

**AGENDA-REGULAR MEETING
STERLING CITY COMMISSION**

114 N. Broadway, Sterling, Kansas
February 2, 2026, at 6:00 P.M.

A. CALL TO ORDER

B. INVOCATION

C. APPROVAL OF THE AGENDA

D. CITIZEN COMMENTS

E. APPOINTMENTS, PROCLAMATIONS, RECOGNITIONS, & NOMINATIONS

F. CONSENT AGENDA

Items on the Consent Agenda are considered by staff to be routine business items. Approval of the items may be made by a single motion, seconded, and a majority vote with no separate discussion of any item listed. Should a member of the Governing Body desire to discuss any item, the item will be removed from the Consent Agenda and considered separately.

1. Approval of minutes
 - a. Regular Meeting January 20, 2026.
2. Accounts Payable
 - a. Friday, January 30, 2026, for \$122,056.

G. OLD BUSINESS

H. NEW BUSINESS

1. Discuss the City's participation in a shared animal control facility.
2. Receive the draft 2026-2030 Five-Year Capital Improvement Plan (CIP) draft.

I. CITY MANAGER'S REPORT

J. GOVERNING BODY COMMENTS

K. EXECUTIVE SESSION

L. ADJOURNMENT

Next Assigned Numbers for:
Charter Ordinance No. 18
Ordinance No. 2592
Resolution No. 900

NOTICE: SUBJECT TO REVISIONS

It is possible that sometime between 5:30 and 6:00 pm immediately prior to this meeting, during breaks, and directly after the meeting, a majority of the Governing Body may be present in the commission chambers or lobby of City Hall. No one is excluded from these areas during those times.

F. Consent Agenda Highlights

1. Approval of minutes

- a. Regular Meeting January 20, 2026.

2. Accounts Payable

- a. Friday, January 30, 2026, for \$122,056.
 - Vogts-Parga Construction – KMW expansion roadway: \$89,714
 - CHS Industrial Accounts - skid steer lease: \$10,911
 - Freedom Claims Mgmt. – health insurance premiums: \$4,658
 - Bumper to Bumper Auto Parts – vehicle equipment: \$2,710
 - Bush, Bush & Shanelec – legal retainer: \$2,000

STERLING CITY COMMISSION
REGULAR MEETING
MINUTES
1/20/2026

The Board of Commissioners of the City of Sterling met in a regular session on Monday, January 20, 2026, at 6:00 P.M. in the meeting room at City Hall. Those present were Clint Bundy, Todd Rowland, Richard Jones, Jr., and Bob Boltz, City Commissioners; Brian Inwood, Mayor; Ian Hutcheson, City Manager; Jessi Dobson, City Clerk; James Smith, Chief of Police; Scott Bush, City Attorney; John Wagerle, Electrical Distribution Superintendent; Candice Groth, Accounting Clerk; Brian Rife, Fire Chief; Nick Sower, Rice County Sheriff; Bob Booth, Kathy Booth, Jordyn Carter, Justin Carter, Shyann Carder, Nicolle Clawson, Scott Downing, Elizabeth Fales, Tim Fales, Dakota Fiehler, Wendy Fiehler, Autumn Gray, Ethan Gray, Tracy Groth, Logan Hall, Dan LaTourell, Clelia McCrory, Heather Miles, Mike Miles, Justin Morris, Stacy True, Tom True, Adam Padgett, Sam Padgett, Rochelle Prather, Andrea Sowers, Andy Wilson and Brenna Winn, Public.

Janie Perico was present for the Sterling Bulletin.

Mayor Inwood called the meeting to order.

INVOCATION AND FLAG SALUTE: Led by Commissioner Rowland.

APPROVAL OF AGENDA:

Commissioner Rowland moved, and Commissioner Bundy seconded to approve the agenda. The motion carried 5-0.

CITIZEN COMMENTS: Mayor Inwood opened the floor for public comment with the recommendation that if those present wished to share comments regarding the proposed rate increases included in the New Business section of the agenda, they please hold their comments until after City Manager Hutcheson has presented the information regarding those items. Inwood stated that a reasonable amount of time would be allotted for each person wishing to comment.

APPOINTMENTS, PROCLAMATIONS, RECOGNITIONS, & NOMINATIONS: None.

CONSENT AGENDA:

1. Approve January 5, 2026, Regular Meeting Minutes.
2. Approve January 14, 2026, Accounts Payable.
3. Approve January 16, 2026, Accounts Payable.

Commissioner Rowland moved, and Commissioner Jones seconded to approve the Consent Agenda as presented. Motion carried 5-0.

OLD BUSINESS: None.

NEW BUSINESS:

1. Receive update from the Fire Chief on Sterling Volunteer Fire Department project.

Fire Chief Rife presented an update on a few current Sterling Volunteer Fire Department projects. Financing for the new fire engine will be in place as of February 2026 to prepay for the vehicle chassis. At the time the City was first approved for financing from First Bank in May 2025, the interest rate for the financing was 4.95%. Since then interest rates have decreased and are currently 4.24%. The City should be able to secure a lower interest rate when the financing is issued in February.

NEW BUSINESS (cont.):

Next, Rife shared that the Fire and Public Works Departments have been preparing for a new Insurance Services Office (ISO) evaluation to reassess the city's rating. An ISO rating is given on a scale of 1 to 10, with 1 being the highest, and measures a community's preparedness for preventing and responding to fire incidents. New ISO ratings are typically issued every five years. Sterling's current ISO rating is 5. Rife shared that a rating of 5 is respectable for a community of Sterling's size. The ISO evaluator will review the capacity and capabilities of the City's water distribution system, fire hydrant flow rates, and the capabilities and performance of the Fire Department during their assessment.

Rife continued with an update on the installation of reflective markers on fire hydrants to improve response times during emergencies. The markers will help firefighters to quickly locate hydrants at night or in adverse weather conditions and will aid firefighters from other communities who may not be as familiar with the location of hydrants in Sterling. The total estimated cost for the project is \$3,600 and will be funded in part by private and corporate donations. The first phase of the project will install markers on hydrants along Broadway Ave. between Garfield St. and Adams St. Subsequent phases will place markers on hydrants around the grade and high schools and Sterling College and will eventually extend into residential areas.

The City Commission thanked Rife for his presentation.

No Action was taken.

2. Approve ordinance increasing the electric utility rates and charges established in Sections 15-208, 15-209 and 15-210 of the City Code.

City Manager Hutcheson began by explaining that the amounts billed to customers of the City's electric utility are composed of several individual charges, including a service charge, consumption charges, a fuel and energy cost adjustment (FECA), an environmental remediation rider (ERR), and a generation recovery rider (GRR). Most of these charges are calculated from rates based on the customer's energy consumption during the billing period. These various charges are designed to safeguard the financial stability of the electric utility. To this end, the charges and rate structures must be analyzed on a regular basis to ensure that the revenue collected is sufficient to cover the expenditures made by the City to operate the utility. When expenditure growth begins to outpace revenue growth, the charges and rate structures must be increased to secure the financial sustainability of the utility system.

Due to growth in expenditures incurred by the City to operate the electric utility, an increase in the charges billed to the utility's customers is warranted. City staff, in collaboration with staff from the Kansas Municipal Energy Agency (KMEA) and Greg Wright, a consultant on matters related to the City's electric utility, have devised a recommended 13.3% increase to the consumption charge, FECA, and service charge rates. The dollar increase to the average city residential, rural residential, and commercial customer's monthly bill is \$12.92, \$18.28, and \$17.94, respectively. These amounts are based on the average monthly consumption for the three classes of service.

NEW BUSINESS (cont.):

The recommended increase was calculated from an analysis of trends in revenue and expenditure growth in the Electric Fund, in which all revenues and expenditures related to the City's electric utility are recorded. Future revenues and expenditures were estimated using 10-year average growth rates. Known future expenditures were netted against the projected surplus or deficit of fund resources to calculate the gap that would need to be closed through rate increases.

Hutcheson continued to explain that although there are several revenue sources in the Electric Fund, only the sales to customers revenue account, which comprises 96% of the fund's revenue, was included in the analysis. Revenue from the consumption, FECA and service charges are all recorded in the sales to customers account. The rationale for excluding ancillary revenue sources from the analysis is that the sustainability of the electric utility must be secured by the utility's primary revenue source. The subsidiary sources of revenue can be variable year-to-year and therefore cannot be relied upon to recover the City's costs of operating the utility.

One of the known future expenditures is the debt service for the 2025 General Obligation (GO) Temporary Note issuance. The proceeds from this issuance are used to fund the public infrastructure improvement projects for the KMW expansion project. Debt service for the temporary note issuance will be paid through 2028, after which a GO Bond will be issued to provide the permanent financing for the infrastructure projects. The total amount of the 2028 GO Bond is not currently known, because it will be determined by the actual costs incurred by the City in the construction of the infrastructure projects. Because of this, the recommended rate increase is based on the year (2026, 2027 or 2028) with the highest projected gap between revenues and expenses. Potential changes to the charges and rate structures will need to be revisited in 2028 once the debt service on the 2028 GO Bond is known.

