

Hillsboro, Kansas  
 March 16, 2021

1. The City Council met in regular session via Zoom, due to the Corona Virus pandemic, on Tuesday, March 16, 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: Kathy McNeill, IMA, Inc.; Kimberlyn Gilchrist, City Attorney; Laura Paulus, Hillsboro Free Press; 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 Gehring and seconded by Council member Loewen to approve the minutes from the 3-2-2021 regular meeting as submitted. Motion carried unanimously.

5. **VOUCHERS** – Motion was made by Council member Loewen and seconded by Council member McCarty to approve the vouchers in the amount of \$56,993.10. Motion carried unanimously.

6. **PUBLIC COMMENTS** – none

7. **KATHY MCNEIL, IMA, INC – 20-21 INSURANCE RENEWAL** – Kathy McNeil, IMA, Inc., met with Council to present the 2020-2021 insurance renewal and premium comparison. The total premium is increasing from \$116,952.00 last year to \$142,169.00 this year, effective 4-1-2021. Most of the increase is in property coverage due to adding the building at 701 S. Main (old hospital), insured value - \$2,000,000.00, and adding the building at 111 East First Street (old post office), insured value \$158,420.00. Plus, increasing building values at 406 N. Main (welding school) from \$838,298.00 to \$1,163,245.00; Lots 1-8, Block 9, Bushman's Addition (electric substation) from \$690,036.00 to \$838,768.00; 414 N. Adams (water treatment plant) from \$4,214,853.00 to \$5,119,219.00; and, the water tower from \$1,203,318.00 to \$2,018,584.00. Smaller increases were noted in Inland Marine, General Liability, Public Officials Errors & Omissions, Law Enforcement Liability, Auto Coverage and Aviation General Liability. We will also be receiving a dividend again later this year. An adjustment will be made for 406 N. Main because if something happened to the welding school, the City would not replace it. Motion was made by Council member McCarty and seconded by Council member Loewen to approve the 2020-2021 insurance renewal of \$142,169.00, subject to adjustment. Motion carried unanimously.

8. **TROJAN BOYS BASKETBALL PROCLAMATION** – On March 13, 2021, the Hillsboro High School Boys Basketball Team won the Boys Class 2A State Basketball Championship. Motion was made by Council member Driggers and seconded by Council member McCarty to authorize the mayor to sign a proclamation declaring today, Tuesday, March 16, 2021 “Trojan Boys Basketball State Champion Day”. Motion carried unanimously.

9. **RESOLUTION 2021-03 SETTING A PUBLIC HEARING FOR COUNTRYSIDE FEED TAX ABATEMENT APPLICATION** – Motion was made by Council member Gehring and seconded by Council member Driggers to approve Resolution 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)*. Council was polled with the following vote: Council member McCarty, yes; Loewen, yes; Driggers, yes; Gehring, yes. Motion carried unanimously.

10. **ORDINANCE 1327 TCW FRANCHISE** – Ordinance 1327 corrects some language in Ordinance 1319 that was adopted in October, 2020. Motion was made by Council member McCarty and seconded by Council member Loewen to approve Ordinance 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”)*. Council was polled with the following vote: Council member Gehring, yes; Driggers, yes; Loewen, yes; McCarty, yes. Motion carried unanimously.

11. **TCW GROUND LEASE** – In September, 2020, Council approved a ground lease with TCW for their central office building. The building is located in the alley between Grand & “A” Street and serves as the brains for the fiber optic network. Some revisions were needed in the original 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. Motion was made by Council member McCarty and seconded by Council member Driggers to approve the proposal ground lease with TCW and authorize the mayor to sign. Motion carried unanimously.

**12. TRANSFORMER PURCHASE** – The Electric Department is requesting the purchase of a 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 obsolete and potentially dangerous. The cost of the new transformer is \$11,500.00. The cost would be 100% on the City as it was our initiative to change it out. Motion was made by Council member McCarty and seconded by Council member Gehring to approve the purchase of the proposed transformer at a cost of \$11,500.00. Motion carried unanimously.

**13. ELCON INVOICE \$99.01** – Invoice 12701 is for various small items for the Street, Sewer, Water Department and City Hall. Motion was made by Council member Loewen and seconded by Council member Driggers to approve payment of this invoice in the amount of \$99.01. Vote: Council member Loewen, Driggers and McCarty, yes; Council member Gehring abstained. Motion carried.

**14. DISCUSSION OF KPP FEES** – Because of the winter storm event in February, the bills KPP received amounted to \$42 million beyond what is normally expected due to the 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. KPP has a \$10 million rate stabilization fund that the KPP Board voted to use to help smooth the unforeseen costs out. KPP will also use their line of credit to pay the immediate bills. At the special board meeting on Friday, March 12<sup>th</sup>, the Board also took action to begin recovering the rate stabilization fund via an energy cost adjustment surcharge of \$.01 per kwh for the next three months until they determine what the length of time and charge is prudent to recover the reserve funds. Discussion was around a 24-36 month time period using the surcharge method. The mayor and city administrator are proposing to pass that surcharge through to our retail customers. The surcharge would be shown separately and sunset after the repayment period to KPP is complete. 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. Mayor Thurston said he felt extremely fortunate for the foresight of his predecessors to become members of KPP. Former City Administrator Paine was president of KPP and a very active member.

**15. MASK ORDINANCE EXPIRATION** – The City's mask ordinance is set to expire on March 23<sup>rd</sup>. The Police Department has not written any tickets. It was the consensus of the Council to let the ordinance expire.

**16. BOARD APPOINTMENTS** – Mayor Thurston made the following board appointments:  
a. Fire Advisory: Tony Hein – Menno Township (1 year); b. Fire Advisory: Paul Penner – Riskey Township (1 year); c. Fire Advisory: DeLayne Herbel – Lehigh Township (2 years); d. Fire Advisory: Cameron Gottwald – City of Lehigh (2 years); e. Fire Advisory: Jared Jost – Liberty Township (2 years).

**17. CITY ADMINISTRATOR'S REPORT –**

*COVID-19 Vaccines:* As of Friday, March 12<sup>th</sup>, all of the employees of the City who 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, the Hillsboro Pharmacy, or through a shot clinic from Hillsboro Community Hospital.

*Hiring Updates:* City Administrator Stiles is 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:* City Administrator Stiles met with Lloyd Davies about our IT needs given all of the transitions we are having. Lloyd and he 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 cyberattacks.

*Retirement Parties:* Caren sent out an invitation to Glenda's retirement party on Friday, March 19 from 3-5 p.m., City Hall. It's a come and go event and we are asking participants to wear masks. Mike's retirement 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; however, the final date hasn't been 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 4:00 p.m. City Administrator Stiles said he wasn't sure how long we will go, but we'll keep it a manageable timeframe.

*Salem Home:* The Salem Home transaction is finished. The deed and agreement have been signed. This process has taken three years to complete.

**18. COUNCIL COMMENTS** – Mayor Thurston asked Council if they would be comfortable meeting in person again. Council member McCarty said that would be ok with him. Council member Loewen said he would like to wait and see how things went in the next week or two. Council member Driggers said meeting in person would be ok with him, with Zoom still being an option. Council member Gehring said it was ok with her to meet in person, and she was glad to have Zoom as an option.

**19. ADJOURNMENT** – Meeting adjourned at 4:54 p.m.

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LOUIS THURSTON, MAYOR

ATTEST:

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JANICE K. MEISINGER, CITY CLERK