

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF PAOLA, KANSAS  
5:30 O’CLOCK P.M.**

**June 13, 2006**

**HELD AT THE MIAMI COUNTY COMMISSIONERS CHAMBERS  
IN THE MIAMI COUNTY ADMINISTRATION BUILDING**

The Governing Body of the City of Paola, Kansas, met with Mayor Stuteville presiding.

Councilmembers present: Mayor Stuteville, Council Members Pritchard, Dial, Rowlett, and Hamilton.

Council Members absent: None.

Also present: Manager VanderHamm, Clerk Droste, City Attorney Tetwiler, Engineer/Planner Faust, Public Works Director Bieker, Police Chief Smail, Brian McCauley from the Miami County Republic, and others.

**PLEDGE OF ALLEGIANCE:** Mayor Stuteville invited everyone in attendance to join in the Pledge of Allegiance.

**Agenda Item 1 - CALL TO ORDER:** The regular council meeting was called to order by Mayor Stuteville.

**Agenda Item 2 - ROLL CALL:** Mayor Stuteville and Council Members Pritchard, Dial, and Rowlett were all present. Councilmember Hamilton was absent at the beginning of the meeting.

**Agenda Item 3 - PETITIONS, REMONSTRANCES, AND COMMUNICATIONS**  
No one addressed the Council.

**Agenda Item 4 - CONSENT AGENDA**

- a. **Approval of minutes of the meetings of May 23, 2005**
- b. **Approval of Salary Ordinance number 06-10**
- c. **Approval of Appropriation Ordinance No. 583**

Councilmember Pritchard made a motion to approve the Consent Agenda and authorize the Mayor to sign. Councilmember Rowlett seconded the motion and all voted aye (Hamilton absent).

**Agenda Item 5 – REPORTS OF OFFICERS, BOARDS AND COMMITTEES**

**Agenda Item 5a - Presentation of the 2005 Audit by Harold Mayes of Agler & Gaeddert.**

Mr. Harold Mayes of Agler & Gaeddert presented a review of his audit report of the City of Paola for the calendar year 2005. He explained that his opinion was a clean, qualified opinion that was not based on Generally Accepted Accounting Principles but based on the statutory cash basis.

Mr. Mayes noted in his report that the Lewis Drive Improvement, Wastewater Treatment Plant Construction, and Industrial Park Drive Reconstruction capital project funds had deficit unencumbered cash balances of \$(125,745), \$3,952,796, and \$(52,500) respectively as of December 31, 2005 which is a violation of KSA 10-1113 and 10-1121. These deficits will be recovered by releasing future general obligation bonds.

The wastewater treatment plant construction and Industrial Park Drive project funds also had deficit cash balances of \$(766,833) and \$(28,331) respectively as of December 31, 2005 which is a violation of KSA 10-1113 and 10-1121. These deficits will be recovered by releasing future general obligation bonds.

Cash balances in excess of pledged securities and FDIC coverage as of year ended December 31, 2005 amounted to \$2,746,072 which is a violation of KSA 9-1402 and 9-1405.

Councilmember Rowlett asked about the capital project funds that show negative balances at year end. Mr. Mays indicated that although this is a technical violation of statutes, the State does look at capital project funds differently than budgeted funds. The State looks at the combined total of cash for all capital projects rather than each one separately.

Councilmember Rowlett also asked about the pledged securities issue for the bank deposits. Mr. Mayes indicated that the shortfall of pledged securities occurred as a result of bond proceeds being received by the City just before year end. This deficiency was remedied while the audit staff was on site performing the audit field work.

Councilmember Hamilton arrived and took his seat with the Council.

After discussing the audit report further, Councilmember Dial made a motion to accept the 2005 Audit from Agler & Gaeddert. The motion was seconded by Councilmember Pritchard and all voted aye.

**Agenda Item 5b -Consider a “Letter of Engagement” with Agler & Gaeddert to audit the City of Paola in 2006.**

Clerk Droste presented a “Letter of Engagement” from Agler & Gaeddert for audit services for the 2006 calendar year. Droste reported that proposed fee for audit services were \$13,200 plus out of pocket expenses. This compares to \$13,000 and \$12,950 for 2005 and 2004 respectively.

