

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

May 28, 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, Richard Lentz, Blake Heid, Dale Langlar, Flynn Langlar, Beverly Shane, Debbie Beckefeldt, Alan Hire, Elizabeth Sweeney-Reeder, 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.

Richard Lentz thanked the Public Works Department for their assistance in collecting tree limbs from the recent storms. He also complimented the online notification service that is available through the City’s website at www.cityofpaola.com.

Mayor Stuteville welcomed Flynn Langler with Boy Scout Troop 105 who was in attendance with his father.

- Agenda Item 4 - CONSENT AGENDA:**
- a. Approval of minutes of the meeting of May 14, 2013.
 - b. Approval of Salary Ordinance 13-10.
 - c. Approval of Appropriation Ordinance No 752.

Council Member Wilhoite made a motion to approve the Consent Agenda as presented and authorize the Mayor to sign. The motion was seconded by Council Member Pritchard and all voted aye. The motion passed 4 to 0.

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

Agenda Item 5a – Presentation of the 2012 Audit Report by Harold Mayes of Agler & Gaeddert.

Mr. Harold Mayes with Agler & Gaeddert presented the Audit Report for the City of Paola for calendar year 2012. He indicated that the report format has changed from those in previous years due to auditing guidelines. He reported that the opinion of the financial statements for the City is presented on a “Cash Basis” per the Kansas Municipal Audit and Accounting Guide.

Mr. Mayes reviewed the Summary of Receipts, Expenditures Regulatory Basis and Unencumbered Cash for the calendar year 2012. He explained that the cash balance for the General Fund and a most of the other funds did increase during the year. He reported that during 2012 overall cash balances increased by a little over \$1,000,000 which was mostly attributed to the Capital Improvement Project Fund and the General Fund.

Mr. Mayes reviewed the City’s schedule of long term debt and noted that two new bonds were issued during 2012. A general obligation bond was issued to refinance the State Revolving Loan Fund for the construction of the sewer plant and a Public Building Commission Bond was issued to finance the City Hall and Library Renovation Projects. Overall, total outstanding debt increased by approximately \$1.5 million net of principal repayments.

Mr. Mayes reviewed the Statement of Cash Receipts and Expenditures – Actual and Budget. He explained that this is the schedule that the State of Kansas is most interested in as it determines if there are any budget violations for the fiscal year. The schedule indicates that the City had no unfavorable variances with the 2012 Budget.

Mr. Mayes went on to review some of the details of the activity in various funds. After additional discussion, Council Member Pritchard made a motion to accept the 2012 Audit Report from Agler & Gaeddert. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 5b – Consider a “Letter of Engagement” for the 2013 audit.

Manager Wieland presented a proposal from Agler & Gaeddert to prepare the 2013 audit for the amount of \$14,200.00. The proposal represents an increase of \$50.00 over the cost of the 2012 audit.

After discussion, Council Member Nickelson made a motion to approve a Letter of Engagement with Agler & Gaddert to audit the City of Paola for calendar year 2013 in the amount of \$14,200.00. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0.

Agenda Item 5c – Consider a Resolution requesting a waiver from conformance to fixed asset accounting provisions as provided in KSA 75-1120a(c)1.

Clerk Droste presented a Resolution requesting a waiver from conformance with Generally Accepted Accounting Principles for 2013. He reported that pursuant to Kansas Statutes, the City

has the option of preparing all audit reports on a cash basis rather than accounting for the fixed assets of the City.

After discussion, Council Member Wilhoite made a motion to approve A RESOLUTION REQUESTING A WAIVER FROM CONFORMANCE TO CERTAIN PROVISIONS OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. The motion was seconded by Council Member Pritchard and all voted aye. The motion passed 4 to 0 and the Resolution was assigned number 2013-006.

Agenda Item 5d – Consider a request for a street closure for the Paola Heartland Car Show on June 15th.

Manager Wieland presented a request for the Paola Tourism Committee to close the streets around the Park Square for the annual Heartland Car Show on June 15th.

After discussion, Council Member House made a motion to approve the temporary closure of portions of Pearl, Wea, Silver, and Peoria Streets around the Park Square for the Paola Heartland Car Show on June 15th. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

Agenda Item 6 – NEW BUSINESS

Clerk Droste reported that sales tax revenues for the month of May totaled \$188,772 bringing the year to date total to \$895,877 which is \$32,955 more than the same time period last year.

Police Chief Smail reported that the Women’s Defense Training will be held on Saturday, June 8th from 10 am to noon at the Paola High School Gym. Participants can pre-register at www.takedefense.org.

Manager Wieland thanked the Heartland Car Show group, Paola Tourism, Farmers Market and Paola Rotary Club for their donations to replace the public address amplifier at the gazebo in the Park Square.

Council Member House reported that there were many positive comments about the new public restrooms during the Farmers Market last Saturday.

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