

STERLING CITY COMMISSION
REGULAR MEETING
MINUTES
1/5/2026

The Board of Commissioners of the City of Sterling met in a regular session on Monday, January 5th, 2026, at 7:00 P.M. in the meeting room at City Hall. Those present were Clint Bundy, Todd Rowland, and Bob Boltz, City Commissioners; Brian Inwood, Mayor; Ian Hutcheson, City Manager; Jessi Dobson, City Clerk; Josh Blank, Police Officer; Scott Bush, City Attorney; Clelia McCrory, Public. Richard Jones, Jr., via phone.

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 Boltz seconded to approve the agenda. The motion carried 5-0.

CITIZEN COMMENTS: None.

APPOINTMENTS, PROCLAMATIONS, RECOGNITIONS, & NOMINATIONS:

1. Swear-in Brian Inwood as a City Commissioner.

City Clerk Dobson swore-in Brian Inwood as a City Commissioner.

2. Swear-in Todd Rowland as a City Commissioner.

City Clerk Dobson swore-in Todd Rowland as a City Commissioner.

3. Appoint the Mayor of the City Commission for 2026.

Commissioner Rowland moved, and Commissioner Bundy seconded to open nominations to appoint the Mayor of the City Commission for 2026. Motion carried 5-0.

A discussion was held among the City Commissioners. Brian Inwood and Richard Jones, Jr., were both nominated for Mayor.

Commissioner Rowland moved, and Commissioner Boltz seconded to close nominations to appoint the Mayor of the City Commission for 2026. Motion carried 5-0.

Commissioner Rowland moved, and Commissioner Boltz seconded to appoint Brian Inwood as the Mayor of the City Commission for 2026. Motion carried 5-0.

4. Appoint the Vice-Mayor of the City Commission for 2026.

Commissioner Rowland moved, and Commissioner Bundy seconded to open nominations to appoint the Vice-Mayor of the City Commission for 2026. Motion carried 5-0.

Clint Bundy and Todd Rowland were both nominated for Vice-Mayor. A discussion was held among the City Commissioners.

APPOINTMENTS, PROCLAMATIONS, RECOGNITIONS, & NOMINATIONS (cont.):

Commissioner Rowland moved, and Mayor Inwood seconded to close nominations to appoint the Vice-Mayor of the City Commission for 2026. Motion carried 5-0.

Mayor Inwood moved, and Commissioner Boltz seconded to appoint Todd Rowland as the Vice-Mayor of the City Commissioner for 2026. Motion carried 5-0.

CONSENT AGENDA:

1. Approved December 15, 2025, Regular Meeting Minutes.
2. Approved December 31, 2025, Accounts Payable.
3. Approved January 2, 2026, Accounts Payable.

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

OLD BUSINESS: None.

NEW BUSINESS:

1. Approve resolution to waive the generally accepted accounting principles (GAAP) for Fiscal Year 2025.

City Manager Hutcheson presented that per Kansas Statutes Annotated (KSA) 75-1120a(a) municipalities must use generally accepted accounting principles (GAAP) in the preparation of financial statements and reports. However, the governing body of any municipality may waive the requirement to follow GAAP. One of the primary reasons why a municipality would waive the requirement to follow GAAP is that it is more complex and costly to implement. GAAP requires reporting cash and non-cash assets and liabilities. The City has historically operated on a regulatory basis of accounting in the form of a modified cash basis, by tracking cash, certain accounts payable and encumbrances to facilitate financial reporting.

A resolution, prepared by City Attorney Bush, must be approved for the City Commission to waive the GAAP requirement. This waiver resolution must be passed each fiscal year, clearly identify the fiscal year in which the requirement will be waived and contain certain language substantially similar to that specified in KSA 75-1120a(c)(1).

Hutcheson recommended that the City Commission approve the resolution waiving the requirement to follow GAAP for Fiscal Year 2025.

Commissioner Rowland moved, and Commissioner Bundy seconded to approve a resolution to waive GAAP for Fiscal Year 2025. Motion carried 5-0.

2. Approve ordinance granting a franchise agreement with Mutual TeleCommunications (MTC) for telecommunications service.

City Manager Hutcheson explained a franchise agreement between a utility provider and a local government grants the provider permission to install infrastructure within the local government's right-of-way (ROW) property. In exchange for this permission, the utility provider pays the local government a franchise fee typically calculated as a percentage of the provider's gross monthly sales from its customers within the

NEW BUSINESS (cont.):

government's boundaries. A franchise fee of 5% of gross sales is the customary standard.