Councilmember Rowlett made a motion to approve a Letter of Engagement with Agler & Gaeddert to audit the City of Paola in 2006 in the amount of \$13,200 plus out of pocket expenses. The motion was seconded by Councilmember Hamilton and all voted aye.

**Agenda Item 5c - Consider a contract for inspection services for Rockwood Estates - Phase III.**

Engineer Planner Faust presented proposals for construction inspection services for public infrastructure improvements for Rockwood Estates, Phase III. Two firms presented proposals as follows: Allenbrand-Drews presented a lump sum fee proposal of \$25,520 and Anthony Construction Management proposed an hourly contract not to exceed \$50,954.25.

After discussing the proposals, Councilmember Pritchard made a motion to approve a contract with Allenbrand-Drews in the amount of \$25,520.00 for construction inspection services for Rockwood Estates - Phase III. The motion was seconded by Councilmember Rowlett and all voted aye.

**Agenda Item 5d -Presentation of a Report by the Paola Community Center Board.**

Mike Brown, President of the Paola Community Center presented a report of activity to the Council. He reported that in addition to the number of meetings, activities and rentals in the facility, the board's newsletters are now mailed to 1, 500 patrons.

Mr. Brown indicated that the Board still has a lot to accomplish and they are looking forward to the assistance and guidance that a director could provide.

Councilmember Rowlett complimented the Board on the amount of activity that occurs at the Community Center and he stated that there is no question that the Community Center provides a benefit to the City, the only issue is to determine how to fund the Center. He also stated that two years ago the situation was completely different.

Mr. Brown indicated that one of the programs that was a surprise success is the vintage movie nights. This activity has become very popular among area families.

Mayor Stuteville asked if future funds raised by the board would be deposited with the city. Mr. Brown indicated that the financial procedures have been discussed with the City Manager the funds would be deposited with the city in the future.

After discussing the report further, Mayor Stuteville thanked Mr. Brown for his report.

**Agenda Item 5e - Discussion/Consider the position of Paola Community Center Director.**

Manager VanderHamm presented a discussion regarding the proposal to add the new position of Community Center Director to the city staff. As a continuation of the discussion that was held at the last Council Meeting on May 23<sup>rd</sup>, VanderHamm reported that he had received all of the financial records from the Community Center Board and the Endowment Board.

Manager VanderHamm reported that in 2005, the Summer Enrichment and Irish Festival broke even and the Movie Night and Fan Project netted \$44.30 and \$298.42 respectively. Year to date in 2006, Summer Enrichment, Movie Night, Irish Festival, and Tea Party made net profits of \$3,354.50, \$902.00, \$1,023.74, and \$565.00 respectively. Additionally, the Winter WOW lost \$237.12.

Overall, activities for 2005 and 2006 to date have netted a total profit of \$5,950.84. Although it is important to note that the expenses from the Summer Enrichment Program have not yet been paid.

Mayor Stuteville asked about the T Shirt sales. Mike Brown indicated that those sales were basically at break even.

Manager VanderHamm reviewed the proposed job description for the Community Center Director position. He stated that this person would be a city employee and would be under the supervision of the City Manager and not the Community Center Board. Just as the City Council does not direct other city staff, the Community Center Board would not be the supervisor of the Community Center Director.

Councilmember Dial stated that it was her feeling that the position should be filled with a candidate with experience and with a college degree. Councilmember Pritchard asked the Community Center Board if they agreed that this position should be supervised by the City Manager. Pete Bell agreed that it would be best for the City Manager to supervise this position. The Community Center By-laws would need to be amended to reflect this.

Manager VanderHamm presented estimated budget numbers for the Community Center Fund for 2007 based on both his estimates and the projections of the Community Center Board. After estimating revenues and expenditures for the Community Center Fund, Manager VanderHamm estimated that a transfer from the general fund would be required in the amount of \$99,192 to balance the fund for 2007. This compares to a transfer of \$85,000 for 2006. The proposed budget line items were discussed in detail.

