 618-810-5215 WTR DIST VEHICLE MAINTENAN | 1 |
| | | | | INVOICE TOTAL | 1,236.85 | | | |
| | | | | VENDOR TOTAL | 1,236.85 | | | |
| 1377 AG SERVICE | | | | | | | | |
| 203212 | 1 | 3/17/21 | 3/03/21 | PUMP PARTS | 115.71 | 619 | 619-830-5210 ELEC DIST EQUIP MAINTENANC | 1 |
| | | | | INVOICE TOTAL | 115.71 | | | |
| | | | | VENDOR TOTAL | 115.71 | | | |
| 1568 ARBOR DAY FOUNDATION | | | | | | | | |
| 03112021 | 1 | 3/17/21 | 3/11/21 | 2021 MEMBERSHIP DUES | 15.00 | 101 | 101-310-5301 PARK COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 15.00 | | | |
| | | | | VENDOR TOTAL | 15.00 | | | |
| 1012 BAKER BROTHERS PRINTING, INC. | | | | | | | | |
| 58278 | 1 | 3/17/21 | 2/28/21 | WHITE PAPER | 51.90 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 51.90 | | | |

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST | GL ACCOUNT | CK SQ |
|------------|------|----------|--------------|--|----------------|------|--|-------|
| 58279 | 1 | 3/17/21 | 2/28/21 | INSERT MARCH STATEMENTS | 199.80 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 199.80 | | | |
| 58306 | 1 | 3/31/21 | 3/04/21 | SWIM LESSON BROCHURES | 31.02 | 101 | 101-320-5301 POOL COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 31.02 | | | |
| 58345 | 1 | 3/17/21 | 2/28/21 | WEBSITE CHANGES | 206.25 | 101 | 101-110-5201 LEGISLATIVE CONTRACTUAL SE | 1 |
| | | | | INVOICE TOTAL | 206.25 | | | |
| 9828 | 1 | 3/17/21 | 2/12/21 | NOTARY STAMP | 23.50 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 23.50 | | | |
| 9832 | 1 | 3/17/21 | 2/23/21 | NOTARY STAMPS | 47.00 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 47.00 | | | |
| | | | | VENDOR TOTAL | 559.47 | | | |
| 8206740 | 1 | 3/17/21 | 2/18/21 | 1524 CDW GOVERNMENT, INC. WINDOWS 10 NEW PC | 133.68 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 133.68 | | | |
| | | | | VENDOR TOTAL | 133.68 | | | |
| 5028956198 | 1 | 3/17/21 | 9/02/20 | 2866 CINTAS SERVICE 1ST AID CAB | 19.77 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 19.77 | | | |
| 5033436789 | 1 | 3/17/21 | 10/01/20 | SERVICE 1ST AID CAB | 19.77 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 19.77 | | | |
| 5038514777 | 1 | 3/17/21 | 10/29/20 | SERVICE 1ST AID CAB | 19.77 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 19.77 | | | |
| 5043615110 | 1 | 3/17/21 | 11/25/20 | SERVICE 1ST AID CAB | 19.77 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 19.77 | | | |
| 5045874596 | 1 | 3/17/21 | 12/18/20 | SERVICE 1ST AID CAB | 19.77 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 19.77 | | | |
| | | | | VENDOR TOTAL | 98.85 | | | |

3161 CINTAS CORPORATION #451

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST GL | ACCOUNT | CK SQ |
|------------|------|----------|--------------|--|----------------|---------|---|-------|
| 4077447922 | 1 | 3/17/21 | 3/03/21 | 3161 CINTAS CORPORATION #451 ELEC UNIFORM ALLOWANCE | 85.87 | 619 | 619-830-5230 ELEC-UNIFORM ALLOWANCE | 1 |
| | | | | INVOICE TOTAL | 85.87 | | | |
| 4078109471 | 1 | 3/17/21 | 3/10/21 | UNIFORMS | 85.87 | 619 | 619-830-5230 ELEC-UNIFORM ALLOWANCE | 1 |
| | | | | INVOICE TOTAL | 85.87 | | | |
| | | | | VENDOR TOTAL | 171.74 | | | |
| 1006237 | 1 | 3/17/21 | 3/05/21 | 3287 CO-AG PROPANE FORKLIFT CYLINDER REPAIR | 30.00 | 621 | 621-870-5326 SEWER DIST DIESEL & PROPAN | 1 |
| | | | | INVOICE TOTAL | 30.00 | | | |
| | | | | VENDOR TOTAL | 30.00 | | | |
| 277959 | 1 | 3/17/21 | 3/05/21 | 3257 COMPLIANCE ONE EMPLOYEE ASSISTANCE | 10.67 | 618 | 618-812-5301 WATER PROD COMMODITIES | 1 |
| | 2 | | | EMPLOYEE ASSISTANCE | 10.67 | 619 | 619-830-5301 ELEC DIST COMMODITIES | 1 |
| | 3 | | | EMPLOYEE ASSISTANCE | 10.66 | 101 | 101-210-5301 POLICE COMMODITIES | 1 |
| | 4 | | | EMPLOYEE ASSISTANCE | 10.66 | 101 | 101-410-5301 STREET COMMODITIES | 1 |
| | 5 | | | EMPLOYEE ASSISTANCE | 10.67 | 620 | 620-850-5301 REFUSE DISTB COMMODITIES | 1 |
| | 6 | | | EMPLOYEE ASSISTANCE | 10.67 | 621 | 621-870-5301 SEWER DIST COMMODITIES | 1 |
| | 7 | | | SCREENING - JESSE DIRKS | 75.00 | 101 | 101-410-5301 STREET COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 139.00 | | | |
| | | | | VENDOR TOTAL | 139.00 | | | |
| 022821 | 1 | 3/17/21 | 2/28/01 | 1030 COOP GRAIN & SUPPLY PD GAS | 508.72 | 101 | 101-210-5305 POLICE GAS & OIL | 1 |
| | 2 | | | DIESEL | 684.29 | 101 | 101-410-5326 STREET DIESEL & PROPANE | 1 |
| | 3 | | | GAS | 361.61 | 101 | 101-410-5305 STREET GAS & OIL | 1 |
| | 4 | | | DIESEL | 1,194.58 | 620 | 620-850-5326 REFUSE DIST DIESEL & PROPAN | 1 |
| | 5 | | | DIESEL | 280.65 | 619 | 619-830-5326 ELEC DISTB DIESEL | 1 |
| | 6 | | | GAS | 143.92 | 619 | 619-830-5305 ELEC DIST GAS & OIL | 1 |
| | 7 | | | GAS | 198.81 | 101 | 101-220-5305 FIRE GAS & OIL | 1 |
| | 8 | | | DIESEL | 19.16 | 101 | 101-220-5326 | 1 |

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST GL | ACCOUNT | CK SQ |
|-------------|------|----------|--------------|--|----------------|---------|--|-------|
| | 9 | | | GAS | 64.10 | 618 | FIRE DIESEL & PROPANE 618-812-5305 | 1 |
| | 10 | | | GAS | 88.74 | 101 | WATER PROD GAS & OIL 101-330-5305 | 1 |
| | 11 | | | GAS | 48.39 | 621 | GOLF- GAS & OIL 621-870-5305 | 1 |
| | 12 | | | KEROSENE | 26.13 | 101 | SEWER DIST GAS & OIL 101-410-5301 | 1 |
| | 13 | | | DEF | 130.00 | 101 | STREET COMMODITIES 101-410-5326 | 1 |
| | 14 | | | DYED DIESEL | 529.06 | 101 | STREET DIESEL & PROPANE 101-410-5326 | 1 |
| | | | | | | | STREET DIESEL & PROPANE | |
| | | | | INVOICE TOTAL | 4,278.16 | | | |
| | | | | VENDOR TOTAL | 4,278.16 | | | |
| N698749 | 1 | 3/17/21 | 2/25/21 | 3246 CORE & MAIN LP REPAIR CLAMP | 156.30 | 618 | 618-810-5301 WTR DIST COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 156.30 | | | |
| | | | | VENDOR TOTAL | 156.30 | | | |
| IVC00657126 | 1 | 3/17/21 | 2/02/21 | 2353 COUNTRYSIDE FEED, LLC GLOVES | 12.97 | 619 | 619-830-5301 ELEC DIST COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 12.97 | | | |
| IVC00658630 | 1 | 3/17/21 | 2/17/21 | GLOVES | 16.55 | 619 | 619-830-5301 ELEC DIST COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 16.55 | | | |
| | | | | VENDOR TOTAL | 29.52 | | | |
| 01312021 | 1 | 3/17/21 | 3/01/21 | 2231 DALE'S SUPERMARKET FEBRUARY SUPPLIES | 47.53 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 47.53 | | | |
| | | | | VENDOR TOTAL | 47.53 | | | |
| 022621a | 1 | 3/20/21 | 2/26/21 | 2748 EAGLE BROADBAND PHONE/INTERNET @ WTR PLANT | 185.85 | 618 | 618-812-5280 WATER PRODUCTION UTILITIES | 1 |
| | | | | INVOICE TOTAL | 185.85 | | | |
| | | | | VENDOR TOTAL | 185.85 | | | |
| 319564 | 1 | 3/17/21 | 2/28/21 | 2964 EPP'S SERVICE, INC. GASOLINE | 10.31 | 101 | 101-210-5305 POLICE GAS & OIL | 1 |
| | 2 | | | GASOLINE | 67.81 | 101 | 101-410-5305 | 1 |

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST | GL ACCOUNT | CK SQ |
|----------|------|----------|--------------|---|----------------|------|--|-------|
| | | | | | | | STREET GAS & OIL | |
| | | | | INVOICE TOTAL | 78.12 | | | |
| | | | | VENDOR TOTAL | 78.12 | | | |
| 03012021 | 1 | 3/17/21 | 3/01/21 | 3340 SHIRLEY FLAMING PATCHES ON 3 UNIFORMS | 15.00 | 101 | 101-210-5301 POLICE COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 15.00 | | | |
| | | | | VENDOR TOTAL | 15.00 | | | |
| 24258 | 1 | 3/17/21 | 2/26/21 | 2157 FLAMING'S, INC. FURNACE REPAIR | 641.30 | 101 | 101-210-5301 POLICE COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 641.30 | | | |
| | | | | VENDOR TOTAL | 641.30 | | | |
| 030121 | 1 | 3/17/21 | 3/11/21 | 1565 HILLSBORO CONVENTION & TOURISM MARCH DISTRIBUTION | 1,000.00 | 101 | 101-550-5871 APPROPRIATIONS TO CVB | 1 |
| | | | | INVOICE TOTAL | 1,000.00 | | | |
| | | | | VENDOR TOTAL | 1,000.00 | | | |
| 115887 | 1 | 3/17/21 | 2/02/21 | 1101 HILLSBORO FORD, INC. OIL FOR 2010 CHEVY | 21.00 | 101 | 101-220-5215 FIRE VEHICLE MAINTENANCE | 1 |
| | | | | INVOICE TOTAL | 21.00 | | | |
| 47946 | 1 | 3/17/21 | 1/26/21 | REPL O RING/OIL CHG-SILVERADO | 680.75 | 101 | 101-220-5215 FIRE VEHICLE MAINTENANCE | 1 |
| | | | | INVOICE TOTAL | 680.75 | | | |
| 47953 | 1 | 3/17/21 | 1/27/21 | REPL SENSOR-2013 TAURUS | 155.17 | 101 | 101-210-5215 POLICE VEHICLE MAINTENANCE | 1 |
| | | | | INVOICE TOTAL | 155.17 | | | |
| 48089 | 1 | 3/17/21 | 2/11/21 | OIL CHANGE-2018 EXPLORER | 42.25 | 101 | 101-210-5215 POLICE VEHICLE MAINTENANCE | 1 |
| | | | | INVOICE TOTAL | 42.25 | | | |
| 48193 | 1 | 3/17/21 | 2/22/21 | OIL CHG/INSPECTION-2011 FORD | 186.46 | 101 | 101-220-5215 FIRE VEHICLE MAINTENANCE | 1 |
| | | | | INVOICE TOTAL | 186.46 | | | |
| 48219 | 1 | 3/17/21 | 2/24/21 | OIL CHG/INSPECTION-2015 FORD | 150.50 | 101 | 101-220-5215 FIRE VEHICLE MAINTENANCE | 1 |
| | | | | INVOICE TOTAL | 150.50 | | | |
| 48238 | 1 | 3/17/21 | 2/26/21 | OIL CHG/INSP 96 FORD | 250.69 | 101 | 101-220-5215 FIRE VEHICLE MAINTENANCE | 1 |

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST | GL ACCOUNT | CK SQ |
|----------|------|----------|--------------|---|----------------|------|--|-------|
| | | | | INVOICE TOTAL | 250.69 | | | |
| | | | | VENDOR TOTAL | 1,486.82 | | | |
| 2-28-21 | 1 | 3/17/21 | 2/28/21 | 1545 HILLSBORO HARDWARE FEBRUARY SUPPLIES | 137.55 | 619 | 619-830-5301 ELEC DIST COMMODITIES | 1 |
| | 2 | | | FEBRUARY SUPPLIES | 191.04 | 101 | 101-220-5301 FIRE COMMODITIES | 1 |
| | 3 | | | FEBRUARY SUPPLIES | 150.37 | 101 | 101-210-5301 POLICE COMMODITIES | 1 |
| | 4 | | | FEBRUARY SUPPLIES | 115.29 | 621 | 621-870-5301 SEWER DIST COMMODITIES | 1 |
| | 5 | | | FEBRUARY SUPPLIES | 258.26 | 101 | 101-410-5301 STREET COMMODITIES | 1 |
| | 6 | | | FEBRUARY SUPPLIES | 47.88 | 618 | 618-812-5301 WATER PROD COMMODITIES | 1 |
| | 7 | | | FEBRUARY SUPPLIES | 77.01 | 101 | 101-510-5301 BLDG INSP-COMMODITIES | 1 |
| | 8 | | | FEBRUARY SUPPLIES | 72.55 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | 9 | | | FEBRUARY SUPPLIES | 510.95 | 618 | 618-810-5301 WTR DIST COMMODITIES | 1 |
| | 10 | | | FEBRUARY SUPPLIES | 35.98 | 400 | 400-610-6503 CIP-AMPI PROPERTY | 1 |
| | 11 | | | FEBRUARY SUPPLIES | 62.82 | 101 | 101-340-5301 SPORTS COMPLEX COMMODITIES | 1 |
| | 12 | | | FEBRUARY SUPPLIES | 110.37 | 101 | 101-320-5301 POOL COMMODITIES | 1 |
| | 13 | | | FEBRUARY SUPPLIES | 3.99 | 101 | 101-350-5301 MUSEUM COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 1,774.06 | | | |
| | | | | VENDOR TOTAL | 1,774.06 | | | |
| 022821A | 1 | 3/17/21 | 2/28/21 | 2120 HOCH PUBLISHING CO., INC. LEGAL NOTICES | 153.00 | 101 | 101-110-5301 LEGISLATIVE COMMODITIES | 1 |
| | 2 | | | LEGAL NOTICES | 78.00 | 101 | 101-320-5301 POOL COMMODITIES | 1 |
| | 3 | | | LEGAL NOTICES | 57.00 | 619 | 619-830-5301 ELEC DIST COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 288.00 | | | |
| | | | | VENDOR TOTAL | 288.00 | | | |
| FUNKCA1 | 1 | 3/17/21 | 2/24/21 | 1059 THE INSURANCE CENTER NOTARY BOND CAREN | 50.00 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 50.00 | | | |
| STIM001 | 1 | 3/17/21 | 2/24/21 | NOTARY BOND MATT | 50.00 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST | GL ACCOUNT | CK SQ |
|------------|------|----------|--------------|---|----------------|------|---|-------|
| | | | | INVOICE TOTAL | 50.00 | | | |
| | | | | VENDOR TOTAL | 100.00 | | | |
| 1001285205 | 1 | 3/17/21 | 1/07/21 | 2662 INT'L CODE COUNCIL, INC. UPDATED CODE BOOKS | 437.28 | 101 | 101-510-5301 BLDG INSP-COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 437.28 | | | |
| 1001308376 | 1 | 3/17/21 | 2/19/21 | UPDATED CODE BOOKS | 200.23 | 101 | 101-510-5301 BLDG INSP-COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 200.23 | | | |
| | | | | VENDOR TOTAL | 637.51 | | | |
| 02272021 | 1 | 3/17/21 | 2/27/21 | 1066 JOST SERVICE, INC. GASOLINE | 43.37 | 101 | 101-340-5305 SPORTS COMPLEX GAS & OIL | 1 |
| | 2 | | | GASOLINE | 173.82 | 621 | 621-870-5305 | 1 |
| | 3 | | | GASOLINE | 50.64 | 618 | 618-812-5305 SEWER DIST GAS & OIL | 1 |
| | 4 | | | GASOLINE | 154.04 | 619 | 619-830-5305 WATER PROD GAS & OIL | 1 |
| | 5 | | | GASOLINE | 131.10 | 618 | 618-810-5305 ELEC DIST GAS & OIL WTR DIST GAS & OIL | 1 |
| | | | | INVOICE TOTAL | 552.97 | | | |
| | | | | VENDOR TOTAL | 552.97 | | | |
| 1020288 | 1 | 3/17/21 | 2/28/21 | 1449 K S ONE-CALL SYSTEM, INC LOCATE FEES | 16.80 | 619 | 619-830-5301 ELEC DIST COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 16.80 | | | |
| 1020289 | 1 | 3/17/21 | 2/28/21 | LOCATE FEES | 116.40 | 619 | 619-830-5301 ELEC DIST COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 116.40 | | | |
| | | | | VENDOR TOTAL | 133.20 | | | |
| 91912 | 1 | 3/17/21 | 2/28/21 | 1225 K S PUBLISHING VENTURES, LLC ADVERTISING | 64.00 | 101 | 101-320-5301 POOL COMMODITIES | 1 |
| | 2 | | | ADVERTISING | 48.00 | 101 | 101-410-5301 | 1 |
| | 3 | | | ADVERTISING | 32.25 | 101 | 101-110-5301 STREET COMMODITIES | 1 |
| | 4 | | | ADVERTISING | 56.00 | 621 | 621-870-5301 LEGISLATIVE COMMODITIES SEWER DIST COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 200.25 | | | |
| | | | | VENDOR TOTAL | 200.25 | | | |