Included in the agenda packet was a table showing the total utility rate impact across the three utilities the City operates (electric, wastewater and water) for the average city residential customer. The total increase is 14.1%, resulting in a \$22.62 increase to the customer's monthly utility bill. This dollar increase is a monthly average, and would be impacted by seasonality, e.g. electric consumption is generally higher in the summer months compared to other times of the year.

City Attorney Bush and Mr. Wright have prepared an ordinance to increase the electric utility rates established in Sections 15-208, 15-209 and 15-210 of the City Code. In addition to the rate increases shown in the table included in the agenda packet, which apply to vast majority of customers, there are corresponding 13.3% increases in the rates charged to renewable parallel generation and area lighting service customers.

The recommendation to increase the electric utility rates is accompanied by a recommendation to implement the changes for the February billing period, which is based on consumption from December 10 through January 9. Utility bills are due on the 10th day of each month. The estimated amount of additional revenue generated from the recommended rate increases for the February period is \$33,018. The City Commission may wish to delay the implementation of the rate increases for a future billing period to give utility customers more time to budget for the expected increase.

NEW BUSINESS (cont.):

Mr. Wright will be available via teleconference during the meeting should the City Commissioners wish to consult with him. Mr. Wright was not contacted.

Several members of the public shared comments with the City Commission raising their concerns about how the rate increases will impact families, residents with fixed and lower incomes, Sterling College, the school district and small businesses. Community members also shared concerns about the KMW expansion project, and how much of the new revenue generated by rate increases will be dedicated to the City's public infrastructure projects to serve the expansion site. Community members petitioned the City Commission for an increase in communication, transparency, and public engagement around items such as utility rate increases which have a significant impact on residents. Members of the public also mentioned that they would appreciate it if KMW hosted public meetings where information about the project could be shared with the community and the public could ask questions about the project.

Each of the City Commissioners shared their thoughts and concerns regarding the proposed rate increases and their impact on the community, while taking time to respond to residents' comments. Hutcheson stressed that the rate increases are primarily driven by the persistent gap between revenue and expenditure growth in each of the utility funds, and not solely by the KMW expansion public infrastructure projects. Hutcheson estimated that 42% of the additional revenue generated from rate increases will go towards debt service on the 2025 Temporary Note issuance, and that the remaining 58% of revenue will be allocated towards other expenses of operating the three utility systems. The City Commission noted that discussions regarding the KMW expansion project and utility rate increases have occurred in open session meetings for the past several years.

Bush commented that Sterling's current assessed valuation is approximately \$18 million and that the new KMW facility will increase the city's assessed valuation by approximately \$25 million, offering the City the opportunity to potentially decrease property tax rates over time. Bush also reiterated the information from Hutcheson's presentation that the City's utility charges are still lower than several neighboring communities and only slightly above the average bill amount of the utilities included in Hutcheson's analysis.

Hutcheson recommended that the City Commission approve the ordinance to increase the electric utility rates and charges established in Sections 15-208, 15-209 and 15-210 of the City Code to be effective for the February billing period.

Commissioner Rowland moved, and Commissioner Boltz seconded to approve an ordinance increasing the electric utility rates and charges established in Sections 15-208, 15-209 and 15-210 of the City Code to be effective for the April 2026 utility bill. Motion carried 3-2. Commissioners Bundy and Jones opposed.

3. Approve ordinance increasing the water utility rates and charges established in Section 15-319 of the City Code.

City Manager Hutcheson stated that the amounts billed to customers of the City's water utility are composed of consumption and service charges. The consumption charge is

NEW BUSINESS (cont.):

calculated from rates based on the customer's water consumption during the billing period. These charges are designed to safeguard the financial stability of the water utility. To this end, the charges and rate structures must be analyzed on a regular basis to ensure that the revenue collected is sufficient to cover the expenditures made by the City to operate the utility. When expenditure growth begins to outpace revenue growth, the charges and rate structures must be increased to secure the financial sustainability of the utility system.

Due to growth in the expenditures incurred by the City to operate the water utility, an increase in the charges billed to the utility's customers is warranted. City staff, in collaboration with staff from Kansas Municipal Utilities (KMU), have devised a recommended 22.1% increase to the consumption and service charge rates. The dollar increase to the average city and outside city customer's monthly bill is \$7.32. These amounts are based on average monthly consumption.

Hutcheson explained the recommended increase was calculated from an analysis of trends in revenue and expenditure growth in the Water Fund, in which all revenues and expenditures related to the City's water utility are recorded. Future revenues and expenditures were estimated using 10-year average growth rates. Known future expenditures were netted against the projected surplus or deficit of fund resources to calculate the gap that would need to be closed through rate increases.

Although there are several revenue sources in the Water Fund, only the sales to customers revenue account, which comprises 97% of the fund's revenue, was included in the analysis. Revenue from the consumption and service charges are both recorded in the sales to customers account. The rationale for excluding ancillary revenue sources from the analysis is that the sustainability of the water utility must be secured by the utility's primary revenue source. The subsidiary sources of revenue can be variable year-to-year and therefore cannot be relied upon to recover the City's costs of operating the utility.

One of the known future expenditures is the debt service for the 2025 General Obligation (GO) Temporary Note issuance. The proceeds from this issuance are used to fund the public infrastructure improvement projects for the KMW expansion project. Debt service for the temporary note issuance will be paid through 2028, after which a GO Bond will be issued to provide the permanent financing for the infrastructure projects. The total amount of the 2028 GO Bond is not currently known, because it will be determined by the actual costs incurred by the City in the construction of the infrastructure projects. Because of this, the recommended rate increase is based on the year (2026, 2027 or 2028) with the highest projected gap between revenues and expenses. Potential changes to the charges and rate structures will need to be revisited in 2028 once the debt service on the 2028 GO Bond is known.

Included in the agenda packet is a table showing the total utility rate impact across the three utilities the City operates (electric, wastewater and water) for the average city residential customer. The total increase is 14.1%, resulting in a \$22.62 increase to the customer's monthly utility bill. This dollar increase is a monthly average, and would be impacted by seasonality, e.g. electric consumption is generally higher in the summer months compared to other times of the year.

NEW BUSINESS (cont.):

The City Attorney has prepared an ordinance to increase the water utility rates established in Section 15-319 of the City Code.

The recommendation to increase the water utility rates is accompanied by a recommendation to implement the changes for the February billing period, which is based on consumption from December 10 through January 9. Utility bills are due on the 10th day of each month. The estimated amount of additional revenue generated from the recommended rate increases for the February period is \$7,962. The City Commission may wish to delay the implementation of the rate increases for a future billing period to give utility customers more time to budget for the expected increase.

Hutcheson recommended that the City Commission approve the ordinance to increase the water utility rates and charges established in Section 15-319 of the City Code to be effective for the February billing period.

The City Commissioners shared their thoughts and concerns with the proposed rate increases and answered questions from members of the public.

Commissioner Rowland moved, and Commissioner Bundy seconded to approve an ordinance increasing the water utility rates and charges established in Section 15-319 of the City Code to be effective for the April 2026 utility bill. Motion carried 5-0.

4. Approve ordinance increasing the wastewater utility rates and charges established in Section 15-507 of the City Code.

City Manager Hutcheson began by explaining that the amounts billed to customers of the City's wastewater utility are composed of consumption and service charges. The consumption charge is calculated from rates based on the customer's water consumption during the billing period. These charges are designed to safeguard the financial stability of the wastewater utility. To this end, the charges and rate structures must be analyzed on a regular basis to ensure that the revenue collected is sufficient to cover the expenditures made by the City to operate the utility. When expenditure growth begins to outpace revenue growth, the charges and rate structures must be increased to secure the financial sustainability of the utility system.

Due to growth of the expenditures incurred by the City to operate the wastewater utility, an increase in the charges billed to the utility's customers is warranted. City staff, in collaboration with staff from KMU, have devised a recommended 8.0% increase to the consumption and service charge rates. The dollar increase to the average customer's monthly bill is \$2.38. These amounts are based on average monthly consumption.

The recommended increase was calculated from an analysis of trends in revenue and expenditure growth in the Sewer Fund, in which all revenues and expenditures related to the City's wastewater utility are recorded. Future revenues and expenditures were estimated using 10-year average growth rates. Known future expenditures were netted against the projected surplus or deficit of fund resources to calculate the gap that would need to be closed through rate increases.

NEW BUSINESS (cont.):

Hutcheson explained that the vast majority of revenue collected in the Sewer Fund is received in the sales to customers revenue account, which comprises 97% of the fund's revenue. Only sales to customers revenue was included in the analysis. Revenue from the consumption and service charges are both recorded in the sales to customers account. The rationale for excluding ancillary revenue sources from the analysis is that the sustainability of the wastewater utility must be secured by the utility's primary revenue source. The subsidiary sources of revenue can be variable year-to-year and therefore cannot be relied upon to recover the City's costs of operating the utility.