LeAnne Shields suggested that the \$0.25 per traffic ticket fine that is paid by Municipal Court be increased to \$1.00 and would raise that income from \$5,000 to \$20,000 annually. Additionally, she suggested that the Endowment could fund the director's position in the amount of \$5,000 instead of paying for the Summer Enrichment Program. Rental fees were also discussed.

At the conclusion of the discussion, Manager VanderHamm recommended that the position be funded at a maximum of \$40,000 plus benefits.

Councilmember Pritchard suggested that the position be a full time position and be funded at \$40,000 including benefits.

Councilmember Dial suggested that the position be a full time position and be funded at \$35,000 to \$40,000 plus benefits.

Councilmember Rowlett was concerned that it was premature to make a decision about the position prior to having information on the complete budget for 2007. It was his opinion that the decision should be delayed until the complete picture of the 2007 budget is known. The decision should be made as part of the budget hearing process.

Councilmember Hamilton suggested that waiting for a few more weeks to complete the budget process and make a responsible decision on behalf of the tax payers seems to be the appropriate course of action.

It was the consensus of the Council that the issue would be decided as a part of the 2007 budget process.

**Agenda Item 5f - Consider an agreement with Bartlett & West to provide shop drawings for the Baptiste Drive reconstruction project.**

Engineer Planner Faust presented an agreement with Bartlett & West to develop and review shop drawings for the Baptiste Drive Reconstruction Project excluding water and wastewater items.

After discussing the issue, Councilmember Rowlett made a motion to approve an agreement for professional services with Bartlett & West Engineers, Inc. to develop and review shop drawing submittals (not including water or wastewater items) for the Baptiste Drive reconstruction project in the amount of \$12,400. The motion was seconded by Councilmember Dial and all voted aye.

**Agenda Item 5g - Consider approval of Change Order No 5 for the Wastewater Treatment Plant.**

Engineer Planner Faust presented Change Order No 5 for the Wastewater Treatment Plant from CAS Construction. Items included on the change order are:

- 1) The addition of crushed rock under the concrete apron at the belt press building - \$1,957.20;
- 2) Additional influent pump station controls - \$1,794.17; and
- 3) Rotate clarified water fitting - \$2,207.00.

The total change orders amount to \$5,958.37 and would be paid from the contingency line item in the contract leaving a contingency balance of \$15,260.21.

Councilmember Dial made a motion to approve change order number 5 in the amount of \$5,958.37 with CAS Construction for Contract A on the Wastewater Treatment Plant project. The motion was seconded by Councilmember Pritchard and all voted aye.

**Agenda Item 5h - Consider approval of the Waste Water Treatment Plant Construction Draw #12.**

Clerk Droste presented Waste Water Treatment Plant Construction Draw #12.

Councilmember Pritchard made a motion to approve construction draw #12 in the amount of \$294,091.07 for the new waste water treatment plant. The motion was seconded by Councilmember Dial and all voted aye.

**Agenda Item 6 – NEW BUSINESS**

Manager VanderHamm reported that Clerk Droste has been advised by the County that remodeling of the Treasurer's office would begin in August and that the Commissioner's Chambers would not be available for City Council Meetings during August, September, or October. Council Meetings would be moved to the Community Center during those months.

The Miami County Intergovernmental Meeting was held earlier this morning at Spring Hill. Senator Apple and Representative Vickery gave reports on the recently concluded legislative session.

The May Sales Tax Report was presented and reviewed. The report shows, it was a very good month, and previous projections shows \$211,941 over the original 2006 budget if receipts are the same amount for the last 7 months as was received last year. Currently receipts are 5.5% above last year's total.

Manager VanderHamm presented a memo to the Fire Chief, the 2 Assistant Fire Chiefs, and the Police Chief about Fire Department Dispatch Protocol. This new protocol is now in effect and should clarify the call-out for the dispatchers.

The Johnson County Bicycle Club will be hosting a bicycle ride thru Miami County on Sunday, August 6<sup>th</sup> starting at the Cider Mill. Over 500 riders of all ages will be involved on a 100-mile route. Old KC Road will be near the beginning of the event and Hedge Lane and Lake Miola will be near the end.