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST GL | ACCOUNT | CK SQ |
|------------|------|----------|--------------|--|----------------|---------|--|-------|
| P19055 | 1 | 3/17/21 | 2/09/21 | 1027 LANG DIESEL, INC. REPAIRS FREIGHTLINER | 4.99 | 620 | 620-850-5215 REFUSE DIST VEHICLE MAINT | 1 |
| | | | | INVOICE TOTAL | 4.99 | | | |
| P19056 | 1 | 3/17/21 | 2/09/21 | REPAIRS FREIGHTLINER | 6.52 | 620 | 620-850-5215 REFUSE DIST VEHICLE MAINT | 1 |
| | | | | INVOICE TOTAL | 6.52 | | | |
| P19059 | 1 | 3/17/21 | 2/09/21 | HYDRAULIC HOSE & FITTINGS | 46.23 | 101 | 101-410-5210 STREET EQUIPMENT MAINTENAN | 1 |
| | | | | INVOICE TOTAL | 46.23 | | | |
| p19153 | 1 | 3/17/21 | 2/22/21 | HYDRAULIC HOSE/ENDS-CASE LOAD | 68.37 | 101 | 101-410-5210 STREET EQUIPMENT MAINTENAN | 1 |
| | | | | INVOICE TOTAL | 68.37 | | | |
| | | | | VENDOR TOTAL | 126.11 | | | |
| 21-878 | 1 | 3/17/21 | 3/01/21 | 1085 LEAGUE OF KS MUNICIPALITIES CLASSIFIED AD CITY CLERK | 200.00 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 200.00 | | | |
| | | | | VENDOR TOTAL | 200.00 | | | |
| 3-1-21 | 1 | 3/17/21 | 3/01/21 | 1226 MARION CO. TRANSFER STATION RECYCLING FEES | 1,624.42 | 620 | 620-850-5267 REFUSE DIST RECYCLING EXPE | 1 |
| | | | | INVOICE TOTAL | 1,624.42 | | | |
| | | | | VENDOR TOTAL | 1,624.42 | | | |
| 14880 | 1 | 3/17/21 | 3/02/21 | 1362 MICRO-COMM, INC. PRESSURE TRANSDUCER | 799.00 | 618 | 618-810-5210 WTR DIST EQUIP MAINTENANCE | 1 |
| | | | | INVOICE TOTAL | 799.00 | | | |
| | | | | VENDOR TOTAL | 799.00 | | | |
| 15155480 | 1 | 3/17/21 | 1/31/21 | 3388 ONSOLVE FINAL RENEWAL CODE RED | 2,753.10 | 101 | 101-250-5301 PUBLIC SAFETY COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 2,753.10 | | | |
| | | | | VENDOR TOTAL | 2,753.10 | | | |
| 2160126913 | 1 | 3/17/21 | 3/04/21 | 3129 PACE ANALYTICAL SERVICES, INC. SEWER ANALYSIS | 304.90 | 621 | 621-870-5201 SEWER DIST CONTRACTUAL SER | 1 |
| | | | | INVOICE TOTAL | 304.90 | | | |
| | | | | VENDOR TOTAL | 304.90 | | | |

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST GL | ACCOUNT | CK SQ |
|------------|------|----------|--------------|--|----------------|---------|--|-------|
| 3313034964 | 1 | 3/17/21 | 2/23/21 | 2808 PITNEY BOWES LEASE-POSTAGE MACHINE | 426.45 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 426.45 | | | |
| | | | | VENDOR TOTAL | 426.45 | | | |
| 03312021 | 1 | 3/17/21 | 3/11/21 | 1200 POST OFFICE POST OFFICE BOX RENTAL ANNUAL | 150.00 | 101 | 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 150.00 | | | |
| | | | | VENDOR TOTAL | 150.00 | | | |
| 170251 | 1 | 3/17/21 | 2/25/21 | 1726 RED BUD SUPPLY, INC. GOLVES/LINERS/MASKS/ETC | 268.18 | 101 | 101-410-5301 STREET COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 268.18 | | | |
| | | | | VENDOR TOTAL | 268.18 | | | |
| 239217 | 1 | 3/17/21 | 2/09/21 | 2268 ROD'S TIRE & SERVICE, INC. BATTERIES | 385.50 | 101 | 101-410-5210 STREET EQUIPMENT MAINTENAN | 1 |
| | | | | INVOICE TOTAL | 385.50 | | | |
| 239398 | 1 | 3/17/21 | 2/12/21 | TIRE REPAIR CASE LOADER | 195.50 | 101 | 101-410-5210 STREET EQUIPMENT MAINTENAN | 1 |
| | | | | INVOICE TOTAL | 195.50 | | | |
| 239502 | 1 | 3/17/21 | 2/15/21 | BATTERY | 158.75 | 618 | 618-810-5215 WTR DIST VEHICLE MAINTENAN | 1 |
| | | | | INVOICE TOTAL | 158.75 | | | |
| 239889 | 1 | 3/17/21 | 2/23/21 | TIRE REPAIR 03 DUMP TRUCK | 39.50 | 101 | 101-410-5215 STREET VEHICLE MAINTENANCE | 1 |
| | | | | INVOICE TOTAL | 39.50 | | | |
| | | | | VENDOR TOTAL | 779.25 | | | |
| 5094146-00 | 1 | 3/17/21 | 3/04/21 | 1110 STANION WHOLESALE ELECTRIC 107 RESTOCK | 2,532.77 | 619 | 619-830-5301 ELEC DIST COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 2,532.77 | | | |
| | | | | VENDOR TOTAL | 2,532.77 | | | |
| 3-1-21 | 1 | 3/17/21 | 3/01/21 | 3130 WEST WINDS PROPERTIES, LLC MARCH RENT-UNIT #36 | 50.00 | 101 | 101-350-5301 MUSEUM COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 50.00 | | | |
| | | | | VENDOR TOTAL | 50.00 | | | |

SCHEDULED CLAIMS LIST

| INVOICE# | LINE | DUE DATE | INVOICE DATE | REFERENCE | PAYMENT AMOUNT | DIST GL ACCOUNT | CK SQ |
|--------------|------|----------|--------------|--|----------------|--|-------|
| CCMFOA287479 | 1 | 3/17/21 | 2/12/21 | 1516 WICHITA STATE UNIVERSITY CONFERENCE CANCELLATION FEE | 56.25 | 101 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 56.25 | | |
| | | | | VENDOR TOTAL | 56.25 | | |
| 14825 | 1 | 3/17/21 | 2/04/21 | 1829 WRIGHT'S, INC. REPAIRS TO 89 DODGE | 569.01 | 618 618-810-5215 WTR DIST VEHICLE MAINTENAN | 1 |
| | | | | INVOICE TOTAL | 569.01 | | |
| | | | | VENDOR TOTAL | 569.01 | | |
| 2511963 | 1 | 3/17/21 | 3/02/21 | 3014 XEROX FINANCIAL SERVICES LEASE PAYMENT-COPIER | 335.86 | 101 101-120-5301 ADMIN COMMODITIES | 1 |
| | | | | INVOICE TOTAL | 335.86 | | |
| | | | | VENDOR TOTAL | 335.86 | | |
| | | | | CENTRAL NATIONAL BANK TOTAL | 26,098.19 | | |
| | | | | TOTAL MANUAL CHECKS | .00 | | |
| | | | | TOTAL E-PAYMENTS | .00 | | |
| | | | | TOTAL PURCH CARDS | .00 | | |
| | | | | TOTAL ACH PAYMENTS | 5,151.77 | | |
| | | | | TOTAL OPEN PAYMENTS | 20,946.42 | | |
| | | | | GRAND TOTALS | 26,098.19 | | |

| PREMIUM COMPARISON | | | | | | |
|---|-------------------------|--------|------------------|-------------------------|--------|------------------|
| City of Hillsboro | | | | | | |
| PACKAGE | 2020-21 | | | 2020-21 | | |
| | EXPOSURE | RATE | PREMIUM | EXPOSURE | RATE | PREMIUM |
| | | | EMC | | | EMC |
| Property | | | | | | |
| Blkt Bldg & PP - Actual Cash Value | \$398,763 | 0.30 | \$54,446 | \$2,398,763 | 0.34 | \$76,050 |
| Blkt Bldg & PP - Replacement Cost | \$14,949,497 | | | \$17,143,808 | | |
| Airport Prop & AMPI Bldgs - Actual Cash Value | \$2,797,821 | | | \$2,956,241 | | |
| TOTAL | \$18,146,081 | | | \$22,498,812 | | |
| Agreed Value Applies | Yes | | | Yes | | |
| Deductible for All Properties | \$1,000 | | | \$1,000 | | |
| Wind/Hail Deductible | \$2,500 | | | \$2,500 | | |
| Boiler/Machinery & Equipment Breakdown | Included | | | Included | | |
| Inland Marine | | | | | | |
| Contractor's Equipment - \$500 ded. | \$794,193 | 0.79 | \$6,306 | \$794,193 | 0.80 | \$6,359 |
| Scheduled Equipment (Radios & Boats) | \$106,386 | 0.76 | \$805 | \$106,386 | 0.76 | \$805 |
| EDP Hardware | \$98,628 | 0.59 | \$581 | \$98,628 | 0.59 | \$581 |
| EDP Software | \$12,800 | | | \$12,800 | | |
| Computer Virus | \$50,000 | | | \$50,000 | | |
| General Liability | | | | | | |
| Each Occurrence Limit | \$1,000,000 | | \$13,285 | \$1,000,000 | | \$13,584 |
| Aggregate | \$2,000,000 | | | \$2,000,000 | | |
| Property Damage Deductible | \$500 | | | \$500 | | |
| Exposure Breakdown: | | | | | | |
| Golf Courses - 44070 - Receipts | \$81,000 | 3.733 | | \$81,000 | 4.302 | |
| Town Liability - 87523 -Population | 2,993 | 1.470 | | 2,993 | 1.568 | |
| Special Events - 44444-Each | 1 | 250 | | 1 | 250 | |
| Waterslides - 87658 - Each | 1 | 200 | | 1 | 200 | |
| Swimming Pool - 48924 - Receipts | \$53,000 | 10.668 | | \$53,000 | 11.366 | |
| Electric, Light, Power - 92445 - Payroll | \$191,000 | 5.195 | | \$191,000 | 5.005 | |
| Water Utility - 99943 - Payroll | \$166,204 | 15.358 | | \$166,204 | 15.176 | |
| Various Buildings or Premises - Lessors | 70,135 | 12.962 | | 70,135 | 13.407 | |
| Risk Only - 61218 - Total Sq. Ft | | | | | | |
| Building or Premises - Hospital/Nursing Home | 47,596 | 12.962 | | 47,596 | 13.407 | |
| Lessors Risk Only -61218 - Sq. Ft. | | | | | | |
| Vacant Land - Not For Profit - 49452 | | | | | | |
| E/2 NE/4 Rge 35-1-2 (lagoon & agric.) | 80 acres | 1.398 | | 80 acres | 1.490 | |
| NE 1/4 Sec 2, Twp 305, Range 2E | 2 acres | 1.398 | | 2 acres | 1.490 | |
| NE 1/4 of Sec 3 Twp 20 S, Range 2 E | 1 acres | 1.398 | | 1 acres | 1.490 | |
| 29 lots in Hillsboro Heights | 23.85 acres | 1.398 | | 23.85 acres | 1.490 | |
| 24 lots in Willow Glen | 5.686 acres | 1.398 | | 5.686 acres | 1.490 | |
| 12 lots in Business Park | 13.345 acres | 1.398 | | 13.345 acres | 1.490 | |
| Land west of motel | 13.92 acres | 1.398 | | 13.92 acres | 1.490 | |
| Land from Anna Marie Wiebe | .3 acres | 1.398 | | .3 acres | 1.490 | |
| Land by airport | 40.2 acres | 1.398 | | 40.2 acres | 1.490 | |
| E/2 NE/4 Rge 34-19-2(farming) | 52 acres | 0.963 | | 52 acres | 1.026 | |
| W/2 NE/4 Rge 35-19-2(lagoon & agric.) | 64 acres | 0.963 | | 64 acres | 1.026 | |
| NW 1/4 of Sec 27, twp 19S, RG2 E | 10 acres | 0.963 | | 10 acres | 1.026 | |
| Additional Insureds - Each | 7 | 177 | | 7 | 217 | |
| Employee Benefit Liability | | | | | | |
| | \$1M/\$2M | | Included | \$1M/\$2M | | Included |
| Claims made- Retro Date 4-1-98 | \$1,000 Ded | | | \$1,000 Ded | | |
| Public Officials Errors & Omissions | | | | | | |
| | \$1M/\$1M | | \$3,381 | \$1M/\$1M | | \$3,775 |
| Including Employment Practices Liability | | | | | | |
| Claims Made - Retro Date 9-1-87 | Included | | | Included | | |
| Deductible - | \$2,500 | | | \$2,500 | | |
| Law Enforcement Liability | | | | | | |
| | \$1M/\$1M | | \$1,931 | \$1M/\$1M | | \$2,118 |
| Claims Made - Retro Date 9-1-87 | | | | | | |
| Deductible | \$2,500 | | | \$2,500 | | |
| # of Officers | 5 FT/4 PT | | | 5 FT/4 PT | | |
| Automobile- Combined Single Limit | | | | | | |
| | \$500,000 | \$668 | \$34,717 | \$500,000 | \$709 | \$36,842 |
| # of Vehicles | 52 | | | 52 | | |
| | | | Star Indemnity | | | Star Indemnity |
| Aviation General Liability | | | | | | |
| | \$2,000,000 | | \$1,500 | \$2,000,000 | | \$2,055 |
| Location - Alfred Schroeder Airport | (3 Yr Policy 4/1/18-21) | | | (3 Yr Policy 4/1/21-24) | | |
| TOTAL | | | \$116,952 | | | \$142,169 |
| 8-3-20 Add Building at 701 S Main – Insured Value \$2,000,000 | | | | | | |
| 2-8-21 Add Building at 111 E 1 st St – Insured Value \$158,420 | | | | | | |
| 4-1-21 Increased building values at the following locations: | | | | | | |
| 406 N Main - From \$838,298 to \$1,163,245 | | | | | | |
| Lots 1-8 Blk 9 Bushman Addn - From \$690,036 to \$838,768 | | | | | | |
| 414 N Adams - From \$4,214,853 to \$5,119,219 | | | | | | |
| Water Tower - From \$1,203,318 to \$2,018,584 | | | | | | |

Proclamation of the City of Hillsboro, Kansas

WHEREAS, The 2020-2021 Hillsboro High School boys basketball team roster includes Brekyn Ratzlaff, Tyson Plenert, Jaxxon Hanschu, Dillon Boldt, Frank Wichert, Matthew Potucek, Tristan Reed, Grayson Ratzlaff, Duncan Duell, Jake Thiessen and Carson Linnens and Wenxi Funk as manager; and

WHEREAS, The 2020-2021 Hillsboro High School boys basketball team is staffed by Head Coach Darrel Knoll and Assistant Coaches Demetrius Cox and Kyle Kroeker; and

WHEREAS, During the week of March 8, 2021, the Hillsboro Trojans competed in the Kansas State High School Activities Association Boys Class 2A State Basketball Championship. On March 13, 2021, the Trojans emerged victorious as state champions defeating a talented Wabaunsee team 59-50; and

WHEREAS, The 2020-21 Trojan team included three Seniors, Dillon Boldt, Tristan Reed, and Carson Linnens, completing their high school careers as state champions, and Brekyn Ratzlaff, Grayson Ratzlaff and Matt Potucek recognized with All-League honors; and

WHEREAS, The 2021 Kansas State High School Activities Association Boys Class 2A State Basketball Championship marked head coach Darrel Knoll's 4th state championship.