One of the known future expenditures is the debt service for the 2025 General Obligation (GO) Temporary Note issuance. The proceeds from this issuance are used to fund the public infrastructure improvement projects for the KMW expansion project. Debt service for the temporary note issuance will be paid through 2028, after which a GO Bond will be issued to provide the permanent financing for the infrastructure projects. The total amount of the 2028 GO Bond is not currently known, because it will be determined by the actual costs incurred by the City in the construction of the infrastructure projects. Because of this, the recommended rate increase is based on the year (2026, 2027 or 2028) with the highest projected gap between revenues and expenses. Potential changes to the charges and rate structures will need to be revisited in 2028 once the debt service on the 2028 GO Bond is known.

Included in the agenda packet was a table showing the total utility rate impact across the three utilities the City operates (electric, wastewater and water) for the average city residential customer. The total increase is 14.1%, resulting in a \$22.62 increase to the customer's monthly utility bill. This dollar increase is a monthly average, and would be impacted by seasonality, e.g. electric consumption is generally higher in the summer months compared to other times of the year.

City Attorney Bush has prepared an ordinance to increase the wastewater utility rates established in Section 15-507 of the City Code.

The recommendation to increase the wastewater utility rates is accompanied by a recommendation to implement the changes for the February billing period, which is based on consumption from December 10 through January 9. Utility bills are due on the 10th day of each month. The estimated amount of additional revenue generated from the recommended rate increases for the February period is \$2,646. The City Commission may wish to delay the implementation of the rate increases for a future billing period to give utility customers more time to budget for the expected increase.

City Commissioners discussed some of the recent unplanned expenditures that have driven the need for increased revenue in the Sewer Fund and answered questions from members of the public.

Hutcheson recommended that the City Commission approve the ordinance to increase the wastewater utility rates and charges established in Section 15-507 of the City Code to be effective for the February billing period.

Commissioner Rowland moved, and Commissioner Boltz seconded to approve an ordinance increasing the wastewater utility rates and charges established in Section 15-507 of the City Code

NEW BUSINESS (cont.):

to be effective for the April 2026 utility bill. Motion carried 5-0.

CITY MANAGER'S REPORT:

City Manager Hutcheson presented an update on a couple of the KMW expansion infrastructure projects. Construction on W. Washington Ave. for the wastewater improvement project should be completed and the road opened by the afternoon of January 22. Testing of the lift station located at the expansion site will continue over the next couple of weeks. The estimated completion date for the wastewater project is February 3, 2026.

Hutcheson shared an update on vacancies for a couple of Sterling's civic boards, including several Library Board vacancies and one Park Advisory Board vacancy. Residents interested in applying to serve on a civic board may request an application in-person at City Hall, or download the application from the City website.

GOVERNING BODY COMMENTS:

The City Commission thanked the community members for attending the meeting and for their involvement in the affairs of their local government.

EXECUTIVE SESSION: None.

ADJOURNMENT: There being no further business to come before the Commission, it was moved by Commissioner Jones and seconded by Commissioner Rowland to adjourn. The motion carried 5-0.

Brian Inwood, Mayor

Todd Rowland, Vice Mayor

Clint Bundy, Commissioner

Richard L. Jones, Jr., Commissioner

Bob Boltz, Commissioner

Jessi Dobson, City Clerk

SCHEDULED CLAIMS LIST

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST GL	ACCOUNT	CK SQ
FIRST BANK								
1261 AMAZON CAPITAL SERVICES								
114-2314214-1251415	1	2/02/26	1/20/26	OFF SUPP: BANKERSBX/PERM MARKR	88.69	01	01-00-5201 E-PAYMNT 3140321 1/21/26	1
				INVOICE TOTAL	88.69			
114-5588612-3857012	1	2/02/26	1/26/26	SUPPLIES: TIM HORTONS COFF	44.99	03	03-60-5299 E-PAYMNT 3140319 1/27/26	1
	2			TOOLS: WIRE STRIPPER	174.99	03	03-50-5219 E-PAYMNT 3140319 1/27/26	1
				INVOICE TOTAL	219.98			
114-7321200-7698604	1	2/02/26	1/20/26	OFF SUPP: EXPO MARKERS UB CG	26.97	01	01-00-5201 E-PAYMNT 3140320 1/21/26	1
				INVOICE TOTAL	26.97			
				VENDOR TOTAL	335.64			
1323 ANSWER PRO, LLC								
56550-011726	1	2/02/26	1/17/26	BASE RATE 12/20-1/16/2026	70.87	02	02-60-5399	1
	2			BASE RATE 12/20-1/16/2026	70.88	03	03-60-5399	1
				INVOICE TOTAL	141.75			
				VENDOR TOTAL	141.75			
579 BLACK HILLS ENERGY								
1/21 PP	1	2/02/26	1/21/26	JAN ENERGY 11/26-12/31/2025G4G	360.79	03	03-50-5336	1
				INVOICE TOTAL	360.79			
1/21/26 STMT DISPPL	1	2/02/26	1/21/26	JAN ENERGY 12/18/25-1/20/2026	248.58	18	18-41-5361	1
				INVOICE TOTAL	248.58			
				VENDOR TOTAL	609.37			
21 BOLEN OFFICE SUPPLY, INC								
160695	1	2/02/26	1/14/26	OFF SUPP: CALENDAR DESK KS	5.14	01	01-00-5201	1
				INVOICE TOTAL	5.14			
160865	1	2/02/26	1/23/26	OFF SUPP: COPY PAPER	129.00	01	01-00-5201	1
				INVOICE TOTAL	129.00			
161053	1	2/02/26	1/28/26	OFF SUPP: TONER: CYAN	112.88	03	03-50-5233	1
				INVOICE TOTAL	112.88			
				VENDOR TOTAL	247.02			
1231 BOMGAARS								
97318706.1	1	2/02/26	1/16/26	OP SUP: BATT WRENCH INV DIFFPD	6.00	03	03-50-5223	1
				INVOICE TOTAL	6.00			
				VENDOR TOTAL	6.00			
1121 BORDER STATES INDUSTRIES, INC								
931815833	1	2/02/26	1/20/26	TOOLS: MIW REDLIT HIGH OUT	289.16	03	03-60-5219	1

SCHEDULED CLAIMS LIST

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST GL	ACCOUNT	CK SQ
INVOICE TOTAL					289.16			
VENDOR TOTAL					289.16			
453064	1	2/02/26	1/23/26	710 BUMPER TO BUMPER AUTO PARTS OP SUPP: BRAKE CLNR WRENCH WIR	66.63	03	03-50-5223	1
INVOICE TOTAL					66.63			
453120	1	2/02/26	1/26/26	VEH EXP: CONT BAT BATTERY CAST	149.10	03	03-50-5207	1
INVOICE TOTAL					149.10			
453182	1	2/02/26	1/27/26	VEH EXP: LIL DUMP WAPUMP/HOSE	265.97	02	02-60-5207	1
INVOICE TOTAL					265.97			
453232	1	2/02/26	1/28/26	TOOLS: WIRE CLN BRUSH/GRS NOZZ	32.01	03	03-50-5219	1
INVOICE TOTAL					32.01			
453247	1	2/02/26	1/28/26	PW EQUIP/VEH FILTERS FOR 2CHGS	1,505.50	02	02-60-5207	1
INVOICE TOTAL					1,505.50			
453256	1	2/02/26	1/28/26	ENG MAINT FILTER: FULE AIR OIL	276.02	03	03-50-5245	1
INVOICE TOTAL					276.02			
453257	1	2/02/26	1/28/26	EQUIP EXP: SWEEPER FILTER	415.23	19	19-00-5211	1
INVOICE TOTAL					415.23			
VENDOR TOTAL					2,710.46			
2/2026	1	2/02/26	1/30/26	23 BUSH, BUSH & SHANELEC FEB 2026 LEGAL FEES	2,000.00	01	01-00-5370	1
INVOICE TOTAL					2,000.00			
VENDOR TOTAL					2,000.00			
PS126-05640	1	2/02/26	1/15/26	626 CENTRAL SALT SUPPLIES: DE-ICING SALT	189.13	19	19-00-5246	1
INVOICE TOTAL					189.13			
PSI126-06500	1	2/02/26	1/28/26	SUPPLIES: DE-ICING SALT	188.75	19	19-00-5246	1
INVOICE TOTAL					188.75			
VENDOR TOTAL					377.88			
6321598	1	2/02/26	1/22/26	1507 CHS INDUSTRIAL ACCOUNTS SKID STEER LEASE PAYMENT	10,911.19	19	19-00-5343	1
INVOICE TOTAL					10,911.19			
VENDOR TOTAL					10,911.19			
5314981110	1	2/02/26	1/28/26	951 CINTAS CORPORATION FIRST AID SUPPLIES- ADMIN	70.46	01	01-00-5399	1
	2			FIRST AID SUPPLIES- PD	33.03	01	01-01-5399	1
	3			FIRST AID SUPPLIES- PW	73.77	02	02-60-5399	1
	4			FIRST AID SUPPLIES- EL DIST	73.78	03	03-60-5399	1

SCHEDULED CLAIMS LIST

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST GL ACCOUNT	CK SQ
	5			FIRST AID SUPPLIES- PP	115.53	03 03-50-5399	1
				INVOICE TOTAL	366.57		
				VENDOR TOTAL	366.57		
2/2026	1	2/02/26	2/01/26	881 CITY OF STERLING-DEPT OF REV. POLICE DEPT GUN RANGE	25.00	01 01-01-5399	1
	2			NORTH WELL	46.11	02 02-50-5328	1
	3			SOUTH WELL	160.01	02 02-50-5328	1
	4			COOLING TOWER-OUTSIDE	26.25	03 03-50-5357	1
	5			FRONT PARKING SPRINKLERS	26.25	03 03-50-5357	1
	6			SEWAGE DISPOSAL PLANT	35.58	18 18-41-5361	1
	7			SEWAGE DISPOSAL PLANT	629.05	18 18-41-5361	1
	8			SEWAGE DISPOSAL PLANT	143.76	31 31-00-5399	1
				INVOICE TOTAL	1,092.01		
				VENDOR TOTAL	1,092.01		
2027	1	2/02/26	1/26/26	796 CITYCODE FINANCIAL LLC ANNUAL FEE 2026	312.50	01 01-00-5399	1
	2			ANNUAL FEE 2026	312.50	02 02-70-5399	1
	3			ANNUAL FEE 2026	312.50	03 03-70-5399	1
	4			ANNUAL FEE 2026	312.50	18 18-42-5399	1
				INVOICE TOTAL	1,250.00		
				VENDOR TOTAL	1,250.00		
67416843.2026	1	2/02/26	1/26/26	609 CNA SURETY SURETY BOND (JD)	175.00	01 01-00-5399	1
				INVOICE TOTAL	175.00		
				VENDOR TOTAL	175.00		
y398134	1	2/02/26	1/20/26	1044 CORE & MAIN LP OP SUPP: 6/2 IP BRS SAD	167.65	18 18-40-5223	1
				INVOICE TOTAL	167.65		
				VENDOR TOTAL	167.65		
1.26 2107001MORTIMOR	1	2/02/26	1/26/26	1222 LIEAP TERMINATEDUB 108 N. NINTH	181.00	03 03-00-4401	1
				INVOICE TOTAL	181.00		
				VENDOR TOTAL	181.00		
105025	1	2/02/26	1/26/26	636 DOLLAR GENERAL-CHARGED SALES SUPPLIES: SNOW DAY LUNCH SUPP	47.50	01 01-00-5299	1
	2			CLEANING SUPPLIES	6.25	01 01-01-5299	1
				INVOICE TOTAL	53.75		
105608	1	2/02/26	1/28/26	DARE: CANDY	10.38	01 01-01-5303	1
				INVOICE TOTAL	10.38		
				VENDOR TOTAL	64.13		

SCHEDULED CLAIMS LIST

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST	GL	ACCOUNT	CK SQ
205959	1	2/02/26	1/19/26	279 ENVIROMENTAL COMPLIANCE SOLU. PCB COMPLIANCE AUDIT 1YRCONS26 INVOICE TOTAL	1,250.00 1,250.00	03		03-60-5399	1
				VENDOR TOTAL	1,250.00				
911278-202602	1	2/02/26	1/15/26	1197 FREEDOM CLAIMS MANAGEMENT, INC FCMI HEALTH INSURANCE	310.68	0104		01-01-5130 E-PAYMNT 3140322 2/02/26	1
	2			FCMI HEALTH INSURANCE	310.68	0104		01-01-5130 E-PAYMNT 3140322 2/02/26	1
	3			FCMI HEALTH INSURANCE	304.18	0104		01-01-5130 E-PAYMNT 3140322 2/02/26	1
	4			FCMI HEALTH INSURANCE	310.68	0304		03-50-5130 E-PAYMNT 3140322 2/02/26	1
	5			FCMI HEALTH INSURANCE	243.35	02		02-70-5130 E-PAYMNT 3140322 2/02/26	1
	6			FCMI HEALTH INSURANCE	121.67	0304		03-60-5130 E-PAYMNT 3140322 2/02/26	1
	7			FCMI HEALTH INSURANCE	219.43	18		18-42-5130 E-PAYMNT 3140322 2/02/26	1
	8			FCMI HEALTH INSURANCE	219.43	0304		03-60-5130 E-PAYMNT 3140322 2/02/26	1
	9			FCMI HEALTH INSURANCE	121.67	0104		01-00-5130 E-PAYMNT 3140322 2/02/26	1
	10			FCMI HEALTH INSURANCE	304.18	0204		02-60-5130 E-PAYMNT 3140322 2/02/26	1
	11			FCMI HEALTH INSURANCE	304.18	0304		03-50-5130 E-PAYMNT 3140322 2/02/26	1
	12			FCMI HEALTH INSURANCE	121.67	1804		18-41-5130 E-PAYMNT 3140322 2/02/26	1
	13			FCMI HEALTH INSURANCE	243.35	0304		03-50-5130 E-PAYMNT 3140322 2/02/26	1
	14			FCMI HEALTH INSURANCE	249.85	0104		01-00-5130 E-PAYMNT 3140322 2/02/26	1
	15			FCMI HEALTH INSURANCE	121.67	0104		01-01-5130 E-PAYMNT 3140322 2/02/26	1
	16			FCMI HEALTH INSURANCE	121.67	0104		01-01-5130 E-PAYMNT 3140322 2/02/26	1
	17			FCMI HEALTH INSURANCE	249.85	0304		03-60-5130 E-PAYMNT 3140322 2/02/26	1
	18			FCMI HEALTH INSURANCE	249.85	19		19-00-5130 E-PAYMNT 3140322 2/02/26	1
	19			FCMI HEALTH INSURANCE	212.93	0304		03-50-5130 E-PAYMNT 3140322 2/02/26	1
	20			FCMI HEALTH INSURANCE	121.67	03		03-70-5130 E-PAYMNT 3140322 2/02/26	1
	21			FCMI HEALTH INSURANCE	195.22	0304		03-50-5130 E-PAYMNT 3140322 2/02/26	1
				INVOICE TOTAL	4,657.86				
				VENDOR TOTAL	4,657.86				

1081 INA ALERT, INC.

SCHEDULED CLAIMS LIST

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST GL ACCOUNT	CK SQ
22738	1	2/02/26	1/23/26	1081 INA ALERT, INC. SERVICE CALLOUT W SUB CAMERA INVOICE TOTAL °	216.75 216.75	03 03-50-5399	1
				VENDOR TOTAL	216.75		
2026	1	2/02/26	1/26/26	955 KMJA ANNUAL 2026 JUDGE DUES INVOICE TOTAL	25.00 25.00	01 01-00-5307	1
				VENDOR TOTAL	25.00		
001251	1	2/02/26	1/26/26	138 KROGER - DILLONS CUSTOMER SUPPLIES: SNOW LUNCH 4EMP SUPP INVOICE TOTAL	108.80 108.80	19 19-00-5299	1
016596	1	2/02/26	1/27/26	MISC: LG TRASH BAGS INVOICE TOTAL	11.89 11.89	01 01-01-5399	1
017358	1	2/02/26	1/27/26	SUPPLIES: WATER (TK) INVOICE TOTAL	79.11 79.11	02 02-50-5299	1
				VENDOR TOTAL	199.80		
25422	1	2/02/26	12/21/25	1510 MARK-A-HYDRANT, LLC 20 2.5" HOSE CONNECTION MRK BL INVOICE TOTAL	216.50 216.50	01 01-11-5299	1
				VENDOR TOTAL	216.50		
6000108	1	2/02/26	1/29/26	977 MERIDIAN ANALYTICAL LABS, LLC WASTEWATER SAMPLES INVOICE TOTAL	269.35 269.35	18 18-42-5399	1
6000109	1	2/02/26	1/29/26	QUARTERLY WATER SAMPLES 4TH INVOICE TOTAL	1,001.00 1,001.00	02 02-60-5399	1
				VENDOR TOTAL	1,270.35		
IN2409192	1	2/02/26	12/29/25	1481 MES SERVICE COMPANY LLC 4SCBA MASK BAGSW/FLEECE LINNIN INVOICE TOTAL	102.74 102.74	34 34-00-5499	1
				VENDOR TOTAL	102.74		
0868499-IN	1	2/02/26	1/16/26	517 MID-AMERICAN RESEARCH CHEMICAL MISC COM:PRECAUT BLUSPRAY/GRNS INVOICE TOTAL °	314.02 314.02	02 02-60-5299	1
				VENDOR TOTAL	314.02		
429936	1	2/02/26	1/26/26	40 NAPA AUTO PARTS - KC101 VEH EXP: BATT/CABLE TERMINAL INVOICE TOTAL	9.75 9.75	03 03-50-5207	1

