

**MINUTES OF THE COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O’CLOCK P.M.**

March 26, 2013

**HELD AT THE PAOLA JUSTICE CENTER
805 North Pearl Street in Paola**

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

Council Members present: Mayor Artie Stuteville and Council Members Jim Pritchard, Gee Gee Wilhoite, Leigh House, and Aaron Nickelson.

Council Members absent: None.

Also present: City Manager Jay Wieland, City Clerk Dan Droste, City Attorney Lee Tetwiler, Police Chief Dave Smail, Public Works Director Browning, City Planner Gotfredson, Jay Hastert, Rick Elliott, and Brian McCauley with the Miami County Republic.

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, Wilhoite, House, and Nickelson were present. No one was absent.

Agenda Item 3 - PETITIONS, REMONSTRANCES, AND COMMUNICATIONS: Mayor Stuteville asked the audience if anyone desired to address the Council about any issue that is not an agenda item. No one addressed the Council.

Agenda Item 4 - CONSENT AGENDA:

- a. Approval of minutes of the meeting of March 12, 2013.
- b. Approval of Salary Ordinance 13-6.
- c. Approval of Appropriation Ordinance No 748.
- d. Approval of the renewal of a Retail Liquor License for In Good Spirits

Councilmember Pritchard made a motion to approve the Consent Agenda as presented and authorize the Mayor to sign. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 3 to 0.

Agenda Item 5 - REPORTS OF OFFICERS, BOARDS AND COMMITTEES:

Agenda Item 5a – Consider the renewal of the City’s liability/property/auto insurance policies.

Clerk Droste presented a summary of the renewal premiums from EMC Insurance Company for the City’s property, liability, and automobile insurance coverage. The policy renews on

April 1st and EMC has offered a renewal for the total package in the amount of \$107,133 which represents a \$10,086 or 10.39% increase over the previous year's premium. The breakdown of the premiums are as follows:

<u>Coverage</u>	<u>Current Premium</u>	<u>Renewal Premium</u>	<u>Premium Increase</u>	<u>Percent Increase</u>
Property	\$53,901.00	\$59,347.00	\$5,446.00	10.10%
General Liability	\$7,912.00	\$8,821.00	\$909.00	11.49%
Inland Marine	\$3,928.00	\$4,311.00	\$383.00	9.75%
Auto	\$13,191.00	\$14,595.00	\$1,404.00	10.64%
Umbrella	\$7,773.00	\$8,767.00	\$994.00	12.79%
Linebacker	\$5,202.00	\$5,664.00	\$462.00	8.88%
Law Enforcement	<u>\$5,140.00</u>	<u>\$5,628.00</u>	<u>\$488.00</u>	<u>9.49%</u>
Total Premium	\$97,047.00	\$107,133.00	\$10,086.00	10.39%

Clerk Droste introduced Mr. Rick Elliott and Mr. Jay Hastert of Elliott Insurance Group who explained that although the City's claims experience was very good, the increase in premium was more indicative of the fact that insurance companies are earning very little return on their reserves due to low interest rates, and the number and severity of storms in the Midwest. They went on to explain that other EMC policy holders with less favorable claims experience were seeing as much as a 25% increase in renewal premiums.

Jay Hastert explained that as an Independent Agent, they are able to approach additional insurance companies to see if more affordable coverage is available. None of the other companies that offer municipal coverage were able to compete with the renewal premiums offered by EMC. He explained that EMC specializes in the municipal insurance market and they cover approximately 75% of the municipalities in Kansas.

Mayor Stuteville asked if the City received any credits for the newer buildings and the buildings that have been remodeled. Jay Hastert explained that the values of the remodeled buildings have been updated to reflect the improvements and the City has received credits for items such as sprinkler systems and alarm systems.

Council Member Nickelson asked how future improvements such as the new trails would be covered. Jay Hastert explained that after the improvements are made, the City's property and liability exposures would be evaluated and the policy would be adjusted at that time.

Council Member Nickelson asked what the Linebacker policy covered. Mr. Elliott explained that the Linebacker policy is a professional liability policy.

After additional discussion, Council Member Nickelson made a motion to approve the renewal of the City's liability/property/auto insurance policies through EMC Insurance Companies in the amount of \$107,133.00. The motion was seconded by Council Member Pritchard and all voted aye. The motion passed 4 to 0.

Agenda Item 5b – Consider approval an Ordinance amending sewer rates.

Manager Wieland reported that in March sewer rates are adjusted to insure adequate revenues are available to meet the budgetary expenditures for the fiscal year of the Sewer and Wastewater Treatment Plant Funds. The adjustment is made in March since the sewer volume charges are calculated for residential users based on the average monthly water usage for the months of January and February of each calendar year.

Manger Wieland pointed out that the Governing Body’s decision to pursue the refinancing of the KDH&E loan in 2012 and slightly higher than expected fund balances, staff reviewed the need for an increase in sewer rates for the remainder of fiscal year 2013. Based on those calculations using the new debt service number for 2013 of \$296,958 rather than \$400,000 and slightly higher “ending balances” for the 2012 budget year, staff is suggesting that a more modest increase be considered. He presented an Ordinance that would increase the User Charges Portion of the Monthly Service Charge from \$6.94 to \$7.00 per month and the User Charges Portion of the Volume Charge per 100 Gallons Billed Volume would be increased from \$0.32 to \$0.33. The average residential customer who uses 6,000 gallons of water per month would see an increase of \$0.66 per month. Other options were also discussed, including a higher increase that was included in the 2013 Budget.