NOW, THEREFORE, BE IT RESOLVED, That the Mayor and City Council of the City of Hillsboro formally honor the Hillsboro High School boys basketball team for their outstanding performance at the 2021 Kansas State High School Activities Association Boys Class 2A State Basketball Championship. The Mayor and Council do hereby proclaim, Tuesday, March 16, 2021 as:

TROJAN BOYS BASKETBALL STATE CHAMPION DAY

In the City of Hillsboro, Kansas, and encourage all citizens to join in this observance.

Lou Thurston, Mayor

Staff Report



To: Honorable Mayor and City Council

From: Matt Stiles, City Administrator

Date: 3/16/2021

Re: Resolution 2021-03 Setting a Public Hearing for Countryside Feed Tax Abatement

Background: Countryside Feed has submitted all the necessary documents for a potential tax abatement on a planned facility expansion. The Resolution drafted by TWG sets the statutorily required public hearing on the proposed abatement for Tuesday, April 6 at 4PM. Also attached is a calendar of events for the issuance of an abatement should it progress through the stages.

The information from the cost benefit analysis will be available for consideration before the public hearing.

Financial Impact: NA

Recommendation: Approve Resolution 2021-03 and authorize the Mayor to sign.

RESOLUTION NO. 2021-03

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF HILLSBORO, KANSAS, SETTING THE DATE, TIME AND PLACE FOR A PUBLIC HEARING TO RECEIVE AND HEAR PUBLIC COMMENTS REGARDING A PROPOSAL TO EXEMPT CERTAIN PROPERTY FROM AD VALOREM TAXATION FOR ECONOMIC DEVELOPMENT PURPOSES; AND DIRECTING PUBLICATION OF A NOTICE OF PUBLIC HEARING.

WHEREAS, the City of Hillsboro, Kansas (the "City") is a duly organized and existing municipal corporation of the State of Kansas; and

WHEREAS, the governing body of the City, desires to promote, stimulate and develop the general economic welfare and prosperity of the City, and thereby to further promote, stimulate and develop the general economic welfare and prosperity of the State of Kansas; and

WHEREAS, in accordance with Article 11, Section 13 of the Kansas Constitution and Resolution No. 2001-10 of the City, the City is authorized to exempt certain property from ad valorem taxation for economic development purposes and to provide for certain payments in lieu of taxes; and

WHEREAS, pursuant to K.S.A. 79-251, the City is required to conduct a public hearing on the granting of such exemptions from ad valorem taxation.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HILLSBORO, KANSAS:

SECTION 1. Authorization of Public Hearing. It is hereby authorized, ordered and directed that a public hearing to receive and hear comments from the public regarding a proposed exemption from ad valorem taxation on property owned by Countryside Feed, LLC and located at 101 Santa Fe Street, Hillsboro, Kansas 67063, shall be held at the governing body's regular meeting at City Hall, 118 E. Grand, Hillsboro, Kansas, at 4:00 p.m., on Tuesday, April 6, 2021.

SECTION 2. Authorization of Publication of Notice of Public Hearing. The City Clerk is hereby authorized, ordered and directed to cause the publication of a Notice of Public Hearing, in the form and manner required by law, in the City's official newspaper one time on March 24, 2021, said date being at least Seven (7) days prior to the date of the hearing.

SECTION 3. Other Actions. The Mayor and City Clerk are hereby authorized and directed to take all such other actions not inconsistent herewith as may be appropriate or desirable to accomplish the purposes contemplated by this Resolution.

SECTION 4. Effective Date. This Resolution shall become effective upon its approval and passage by the governing body of the City of Hillsboro, Kansas.

ADOPTED AND APPROVED by the governing body of the City of Hillsboro, Kansas on March 16, 2021.

CITY OF HILLSBORO, KANSAS

[seal]

By _____
Lou Thurston, Mayor

ATTEST:

By _____
Janice K. Meisinger, City Clerk

EXCERPT OF MINUTES

The governing body of the City of Hillsboro, Kansas, met in regular session at the usual meeting place in the City on March 16, 2021, at 4:00 p.m. The Mayor Lou Thurston presided, and all members of the governing body were present as follows:

and the following members of the governing body were absent:

Thereupon, there was presented to the governing body a Resolution entitled:

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF HILLSBORO,
KANSAS, SETTING THE DATE, TIME AND PLACE FOR A PUBLIC HEARING
TO RECEIVE AND HEAR PUBLIC COMMENTS REGARDING A PROPOSAL
TO EXEMPT CERTAIN PROPERTY FROM AD VALOREM TAXATION FOR
ECONOMIC DEVELOPOMENT PURPOSES; AND DIRECTING PUBLICATION
OF A NOTICE OF PUBLIC HEARING.

Thereupon, the Resolution was considered and discussed, and upon the motion of _____, seconded by _____, the Resolution was adopted by a majority vote of the governing body, it was given No. 2021-__ and was directed to be signed by the Mayor and attested by the City Clerk.

CITY CLERK'S
CERTIFICATION OF EXCERPT OF MINUTES

I hereby certify that the foregoing is a true and correct Excerpt of Minutes of the March 16, 2021 meeting of the governing body of the City of Hillsboro, Kansas.

[seal]

Janice K. Meisinger, City Clerk

*City of Hillsboro, Kansas
 Countryside Feed Constitutional Tax Abatement 2021*

Tentative Financing Schedule

| <u>Date</u> | <u>Description</u> | <u>Responsible Party</u> |
|-------------|--|--------------------------|
| 03/08/21 | Draft all documents including cost benefit analysis | TWG |
| 03/09/21 | Review all documents | TWG |
| 03/11/21 | Public Hearing Resolution to City for packets | TWG |
| 03/16/21 | Adopt Public Hearing Resolution; Sign Notices | TWG |
| 03/18/21 | Notice of Public Hearing to Official Newspaper | TWG |
| 03/24/21 | Letter to County and USD | TWG/City |
| 03/24/21 | Notice of Public Hearing publishes | |
| 04/01/21 | Ordinance & Cost Benefit Analysis to City for packets [by Noon] | TWG |
| 04/06/21 | Tax Abatement Hearing; adopt ordinance [mtg. @ 4:00 p.m.] | City |
| 04/07/21 | Ordinance to newspaper [publishes 04/14/21] | TWG |
| 04/14/21 | Ordinance publishes | |
| | Notice and other info. to BOTA | TWG |

Legend:

City = Hillsboro, Kansas

TWG = Triplett Woolf Garretson, LLC, Bond Counsel

Staff Report



To: Honorable Mayor and City Council
From: Matt Stiles, City Administrator
Date: 3/16/2021
Re: Ordinance 1327 TCW Franchise Agreement

Background: In October 2020, the Council approved Ordinance 1319 setting a franchise agreement with TCW for fiber optic service. In preparation for starting to provide service, we reviewed the ordinance and found some language that needed to be addressed. Kimberlyn made the following corrections to the previous ordinance:

- Various grammatical corrections (such as, capitalizing City as a defined term and formatting changes).
- The last sentence of Section 3(d) has been revised to: "To the fullest extent permitted by law, and subject to the Kansas Open Records Act, the City agrees to hold in confidence any non-public information it learns from TC Wireless."
- Section 5(d)(2) so that it now reads: "The plans and specifications submitted by the City must comply with the requirements of this article." It previously stated: "The City shall approve plans and specifications that comply with the specifications of this article."
- Section 22 has been modified so that the venue for any potential legal proceedings would be Marion County, Kansas.

Financial Impact: NA

Recommendation: Approve Ordinance 1319 and authorize the Mayor to sign.

ORDINANCE NO. 1327

A CONTRACT FRANCHISE AUTHORIZING TC WIRELESS, INC (“TC WIRELESS”) TO CONSTRUCT, MAINTAIN AND OPERATE AS A TELECOMMUNICATIONS SERVICES PROVIDER IN THE PUBLIC RIGHT-OF-WAY WITHIN THE CITY OF HILLSBORO, KANSAS (“CITY”).

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HILLSBORO, KANSAS:

SECTION 1. Grants.

(a) **Telecommunications Service Provider.** This contract franchise ordinance hereby grants to TC Wireless, the nonexclusive contract, right, privilege, and franchise to locate, construct, place, attach, install, operate, use, control, repair, replace, upgrade, enhance and maintain, and operate facilities along, across, upon and under the ROW for TC Wireless to provide local exchange services, internet services, and other telecommunications services to its customers within the City.

(b) **Affiliate Contract Franchise.** Nothing in this contract franchise ordinance is intended to preclude the City from seeking or authorizing the City to seek, a franchise from an affiliate or third party providing telecommunications services.

(c) **Conveyance of Title.** This contract franchise ordinance shall not convey title, equitable or legal, in the ROW, and gives only the right to occupy the ROW, for the purposes and for the period stated herein.

(d) **Cable Service.** This contract franchise ordinance does not provide TC Wireless the right to provide cable service to the City and inhabitants thereof. If, during the term of this franchise, TC Wireless desires to provide cable service within the corporate boundaries of the City, TC Wireless shall follow the requirements of K.S.A. 12-2021, et seq., as amended, in providing notice and paying a video service provider fee to the City. In the event that K.S.A. 12-2021, et seq. is repealed or amended in such a way as to provide direct franchising authority to the City, TC Wireless shall promptly notify the City of its intent to provide cable service and renegotiate this contract franchise ordinance in accordance with applicable law prior to providing such service. Nothing in this contract franchise ordinance is intended to preclude the City from seeking, or authorizing the City to seek, a franchise from or any subsidiary, affiliate, or third party providing cable services, to the extent any such franchise is permitted under applicable law at the time such service commences. TC Wireless and the City agree that nothing in this franchise is intended to authorize the City to seek from TC Wireless nor to require TC Wireless to obtain, a franchise to offer “open video systems” as that term is used in section 653 of the Telecommunications Act of 1996 (codified at 47 U.S.C. 573). TC Wireless and the City further agree, however, that this article does not authorize TC Wireless to offer “open video systems” without paying a fee on the gross revenues of the system operator for the provision of cable service in lieu of a franchise fee, pursuant to and in the manner described in 47 U.S.C. 573(c)(2)(b) and

without complying with Federal Communication Commission (FCC) regulations promulgated pursuant to 47 U.S.C. 573.

(e) This contract franchise ordinance is subject to the terms and conditions of all applicable federal, state and local laws, existing now or in the future, and the parties shall comply with any such laws in the exercise of their rights and performance of their obligations under this contract franchise ordinance. "Laws" means any and all statutes, constitutions, ordinances, resolutions, regulations, judicial decisions, rules, permits, approvals or other applicable requirements of the City or other governmental entity or agency having joint or several jurisdiction over any aspect of this contract franchise ordinance or the parties' activities hereunder, whether now existing or hereafter adopted, including but not limited to a City ROW management ordinance and the City's zoning and land use laws to the extent they are not inconsistent with state and federal law regulating use of the ROW, and any related laws, rules, or regulations and amendments thereto relating to the use and occupancy of the ROW.

(f) The authority of TC Wireless to use and occupy the ROW shall always be subject and subordinate to the reasonable public health, safety, and welfare requirements and regulations of the City. The City may exercise its home rule powers in its administration and regulation related to the management of the ROW provided that any such exercise must be competitively neutral and may not be unreasonable or discriminatory. TC Wireless shall comply with all Laws and lawful City regulations, in effect now or as may be adopted in the future, governing the use of ROW.

SECTION 2. Term.

(a) This contract franchise ordinance shall be effective for a term of ten (10) years from the effective date of this contract franchise ordinance. Thereafter, this contract franchise ordinance will automatically renew for additional one (1) year terms, unless either party notifies the other party of its intent to terminate the contract franchise ordinance at least ninety (90) days before the termination of the then current term. The additional terms are a continuation of this franchise and not a new franchise or amendment. But, in no event, shall the City be permitted to terminate TC Wireless' right under this Agreement to place Facilities in the ROW unless TC Wireless abandons the entire Network, or unless the terms of the Agreement are breached and/or local, state, or federal law permit. Pursuant to K.S.A. 12-2001(b)(2) under no circumstances shall this contract franchise ordinance exceed twenty (20) years from the effective date of the contract franchise ordinance.

(b) Upon written request of either the City or TC Wireless, this contract franchise ordinance shall be renegotiated at any time in accordance with the requirements of K.S.A. 12-2001 and K.S.A. 17-1902, as amended, upon any of the following events: changes in federal, state, or local Laws, regulations, or orders that materially affect any rights or obligations of either the City or TC Wireless, including but not limited to the scope of the contract franchise ordinance granted to the TC Wireless or the compensation to be received by the City.

(c) Amendments under this section, if any, shall be made by contract franchise ordinance as prescribed by statute. The contract franchise ordinance shall remain in effect according to its terms pending completion of any review or renegotiation provided by this section.

SECTION 3. Compensation.

(a) **Provider Franchise Fee.** In consideration of this contract franchise ordinance, TC Wireless agrees to pay the City the franchise fee of five percent (5%) of TC Wireless's gross revenue derived from its grant as a telecommunications local exchange provider for services provided within the corporate boundaries of the City, which include: (A) recurring local exchange service for business and residence which includes basic exchange service, touch tone, optional calling features and measured local calls; (B) recurring local exchange access line services for pay phone lines provided by a telecommunications local exchange service provider to all pay phone service providers; (C) local directory assistance revenue; (D) line status verification/busy interrupt revenue; (E) local operator assistance revenue; and (F) nonrecurring local exchange service revenue which shall include customer service for installation of lines, reconnection of service and charge for duplicate bills. All other revenues, including, but not limited to, revenues from extended area service, the sale or lease of unbundled network elements, nonregulated services, carrier and end user access, long distance, wireless telecommunications services, lines providing only data service without voice services processed by a telecommunications local exchange service provider, private line service arrangements, internet, broadband and all other services not wholly local in nature are excluded from gross revenues. Gross revenues shall be reduced by bad debt expenses that are attributable to Sections (A) through (F) as referenced within this section. Uncollectible and late charges shall not be included within gross revenues. TC Wireless shall pay its franchise fee on the 15th day of the second month following the month in which the gross revenue is received. Such franchise fee shall exclude revenues associated with Section 3(a).

(b) **Additional Fees.** In addition to the gross revenue fees allowed by law and pursuant to this contract franchise ordinance, and in exchange for other valuable consideration, the City may charge other fees pursuant to K.S.A. 12-2001(n).

(c) TC Wireless shall reimburse the City for the publication costs related to the adoption or amendment of this contract franchise ordinance.

(d) TC Wireless shall keep accurate books of account at its principal office in Buhler, Kansas, or such other location of its choosing, for the purpose of determining the amounts due to the City pursuant to this subsection. Upon written notice, the City shall have access to, and the right to examine, at all reasonable times, all books, receipts, files, records and documents of TC Wireless necessary to verify the correctness of compensation paid to the City, and to correct the same, if found to be erroneous. The City may only exercise its right to examine the books, receipts, files, records, and documents one time per

year at a mutually agreeable time. If the statement of fees paid by TC Wireless is incorrect, TC Wireless shall promptly make payment upon such corrected statement. To the fullest extent permitted by law, and subject to the Kansas Open Records Act, the City agrees to hold in confidence any non-public information it learns from TC Wireless.

SECTION 4. For the purpose of this contract franchise ordinance, the following words and phrases and their derivations shall have the following meaning:

Access line shall mean and be limited to retail billed and collected residential lines; business lines; ISDN lines; PBX trunks and simulated exchange access lines provided by a central office based switching arrangement where all stations served by such simulated exchange access lines are used by a single customer of the provider of such arrangement. “Access line” may not be construed to include interoffice transport or other transmission media that do not terminate at an end user customer’s premises, or to permit duplicate or multiple assessment of access line rates on the provision of a single service or on the multiple communications paths derived from a billed and collected access line. “Access line” shall not include the following: wireless telecommunications services, the sale or lease of unbundled loop facilities, special access services, lines providing only data services without voice services processed by a telecommunications local exchange service provider or private line service arrangements.

Access line count means the number of access lines serving consumers within the corporate boundaries of the City on the last day of each month.

Access line fee means the fee determined by the City, up to a maximum as set out in K.S.A. 2019 Supp. 12-2001 and amendments thereto, to be used by TC Wireless in calculating the amount of access line remittance.

Access line remittance means the amount to be paid by TC Wireless to the City, the total of which is calculated by multiplying the access line fee, as determined by the City, by the number of access lines served by TC Wireless as a telecommunications local exchange service provider within the City for each month in that calendar quarter.

Cable service is defined as set forth in 47 U.S.C. Section 522(6), and amendments thereto.

City means the City of Hillsboro, Kansas.

Distributed antenna system (“DAS”) facility or facilities mean certain components of the Network consisting of distributed antenna systems which may be located on existing or new streetlights, stand-alone poles, third party utility poles, and other structures located on or within the ROW as permitted under this contract franchise ordinance, and which will be connected to underground and aboveground fiber optic cable, fiber handholes and enclosures, fiber repeaters and related equipment.

Facility or facilities means any portion or component of the Network located in, along,

over, upon, under, or through the public right-of-way.

Franchise fee means the fees established under this article for each grant of access to the public rights-of-way.