SCHEDULED CLAIMS LIST

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST GL	ACCOUNT	CK SQ
430014	1	2/02/26	1/27/26	VEH EXP: HTR/CURVE/RAID HOSES	175.93	02	02-60-5207	1
				INVOICE TOTAL	175.93			
430030	1	2/02/26	1/28/26	VEH EXP: V BELTS	36.07	02	02-60-5207	1
				INVOICE TOTAL	36.07			
				VENDOR TOTAL	221.75			
IN0000705	1	2/02/26	1/13/26	835 NATIONAL SIGN COMPANY, LLC 4 12/36 OBJ MARKER SIGN LFT/RT	159.80	19	19-00-5217	1
	2			2 DOG WASTE SIGNS	115.90	01	01-01-5299	1
				INVOICE TOTAL	275.70			
				VENDOR TOTAL	275.70			
S-10930	1	2/02/26	1/19/26	1508 NELSON, INC MISC COM: CONTACT BLOCK	175.25	19	19-00-5299	1
				INVOICE TOTAL	175.25			
				VENDOR TOTAL	175.25			
7348	1	2/02/26	1/30/26	1000 OUTLAW BROTHERS REPAIR, LLC VEH EXP:21RAM TRANSM ADDIT KIT	395.49	01	01-01-5316	1
				INVOICE TOTAL	395.49			
				VENDOR TOTAL	395.49			
2/2026	1	2/02/26	1/30/26	266 POSTMASTER 2REG/15PC ROLL STAMPS FOR UB	357.00	02	02-70-5299	1
	2			2REG/15PC ROLL STAMPS FOR UB	357.00	03	03-70-5399	1
	3			2REG/15PC ROLL STAMPS FOR UB	357.00	18	18-42-5399	1
				INVOICE TOTAL	1,071.00			
				VENDOR TOTAL	1,071.00			
E83918	1	2/02/26	1/23/26	936 PRIDE AG RESOURCES OP SUPP: CERAMIC HTR AJD THERM	36.99	18	18-40-5223	1
	2			TOOLS: PLIER PUMP/CHANNEL/JAWP	107.96	02	02-60-5219	1
				INVOICE TOTAL	144.95			
				VENDOR TOTAL	144.95			
6009102-03.1	1	2/02/26	1/26/26	5 STANION WHOLESALE ELEC CO INC OP SUPP: 6SATCO CREDIT OVERPD	10.00-	03	03-50-5223	1
				INVOICE TOTAL	10.00-			
6026348-03	1	2/02/26	1/15/26	KMW LIFT STATION CONDUIT GRCSW	265.11	44	44-40-5299	1
				INVOICE TOTAL	265.11			
				VENDOR TOTAL	255.11			
2026 CH	1	2/02/26	1/01/26	50 THE BULLETIN - STERLING CITY HALL SUBSCRIPTION	48.00	01	01-00-5399	1
				INVOICE TOTAL	48.00			

SCHEDULED CLAIMS LIST

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST	GL	ACCOUNT	CK SQ
2026 PD	1	2/02/26	1/01/26	POLICE DEPT SUBSCRIPTION	48.00	01		01-01-5399	1
				INVOICE TOTAL	48.00				
				VENDOR TOTAL	96.00				
1/15 HUTCHESON	1	2/02/26	1/15/26	199 STERLING ROTARY ROTARY 4TH QTR DUES 2025	36.00	01		01-00-5310	1
				INVOICE TOTAL	36.00				
1/15 SMITH	1	2/02/26	1/15/26	ROTARY 4TH QTR 2026 DUES	36.00	01		01-01-5310	1
				INVOICE TOTAL	36.00				
				VENDOR TOTAL	72.00				
1/30/2026	1	2/02/26	1/30/26	746 SUPERIOR SAND & GRAVEL FILL SAND	33.35	19		19-00-5215	1
	2			LOADING FEE	15.00	19		19-00-5215	1
				INVOICE TOTAL	48.35				
				VENDOR TOTAL	48.35				
6133791189	1	2/02/26	1/17/26	629 VERIZON WIRELESS PD WIRELESS 12/18-1/17/2026	80.02	01		01-01-5399	1
				INVOICE TOTAL	80.02				
				VENDOR TOTAL	80.02				
ESTIMATE #4	1	2/02/26	1/20/26	1210 VOGTS-PARGA CONSTRUCTION, LLC 12/20/25-1/9/2026 KMW RW PMT#4	89,713.96	44		44-19-5399	1
				INVOICE TOTAL	89,713.96				
				VENDOR TOTAL	89,713.96				
INV8657142	1	2/02/26	1/23/26	1022 WAGEWORKS HAS-FSA JAN 2026	15.43	01		01-00-5399	1
	2			HAS-FSA JAN 2026	15.43	01		01-01-5399	1
	3			HAS-FSA JAN 2026	15.43	02		02-60-5399	1
	4			HAS-FSA JAN 2026	15.45	02		02-70-5399	1
	5			HAS-FSA JAN 2026	15.45	03		03-50-5399	1
	6			HAS-FSA JAN 2026	15.45	03		03-60-5399	1
	7			HAS-FSA JAN 2026	15.43	16		16-00-5399	1
	8			HAS-FSA JAN 2026	15.43	18		18-42-5399	1
				INVOICE TOTAL	123.50				
				VENDOR TOTAL	123.50				
199260	1	2/02/26	1/15/26	35 WEIS FIRE & SAFETY EQUIP CO NEW EQUIP:2 K65 NKSTRAP THER,C	205.15	01		01-11-5403	1
				INVOICE TOTAL	205.15				
				VENDOR TOTAL	205.15				
				FIRST BANK TOTAL	122,056.08				

SCHEDULED CLAIMS LIST

INVOICE#	LINE	DUE DATE	INVOICE DATE	REFERENCE	PAYMENT AMOUNT	DIST GL ACCOUNT	CK SQ
TOTAL MANUAL CHECKS					.00		
TOTAL E-PAYMENTS					4,993.50		
TOTAL PURCH CARDS					.00		
TOTAL ACH PAYMENTS					.00		
TOTAL OPEN PAYMENTS					117,062.58		
GRAND TOTALS					122,056.08		

**City of Sterling
City Commission Meeting
February 2, 2026**

TO: City Commission
SUBJECT: Discuss the City's participation in a shared animal control facility.
INITIATED BY: City Manager
PREPARED BY: City Manager
AGENDA: New Business

Background: On June 16, 2025, the City approved an interlocal agreement with the City of Lyons, Kansas for the construction of a shared animal control facility. The agreement is included in Exhibit A. Section 4 of the agreement establishes the City's responsibility for purchasing the structure for the facility for an estimated cost of \$11,000. The City Commission's approval of the agreement was accompanied by a not-to-exceed maximum of \$15,000 towards the cost of the facility structure.

The shared animal control facility was initially constructed by the City of Lyons at the site of Lyons' Wastewater Treatment Plant. However, Lyons decided to abandon the structure for various reasons, and is planning to construct a new facility in a different location, possibly at the site of the Lyons Police Department located at 1344 W. Main Street in Lyons.

Analysis: On January 20, 2026, the Lyons City Council was presented with three new alternatives for a shared animal control facility. Details on these three options are included in Exhibit B. The City Council reportedly preferred options 1 and 2. The cost of the structure reported by Lyons for options 1 and 2 is \$63,350 and \$27,510, respectively. The cost of the structure for option 3 is \$16,814. The cost of the structure reported for all three alternatives exceeds the not-to-exceed cost of \$15,000 established by the City Commission when the interlocal agreement was approved.

There is no recommendation for action at this time, and the intent of this item is to generate discussion by the City Commission regarding the City's participation in the construction of a shared animal control facility. However, if it is prepared to do so, the City Commission may make a decision on the City's participation in the project and the parameters within which the City will contribute to the project.

A representative from the City of Lyons will be in attendance to discuss the alternatives being considered by Lyons for the facility and the City's participation in the project with the City Commission.

Financial: The City Commission established a not-to-exceed maximum of \$15,000 towards the cost of the structure for a shared animal control facility. The cost of the structure presented in the three alternatives the Lyons City Council is now considering is \$63,350 (option 1), \$27,510 (option 2) and \$16,814 (option 3).

Legal Considerations: Presumably, the interlocal agreement approved on June 16, 2025, remains in effect. The change in scope of the shared animal control facility project may warrant the nullification of the original contract and the approval of a new agreement.

Recommendations/Actions: No recommendation for action.