Mutual TeleCommunications (MTC) is a telecommunications utility provider headquartered in Little River, Kansas which provides service to communities in Rice County and McPherson County. In Sterling, MTC provides fiber and wireless internet service and voice call service for residential and commercial customers.

Hutcheson continued to explain that for MTC to continue operating a telecommunications utility in Sterling, a new franchise agreement must be approved. MTC staff have prepared an ordinance granting a new franchise agreement for the company, which was included in the agenda packet. The agreement generally permits MTC to install the infrastructure necessary for delivering telecommunications service within public property, including streets, alleys, bridges, easements and City ROW. Section 1 of the ordinance establishes a franchise term of 15 years, which would expire on December 31, 2041.

Section 3 states that the franchise fee due to the City is equal to 5% of MTC's gross receipts from sales to customers located within the city limits. Gross receipts are defined in Section 2 as revenue derived from recurring charges for telecommunications service and non-recurring charges including service installation and service reconnection fees. All other revenues received by the company, including those derived from the sale or lease of unbundled network items, long-distance voice calls, wireless telecommunications services, or late fees, are excluded from gross receipts. The average annual revenue the City receives from MTC is \$1,767 over the past 10 years. The 10-year annual growth rate in MTC franchise revenues is -1.3%.

Section 6 provides the City the right to request that MTC, at no cost to the City, relocate its infrastructure installed in the ROW to facilitate maintenance and construction projects that provide a public benefit. Any damages incurred by the City or its contractors resulting from a failure of MTC to timely relocate its infrastructure will be assumed by MTC. Section 7 grants MTC permission to trim trees that may obstruct or damage MTC's infrastructure, in accordance with all applicable governmental regulations.

City Attorney Bush has reviewed the ordinance and franchise agreement and has no objections to the recommendation for approval.

Hutcheson recommended the City Commission approve the ordinance granting a franchise agreement with MTC for telecommunications service.

Commissioner Bundy moved, and Commissioner Rowland seconded to approve an ordinance granting a franchise agreement with MTC for telecommunications service. Motion carried 5-0.

CITY MANAGER'S REPORT:

City Manager Hutcheson presented an update on the KMW expansion infrastructure projects beginning with the roadway improvement project. A field check meeting was held on December 30th with the contractor, engineers and City staff to inspect the roadway for approval. The remaining work includes installing road and traffic signs,

CITY MANAGER'S REPORT (cont.):

seeding and erosion control. The road is now open for public use, connecting N. Broadway Ave. to Avenue U.

Hutcheson continued with an update on the wastewater improvement project. Boring on the west side of college's Gleason Center has been completed and the remaining boring is scheduled to be completed on Tuesday, January 6. Once the boring is complete, the installation of the force main will generally be finished once the two segments on the north and south side of W. Cleveland Ave. are connected. The remaining work will consist of tying-in the force main to the wastewater main at W. Washington St. Other work includes testing of the electrical components of the lift station that is installed at the project site.

Hutcheson shared an update regarding the City's PSN online payment system. City staff have implemented a temporary fix to the online payment system. This update has been shared with the existing PSN users, on the City's Facebook page and on the City website. Users will need to re-register their account with PSN and then manually enter their monthly bill onto the payment page. This option is less convenient since PSN will not connect directly with the City's financial system. The online payment system is also subject to change in the future when the City transitions to a new financial system. Hutcheson encouraged the City Commissioners and residents to pay attention to the News Flash section of the City website for future updates.

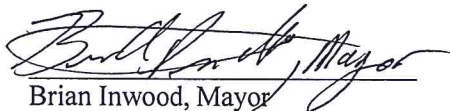
Lastly, Hutcheson reminded those present that the next City Commission meeting will be held on Tuesday, January 20 at 6:00pm due to the Martin Luther King holiday.

GOVERNING BODY COMMENTS:

Commissioner Rowland commended the Electrical Distribution team for doing a great job installing the lights downtown this Christmas season. Electrical Distribution Superintendent John Wagerle and his crew do a great job on this time intensive project, but their work is noticed and greatly appreciated by the public.

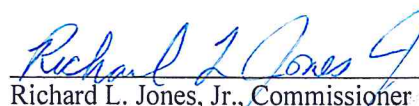
EXECUTIVE SESSION: None.

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

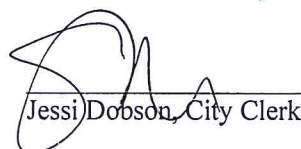

Brian Inwood, Mayor


Todd Rowland, Vice Mayor


Clint Bundy, Commissioner


Richard L. Jones, Jr., Commissioner


Bob Boltz, Commissioner


Jessi Dobson, City Clerk