Council Member Nickelson asked if by not increasing the sewer rate to the amount included in the 2013 Budget, would the City be facing a larger increase next year. Manager Wieland indicated that the larger increase was not necessary, but there will always potentially be increases in the future to cover increased operational costs as they occur. Manager Wieland noted that the refunding of the bonds was very beneficial in relieving future increases caused by debt payments.

After additional discussion, Council Member Wilhoite made a motion to approve AN ORDINANCE AMENDING TITLE VII. UTILITIES, CHAPTER 715: SEWERS, ARTICLE IV. RATES AND CHARGES FOR WASTEWATER TREATMENT USERS, SECTION 715.240: SCHEDULE OF CHARGES, OF THE MUNICIPAL CODE OF THE CITY OF PAOLA, KANSAS. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0 and the Ordinance was assigned number 3054.

Agenda Item 5c – Report on MDCPUA water rates for 2013.

Manager Wieland reported that at their meeting on March 20th, the Marais Des Cygnes Public Utility Authority (MDCPUA) Board adopted their 2013 Budget which keeps the current water rate to the cities of Paola and Louisburg at \$6.15 per 1,000 gallons. The dry weather in 2012 caused both cities to purchase more water than their required “Take or Pay” amounts. This will allow the City of Paola to keep its current water rate structure for the time being.

Manager Wieland reported that the MDCPUA Board is reviewing the possibility of refinancing debt to take advantage of lower interest rates and lowering annual debt service payments.

Agenda Item 5d – Consider approval of a Street Closure Application for the “Strides for a Find 5K Run/Walk”.

Clerk Droste presented an application for street closure for West Lake Miola Drive on May 11th to accommodate the third annual Strides for a Find 5K Run/Walk.

After additional discussion, Council Member House made a motion to approve the Street Closure Application for the “Strides for a Find 5K Run/Walk” at Lake Miola on Saturday May 11, 2013. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 5e – Discussion regarding the removal of the overhead gas transmission pipeline near the railroad overpass at North Pearl Street near the Paola Justice Center.

Manager Wieland reported that on March 14th, City staff met with representatives from the Sinclair Transportation Company in regard to the removal of the overhead gas transmission pipeline that is located near the railroad underpass on North Pearl Street. The pipeline has not been in active use for more than two years and Sinclair has made the decision to remove the overhead section of the pipeline that crosses North Pearl.

In order to complete the removal of the pipeline in the shortest amount of time and in the safest manner possible, North Pearl Street will need to be closed for the majority of one day. Mobilization of all of the required equipment will be completed on May 13th and at 9:00 am on May 14th the street will be closed until the pipeline structure is completely removed. It is not known how long the process will take, but the street will likely be closed into the early evening. Other options such as keeping one lane of traffic open during the removal process were considered. However, the construction of the pipeline structure is such that it would be difficult to safely remove it in sections while traffic is passing underneath.

North Pearl Street carries a very high volume of traffic and this project will require advance notification of residents and businesses on both sides of the pipeline. In addition, all emergency services will need advance notice to plan advance routes should the need arise. Advance closure messaging signs will be set up in prior to the closure date. A detour route will be planned and appropriate signage will be posted to guide motorists.

Agenda Item 6 – NEW BUSINESS

Clerk Droste reported that sales tax revenues for the month of March totaled \$169,569 bringing the year to date total to \$561,182 which is \$39,797 more than the same time period last year.

Clerk Droste reported that the annual Spring Cleanup is scheduled for Saturday. April 20th.

Public Works Director reported that work on the Grandview Drive improvements are scheduled to begin tomorrow.

Manager Wieland reported that the City has entered into an agreement with the City of Osawatomie for animal shelter services.

Manager Wieland reported that the revised agreement for the lease on the cell tower site at Lake Miola.

Manager Wieland reported that the City of Paola has been invited to join the Highway 169 Coalition to make sure that KDOT continues to fund the 4 lane expansion of the highway through southeast Kansas.

Manager Wieland reported that the Shamrock Club has donated \$600 for signage for the public restrooms and for the alley improvements near the restrooms.

Council Member Pritchard complimented City staff on the City Hall Open House and noted that the event was well attended.

Council Member Nickelson reported that he was contacted about a resident who has issues with cats getting into their trash. Manager Wieland reported that the resident can contact the Police Department to borrow a trap to capture the cats.

Mayor Stuteville asked about a contractor that was working near the schools. Public Works Director Browning noted that the contractor was installing fiber optic lines for AT&T.

Mayor Stuteville asked about the geese at Lake Miola. Public Works Director Browning reported that the “Geese Police” will be working with the City to discourage the geese from living at the lake year round.

Mayor Stuteville reminded everyone to vote on Tuesday, April 2nd.

Agenda Item 7 – ADJOURNMENT

With no additional business to come before the Council, Council Member Wilhoite made a motion to adjourn. Council Member Pritchard seconded the motion and all voted aye. The motion passed 4 to 0.

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk