

Hillsboro, Kansas
August 13, 2019

1. The city council met in special session on Tuesday, August 13, 2019 in council chambers with Mayor Lou Thurston and Council members David Loewen, Byron McCarty, Jonah Gehring, and Brent Driggers present.

2. Others Present: Renee Gehring, Candidate for City Council; Anthony Roy, Economic Development Director; Doug Taylor, 308 N. Birch; Larry Paine, City Administrator; and, Jan Meisinger, City Clerk.

3. CALL TO ORDER – Mayor Lou Thurston called the meeting to order at 4:00 p.m.

4. 2020 BUDGET HEARING – The proposed 2020 budget ad valorem taxes are \$848,043.00. The tax lid limit is \$882,369.00, so the city doesn't need to hold an election. The proposed mill levy is 45.870, up 1.702 mills over 2019. The valuation is down from last year (2019 – 18,853,659; 2020 – 18,487,805). City Administrator Paine reviewed all of the funds with council. We will be receiving the Electric Department digger truck soon (first payment in 2020). The County has decided to cover the cost of the fire 800 MHz radios, but the city will still need to cover the portion for the Police Department. We also plan to lease purchase a small bucket truck for the Electric Department. We haven't spent gas tax money on street sealing the past two years because of all the other street projects we've had going on. This money could be used in 2020. The Fire Equipment Replacement Fund is scheduled to replace the 1999 Ford brush truck. The Capital Improvements Fund will need to cover the city's portion (90/10) of the hospital trail and the Hwy 56-Industrial Road intersection widening projects (Fall 2020 construction). There will be a one-time \$100,000.00 transfer from the Water Utility Fund to Bond & Interest to help keep the mill levy down in the 2020 budget. Cash in the Refuse Utility is down because of the new truck and container purchases.

City Administrator Paine said council can approve the budget today, or wait until next Tuesday's meeting. The City's valuation could be affected by what happens with the hospital. If it sold to a not-for-profit organization, the City's valuation would go down.

Council also discussed the debt schedule and what could be done to reduce spikes in the Bond & Interest levy. City Administrator Paine said there were three things to look at:

- 1) Refinancing the two USDA issues, for a lower interest rate.
- 2) Not buying down the Aquatic Center Bond and using an extra \$50,000.00 toward Bond & Interest. This would sunset the aquatic center sales tax on 12-31-2026.
- 3) Increase fund balance in the General Fund (target 581.654). City Administrator Paine said if council agrees, he would like to see some written guidelines (policy) for the future on keeping the mill levy constant. Mayor Thurston said we hope to grow our community, increasing the valuation, and making it attractive for people to move here. Council member Loewen said there would be future street projects and he would like to see if there were other ways of financing.

No public comments were received.

Motion was made by Council member Driggers and seconded by Council member Gehring to approve the 2020 budget as submitted. Motion carried unanimously.

5. **ADJOURNMENT** – Meeting adjourned at 5:43 p.m.

_____/s/_____
LOUIS THURSTON, MAYOR

ATTEST:

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