The Paola Rotary Club has invited the governing body to participate in the Miami County Fair Parade again this year. It will be held Wednesday, July 26<sup>th</sup> and start at 7 pm. Typically, the Mayor, Council, and City Manager ride near the front of the Parade and "pass" out candy along the route. The Rotary Club asks that the candy not be thrown from the vehicles for child safety reasons.

Manager VanderHamm indicated that he would like to begin holding some informal 2007 Budget meetings with various departments. Though the preliminary budget isn't complete because the County Clerk hasn't yet provided the new assessed valuation and other revenue projections. It was decided that the budget meetings would be held on June 26, 28, and 29 at the Public Works Building at 5:30 pm. The regular council meeting will be on June 27.

Manager VanderHamm presented an update on the Baptiste Drive project. Signage, particularly the "road closed to thru traffic" sign has caused some concern among the businesses, so the contractor and the city have added signs that clearly state that there is access to the businesses. However, at times the road has been and will need to be closed for the waterline crossings and that too has caused some heartburn. We are trying to coordinate with the contractor his schedule, in advance, so information can be given to the businesses and citizens, but that does not mean interruptions will be eliminated or heartburn will decrease.

The new City website is scheduled to "go live" on June 23<sup>rd</sup>. All pages on the website will not be completed on that date, but the majority will be working.

Donna Crawford, Clerk Droste, and Manager VanderHamm met this past week to discuss developing another Housing Grant application for the west side. Crawford has agreed to work on a preliminary proposal that will be presented to you shortly. The deadline for housing applications is September 1st. Crawford indicated that our application would have a better chance of success if the majority of homes in the targeted area were single story structures rather than two stories. The reason for this change is that many older two story homes are unable to be brought to HUD Standards within the allowed budget.

The color of the new water tower was discussed. The Council agreed that Paola school colors of black and gold (yellow) be incorporated into the design.

Manager VanderHamm reported that there will be no Study Session on July 4<sup>th</sup> due to the holiday.

Councilmember Hamilton apologized for arriving late to the meeting. He indicated that he serves on a National Committee that represents Postmasters and he presented a 90 minute workshop in Hastings, Nebraska earlier today. He had received a complaint about the light in the new sign of the Christian Church on Peoria Street. This light is incredibly bright at 10:30 pm and is a problem for nearby residences.

Councilmember Pritchard reported that a street light on his block goes on and off at night and needs to be repaired.

Councilmembers Rowlett and Dial had no new business to discuss.

Mayor Stuteville reminded everyone that the Annual Chamber Dinner was Monday, June 19<sup>th</sup> at Evergreen Events.

Mayor Stuteville nominated Jim Shore to serve on the Tree Board. Councilmember Pritchard made a motion to approve the Mayor's appointment of Jim Shore to the Tree Board. The motion was seconded by Councilmember Hamilton and all voted aye.

**Agenda Item 7 - EXECUTIVE SESSION - Executive Session for preliminary discussions relating to the acquisition of real property. K.S.A. 75-4319(B)(6) is the authority for this recess.**

Councilmember Rowlett made a motion to adjourn to Executive Session for 60 minutes for the purpose of discussing personnel matters of non-elected personnel and for the purpose of a consultation with an attorney for the governing body which is deemed privileged in the attorney-client relationship; the regular meeting to reconvene at 8:50 p.m. to include the Governing Body, City Manager, City Attorney, City Engineer/Planner, and City Public Works Director. The motion was seconded by Councilmember Pritchard and all voted aye.

At 8:50 pm, Councilmember Rowlett made a motion to reconvene the adjourned meeting. The motion was seconded by Councilmember Pritchard and all voted aye.

**Agenda Item 7 – ADJOURNMENT.**

With no additional business to come before the Council, Councilmember Hamilton made a motion to adjourn the meeting. Councilmember Dial seconded the motion and all voted aye.

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Artie Stuteville, Mayor

ATTEST: (seal)

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Daniel G. Droste, City Clerk