TC Wireless means the franchisee, TC Wireless, Inc., a Kansas for profit corporation.

Local exchange service means local switched telecommunications service within any local exchange service area approved by the state corporation commission, regardless of the medium by which the local telecommunications service is provided. The term local exchange service shall not include wireless communication services.

Network means the franchisee's fiber network and distributed antenna system facilities, including the antenna nodes, poles, equipment cabinets, underground and aboveground fiber optic cable, wires, lines, fiber handholes and enclosures, fiber repeaters and related equipment and appurtenance, and similar facilities and appurtenances, designed, constructed or occupied for the purpose of producing, receiving, amplifying or distributing telecommunications service to or from locations within the City.

Law(s) means any and all statutes, constitutions, ordinances, resolutions, regulations, judicial decisions, rules, permits, approvals or other applicable requirements of the City or other governmental entity or agency having joint or several jurisdiction over any aspect of this contract franchise agreement or the parties' activities hereunder, whether now existing or hereafter adopted, including but not limited to a City right-of-way management ordinance and the City's zoning and land use laws to the extent they are not inconsistent with state and federal law regulating use of the public rights-of-way, and any related laws, rules, or regulations and amendments thereto relating to the use and occupancy of the public rights-of-way.

Provider means a local exchange carrier as defined in subsection (h) of K.S.A. 66-1,187, and amendments thereto, or a telecommunications carrier as defined in subsection (m) of K.S.A. 66-1,187, and amendments thereto, or a video service provider as defined in K.S.A. 12-2022, and amendments thereto.

Public right(s)-of-way ("ROW") means only the area of real property in which the City has a dedicated or acquired right-of-way interest in the real property. It shall include the area on, below or above the present and future streets, alleys, avenues, roads, highways, parkways or boulevards dedicated or acquired as right-of-way. The term does not include the airwaves above a right-of-way with regard to wireless telecommunications or other nonwire telecommunications or broadcast service, easements obtained by utilities or private easements in platted subdivisions or tracts.

Telecommunications service(s) means providing the means of transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

SECTION 5. Installation of the Facilities.

(a) Pursuant to the grants provided herein, TC Wireless shall have the right to construct, maintain, and operate the Facilities along, across, upon, and under the ROW. Nothing in this contract franchise ordinance shall be interpreted as granting TC Wireless the authority to construct, maintain or operate any facility or related appurtenance on property owned by the City outside of the ROW.

(b) TC Wireless shall construct and maintain the facilities in a skillful and workmanlike manner that does not obstruct or hinder the usual travel or public safety on such ROW, and that does not obstruct or interfere with the legal use of the ROW by other utilities. TC Wireless shall be solely responsible for communicating with Kansas One-Call, or for taking other necessary measures to determine the location of public improvements or other facilities located in the ROW. TC Wireless shall install facilities in accordance with traffic control plans for temporary construction work that are approved by the City, which approval shall not unreasonably be withheld, conditioned, or delayed. TC Wireless shall coordinate the placement of its facilities in the ROW in a manner that minimizes adverse impact on public improvements, as reasonably determined by the City utility superintendent.

(c) TC Wireless shall be the City's point of contact and all communications shall be through TC Wireless. TC Wireless shall at all times maintain with the City a local point of contact that shall be available at all times to act on behalf of TC Wireless in the event of an emergency. TC Wireless shall provide the City with the local contact's name, address, telephone number, and e-mail address.

(d) Notwithstanding any other ordinance or resolution adopted by the City, TC Wireless shall follow the following process:

(1) TC Wireless shall submit to the City its plans and specifications for the installation of the facilities. Approval of plans and specifications and the issuance of any permits or approvals by the City shall not release TC Wireless from the responsibility for, or the correction of, any errors, omissions, or other mistakes that may be contained in the plans, specifications, or City permits or approvals. TC Wireless shall immediately notify the City and other relevant parties if TC Wireless discovers errors, omissions, or mistakes, and TC Wireless shall obtain any correct City approval, if necessary.

(2) The plans and specifications submitted to the City must comply with the requirements of this article. The City must respond to the submission of such plans and specifications within ten (10) business days from the date of submission of a complete application with the DAS Facility permit and license fee. The location, aesthetic requirements, depth of the fiber underground, and any other requirements shall be approved by the City in writing prior to the installation of any facilities at a specific location, and such approval shall not be unreasonably withheld, conditioned or delayed. The City shall

have the authority to prohibit the use or occupation of a specific portion of the ROW by TC Wireless due to a reasonable public interest necessitated by public health, safety and welfare, so long as the authority is exercised in a competitively neutral manner and is not unreasonable or discriminatory. A reasonable public interest shall include the following:

a. The prohibition is based upon a recommendation by the City utility superintendent, is related to public health, safety, and welfare and is nondiscriminatory among providers, including incumbent providers;

b. TC Wireless has rejected a reasonable, competitively neutral and nondiscriminatory justification offered by the City for requiring an alternate method or alternate route that will result in neither unreasonable additional installation expense nor a diminution of service quality;

c. The City reasonably determines, after affording TC Wireless reasonable notice and an opportunity to be heard, that a denial is necessary to protect the public health and safety and is imposed on a competitively neutral and nondiscriminatory basis; or

d. The specific portion of the ROW for which TC Wireless seeks use and occupancy is environmentally sensitive as defined by state or federal law or lies within a previously designated (as of the date of submission of the DAS Facility permit application) historic district as defined by local, state or federal law.

(e) TC Wireless shall cooperate with the City and follow all legally binding City policies and state and local ordinances with respect to aesthetics which are applied in a non-discriminatory manner.

(f) In addition to the approvals required by this section, TC Wireless must obtain and is responsible for any necessary permit, license, certification, grant, registration, and any other authorization or approval required by the City (collectively, the “permits and approvals”) relating to the installation, maintenance, and repair of the facilities or network and for the use and occupancy of the ROW, including but not limited to all permits and approvals required under a City ROW ordinance or zoning regulation and that are not inconsistent with state and federal laws regarding the regulation of the public ROW. The City shall process each valid and administratively complete application for requested permits and approvals in accordance with the time requirements of applicable laws, and shall not unreasonably or unlawfully withhold or delay any permits and approvals. TC Wireless shall comply with any condition or requirement set forth in any permit and approval, if they comply with the laws.

(g) Except as may otherwise be provided by this article, where reasonable and appropriate and where adequate public ROW exists, TC Wireless shall place all facilities underground, and/or replace all above-ground facilities with underground facilities, in conjunction with City capital improvement projects and/or at specific locations requested

by the City, provided that such placement is practical, efficient, and economically feasible as determined by both parties. Above-ground pedestals, vaults, or other above-ground facilities, may be installed only if approved by the City where alternative underground facilities are not technically or financially feasible or where underground requirements are otherwise waived pursuant to this section, and shall generally be located behind the sidewalk where feasible and shall be screened from public view. The underground requirements of this subsection shall not apply to the maintenance and repair of existing facilities, as determined by the City utility superintendent or in areas where other above ground facilities such as utility poles already exist.

(h) If a TC Wireless-owned pole falls or is damaged such that there is an imminent threat of harm to persons or property, then the City may cause the pole to be removed to the side of the street or a location that City believes reasonably eliminates the risk of such imminent threat of harm to persons or property. TC Wireless shall, after written notice from the City that its pole has been damaged or removed, cause its pole to be removed, repaired or replaced within thirty (30) days after the City's written notice. The cost to remove, repair or replace TC Wireless's pole, including the replacement City streetlight, bulb and ancillary equipment, shall be paid by TC Wireless; provided, however, that if TC Wireless's pole is damaged or destroyed by the City or a third party user that the City has given the right to use the pole, then the City and/or its third party user shall pay the cost to repair and/or replace the pole. To the extent that TC Wireless seeks reimbursement from a third party either directly or through applicable insurance, the City shall assign to TC Wireless any rights the City may have against such third party for such claim.

(i) If there is an emergency necessitating response work or repair, TC Wireless may begin that repair or emergency response work or take any action required under the circumstances, provided that TC Wireless notifies the City promptly after beginning the work and timely thereafter meets any permit or other requirement had there not been such an emergency.

(j) In granting this contract franchise ordinance, the City makes no express or implied representation or warranty regarding its rights to authorize the installation or construction of facilities on any particular segment of the ROW. The burden and responsibility for making all such determinations in advance of construction or installation shall be entirely upon TC Wireless.

(k) TC Wireless shall take all reasonable measures necessary to maintain accurate as completed records in electronic format, of all facilities constructed, reconstructed, or relocated in the ROW. TC Wireless shall cooperate promptly and fully with the City and take all reasonable measures necessary to provide accurate and complete information regarding the nature and horizontal and vertical location of its facilities located within the ROW when requested by the City or its authorized agents for a public project. Such location and identification shall be at the sole expense of TC Wireless without expense to the City, its employees, agents, or authorized contractors.

(l) TC Wireless may trim trees overhanging the ROW that may come into contact with TC Wireless facilities with the prior approval of the City's forester.

SECTION 6. Removal of facilities due to public project and other causes.

Upon receipt of a written demand from the City, TC Wireless, at its sole cost and expense, shall remove and relocate any part of the network constructed, installed, used and/or maintained by TC Wireless under this contract franchise ordinance, within the reasonable time frame set forth by the City, whenever the City reasonably determines that the removal and/or relocation of any TC Wireless facility is needed for any of the following purposes:

(a) Due to any work proposed to be done by or on behalf of the City or any other governmental agency, including but not limited to, any change of grade, alignment or width of any street, sidewalk or other public facility, installation of curbs, gutters or landscaping and installation, construction, maintenance or operation of any underground or aboveground facilities such as sewers, water mains, drains, storm drains, pipes, gas mains, poles, power lines, telephone lines, cable television lines and tracks; or,

(b) Because any part of the network or facility is interfering with or adversely affecting the proper operation of City-owned light poles, traffic signals, or other City facilities; or,

(c) Because the City is mandated by law, a court order or decision, or the federal or state government to take certain actions that will cause or require the removal of the facilities from the ROW; or,

(d) To protect or preserve the public health, safety and welfare.

The City shall cooperate with TC Wireless in relocating any portion of the network removed pursuant to this section in a manner that allows TC Wireless to continue providing service to its customers, including, but not limited to, expediting approval of any necessary permits and approvals required for the relocation of that portion of the relocated network. The City may not charge permitting or other fees for a removal occurring under this section. Any damages suffered by the City or its contractors as a result of TC Wireless 's failure to timely relocate or adjust its facilities shall be borne by TC Wireless. The parties understand and agree that neither the City nor TC Wireless is entitled to compensation for any relocation of the TC Wireless network that may be required by this section. TC Wireless acknowledges that it is not entitled to relocation assistance or any other compensation or benefits under the Uniform Relocation Assistance Act or any other applicable provision of law upon termination of this contract franchise ordinance.

SECTION 7. TC Wireless and City access to the facilities.

(a) TC Wireless will be given reasonable access to each of the facilities in the ROW for the purposes of routine installation, repair, maintenance or removal of facilities. If any

such activities have the potential to result in an interruption of the City's use of TC Wireless's new poles, TC Wireless shall provide the City with a minimum of three (3) days prior written notice of such activities. Such activities shall, to the extent feasible, be done with minimal impairment, interruption, or interference to City's use of TC Wireless's new poles.

(b) The City shall have commercially reasonable access to observe and inspect the facilities, and any work conducted by TC Wireless during the installation, maintenance and/or repairs of the facilities.

SECTION 8. Maintenance and repair.

(a) TC Wireless shall pay for the electricity and other utilities services it consumes in its operations at the rates charged by the servicing utility companies.

(b) TC Wireless shall, at TC Wireless's sole cost and expense, perform all maintenance and repairs reasonably needed to maintain its facilities in good condition and neat and orderly appearance, and in compliance with all applicable laws. In the event any facility requires replacement because such part cannot be repaired, TC Wireless shall, at TC Wireless's sole cost and expense, replace the irreparable facility. TC Wireless shall not cause rubbish, garbage or debris on or around the facilities and shall not permit any rubbish, garbage or debris to accumulate on or around any enclosed areas around the facilities. If the City gives TC Wireless written notice of a failure by TC Wireless to maintain the facilities, TC Wireless shall use its best efforts to remedy such failure within forty-eight (48) hours after receipt of such written notice.

(c) TC Wireless shall be responsible for any damage, ordinary wear and tear excepted, to street pavement, existing facilities and utilities, curbs, gutters, sidewalks, landscaping, and all other public or private facilities, to the extent caused by TC Wireless's construction, installation, maintenance, access, use, repair, replacement, relocation, or removal of facilities in the ROW. TC Wireless shall promptly repair such damage and restore the ROW and any affected adjacent property to a safe and satisfactory condition to the City in accordance with the City's applicable street or ROW restoration standards, or to the property owner if not the City. If TC Wireless fails to make the repairs required by the City, the City may affect those repairs and charge TC Wireless the cost of those repairs. If the City incurs damages as a result of a violation of this subsection, then the City shall have a cause of action against TC Wireless for violation of this section, and may recover its damages, including reasonable attorney fees, if TC Wireless is found liable by a court of competent jurisdiction. TC Wireless's obligations under this section shall survive for one (1) year past the completion of such reparation and restoration work and return of the affected part of the ROW by TC Wireless to the City, or such longer period as may be established by the City's ROW ordinance, rules or regulations or other applicable laws.

SECTION 9. Non-interference.

(a) TC Wireless shall operate its network in a manner that will not cause interference with City non-public safety communications systems and to the services and facilities of other licensees or lessees of City property located at or near the Facilities that were in operation prior to the installation of the network or that are in operation prior to any modifications TC Wireless may make to the network.

(b) TC Wireless's network and facilities shall not cause interference with public safety communications systems operated by City or any other public agency, regardless of the date such systems or any components thereof have been placed in service. Nor shall TC Wireless's network and facilities cause interference with the City's use of the TC Wireless poles for the City's intended City purpose.

(c) If such interference with the facilities described in subsections (a) or (b) occurs, TC Wireless shall, upon receipt of written notice from the City, immediately commence commercially reasonable, diligent, efforts to correct or eliminate such interference. If such interference cannot be corrected by TC Wireless to the reasonable satisfaction of the City within the cure period set forth in the City's notice, which notice shall not be less than 30 days, absent an emergency or danger to public health and safety requiring shorter notice, such interference shall be deemed a material breach under this contract franchise ordinance and City may terminate the contract franchise ordinance. Interference caused by actions of TC Wireless's customer(s) remains the responsibility of TC Wireless.

SECTION 10. Indemnity and hold harmless.

(a) It shall be the responsibility of TC Wireless to take adequate measures to protect and defend its facilities in the ROW from harm or damage. If TC Wireless fails to accurately or timely locate facilities when requested, it has no claim for costs or damages against the City and its authorized contractors unless such party is responsible for the harm or damage by its negligence or intentional conduct. The City and its authorized contractors shall be responsible to take reasonable precautionary measures including calling for utility locations and observing marker posts when working near TC Wireless's facilities.

(b) TC Wireless shall indemnify, defend, and hold harmless the City, its agents, representatives, officers, officials, employees and contractors, from and against liability, claims, demands, losses, damages, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, and the costs and expenses incurred in connection therewith, including reasonable attorneys' fees and costs of defense to the extent resulting from activities undertaken by TC Wireless pursuant to this contract franchise ordinance, except to the extent arising from or caused by the gross negligence or willful misconduct of the City, its agents, representatives, officers, officials, employees or contractors.

(c) TC Wireless waives all claims, demands, causes of action, and rights it may assert against the City on account of any loss, damage, or injury to any portion of the

network, or any loss or degradation of the services provided by the network resulting from any event or occurrence except for any loss, damage, or injury to any portion of the network, or any loss or degradation of the services provided by the network, resulting from the gross negligence or willful misconduct of the City.

(d) The City will be liable, if at all, only for the cost of repair to damaged portions of the facilities arising from the gross negligence or willful misconduct of the City, its employees, agents, or contractors. The City, its agents, officers, employees, or contractors, shall not be liable for any damage from any cause whatsoever to the facilities, specifically including, without limitation, damage, if any, resulting from the City's maintenance operations adjacent to the facilities or from vandalism or unauthorized use of the facilities, except to the extent such damage is caused by the gross negligence or willful misconduct of City, its agents, officers, employees or contractors. The City will in no event be liable for indirect or consequential damages.

(e) In no event shall TC Wireless be liable for indirect or consequential damages in connection with or arising from this contract franchise ordinance, or its use of the network or ROW.

(f) TC Wireless or the City shall promptly advise the other in writing of any known claim or demand against TC Wireless or the City related to or arising out of the TC Wireless's activities in a ROW.

SECTION 11. Insurance requirement and performance bond.

(a) During the term of this franchise, TC Wireless shall obtain and maintain insurance coverage at its sole expense, with financially reputable insurers with an A.M. Best rating of no less than A-:VII. TC Wireless shall provide not less than the following insurance:

(1) Workers' compensation as provided for under any workers' compensation or similar law in the jurisdiction where any work is performed with an employers' liability limit equal to the amount required by law.