Attachments:

Exhibit A – Animal control facility design alternatives (1 page)

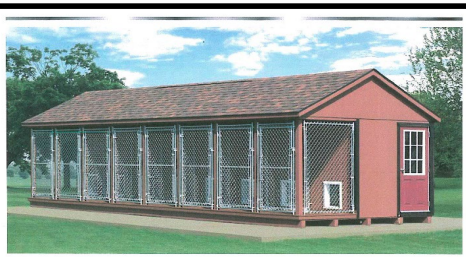
Exhibit B - Interlocal agreement for construction and sharing of animal control facilities (3 pages)

Dog Pound Options

Option 1: Prefabricated Building (12x32, 8 Dogs)

Cost of building	\$ 63,350.00
Electrical	Included
Plumbing	\$2,000
Kennel Runs	Included
Cement	Not Needed
Insulation	Included
Heating/Cooling	\$500-\$7000 (on sale units have this included in sale price)
	(\$3,000 used in estimated cost for HVAC)

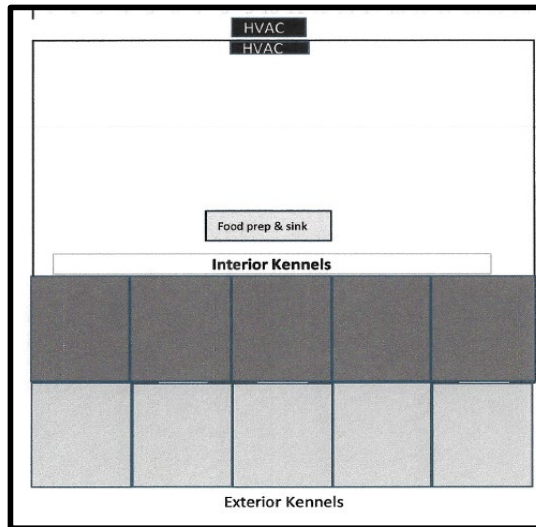
Estimated Total: \$68,350



Option 2: Two Shipping Containers (16x20, 4 Dogs)

Cost of building	\$ 27,510.00
Electrical	\$3,520
Plumbing	\$2,000
Kennel Runs	\$12,500
Cement	\$14,000
Outdoor Cement	\$7,200
Footers (Concrete Piers)	\$2,000-\$6,000 (\$5k used for estimate cost)
Insulation	Included
Heating/Cooling	Included

Estimated Total: \$ 68,210.00



Option 3: Metal Building (24x30, 6 Dogs)

Cost of building	\$16,813.60
Electrical	\$7,920
Plumbing	\$2,000
Interior Wall	\$2,000
Kennel Runs	\$12,500
Cement	\$14,000
Outdoor Cement	\$7,200
Heating/Cooling	\$3,000
Insulation	\$5,400

Estimated Total: \$70,833.60



Interlocal Agreement for Construction and Sharing of Animal Control Facilities

This Interlocal Agreement ("Agreement") is entered into this 16th day of June, 2025, by and between the City of Lyons, Kansas, a municipal corporation organized under the laws of the State of Kansas ("Lyons"), and the City of Sterling, Kansas, also a municipal corporation under the laws of the State of Kansas ("Sterling"). Collectively referred to as "the Parties."

RECITALS

- WHEREAS, both Lyons and Sterling recognize the need for adequate and modern animal control facilities to serve their respective communities;
- WHEREAS, the Parties desire to cooperate in the planning, financing, construction, and use of the animal control facility;
- NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

SECTION 1: PURPOSE

The purpose of this Agreement is to establish the terms under which the Cities of Lyons and Sterling shall jointly construct, finance, manage, and operate a shared animal control facility to be located within Rice County, Kansas.

SECTION 2: LOCATION

The animal control facility shall be located at the Lyons Waste Treatment Center.

SECTION 3: DESIGN AND CONSTRUCTION

- A. The City of Lyons, Kansas, shall be responsible for Construction of the facility, including selection of any designs, materials, and contractors.
- B. The City Administrator of Sterling, Kansas, shall receive regular project updates, and the City Administrator of Lyons shall respond timely to any requests for information regarding the project.

SECTION 4: COST SHARING

- A. Capital Costs: Construction and capital development costs shall be paid by the City of Lyons, Kansas.
- B. The City of Sterling, Kansas, shall purchase the structure for the facility for approximately \$11,000.00 as its contribution towards the capital costs. The structure is defined as the construction which encloses the primary interior space of the facility.
- C. The City of Lyons, Kansas shall provide the land at no cost.

- D. Once operational, the City of Sterling shall be invoiced monthly based on its usage of the facility, at a daily rate of \$15.000 per animal which shall be reviewed annually. The daily rate per animal fee shall not be increased more than 5% annually and without the consent of both parties. Invoices must be paid within 30 days of receipt or facility use will be withheld until the balance has been paid in full.

SECTION 5: GOVERNANCE AND MANAGEMENT

- A. Operation of the Facility shall be solely by the City of Lyons.
- B. The City of Sterling, Kansas shall have access to the facility at all times, and shall be able to use the facility until at least December 31, 2045.

SECTION 6: ADDITIONAL JURISDICTIONS

- A. Any jurisdictions in addition to the parties wishing to use the facility shall pay a start-up fee of \$1,000.00, 60% of which shall be payable to the City of Lyons and 40% of which shall be payable to the City of Sterling.

SECTION 7: OWNERSHIP

The facility and any associated property shall be owned solely by the City of Lyons.

SECTION 8: REGULATION

- A. The City of Lyons shall adhere to Article 17 of the Kansas Department of Agriculture Statutes ("Pet Animal Act") in its operation and management of the facility.
- B. The City of Lyons shall adhere to any and all other legislative and administrative regulations pertaining to animal control facilities.

SECTION 9: LIABILITY

- A. The City of Lyons shall assume responsibility and be liable for any damages that arise from activity located on the premises of the facility.
- B. The City of Lyons shall hold the City of Sterling harmless against any liability from the operation of the facility.
- C. The City of Lyons shall insure the facility with the appropriate level of liability and casualty insurance coverage.

SECTION 10: TERM AND TERMINATION

- A. Initial Term: This Agreement shall remain in effect for an initial term of twenty (20) years from the effective date.
- B. Renewal: It may be renewed for additional ten-year terms upon mutual written agreement.
- C. Termination: Either Party may terminate this Agreement with at least one (1) year written notice. In such event, the Parties shall negotiate a fair and equitable division or sale of the facility.

SECTION 11: DISPUTE RESOLUTION

Any dispute arising under this Agreement shall first be addressed through mediation. If unresolved, the matter may be submitted to binding arbitration or a court of competent jurisdiction in Rice County, Kansas.

SECTION 12: GENERAL PROVISIONS

- Amendment: This Agreement may be amended only in writing, signed by authorized representatives of both Parties.

- Severability: If any provision is deemed invalid, the remainder shall remain in effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

CITY OF LYONS, KANSAS

By: Alicia M. Hommon

Name: Alicia M. Hommon

Title: Mayor

Date: 6/20/25

CITY OF STERLING, KANSAS

By: Brian A. Inwood

Name: Brian A. Inwood

Title: Mayor

Date: 6/16/25

**City of Sterling
City Commission Meeting
February 2, 2026**

TO: City Commission
SUBJECT: Receive the draft 2026-2030 Five-Year Capital Improvement Plan (CIP) draft.
INITIATED BY: City Manager
PREPARED BY: City Manager
AGENDA: New Business

Background: A Capital Improvement Plan (CIP) is a strategic planning document used by local governments to provide information on the infrastructure improvements and other capital projects the government intends to initiate over the medium- to long-term. A “capital” project is defined as a set of related expenditures totaling more than an agreed upon minimum cost. This minimum cost may be reflective of the relative size of the government but is generally between \$50,000 and \$100,000. A CIP is primarily a financial planning tool that enables governments to anticipate future capital costs and prioritize projects. Most plans look forward to the next 5-10 years, but some documents extend as far as 50 years into the future. Given the medium- to long-term focus of a CIP, it is not essential to update the plan annually, but regular updates are critical to ensure that the plan remains relevant and accurate. Unlike the regular budget documents that local governments must complete to set the legal spending authority for the budget period, a CIP is purely a planning document and does establish legal spending authority.

Analysis: Included in Exhibit A is the City’s draft 2026-2030 CIP. Over the past several weeks, City staff have collaborated to generate a list of capital projects that the City is likely to undertake over the next five years. The projects are organized by project type, e.g. electric, facilities, water, etc. Section 1 of the plan includes a table of project costs for each year over the five-year period. The department responsible for each project is given, along with the funding source from which the project will be financed. Annual operating costs related to each project, such as vehicle repair and maintenance, are included so that these recurring costs may be included in the annual budget.

Section 2 includes the same list of projects organized by project type and contains narrative information on each project. A project description, the needs of the City and/or the community that the project addresses and the expected benefits of the project are provided to further clarify the nature and importance of each project.

Section 3 includes several charts intended to help the reader visualize the impact of the projects included in the CIP. Charts which depict the project costs by year, project type, department, and funding source are provided.

There is no recommendation for action at this time, and the intent of this item is to solicit feedback from the City Commission on the draft plan. Any suggestions for changes or

improvements to the draft CIP will be incorporated into the proposed final plan which will be recommended for adoption at a subsequent meeting.

Financial: The projects included in the draft 2026-2030 CIP total \$21,300,037 over the five-year period.

Legal Considerations: Some municipal governments include language in their City Codes which require the regular completion of a CIP. Local governments in Kansas that have and adopted CIP are also permitted a higher level of debt capacity.

Recommendations/Actions: It is recommended that the City Commission: Receive the 2026-2030 Five-Year CIP draft (**VOICE**).

Attachments:

Exhibit A – 2026-2030 Five-Year CIP draft (6 pages)



City of Sterling, Kansas
2026-2030
Five-Year Capital Improvement Plan

City of Sterling, Kansas
2026-2030 Five-Year Capital Improvement Plan
1. Project Costs

Project Code	Project	Department	2026	2027	2028	2029	2030	Total	Annual Operating Cost	Funding Source
Electric										
E.1	KMW Expansion Electric Improvements	Administration	\$ 1,265,000	\$ -	\$ -	\$ -	\$ -	\$ 1,265,000	\$ 5,000	Debt
E.2	Broadway Ave. Alley Double Circuit Rebuild - West	Electrical Distribution	\$ -	\$ -	\$ -	\$ 350,000	\$ -	\$ 350,000	\$ 2,000	Electric
E.3	Broadway Ave. Alley Double Circuit Rebuild - East	Electrical Distribution	\$ -	\$ -	\$ -	\$ -	\$ 440,000	\$ 440,000	\$ 2,000	Electric
E.4	3 MW Generator	Electrical Production	\$ -	\$ 2,850,000	\$ -	\$ -	\$ -	\$ 2,850,000	\$ 5,000	Electric
Electric Total			\$ 1,265,000	\$ 2,850,000	\$ -	\$ 350,000	\$ 440,000	\$ 4,905,000	\$ 14,000	
Equipment & Vehicles										
EV.1	Water Meters and Software Upgrade	Administration	\$ 75,000	\$ 125,000	\$ 100,000	\$ -	\$ -	\$ 300,000	\$ 10,000	Water
EV.2	Electrical Distribution Vehicle Replacement	Electrical Distribution	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ 4,849	Electric
EV.3	Fire Engine Replacement	Fire	\$ 112,862	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 352,862	\$ 50,913	Ambulance & Fire Equipment
EV.4	Patrol Vehicle Replacement	Police	\$ -	\$ 65,000	\$ -	\$ 70,000	\$ -	\$ 135,000	\$ 1,878	General
EV.5	Police Equipment Replacement	Police	\$ -	\$ -	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 500	General
EV.6	Public Works Vehicle Replacement	Public Works	\$ -	\$ 30,000	\$ 40,000	\$ -	\$ -	\$ 70,000	\$ 6,000	Various
EV.7	Vacuum Truck Replacement	Public Works	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ 2,000	Various
EV.8	Front-end Loader Replacement	Public Works	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 2,000	Special Street
Equipment & Vehicles Total			\$ 187,862	\$ 280,000	\$ 620,000	\$ 130,000	\$ 60,000	\$ 1,277,862	\$ 78,140	
Facilities										
F.1	Library Elevator Repair/Replacement	Public Works	\$ 20,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 220,000	\$ 500	Various
Facilities Total			\$ 20,000	\$ 200,000	\$ -	\$ -	\$ -	\$ 220,000	\$ 500	
Information Technology										
IT.1	Upgrade Financial System	Administration	\$ 25,000	\$ 55,000	\$ -	\$ -	\$ -	\$ 80,000	\$ 35,000	Various
IT Total			\$ 25,000	\$ 55,000	\$ -	\$ -	\$ -	\$ 80,000	\$ 35,000	
Parks										
P.1	Municipal Pool and Bathhouse Repair/Replacement	Public Works	\$ -	\$ -	\$ 375,000	\$ 375,000	\$ 4,250,000	\$ 5,000,000	\$ 1,038	Unknown
Parks Total			\$ -	\$ -	\$ 375,000	\$ 375,000	\$ 4,250,000	\$ 5,000,000	\$ 1,038	
Sewer										
S.1	KMW Expansion Wastewater Improvements	Administration	\$ 493,612	\$ -	\$ -	\$ -	\$ -	\$ 493,612	\$ 2,000	Debt
S.2	Sewer Lagoon #5	Public Works	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 5,000,000	\$ 5,000	Sewer
Sewer Total			\$ 493,612	\$ -	\$ -	\$ -	\$ 5,000,000	\$ 5,493,612	\$ 7,000	
Streets										
ST.1	KMW Expansion Roadway Improvements	Administration	\$ 332,863	\$ -	\$ -	\$ -	\$ -	\$ 332,863	\$ 1,000	Various
ST.2	Annual Road Improvements	Public Works	\$ 250,000	\$ 275,000	\$ 275,000	\$ 300,000	\$ 300,000	\$ 1,400,000	\$ 2,000	Special Street
Streets Total			\$ 582,863	\$ 275,000	\$ 275,000	\$ 300,000	\$ 300,000	\$ 1,732,863	\$ 3,000	
Water										
W.1	KMW Expansion Water Improvements	Administration	\$ 1,790,700	\$ -	\$ -	\$ -	\$ -	\$ 1,790,700	\$ 5,000	Various
W.2	Water Production and Distribution System Improvements	Public Works	\$ 60,000	\$ 75,000	\$ 90,000	\$ 325,000	\$ 100,000	\$ 650,000	\$ 10,000	Water
W.3	Water Tower Maintenance	Public Works	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ 150,000	\$ 2,000	Water
Water Total			\$ 1,850,700	\$ 75,000	\$ 240,000	\$ 325,000	\$ 100,000	\$ 2,590,700	\$ 17,000	
Grand Total			\$ 4,425,037	\$ 3,735,000	\$ 1,510,000	\$ 1,480,000	\$ 10,150,000	\$ 21,300,037	\$ 155,678	

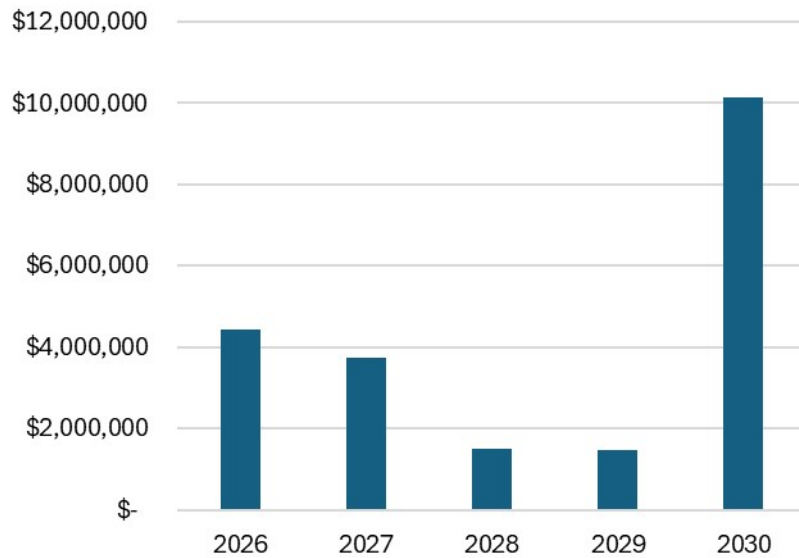
City of Sterling, Kansas
2026-2030 Five-Year Capital Improvement Plan
2. Project Descriptions