(2) Commercial general liability with limits of insurance not less than \$2,000,00 each occurrence, \$2,000,000 annual aggregate, \$2,000,000 completed Operations/Product Aggregate covering claims for bodily injury, property damage, personal and advertising injury, completed operation/product liability and contractual liability arising the activities and operations of the franchisee and independent contractors operating on their behalf. The City shall be included as an additional insured. The insurance for the additional insured shall be as broad as the insurance for the named insured and apply on a primary/non contributor basis and include protection for completed operations/products claim. Coverage for the additional insured shall include defense expense. If in order to accomplish the required limits of insurance, the franchisee must purchase an excess liability/umbrella policy, such policy shall be written on a follow form

basis and be as broad as the underlying insurance. The City shall be included as additional insured to the policy.

(3) Business Auto Liability Insurance with limits of insurance not less than \$1,000,00 Combined Single Limit for bodily injury and property damage covering ownership or use of all owned, hired and non-owned autos used in connection with the Franchisee operations and activities. The City shall be included as additional insured to the auto liability policy.

(b) As an alternative to the requirements of subsection (a), TC Wireless may demonstrate to the satisfaction of the City that it is self-insured and as such TC Wireless has the ability to provide coverage in an amount not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in aggregate, to protect the City from and against all claims by any person whatsoever for loss or damage from personal injury, bodily injury, death or property damage occasioned by TC Wireless, or alleged to so have been caused or occurred.

(c) TC Wireless shall, as a material condition of this franchise, prior to the commencement of any work and prior to any renewal thereof, deliver to the City a certificate of insurance or evidence of self-insurance, satisfactory in form and content to the City, evidencing that the above insurance is in force and will not be cancelled or materially changed with respect to areas and entities covered without first giving the City 30 days prior written notice. TC Wireless shall make available to the City on request the policy declarations page and a certified copy of the policy in effect, so that limitations and exclusions can be evaluated for appropriateness of overall coverage.

SECTION 12. Taxes. TC Wireless agrees that it will be solely responsible for the payment of any and all applicable taxes, fees and assessments levied on its ownership, use and maintenance of the network and this contract franchise ordinance. Pursuant to Section 79-5(a)(26) of the Kansas Revenue and Taxation Code, as amended, the City hereby advises, and TC Wireless recognizes and understands, that TC Wireless's use of the ROW and/or TC Wireless facilities may create a possessory interest subject to real property taxation and that TC Wireless may be subject to, and responsible for, the payment of real property taxes levied on such interest. TC Wireless will cooperate with the county appraiser in providing any information necessary for the appraiser to make a property tax determination. TC Wireless reserves the right to challenge any such assessment, and the City agrees to reasonably cooperate with TC Wireless in connection with any such challenge.

SECTION 13. Nondiscrimination. TC Wireless will not, on the grounds of race, sex, familial status, military status, disability, religion, age, color, national origin or ancestry, discriminate or permit discrimination against any person in the use of the ROW or in activities under this franchise.

SECTION 14. Transfer and assignment. This franchise shall be assignable in accordance with the laws of the State of Kansas. TC Wireless shall provide the City written

notice of any transfer or assignment within thirty (30) days, including notice of the name and address of the assignee and contact information.

SECTION 15. Default; abandonment; expiration or termination of contract franchise.

(a) A “default” shall be deemed to have occurred if a party fails to cure a breach, within thirty (30) days after written notice specifying such breach, provided that if the breach is of a nature that it cannot be cured within thirty (30) days, a default shall not have occurred so long as the breaching party has commenced to cure within said time period and thereafter diligently pursues such cure to completion.

(b) Upon a party’s failure to timely cure a breach after City notice, and upon expiration of the above cure periods, then the other party may terminate this contract franchise and pursue all remedies provided for in this contract franchise and/or any remedies it may have under applicable law or principles of equity relating to such breach.

(1) In addition to the remedies set forth herein, the City shall have the right to terminate this contract franchise if (i) the City is mandated by law, a court order or decision, or the federal or state government to take certain actions that will cause or require the removal of the Facilities from the ROW; or (ii) if TC Wireless’s licenses are terminated, revoked, expired, or otherwise abandoned. Such termination rights under subsection (i) shall be subject to TC Wireless’s rights to just compensation, if any, from the federal, state or local government requiring such removal for any taking of a protected property right.

(c) In the event TC Wireless ceases to operate and abandons the network, any facility, or parts thereof, for a period of ninety (90) days or more, TC Wireless shall, at its sole cost and expense and within ninety (90) days from the date of abandonment, vacate and remove the network or the abandoned part thereof. If such removal disturbs the facility or adjacent property (including ROW or City real property), TC Wireless shall also, at its sole cost and expense, restore or repair the ROW, each facility, and any adjacent property to its original condition, reasonable wear and tear excepted, and further excepting landscaping and related irrigation equipment or other aesthetic improvements made by TC Wireless to the facility or adjacent property. Alternatively, the City may allow TC Wireless, in the City’s sole and absolute discretion, to abandon the network, or any part thereof, in place and convey it to the City.

(d) Upon expiration or termination of this contract franchise for any reason, TC Wireless shall have the right to remove any and all of its Facilities within sixty (60) days after such termination or expiration, or to transfer any and all of its Facilities to another entity authorized to place facilities in the ROW. TC Wireless has the duty, immediately upon any such removal, to restore the ROW from which the facilities are removed to as good a condition as the same were before removal was performed. If TC Wireless fails to remove or transfer its Facilities within sixty (60) days, the City may, at its option, remove any or all of the Facilities at TC Wireless’s expense, or take ownership of any or all of

Facilities for the City's use and/or disposal.

SECTION 16. Notices. Except in emergencies, all notices by one party to the other shall be made by personal delivery, by depositing such notice in the U.S. mail, certified mail, return receipt requested, or by facsimile. Any notice served by certified mail, return receipt requested, shall be deemed delivered five (5) calendar days after the date of such deposit in the U.S. mail unless otherwise provided. Any notice given by facsimile is deemed received by the next business day. "Business day" for purposes of this section shall mean Monday through Friday, City and TC Wireless -observed holidays excepted. Emergency notices shall be provided by telephone, with written notice immediately following by facsimile.

Notices shall be addressed to the City as follows:

City of Hillsboro
118 E. Grand Ave.
Hillsboro, KS 67063
Attention: City Clerk

Notice to TC Wireless shall be addressed to the company as follows:

TC Wireless, Inc.
1568 S 1000 Rd.,
Council Grove, KS 66846
Attention: General Manager/CEO

Notice shall be given as required by the terms of this contract franchise ordinance. Notice shall be provided to the above-named addressees unless directed otherwise in writing by the City or TC Wireless. Both TC Wireless and the City shall provide to the other contact information with telephone and facsimile numbers for use in emergencies.

SECTION 17. Acceptance. Prior to the effective date of this franchise, TC Wireless shall file with the City clerk its acceptance in writing of the provisions, terms and conditions of this article, which acceptance shall be duly acknowledged before an officer authorized by law to administer oaths. When so accepted, the ordinance and acceptance shall constitute a contract between the City and TC Wireless subject to the provisions of the laws of the state of Kansas.

SECTION 18. Reservation of rights.

(a) The City specifically reserves its right and authority as a customer of the company and as a public entity with responsibilities towards its citizens, to participate to the full extent allowed by law in proceedings concerning the company's rates and services to ensure the rendering of efficient telecommunications service at reasonable rates, and the maintenance of the company's property in good repair.

(b) In granting its consent hereunder, the City does not in any manner waive its regulatory or other rights and powers under and by virtue of the laws of the State of Kansas as the same may be amended, its home rule powers under the Constitution of the State of Kansas, nor any of its rights and powers under or by virtue of present or future ordinances of the City.

(c) In granting its consent hereunder, TC Wireless does not in any manner waive its regulatory or other rights and powers under and by virtue of the laws of the State of Kansas as the same may be amended, or under the Constitution of the State of Kansas, nor any of its rights and powers under or by virtue of present or future ordinances of the City.

SECTION 19. Entire Agreement; Modification; Waiver. This contract franchise ordinance constitutes the entire agreement between the parties relating to the subject matter hereof. All prior and contemporaneous agreements, representations, negotiations, and understandings of the parties, oral or written, relating to the subject matter hereof are merged into and superseded by this contract franchise ordinance. The parties agree that this Agreement is the project of joint draftsmanship and that should any of the terms be determined by a court, or in any type of quasi-judicial or other proceeding, to be vague, ambiguous and/or unintelligible, that the same sentences, phrases, clauses or other wording or language of any kind shall not be construed against the drafting party. Any modification or amendment to this contract franchise ordinance shall be of no force and effect unless it is in writing, signed by the parties, and adopted pursuant to the requirements of state law. No waiver of any of the provisions of this contract franchise ordinance shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar. No waiver or consent shall constitute a continuing waiver or consent or commit either party to provide a waiver in the future except to the extent specifically set forth in writing. No waiver shall be binding unless executed in writing by the party making the waiver.

SECTION 20. Severability. If any clause, sentence, or section of this contract franchise ordinance, or any portion thereof, shall be declared by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remainder, as a whole or any part thereof, other than the part declared to be invalid; provided, however, the City or TC Wireless may elect to declare that the entire agreement is invalidated if the portion declared invalid is, in the judgment of the City or TC Wireless, an essential part of this contract franchise ordinance.

SECTION 21. Survival of Terms. All of the terms and conditions in this contract franchise ordinance related to payment, removal due to termination or abandonment, indemnification, limits of City's liability, attorneys' fees and waiver shall survive termination of this contract franchise.

SECTION 22. Governing law and venue.

(a) As a condition of this contract franchise ordinance, TC Wireless is required to

obtain and is responsible for any necessary permit, license, certification, grant, registration or any other authorization required by any appropriate governmental entity, including, but not limited to, the City, the FCC or the Kansas Corporation Commission (KCC), subject to TC Wireless' right to challenge in good faith such requirements as established by the FCC, KCC or other City regulations. TC Wireless shall also comply with all applicable laws, statutes and/or City regulations, subject to TC Wireless' right to challenge in good faith such laws, statutes, and/or City regulations.

(b) The obligations and undertakings of both parties hereto shall be performed at Hillsboro, Marion County, Kansas. In the event that any legal proceeding is brought to enforce the terms of this franchise, the same shall be brought in state or federal courts, as appropriate, having jurisdiction for Marion County, Kansas.

SECTION 23. Effective date of franchise. The effective date of this franchise shall be _____, 2021.

SECTION 24. This ordinance shall take effect and be in full force from and after its summary publication in THE LEDGER, the official newspaper of said City.

PASSED by the Governing Body of the City of Hillsboro, Kansas, this ____ day of _____, 2021.

LOUIS THURSTON, Mayor

ATTEST:

JAN MEISINGER, City Clerk

(SEAL)

Staff Report



To: Honorable Mayor and City Council
From: Matt Stiles, City Administrator
Date: 3/16/2021
Re: TCW Ground Lease

Background: In September 2020, the Council approved a ground lease with TCW for their central office building. The building is located in the alley way between Grand and A Street and serves as the brains for the fiber optic network. There were a few items that needed revised in the original ground lease. The major change is 16.02 adding a right of first refusal for TCW to purchase the property from the City should we ever choose to do so. Aside from that change there were immaterial changes to grammar and reordering the sections.

Financial Impact: NA

Recommendation: Approve the proposed ground lease with TCW and authorize the Mayor to sign.

GROUND LEASE

THIS GROUND LEASE (the "Lease"), made and entered into this _____ day of _____ 2021, between the City of Hillsboro, Kansas ("Landlord") and TC Wireless, Inc., a Kansas for-profit Corporation ("Tenant").

RECITALS:

A. Landlord is the owner of certain real estate in the City of Hillsboro, Marion County, Kansas described in Exhibit A, attached to and made a part of this Lease, which real estate is referred to in this Lease as the "Premises."

B. Tenant desires to lease the Premises from Landlord in accordance with the terms and conditions set forth in this Lease.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Lease, the parties agree as follows:

ARTICLE I

Demise and Definitions

1.01. Demise and Conditions. Landlord agrees to let and lease unto Tenant the Premises on the terms and conditions set forth in this Lease. Tenant agrees to lease from Landlord the Premises on the terms and conditions set forth in this Lease. Tenant accepts delivery of the Premises in its existing improved condition and without public improvements or services except as specifically set forth in this Lease.

1.02. Definition of Terms. The terms defined in this Section shall have, for all purposes of this Lease and all supplemental agreements to this Lease, the following meanings:

a) "Premises" shall mean the parcel of land described in Exhibit A, together with the Improvements.

b) "Effective Date" shall mean the date upon which Landlord confirms to Tenant that it has satisfied itself that it will be permitted under applicable zoning codes and subdivision regulations to construct the Tenant Improvements in the manner it desires. In no event will the Effective Date be later than ninety (90) days after the date this Lease is fully executed.

c) "Landlord" shall mean and include, at any given time and subject to the provisions of Section 16.03 of this Lease captioned "Transfer of Landlord's Interest," City of Hillsboro, Kansas, and each successor to or assignee of any interest of, and/or its respective successors and assignees.

d) "Lease Year" shall mean a period of time conforming to the following: The "First Lease Year" of the term of this Lease shall mean the period commencing on the Effective Date and ending twelve (12) months from the first day of the first month following such date, unless the first day of the First Lease Year is the first day of a month, in which case the First Lease Year shall terminate on the date twelve (12) months after such date. The Second Lease Year of the term of this Lease shall commence on the day following the last day of the First Lease Year and end twelve (12) months thereafter; and succeeding Lease Years during the term of this Lease shall commence and end on dates corresponding to those on which the Second Lease Year begins and ends.

e) "Taxes" shall mean all taxes, assessments, use and occupancy taxes, water and sewer charges, storm water drainage charges, rent charges for public utilities, excises, levies, licenses and permit fees, real estate taxes personal property taxes, privilege taxes, business and occupation taxes, fees or charges in lieu of taxes, and all other governmental imposition and charges of every kind and nature whatsoever which shall be charged, levied, assessed, imposed, become due and payable, or liens upon or for or with respect to the Premises or the Improvements.

f) "Tenant" shall mean and include, at any given time, TC Wireless, Inc., and any person, firm, corporation or other legal entity to whom or to which Tenant's interest in this Lease shall be assigned pursuant to the terms of this Lease.

g) "Tenant's Improvements" shall mean the building, parking lots, drive lanes, curbing, paving, landscaping and other improvements erected or to be erected by Tenant on the Premises.

h) The phrase "term of this Lease" shall mean the Term described under Article II of this Lease.

i) The term "Utility Expenses" shall mean all charges for water, steam, heat, gas, hot water, electricity, light and power, and other service or services, furnished to the Premises or its occupants during the term of this Lease.

1.03. Other Terms. Any terms otherwise set forth in this Lease, not specifically defined above or otherwise defined in this Lease, shall be defined in accordance with their normal and customary meaning as used in the context of this Lease.

ARTICLE II **Lease Term**

2.01. Term. Tenant shall have and hold the Premises for a term ("Initial Term") commencing on the first day of the First Lease Year and continuing thereafter to and including the date ten (10) years from the first day of the first month following such date; provided,

however, that if such date is the first day of a month, such term shall continue to and include the date which is ten (10) years from such date. When the first day of the First Lease Year of the Initial Term has been determined, Landlord and Tenant shall enter into an agreement in recordable form setting forth such date. One hundred and twenty (120) days prior to the expiration of the tenth Lease Year Tenant may elect to renew this Ground Lease for an additional five (5) years. This renewal of the Lease Term may occur up to four (4) times for a total Lease Term of up to thirty (30) years including the First Lease Year.

ARTICLE III
Rent

3.01. Term. During the Term of this Lease, Tenant shall provide to Landlord, as rental for the use and occupancy of the Premises, \$10 per month, to be reflected as a bill credit for any retail services Landlord takes from Tenant.

3.02. Time and Place of Payment. All rent due pursuant to this Article III shall be due and payable in equal monthly installments, which monthly installments shall be due and payable on the first day of each calendar month. All payments of such rent shall be made by Tenant to Landlord, without notice of demand at such place as Landlord may from time to time direct in writing. Notwithstanding the terms of this section, Tenant may alternatively make payment in the following manner: if Landlord intends to contract with the Tenant for services, then Tenant may apply on Landlord's bill a credit equal to the amount of the payment amount.

3.03. Independent Covenant. Tenant's obligation to pay rent and other charges to be paid by Tenant under this Lease is an independent covenant, and no act or circumstance whatsoever, whether such act or circumstance constitutes a breach of any covenant by Landlord, shall release Tenant from any obligation to pay rent or any other charges under this Lease, unless otherwise expressly provided in this Lease.

3.04. Net Lease. This Lease shall be a net lease to Landlord, and rent to be paid by Tenant to Landlord shall be without abatement, reduction, or offset, and shall be absolutely net to Landlord, other than with respect to any income, estate, succession, inheritance, or transfer taxes imposed on Landlord.

ARTICLE IV
Delivery, Use, and Surrender
of Premises; Compliance with Laws

4.01. Delivery of Premises. Physical possession of the Premises shall be delivered to Tenant by Landlord on the first day of the First Lease Year.