Project Code	Project	Department	Description	Need(s) Addressed	Benefits Received
Electric					
E.1	KMW Expansion Electric Improvements	Administration	Electric improvements necessary to provide power to the KMW expansion site.	Reliable power to serve operations at the KMW expansion site.	A functional industrial site which will contribute greatly to the city's local economy, labor force and assessed valuation.
E.2	Broadway Ave. Alley Double Circuit Rebuild - West	Electrical Distribution	As documented as project #3 in the 2014 electrical distribution system study by ESC Engineering, this project would rebuild the aging distribution infrastructure in the alley west of Broadway Ave.	The distribution infrastructure in this critical segment of the City's network is rapidly aging, and is responsible for providing service to the downtown area.	Improved safety for departmental staff working in this area, and greater reliability in service to the downtown area.
E.3	Broadway Ave. Alley Double Circuit Rebuild - East	Electrical Distribution	As documented as project #4 in the 2014 electrical distribution system study by ESC Engineering, this project would rebuild the aging distribution infrastructure in the alley east of Broadway Ave.	The distribution infrastructure in this critical segment of the City's network is rapidly aging, and is responsible for providing service to the downtown area.	Improved safety for departmental staff working in this area, and greater reliability in service to the downtown area.
E.4	3 MW Generator	Electrical Production	Purchase and install a new 3 megawatt (MW) Caterpillar generator for the City power plant.	To start updating obsolete equipment and to support capacity requirements from growth and development in the community.	Less capacity will need to be bought at market price, and it will be easier to start-up power production at the power plant.
Equipment & Vehicles					
EV.1	Water Meters and Software Upgrade	Administration	The City's current Itron meter reading system will be phased out as of Dec. 2028. The implementation of a modern solution which allows for automatic remote meter reading is recommended. Transitioning to a new system will require the purchase of new hardware and software. A gradual transition which will replace a portion of the City's meters over the next three years is recommended.	The procurement of a new meter reading system is critical as the current Itron system will become obsolete in Dec. 2028. A new modern solution with automatic remote meter reading will significantly reduce staff time spent on meter reading and enable City personnel to focus on other tasks and projects.	A significant decrease in the amount of staff time spent on meter reading.
EV.2	Electrical Distribution Vehicle Replacement	Electrical Distribution	Replacement of the Department's 2009 F-250 truck with a utility bed.	Maintaining a modern fleet that can be depended on for daily operations and in response to emergency situations.	Improved service to the City's electric utility customers and greater reliability in departmental equipment.
EV.3	Fire Engine Replacement	Fire	Purchasing a new fire engine to replace the 38-year old #236 City fire engine.	Maintaining a modern fleet of Fire Dept. vehicles which can be depended on for rapid and effective responses to emergency incidents.	A new fire engine would have an estimated useful life of 30 years or more if properly maintained.
EV.4	Patrol Vehicle Replacement	Police	Replace Department vehicles including the 2020 Dodge Durango and pickup truck.	Maintaining a modern fleet of Police Dept. vehicles which can be depended on for daily operations and in response to emergency incidents.	Lower expenditures on vehicle maintenance and safer vehicles for police officers.
EV.5	Police Equipment Replacement	Police	New tasers and in-vehicle cameras.	Reliable equipment that can be depended on for daily operations.	Reliable tasers help to keep officers safe when responding to incidents.
EV.6	Public Works Vehicle Replacement	Public Works	Replace Department vehicles including the 1993 Ford F-350 dump truck, 2007 Ford F-550 dump truck, 2007 Ford F-350 4x4 service truck, and 2007 Ford F-450 service truck.	Maintain a modern fleet of Public Works Dept. vehicles that can be depended on for daily operations.	Updated in-vehicle cameras mitigate liability exposure to the City and can be depended on for providing information needed for legal cases.
EV.7	Vacuum Truck Replacement	Public Works	Replace Public Works Dept. vacuum truck.	A reliable vacuum truck that can be depended on for daily operations.	Lower expenditures on vehicle maintenance and safer vehicles for departmental staff.
EV.8	Front-end Loader Replacement	Public Works	Replace Public Works Dept. front-end loader.	A reliable front-end loader that can be depended on for daily operations.	Lower expenditures on vehicle maintenance and a safer front-end loader for departmental staff.
Facilities					
F.1	Library Elevator Repair/Replacement	Public Works	Repair and possible replacement of the Library elevator, which operates inconsistently.	Without a functioning elevator, the Library building is not fully compliant with the Americans with Disabilities Act (ADA), which requires public buildings to be handicap-accessible.	ADA compliance and convenient and reliable access to the building for all Library patrons.
Information Technology					
IT.1	Upgrade Financial System	Administration	Upgrade to the new cloud-based software provided by gWorks, the City's current vendor, or transition to a different solution for the City's financial system.	The City's current financial system is will soon become obsolete with limited to no customer support. Depending on when a new system is implemented, the City may have to pay for its current system alongside a new system, in addition to an onboarding fee.	An upgraded system should allow the City's administrative staff to operate more efficiently, and a cloud-based solution would provide easier remote access for maintenance and resolving system errors.
Parks					
P.1	Replacement/Renovation of the Municipal and Bathhouse	Public Works	Renovation and possible replacement of the Municipal Pool and Bathhouse.	The current pool is aging and must be improved to continue providing a valued recreational service to the community. The structural stability of the upper storey of the bathhouse is compromised and can no longer be used.	A modern and safe aquatics facility which provides the features desired by patrons and provides a critical recreational service to the community.
Sewer					
S.1	KMW Expansion Wastewater Improvements	Administration	Wastewater improvements necessary to provide sewer service to the KMW expansion site.	Reliable sewer infrastructure to serve operations at the KMW expansion site. As the community grows, the four lagoons at the WWTF will reach capacity in the near future. The addition of a fifth lagoon will ensure that the City is able to provide effective wastewater treatment for the community, and is a less costly alternative compared to constructing a more advanced sewage treatment plant.	A functional industrial site which will contribute greatly to the city's local economy, labor force and assessed valuation.
S.2	Sewer Lagoon #5	Public Works	Addition of a fifth sewer lagoon at the Wastewater Treatment Facility (WWTF).		Effective wastewater treatment for a growing community.

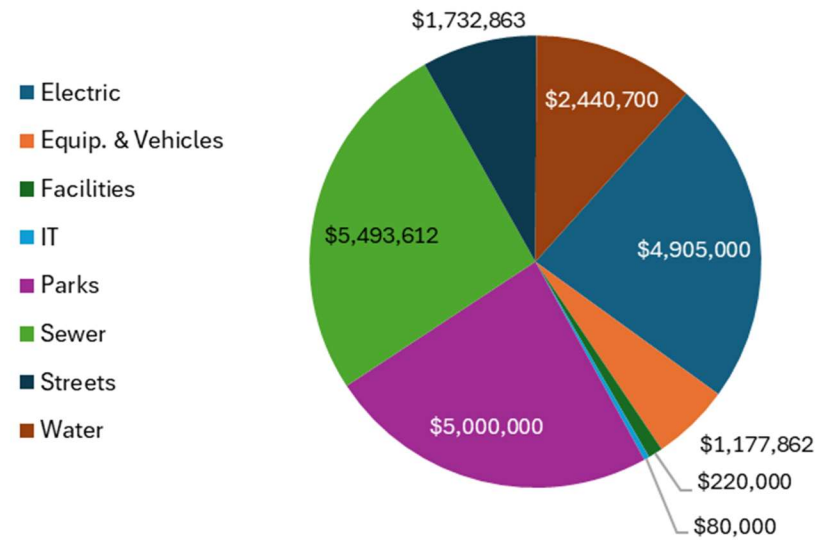
Streets					
ST.1	KMW Expansion Roadway Improvements	Administration	A new entrance road to provide vehicle access to the KMW expansion site. Annual maintenance and resurfacing of City roads. Different methods may be used depending on the condition of the road, e.g. chip seal, mill and overlay, etc. May include the paving of dirt roads.	Direct vehicle access to serve operations at the KMW expansion site.	A functional industrial site which will contribute greatly to the city's local economy, labor force and assessed valuation.
ST.2	Annual Road Improvements	Public Works		Improving the condition of roads that have begun to deteriorate.	Improved driving experience for motorists.
Water					
W.1	KMW Expansion Water Improvements	Administration	Water improvements necessary to provide sewer service to the KMW expansion site.	Reliable water infrastructure to serve operations at the KMW expansion site. The improvements will also improve low water flow and pressure in the northern end of the city.	A functional industrial site which will contribute greatly to the city's local economy, labor force and assessed valuation. Properties and fire hydrants in the northern end of the city will be provided with improved water flow and pressure.
W.2	Water Production and Distribution System Improvements	Public Works	Replacement of aging water distribution lines and the installation of additional water wells.	Replacement of aging water distribution infrastructure and the ability provide a greater quantity of water to a growing community.	Improved reliability of the water distribution system and the provision of an amount of water that enables growth and development in the community.
W.3	Water Tower Maintenance	Public Works	Repairs and renovations to the interior of the water tower.	The interior of the water tower is in need of repair and renovation of aging and corroded infrastructure.	A reliable water tower that can continue to provide quality water to the city's residents and businesses.

City of Sterling, Kansas
2026-2030 Five-Year Capital Improvement Plan
3. Charts

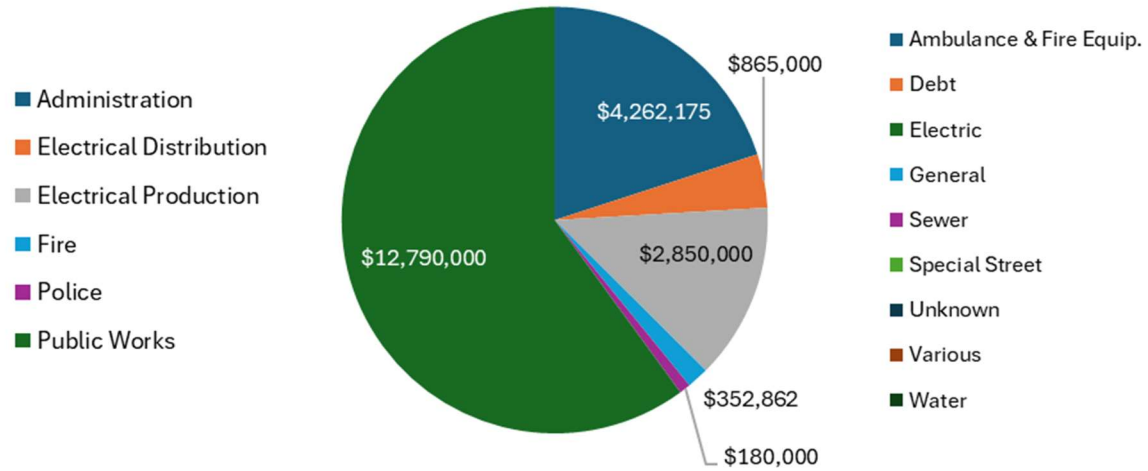
1. Cost by Year



2. Cost by Project Type



3. Cost by Department



4. Cost by Funding Source