4.02. Use. The Premises and Tenant Improvements to be constructed thereon by Tenant shall be used by Tenant only for a fiber optic central office facility, for the entire term of this Lease.

4.03. Compliance with Laws and Acceptance of Premises. Tenant covenants that during the entire term of this Lease, Tenant will comply, at Tenant's sole cost and expense, whether foreseeable or unforeseeable, with all laws, ordinances, orders, rules, regulations, and requirements of all federal, state, and municipal governments and appropriate departments, commissions, boards and officers thereof, whether the same require structural repairs or alterations which may be applicable to the Premises, the buildings, improvements and building equipment or the use or manner of use of the Premises, which compliance shall include, without limitation, compliance with the Americans with Disabilities Act, from time to time amended. Tenant accepts the Premises in their present condition, "as is," knowing the condition thereof and agreeing that Landlord has made no representations, warranties, or agreements with respect to the condition of the Premises, whether with respect to environmental hazards or otherwise.

4.04. Environmental Obligations.

a) "Hazardous or Toxic Materials" shall mean any hazardous substance, hazardous material or toxic substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), the Resource Conservation and Recovery Act, as amended ("RCRA"), the Toxic Substances Control Act, as amended ("TSCA"), including, but not limited to petroleum products and by-products, asbestos, formaldehyde, radioactive substances, hydrocarbons, industrial solvents, flammables and explosives or any other substance or material which would constitute or cause a health, safety or environmental hazard on or in the vicinity of the Premises or require remediation at the behest of any governmental agency.

b) "Environmental Obligations" shall mean all applicable requirements of any existing federal, state, or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit, license or other operating authorization (i) relating to protection of the environment, persons or the public welfare from actual or potential exposure (or the effects of exposure) to any actual or potential release, discharge or emission (whether past or present) of, or relating to the possession, manufacture, processing, importation, use, treatment, storage or disposal of, any chemical, raw material, pollutant, contaminant, or Hazardous or Toxic Materials; or (ii) relating to occupational or public health or safety.

c) Tenant shall comply with all Environmental Obligations and shall not dispose of or handle, use, store, or treat, on or about the Premises any Hazardous or Toxic Materials in violation of any Environmental Obligations. Tenant shall act diligently to cause any failure to comply with Environmental Obligations to be remedied as soon as is reasonably possible. Tenant, at Tenant's sole cost and expense, shall take whatever actions are necessary to comply in all respects with applicable

Environmental Obligations affecting the Premises, including, without limitation, those requiring the disposal and cleanup of all Hazardous or Toxic Materials.

d) Tenant shall upon notice with an opportunity to defend, indemnify, defend and hold Landlord harmless from any and all claims, losses, damages, suits, penalties, costs, liabilities, and expenses, including without limitation any required clean-up costs and reasonable investigation expenses and attorney's fees, arising from any violation of Environmental Obligations caused by or resulting from any release, spill, emission or discharge of any Hazardous or Toxic Materials caused by Tenant or its representatives, employees, contractors, or agents, except as caused by Landlord, its representatives, employees, contractors, or agents. Nothing in this subparagraph (d) shall affect any obligation otherwise imposed on Tenant by law.

4.05. Surrender. Tenant shall on the last day of the then applicable term of this Lease or the earlier termination of this Lease, quit and surrender the Premises together with any building, including Tenant's Improvements and any other structure, improvements, alterations, additions and building equipment located on the Premises, (other than trade fixtures and equipment and other personal property which Tenant shall have the right to remove under the provisions of Section 7.04 of this Lease), all of which shall on that day, and not before, become the property of Landlord, provided that Tenant shall pay and discharge all Mortgages and liens encumbering any of the foregoing and any other monetary encumbrances against any of the foregoing. Tenant's surrender of the Premises shall not, however discharge Tenant from any obligation imposed on Tenant which shall have accrued at the time of such surrender and for which Tenant shall be responsible, and all provisions of this Lease shall remain fully applicable with respect to such obligation or obligations so imposed or accrued.

ARTICLE V

Title and Quiet Possession

5.01. Covenant of Title. Landlord represents and warrants that:

(a) Landlord is the owner in fee simple of the Premises and Landlord has full right and lawful authority to enter into and perform Landlord's obligations under this Lease for the full term of this Lease;

(b) the Premises are presently zoned R-2 under the City of Hillsboro, Kansas zoning ordinance.

5.02. Covenant of Quiet Enjoyment. Landlord covenants that if Tenant shall discharge the obligations set forth in this Lease to be performed by Tenant, Tenant shall have and enjoy, during the term hereof, the quiet and undisturbed possession of the Premises.

ARTICLE VI
Taxes and Utility Expenses

6.01. Taxes. Commencing with the first day of the First Lease Year and during the entire term of this Lease, Tenant will pay or cause to be paid all Taxes and assessments levied against or imposed on the Premises. Tenant shall, upon notice to Landlord, have the right to contest any and all Taxes imposed on the Premises. Landlord hereby appoints Tenant as its attorney-in-fact for the purpose of, and agrees to cooperate in, any such contest which may be undertaken by Tenant, and Landlord further agrees to initiate such a contest if required to do so by Tenant and diligently prosecute the same. Any such proceedings, whether brought by Tenant or Landlord, shall be undertaken at the sole cost and expense of Tenant and by counsel selected by Tenant, and if Tenant deems it appropriate shall be taken in the name of Tenant. Tenant shall notify Landlord of each refund or recovery arising from such proceedings promptly after receipt thereof.

6.02. Timely Payment. Tenant agrees to pay to the taxing authority the Taxes payable by Tenant pursuant to this Article VI on or before the date such Taxes are due. Landlord shall promptly forward to Tenant the Tax bills or statements received by Landlord so that Tenant may pay such-bills on a timely basis, or Landlord shall cause tax bills or statements to be mailed by the taxing authority directly to Tenant.

6.03. Additional Taxes to be paid by Tenant. In addition to Tenant's obligation to pay Taxes, Tenant shall also pay, without cost or expense to Landlord, all gross receipts or similar taxes imposed or levied upon, assessed against, or measured by any basic rent, additional rent, or other sum payable under this Lease, when and if any of the foregoing become subject to taxation during the term of this Lease.

6.04. Utilities. Tenant shall pay all charges and deposits for gas, electricity, water, telephone service and other utilities furnished to the Premises during the term of this Lease and Tenant shall also pay all sewer and stormwater drainage charges billed or assessed with respect to the Premises for any period included within the term of this Lease, as Landlord and Tenant agree that all costs and expenses in the occupancy and operation of the Premises and any use of the Premises shall be the sole responsibility and obligation of Tenant.

ARTICLE VII
**Tenant's Construction, Maintenance,
Alteration, and Replacement of Improvements**

7.01. Maintenance and Repair of Premises and Improvements. Tenant covenants throughout the entire term of this Lease, at Tenant's sole cost and expense, promptly and diligently to maintain in good order and condition all Tenant Improvements constructed by Tenant upon the Premises and landscaped areas located upon the Premises, excepting reasonable wear and tear, and to make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen. Landlord

shall not have any responsibility to take care of, maintain, repair, or replace the Premises or any Improvements, or landscaped areas located on the Premises. Tenant further covenants not to do or suffer any waste upon the Premises. Tenant waives the right to make any repairs at the expense of Landlord pursuant to any law at any time and effect, as Landlord and Tenant intend that the rent to be received by Landlord shall be free and clear of any expense by Landlord in connection with any construction, care, maintenance, operation, repair, replacement, alteration, addition, change, substitution, improvement, or taxation to or upon the Premises.

7.02. Alterations. Tenant shall have the right and privilege at all times during the time of this Lease to make, at its own expense, such alterations, changes, improvements and additions (collectively "Alterations") to Tenant's Improvements without Landlord's approval. In all events, Tenant shall obtain all permits and other governmental approvals prior to commencing any such work and deliver a copy of such approvals to Landlord. All Alterations shall be made and installed by a licensed contractor at Tenant's sole expense, in compliance with all applicable laws, and all matters of record. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or on behalf of Tenant.

7.03. Signs. Subject to compliance with all sign ordinances and restrictions of the City of Hillsboro, Kansas, Tenant shall have the right to place and maintain on the Premises any signs or other advertising devices. Tenant agrees to comply with any applicable laws or ordinances in erecting any of the foregoing signs.

7.04. Replacement of Tenant Improvements. Tenant may demolish Tenant Improvements any building on the Premises so long as such building is replaced with a building or improvement of substantially equal value to the building so demolished, razed, or removed. Any replacement shall be subject to the same requirements as imposed on Tenant with respect to the construction of Tenant Improvements, and commencement of construction shall commence as soon as reasonably possible following the demolition, razing, or removal. Any buildings or other Improvements damaged or destroyed by fire or other casualty shall similarly be replaced. Notwithstanding the foregoing provisions of this Section 7.04, however, Tenant may elect not to replace any Tenant Improvements that are substantially damaged or destroyed if Tenant exercises its option to purchase the Premises from Landlord, or Landlord exercises its option to require Tenant to purchase, and Tenant completes such purchase, all in accordance with Article VIII. If Tenant Improvements are remaining at the expiration or termination of this Lease, Tenant shall leave Tenant Improvements in good condition. Any and all trade fixtures and equipment, signs, appliances, furniture, and other personal property located in Tenant Improvements at any time by Tenant, shall not become part of the realty and may be removed by Tenant at any time during the term of this Lease or thirty (30) days thereafter.

ARTICLE VIII

General Construction Requirements and Construction Easements

8.01. General Construction Requirements. Tenant's construction of the Tenant Improvements shall be in accordance with the following:

a) Tenant shall perform or cause to be performed the construction work for which it is responsible in a good and workmanlike manner, with first class materials, and in compliance with all applicable laws, ordinances, rules and regulations of all governmental agencies and authorities having jurisdiction over such construction.

b) Tenant shall at all times take or cause to be taken any and all safety measures reasonably required to protect Landlord from injury or damage caused by or resulting from the performance of the construction work for which it is responsible.

c) Landlord will, upon written request by Tenant, execute or join in the execution of any application to any governmental authority having appropriate jurisdiction for building and other permits, licenses and approvals as may be needed, or which Tenant deems advisable to obtain, in connection with any work which Tenant is authorized or permitted to perform under the provisions of this Lease, provided, however, that Landlord shall incur no cost or expense with respect to obtaining such permits, licenses, or approvals.

d) Prior to Tenant's commencement of construction Tenant will be permitted to salvage, dismantle and remove any and all components, systems, fixtures or parts of the existing building and improvements on the Premises now owned by Tenant.

8.02. Grant of Construction Easements. As permitted by law, pursuant to Tenant's request, Landlord shall grant non-exclusive easements to any governmental unit, public body, and/or utility company permitting the construction, installation, operation, maintenance, repair, relocation, modification, extension or alteration of sanitary sewers, storm drainage systems, fire protection installations, gas, water, power and telephone lines, mains and trunks in, under or across the Premises. Except as may otherwise be required by utility companies or the City of Hillsboro, Kansas, any non-exclusive easements pertaining to the Premises granted by Landlord or Tenant pursuant to the provisions of this Lease shall be limited to the term of this Lease and upon expiration or earlier termination of this Lease at Landlord's sole option, Tenant shall execute and deliver such documents as are reasonably necessary to terminate such non-exclusive easements.

ARTICLE IX
Covenant Against Liens

Tenant shall not suffer or permit any liens to be enforced against Landlord's title or reversion in the Premises because of work, labor, services, or materials supplied or claimed to have been supplied to Tenant or anyone holding or occupying the Premises, or any part of the Premises, through or under such Tenant, and Tenant agrees to indemnify Landlord against such liens. If any such lien shall at any time be filed against the Premises, Tenant shall, within thirty (30) days after the filing of such lien, cause such lien to be discharged of record; provided, however, that Tenant shall have the right to post bond or provide other security against the

enforcement of any such lien and to contest the amount or validity, in whole or in part, of any such lien by appropriate proceedings. Tenant shall prosecute such proceedings with due diligence. Notwithstanding anything in this Lease to the contrary, if any such lien claimed by reason of work, labor, services, or materials supplied or claimed to have been supplied to Tenant or anyone holding or occupying the Premises or any part of the Premises, shall not have been discharged of record or otherwise fully satisfied within one (1) year after filing, Tenant shall either obtain title insurance in the amount of the lien or liens for the benefit of Landlord, indemnifying and protecting Landlord against such lien, or providing to Landlord with other security or bond, reasonably satisfactory to Landlord, adequately securing Landlord against such lien.

ARTICLE X
Access to Premises

Landlord or Landlord's agents and designees shall have the right, but not the obligation, to enter upon the Premises and Tenant Improvements at all reasonable times, which shall be interpreted to mean such times that do not interfere with Tenant's business or Tenant's security, and upon prior written notice to Tenant, to examine the Premises.

ARTICLE XI
Assignment, Subletting, and Mortgages

11.01. Assignment and Subletting. Tenant shall not assign or otherwise transfer Tenant's interest under or in the Premises in whole or in part, without Landlord's written consent, which Landlord shall be entitled to withhold, whether such withholding shall be considered unreasonable or arbitrary. Tenant shall not sublet the property.

11.02. Tenant's Mortgage on Leasehold. Tenant may from time to time during the term of this Lease, without further consent of Landlord, mortgage Tenant's leasehold estate and rights under this Lease to a mortgagee as security for payment of an indebtedness (hereinafter "Leasehold Mortgage") provided (a) any such mortgage is subordinate to Landlord's fee interest in the Premises and to Landlord's rights under this Lease; and (b) the leasehold mortgagee shall be an institutional lender regularly engaged in the business of mortgage lending. The proceeds derived from the note or other obligations secured by such Leasehold Mortgage shall be applied, except for reasonable costs and expenses of obtaining such proceeds, to the construction, repair, alteration, or replacement of the Tenant Improvements on the Premises. Any such leasehold mortgage shall be a lien only upon Tenant's leasehold estate under this Lease and shall not be a lien upon the fee title or upon Landlord's reversionary interest in the Premises or Tenant Improvements. Tenant shall comply with all requirements under such Leasehold Mortgage and the note or other obligation it secures and Tenant's obligation to so comply shall be a part of Tenant's obligations under this Lease. The leasehold mortgagee or its assigns may enforce such Leasehold Mortgage and acquire title to the leasehold estate in any lawful way, and pending foreclosure of such Leasehold Mortgage may take possession of and rent the Premises in accordance with and subject to the terms of this Lease, and upon foreclosure of such Leasehold Mortgage may sell and assign the leasehold estate hereby created, subject, however, to all of the

terms of this Lease, including, without limitation, this Article XI. The sale or assignment of the leasehold estate hereby created by the leasehold mortgagee shall in no event discharge or otherwise release the party who, at the time of foreclosure of such Leasehold Mortgage, was responsible for Tenant's obligations under this Lease in accordance with the provisions of this Lease.

ARTICLE XII
Indemnification

Tenant covenants to and shall indemnify, defend and hold harmless Landlord and its members, employees, directors, officers, representatives, agents, successors and assigns from and against all claims, and all costs, expenses, including reasonable attorneys' fees, losses and liabilities incurred in connection with such claims, judgments, proceedings, or suits including any action or proceeding brought thereon arising from or as a result of (a) a material default or breach under this Lease by Tenant; (b) any accident, death, injury, loss or damage whatsoever caused to any person, the Premises, or the property of any person, including Landlord, alleged to have occurred on the Premises or due to Tenant's occupancy of or use of the Premises during the term of this Lease; or (c) any alleged act or omission whatsoever or alleged negligence of Tenant or of any subtenant, concessionaire, or licensee of Tenant or of the agents, contractors, servants, employees, or invitees of Tenant or of any such subtenant, concessionaire, or licensee of Tenant; excepting, however, in each case, claims, accidents, injuries, loss or damages arising from or as a result of any act or omission or negligence of Landlord or Landlord's agents, employees or contractors.

ARTICLE XIII
Insurance

13.01. Tenant's All-Risk and Extended Coverage Insurance. Tenant shall, during the entire term of this Lease, keep Tenant Improvements and all other buildings and improvements, and the other structures within the Premises and all additions thereto insured by insurance companies licensed to do business in the State of Kansas. Any such required insurance may be provided under blanket policies acceptable to Landlord and may include provisions for deductible amounts not in excess of Five Thousand Dollars (\$5,000.00) without Landlord's written approval. All insurance policies evidencing the foregoing insurance shall include Landlord as an additional insured, as its interests may appear, but without cost to Landlord.

13.02. Payment and Disposition of Insurance Proceeds.

a) Anything in this Lease to the contrary notwithstanding, Landlord and Tenant agree that the policy or policies providing the insurance which Tenant is obligated to maintain under the terms of Section 13.01, captioned "Tenant's All-Risk and Extended Coverage Insurance," may be made payable to the holder of any Leasehold Mortgage which is a lien upon the insured property, under a standard mortgagee clause, provided such mortgagee is (i) an institutional lender; (ii) holds a mortgage on Tenant's leasehold estate in the Premises obtained

in accordance with Section 11.02 of this Lease; and (iii) agrees in writing that it will in the event of loss hold the proceeds for payment of the cost of repairing, rebuilding or restoring the damaged premises pursuant to the provisions of subparagraph (c) below as if it were a "Trustee" within the meaning of such terms as used in such subparagraph.

b) Any loss covered by the insurance required to be maintained under this Article shall be adjusted, subject to the provisions of this Lease, with the owner of the insured property or any insured designated by such owner to adjust such loss, subject, however, to Landlord's written approval, which shall not unreasonably be denied or delayed.

c) If there shall be a loss from damage or destruction to any building, structure, or Tenant Improvement on the Premises, Tenant shall deposit or cause to be deposited the insurance proceeds in a bank or trust company reasonably satisfactory to the Landlord, and the mortgagees of the insureds (in this section referred to as the "Trustee") to be held in trust and disbursed in the manner as stated in this subparagraph (c). Insurance proceeds so placed in trust in accordance with the provisions of this subparagraph (c) shall be disbursed by the Trustee as follows:

- i. if Tenant elects to rebuild and replace the Tenant Improvements which were damaged or destroyed, it shall so notify Landlord and the Trustee in writing, and shall then forthwith commence and diligently prosecute to completion the repair or replacement of the damaged or destroyed Tenant Improvement. In such case, the Trustee shall be authorized to disburse the funds it holds in payment and satisfaction of the costs and expenses incurred by Tenant in connection with such rebuilding or replacement;

13.03. Liability Insurance. Tenant shall maintain or cause to be maintained a policy of comprehensive public liability insurance naming itself as the insured and Landlord as an additional insured (but without any obligation to pay premiums), against claims on account of personal or bodily injury, death or property damage arising from the use or condition of the Premises. Such insurance shall have combined limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence in respect to bodily injury or death and not less than One Million Dollars (\$1,000,000.00) per occurrence in respect to property damage.

13.04. Blanket and Umbrella Insurance. Any insurance required to be maintained by Tenant under the provisions of this Article XIII may be carried by Tenant in whole or in part (a) under a "blanket" policy or policies covering other properties of Tenant or (b) under an "umbrella" (excess coverage) policy, provided that such umbrella policy together with the basic policy which it supplements shall provide coverage in the aggregate meeting the requirements of this Article.

13.05. Evidence of Insurance. Tenant shall annually deliver to Landlord certificates of the insurance required to be maintained under this Article XIII. Each certificate of insurance shall state that the insurance evidenced thereby shall not be reduced, cancelled or materially changed unless sixty (60) days' prior written notice shall have been given by the insurer to Landlord. Prior to commencement of this Lease, Tenant shall furnish Landlord with binders providing for all insurance required by this Lease. If Tenant fails or refuses to procure or to maintain any insurance required by this Lease, or fails or refuses to furnish Landlord with required proof that insurance has been procured and is in force and effect, Landlord shall have the right, at Landlord's election and without notice, to procure and maintain such insurance. Premiums for such insurance and all costs incurred by Landlord in procuring such insurance shall be due from Tenant and shall constitute additional rent under this Lease and be paid by Tenant on the first day of the month following the date on which such premium payments were made by Landlord. Landlord shall give Tenant prompt notice of the payment of such premium, stating the amounts paid and the name or names of the insurer or insurers. Landlord's election to procure and maintain insurance that Tenant shall be obligated procure and maintain under this Article shall not constitute a waiver of Tenant's default to procure and maintain such insurance. Notwithstanding Landlord's election to procure and maintain such insurance, Landlord may declare a default by Tenant under this Lease and exercise all of Landlord's rights and remedies with respect to such default.

13.06. Waiver of Subrogation. All insurance policies carried by Tenant pursuant to this Lease, including but not limited to contents, fire and casualty insurance, shall expressly waive any right on the part of the insurer against Landlord. Landlord agrees, to the extent of any obligations that Landlord shall have to maintain insurance, that Landlord shall waive, to the extent permitted by the insurance company without additional cost to Landlord, any right on the part of the insurer against Tenant.

ARTICLE XIV **Quiet Enjoyment**

14.01. Tenant's Right to Quiet Enjoyment. Tenant, upon paying the rent and all other sums and charges to be paid by it as required by this Lease, and observing and fulfilling all covenants, warranties, agreements, and conditions of this Lease on its part to be observed and fulfilled, shall quietly have and enjoy the Premises during the term of this Lease, subject to the permitted title exceptions.

14.02. Landlord's Warranties. Landlord represents and warrants to Tenant that it is the owner an indefeasible fee simple title to the Premises, and has the power and authority to execute and deliver this Lease and to carry out and perform all covenants to be performed by it under this Lease.

ARTICLE XV
Default and Remedies

15.01. Default.

a) If rent, taxes, insurance, or any other monetary obligation, required by this Lease to be paid by Tenant shall be unpaid on the date when due and remain unpaid for a period often (10) days after Landlord shall have given to Tenant notice of such default, or if Tenant shall fail to initiate construction of Tenant's Improvements in accordance with the terms herein, subject however to Unavoidable Delay in commencing such construction, then and in such case it shall and may be lawful for Landlord, at Landlord's option, without legal proceedings or by any appropriate legal action or proceedings to (i) terminate the term of this Lease and to enter into the Premises or any part thereof and expel Tenant or any person or persons occupying the Premises, and so to repossess and enjoy exclusive possession of the property, or (ii) pursue any other remedies available to Landlord under the laws of the State of Kansas. Should the term of this Lease at any time be terminated under the terms and conditions of this Lease, or in any other way, Tenant covenants and agrees immediately to surrender and deliver up the Premises peaceably to Landlord. Landlord agrees that in no event shall the non-payment of rent be the basis of a forfeiture of this Lease or otherwise result in the eviction of Tenant or the termination of the term of this Lease unless notice of such non-payment shall have been served on Tenant as provided above and Tenant shall have failed to cure such default within such ten (10) day period after the service of such notice. Termination under this paragraph (a) shall not relieve Tenant from the payment of any damages to Landlord resulting from Tenant's default or breach of this Lease or from the payment of any sum then due or from any claim for damages previously accrued or then accruing against Tenant.

b) If Tenant shall fail to perform or fulfill any of the terms or provisions of this Lease other than the provisions requiring the payment of rent, taxes, insurance, monetary obligations, or the provisions requiring Tenant's obligation to initiate construction of Tenant's Improvements, and Landlord shall give to Tenant notice of such default, and if Tenant shall fail to cure such default within thirty (30) days after service of such notice, or if the default is of such character as necessary to require more than thirty (30) days to cure and Tenant shall fail to commence to cure the same within such period or shall fail to use diligence in curing such default after service of such notice; then and in any such event Landlord may, at Landlord's option, without legal proceedings or by any appropriate legal action or proceedings, terminate the term of this Lease and enter into the Premises or any part thereof and expel Tenant or any other person or persons occupying the Premises, in the same manner, and to the same extent, as Landlord shall have the right to do so under subparagraph (a) of this Section 15.01. Landlord agrees that in no event shall any default under this subparagraph (b) be a basis of a forfeiture of this Lease or otherwise result in the eviction of Tenant or the termination of the term of this Lease unless notice of such default shall have been served on Tenant within such thirty (30) day period and if Tenant shall have failed to cure such default within such period after the service of such notice. Termination under this subparagraph (b) shall not relieve Tenant of the payment of any damages to Landlord resulting from Tenant's default or breach of this Lease or from the payment of any sum then due or from

any claim for damages previously accrued or then accruing against Tenant. Landlord may, without waiving any rights under this Lease, and following the expiration of such thirty (30) day period and Tenant's failure to cure any default under this subparagraph (b), at the sole cost and expense of Tenant, (i) perform or cause to be performed any such obligation in accordance with Section 15.02, or (ii) pursue any other remedies available to Landlord under the laws of the State of Kansas.

c) Tenant shall be in default upon the occurrence of any of the following: (i) the making of a general assignment by Tenant for the benefit of creditors; (ii) the filing of a voluntary petition by Tenant or the filing of an involuntary petition by any of Tenant's creditors seeking the rehabilitation, liquidation, or reorganization of Tenant under any law relating to bankruptcy, insolvency or other relief of debtors and, in the case of an involuntary action; (iii) the failure to remove or discharge the same within sixty (60) days of such filing; (iv) the appointment of a receiver or other custodian to take possession of substantially all of Tenant's assets or the leasehold estate and interest created by this Lease; (v) Tenant's insolvency or inability to pay Tenant's debts or failure generally to pay Tenant's debts when due; (vi) any court entering a decree or order directing the winding up or liquidation of Tenant or of substantially all of Tenant's assets; (vii) Tenant taking any action toward the dissolution or winding up of Tenant's affairs; (viii) or the attachment, execution or their judicial seizure of substantially all of Tenant's assets or the leasehold estate and interest created by this Lease. Any such occurrence shall be a default and shall entitle Landlord to exercise the same rights and to have the same remedies as provided in subparagraph (a) of this Section 15.01, and shall be subject to the same notice requirements as provided in subparagraph (b) of this Section 15.01.

15.02. Unperformed Covenants of Tenant May be Performed by Landlord. If Tenant shall fail to perform any of the terms, provisions, covenants or conditions to be performed or complied with by Tenant pursuant to this Lease, or if Tenant shall fail to make any payment which Tenant agrees to make and Tenant shall fail to cure such default within thirty (30) days after Landlord shall have served upon Tenant written notice of such failure (or if the default is of such character as reasonably to require more than thirty (30) days to cure and Tenant shall fail to commence to cure the same within such period or shall fail to use reasonable diligence in curing such default thereafter); or if the failure of Tenant relates to a matter which in Landlord's judgment is of an emergency nature and such failure shall remain uncured for a period of time commensurate with such emergency after Landlord shall have served upon Tenant notice of such failure (either orally, by telegram, or in writing as the circumstances warrant; provided, however, that oral notice to be deemed effective under this section must within seventy-two (72) hours after being given be confirmed by written notice sent in the manner provided for in Section 16.01 captioned "Notices" for the service of any notice); then Landlord may at Landlord's option, and in its sole discretion as to the necessity therefor, perform any such term, provision, covenant, or condition, or make any such payment, as Tenant's attorney-in-fact (Landlord being hereby irrevocably appointed by Tenant as Tenant's attorney-in-fact for such purpose), and Landlord by reason of so doing shall not be liable or responsible for any loss or damage thereby sustained by Tenant or anyone holding under Tenant. If Landlord so performs any of Tenant's obligations under this Lease, or if Landlord shall sustain any damage by reason of the fact that any

representations made by Tenant in this Lease are untrue, the full amount of the cost and expense incurred or the payment so made or the amount of the loss so sustained shall immediately be owing by Tenant to Landlord and Tenant shall repay to Landlord upon demand the full amount thereof.

15.03. General Provisions Pertaining to Default.

a) Any provision, delay, nonperformance, or stoppage due to any of the following causes shall excuse nonperformance for a period equal to any such prevention, delay, nonperformance, or stoppage, except the obligations imposed by this Lease for the payment of rent, taxes, insurance, or other obligations to be satisfied by the payment or expenditure of money. Such causes are the following: strikes, lock outs, labor disputes, irresistible super human cause, acts of public enemies in the State of Kansas or the United States, riots, insurrections, civil commotion, the inability to obtain labor or materials or unreasonable substitutes for either, or governmental restrictions or regulations or controls (except those reasonably foreseeable or reversible in connection with the uses contemplated by this Lease).

b) If Landlord brings any action or proceeding to enforce, protect, or establish any right or remedy under this Lease, Landlord shall be entitled to recover its reasonable attorneys' fees and expenses, including expenses of witnesses.

ARTICLE XVI
Miscellaneous

16.01. Notices. Any notice, demand, consent, approval, request, statement, document or other communication required or permitted to be given to or served upon either Landlord or Tenant pursuant to this Lease or applicable law shall be in writing and shall be sent by registered or certified mail, postage prepaid, or by a nationally recognized overnight delivery service:

(a) if to Landlord:

Attention: City Clerk
City of Hillsboro, Kansas
118 E. Grand Ave.
Hillsboro, KS 67063

with copy to:

(b) if to Tenant:

TC Wireless, Inc.
1568 S 1000 Rd.

Council Grove, Kansas 66846

All such communications mailed in accordance with the foregoing provisions shall be deemed to have been given or served as of the date of such mailing. Either Landlord or Tenant may, by ten (10) days prior notice to the other, designate a different address or addresses, or different addressees to which communications intended for it are to be sent.

16.02 Right of First Refusal. If, at any time during the term of this Lease, Landlord shall, in response to a bona fide offer to purchase all or part of its interest in the Leased Premises from a third party, desire to sell or otherwise dispose of such interest, it shall notify Tenant in writing of the party to whom it desires to sell such interest and the price at which and the terms upon which it desires to sell the same, and Tenant shall, within 30 days of receipt of the notice, notify Landlord in writing whether it wishes to purchase such interest at the price and on the terms set forth in the notice. If Tenant elects to purchase such interest, Landlord shall be bound to convey, assign, or otherwise transfer such interest to Tenant promptly thereafter at such price and on such terms. If Tenant elects not to purchase such interest or fails to give notice of its intention within the 30-day period, Landlord shall be free to convey, assign, or otherwise transfer such interest to the third party at a price not less than stated in the notice or on more favorable terms than those stated in the notice. Any conveyance by Landlord involving all or a portion of the Leased Premises, during the terms of this Lease to a third party, shall be subject to the terms of this Lease. If Landlord shall not have so disposed of such interest to said third party within 90 days after receipt of notice that Tenant elects not to exercise its right of first refusal or after expiration of that party's 30-day period within which to give notice, the provisions of this Section shall again apply to the disposition by Lessor of any such interest.

16.03. Transfer of Landlord's Interest.

a) Landlord shall promptly notify Tenant of any transfer or conveyance of title to the Premises, giving the name and address of each transferee and instructions regarding the manner in which rent is to be paid and notices are to be served on the transferee(s). In such event Landlord named (or the then grantor if Landlord named in this Lease shall previously have made such a transfer or conveyance) shall be automatically released of all liability with respect to the performance of any and all obligations on the part of Landlord to be performed under this Lease when all of the following shall have been done:

- i. Tenant shall have been furnished the information described in the first sentence of this Section 16.03, together with reasonable proof that such transfer or conveyance has been made; and
- ii. Tenant shall have been furnished a recordable instrument under which the transferee, or each transferee if more than one, assumes performance of all obligations of Landlord under

this Lease to be performed from and after the date of such transfer or conveyance.

(b) If during the term of this Lease Landlord's interest in this Lease shall be acquired by more than one person, firm, corporation, or other entity, whether by conveyance, operation of law or otherwise, Landlord shall by notice to Tenant appoint one such lessor to whom rent may be paid by Tenant and upon whom all notices which Tenant may give under this Lease may be served. Until such appointment shall be made, Tenant shall be authorized from time to time to select any one of such lessors and to pay all rent coming due under this Lease to, and serve all notices upon, the lessor so selected until such time as such appointment shall have been made. The service of any notice upon and the payment of any rent to the appointed or selected lessor shall constitute service of notice upon, and payment of rent to, Landlord.

16.04. Waiver of Performance by Either Party. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same or any other covenant, term or condition; nor shall any delay or omission by either party to seek a remedy for any breach of this Lease or to exercise a right accruing to such party by reason of such breach be deemed a waiver by such party of its remedies or rights with respect to such breach. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any similar act.

16.05. Remedies Cumulative. Except as otherwise expressly provided in this Lease or by law, all rights, privileges and remedies afforded by this Lease to either of the parties shall be deemed cumulative and the exercise of any one of such rights, privileges and remedies shall not be deemed to be a waiver of any other right, privilege or remedy provided for in this Lease or granted by law.

16.06. No Partnership. Nothing in this Lease shall be construed as making Landlord or Tenant partners or joint venturers or members of a joint enterprise or as rendering either Landlord or Tenant liable for the debts or obligations of the other.

16.07. Partial Invalidity. If any covenant, term or condition of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such covenant, term or condition shall not be affected.

16.08. Governing Law. This Lease shall be construed according to, and be governed by, the laws of the State of Kansas.

16.09. Lease Not To Be Recorded. Landlord and Tenant may execute and deliver a Memorandum of this Lease for recording purposes upon the request of either Landlord or Tenant with the expectation that such Memorandum is in recordable form. Landlord and Tenant agree that neither Landlord nor Tenant will record this Lease unless the other shall have consented in

writing to such recording. Cost to record either the Memorandum or Lease shall be borne by the party requesting such document to be recorded.

16.10. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

16.11. Easements and Covenants Running With the Land. Each of the non-exclusive easements granted by this Lease shall constitute a servitude on the property of the grantor and an appurtenance to the property of the grantee, and shall be coterminous with the term of this Lease.

16.12. Binding Effect of Lease. Subject to the provisions of Article XI of this Lease captioned "Assignment, Subletting, and Mortgages" and Section 16.03 captioned "Transfer of Landlord's Interest", all covenants, terms and conditions of this Lease shall be binding upon and inure to the benefit of the parties to this Lease, their successors in interest, and assigns. The covenants, terms and conditions of this Lease may be changed, modified or discharged only by an instrument in writing signed by the party against whom enforcement of the change, modification or discharge is sought or by such party's duly authorized agent.

16.13. Entire Agreement. This Lease and the exhibits attached to this Lease contain the entire Lease agreement between the Landlord and Tenant. No promise, representation, warranty, or covenant not included in this Lease has been or is relied upon by either party. Each party has relied on its own examination of this Lease, its counsel, and the warranties, representations, covenants, and the Lease itself.

16.14. Survival of Warranties and Representations. All indemnifications, warranties and representations made in this Lease shall survive the expiration or other expiration of the Lease Term.

16.15. Negotiated Transaction. The provisions of this Lease were negotiated at arm's length by the parties hereto and shall be deemed to have been drafted by all of the parties hereto. Accordingly, the language in all parts of this Lease shall be construed in accordance with its fair meaning and not strictly for or against any of the parties hereto.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed and sealed as of the day and year first above written.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK

| | |
|--|---|
| TC Wireless, Inc. ("Tenant") <hr/> Signature Name: Title: | City of Hillsboro, Kansas ("Landlord") <hr/> Louis Thurston, Mayor |
|--|---|

STATE OF KANSAS)
) ss:
 COUNTY OF MARION)

BE IT REMEMBERED, that on this ____ day of _____, 2021, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____ who is personally known to me to be the same person who executed the forgoing Lease and duly acknowledged the execution of the same on behalf of said

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

 Notary Public

My appointment expires:

STATE OF KANSAS)
) ss:
 COUNTY OF MARION)

BE IT REMEMBERED, that on this ____ day of _____, 2021, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____ who is personally known to me to be the same person who executed the forgoing Lease and duly acknowledged the execution of the same on behalf of said

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

 Notary Public

My appointment expires:

EXHIBIT A

LEGAL DESCRIPTION

A parcel located within Lot 21, Block 11, Original Town (Hillsboro), Kansas, more particularly described as follows:

Beginning at the northwest corner of Lot 21, thence east 30 feet along the north line of Lot 21; thence south 50' parallel to the west line of Lot 21 to a point on the south line of Lot 21; thence 30 feet east along the south line of Lot 21 to the southwest corner of Lot 21; thence north 50 feet along the west line of Lot 21 to the Point of Beginning.

Staff Report



To: Honorable Mayor and City Council
From: Matt Stiles, City Administrator
Date: 3/16/2021
Re: Transformer Purchase

Background: The Electrical department is requesting the purchase of 300 kVA Three Phase Pad Mount Transformer to replace the current live front transformer at the old Alco store. With Bomgaars coming in this spring, the opportunity to replace the transformer is ideal. The current transformer is a live front transformer which is obsolete and potentially dangerous if someone working on it.

Financial Impact: The cost of the transformer is \$11,500 and would be covered in the electrical operational budget. The cost would be 100% on the City as it was our initiative to change out the transformer.

Recommendation: Approve the purchase of the proposed transformer at a cost of \$11,500.

Elcon Services Inc

Invoice

503 Orchard Dr.
Hillsboro Ks. 67063

Phone: 620-947-3877

| | |
|----------|-----------|
| Date | Invoice # |
| 3/1/2021 | 12701 |

| |
|---|
| Bill To |
| CITY OF HILLSBORO CLERK 118 E GRAND HILLSBORO KS 67063 |

| | |
|----------|--------|
| P.O. No. | Terms |
| | Net 30 |

| Qty | Description | MPN | Amount | Prev. Invoiced |
|-----|--|-----|--------|----------------|
| | Picked up from our shop 1/25/21 - Street Dept. | | | |
| 1 | 1/2" plastic cord conn. (.200/.472)LPCG50 ARLINGTON | | 2.00 | |
| | 2/2/21 Sewer Dept. | | | |
| 1 | 1/2" liquid tight flex connector - straight | | 3.29 | |
| 21 | 1/2" liquid tight flex (Liquid Tuff) | | 17.20 | |
| | 2/8/21 City Hall | | | |
| 1 | 3/8" MC QUICK CONNECTOR | | 1.30 | |
| 1 | 2 gang 1/2 " ko bell bX 3 HOLE / RED DOT | | 9.30 | |
| 1 | SS28 2 Switch 1 Duplex Stainless Smooth Cover Plate | | 18.91 | |
| 1 | MC 3/8 J-STRAP | | 0.52 | |
| 14 | 12 - 3 MC w/gr. | | 15.97 | |
| | 2/9/21 Water Dept. | | | |
| 4 | F48 T12 CW ALTO | | 30.52 | |
| | Thank You! | | | |

| | | | |
|----------------|--|-------------------------|---------|
| | | Subtotal | \$99.01 |
| TOWN WORKED IN | | Sales Tax (8.5%) | \$0.00 |
| Hillsboro | | Balance Due | \$99.01 |

All balances over thirty days are subject to a service charge of 1 1/2% per month which is an annual percentage rat of 18%. Minimun service charge of \$.50

Staff Report



To: Honorable Mayor and City Council
From: Matt Stiles, City Administrator
Date: 3/16/2021
Re: KPP Fees

Background: The February bills from KPP are coming in on Friday, March 12. There were not available to attach by the afternoon. KPP have been providing information each day this last week about the event and its impact. The core of is that the bills that KPP received amounted to \$42 million beyond what is normally expected due to the outrageous spikes in natural gas prices. Because of the generation that KPP was able to sell in the market the credits reduced the bill amount to \$17 million. While that is still high it is manageable due to the fiscal responsibility of KPP.

KPP has a \$10 million rate stabilization fund that the KPP Board voted to utilize to help smooth the unforeseen costs out. KPP will also utilize its line of credit to pay the immediate bills. At the special board meeting on Friday, March 12 the board also took action to begin recovering the rate stabilization fund via an Energy Cost Adjustment (ECA) surcharge of \$.01 per kWh for the next three months until it is determined what the length of time and charge is prudent to recover the reserve funds. Discussion was around a 24-36 month time period using a surcharge method.

In discussing the issue with Mayor Thurston, we would proposed directly passing that surcharge through to our retail customers. The surcharge would be shown separately and sunset after the repayment period for KPP is completed. The current consumption charge rate for both residential and commercial customers is \$.1195 per kWh. If the surcharge were to remain at \$.01 per kWh it would amount to an 8.4% increase for the proposed two year repayment period.

For the meeting I will prepare some visualizations that explain how that impacts to our customers and the situation. One thing is clear, our membership in KPP has once again proven itself to extremely valuable. Purchasing power wholesale outside of the KPP organization could have led to massive bills which would the city would not have been able to pay without outside assistance.

Financial Impact: The City has sufficient financial resources to cover the increased surcharge for February billing. That flexibility will give the Council an opportunity to consider the necessary ordinance to pass the surcharge forward.

Recommendation: Direct the City Attorney to draft the necessary ordinance to create an electrical surcharge that matches the amount and duration of the KPP surcharge.

February 2021 Winter Storm Event



Situation

The severe cold weather from February 13 to 19 created natural gas shortages that caused massive spikes in electrical costs.

The KPP's energy bill for February was extremely high however the pool was also selling power at a high cost as well.

In total the KPP incurred approximately \$42 million in charges but the power sold offset that cost to roughly \$20 million

The budgeted amount for February power purchases was \$1.5 million

KPP has a \$10 million rate stabilization fund and a line of credit to pay the pending bills.

Rate stabilization funds will need to be replenished to maintain KPP financial stability

KPP Action

KPP Board has approved a \$.01 per kWh surcharge to help rebuild reserve funds.

The surcharge is set for 3-months and may be adjusted by action of the board once they decide what the needed period and amount should be.

The surcharge will be applied for 24-30 months depending on what the KPP board decides.

February 2021 Budgeted Energy Cost Adjustment + Surcharge

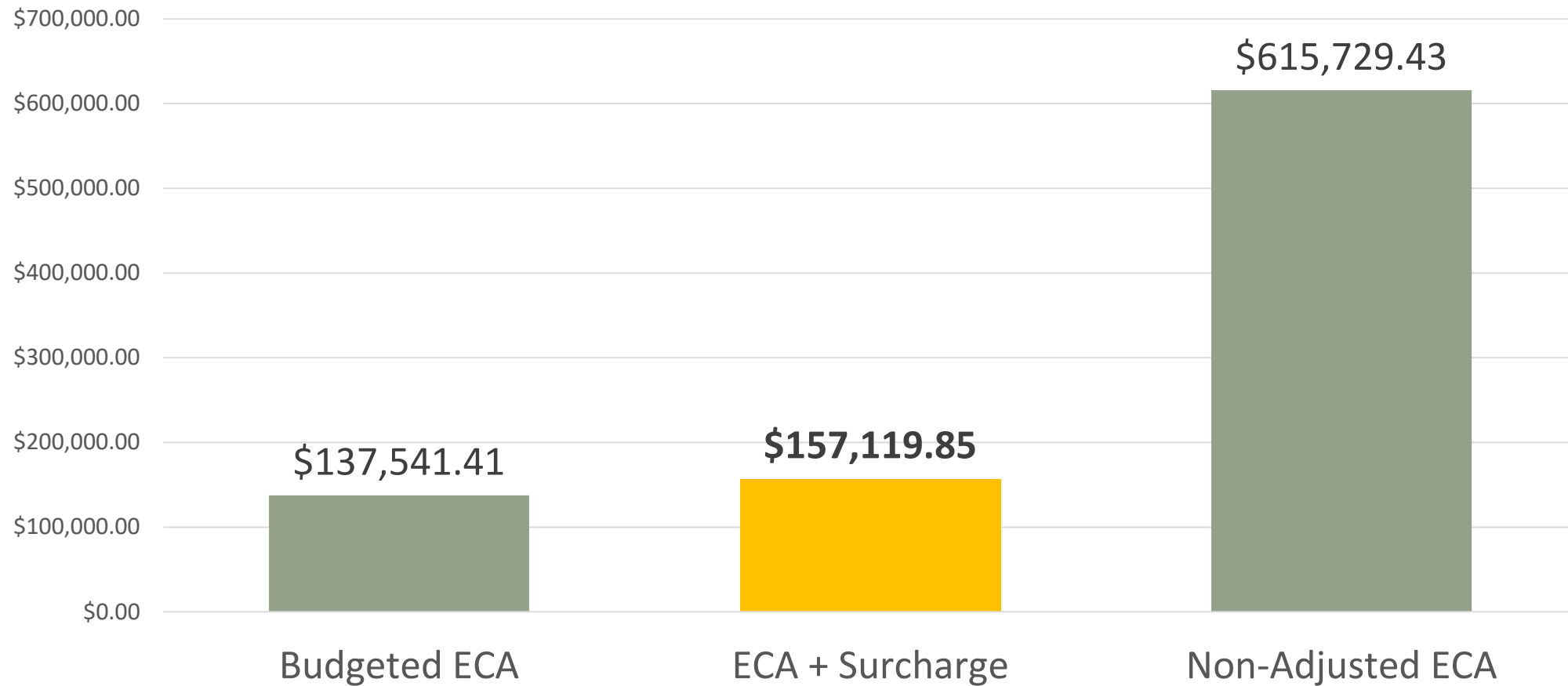
- \$.01664 per kWh

February 2021 Non-adjusted Energy Cost Adjustment if KPP did not use its reserves

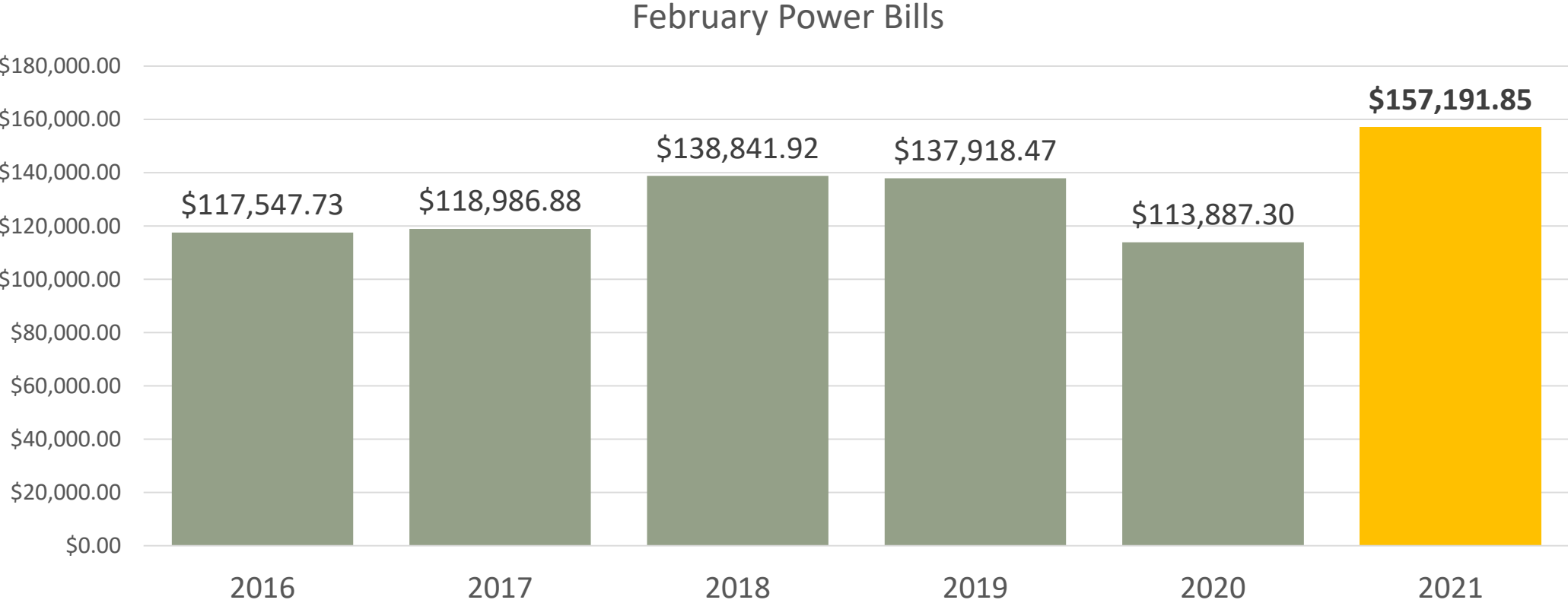
- \$.25139 per kWh



Comparison of Charges



Historical February Power Bills



Advantages of KPP Membership

Able to sell power back into the system with Pool assets dramatically reduced potential exposure.

KPP assets reduced the immediate pressure on City reserve funds and allows us to effectively spread the increase over the customer base over time.

AMI metering project moving forward at a cost that would be difficult for the City manage on its own.

Membership services provides great technical support with things like infrastructure assessment, cyber security assistance, and direct technical assistance in dealing with Evergy.

This storm event is demonstrates clearly the value of being a member of KPP.

Staff Proposal

City staff proposal is to mirror the KPP surcharge (currently \$.01 per kWh) and pass it directly through to customers as a separate surcharge on bills.

Surcharge would sunset with the KPP surcharge in 24-30 months.

Current City Rate (Residential and Commercial)

- \$.1195 per kWh
- \$12.10 per month base charge

Rate with \$.01 per kWh KPP surcharge

- \$.1295 per kWh
- \$12.10 per month base charge

Surcharge amounts to 8.4% increase for the 24-30 month period.

Impact

Average residential customer

- High Months approx. 3000 kWh used = \$30.00 surcharge per month
- Low Months approx. 800 kWh used = \$8.00 surcharge per month

Roughly an annual impact of \$184.00 (4 high months + 8 low months)

Impact on businesses varies dramatically

- Surcharge based on consumption

City Administrators Report

March 16, 2021

COVID-19 Vaccines: As of Friday, March 12 all the employees of the city that wanted to receive a Covid-19 Vaccine have received at least the first shot. Employees were vaccinated at either the Marion County Health Department PODs, at the Hillsboro Pharmacy or through a shot clinic from Hillsboro Community Hospital.

Hiring Updates: I'm reviewing applications received for our open positions. We received 8 applications for the City Clerk, 8 for the Front Desk Clerk, 3 for the Sewer/Water Trainee and 4 for the Golf Superintendent. There will be interviews scheduled through the end of the month. The Golf Association will be reviewing and participating in the Golf Superintendent interviews. We are also moving forward with summer help hiring.

IT Security: I met with Lloyd Davies about our IT needs given all the transitions we are having. Lloyd and I have developed a plan to manage those situations. We are also looking at adding some best practices to insure we aren't unnecessarily vulnerable to cyber-attacks.

Retirement Parties: Caren sent out an invitation to Glenda's retirement party on Friday, March 19 from 3-5 PM, City Hall. It's a come and go event and we are asking participants to wear masks. Mike's retirement party will be the following Monday, March 22 from 3-5 PM, City Hall. Mona's last day with us is April 30 and Jan's last day will be in June though I'm not sure if that date is finalized. Gary will be retiring at the end of the year, though the date is not known yet. We'll have parties for them at those times to celebrate their time with the City.

Strategic Planning: Reminder that we will be having a strategic planning session on March 24, starting at 4PM. I'm not sure how long we will go, but we'll keep it a manageable timeframe.