

**MINUTES OF THE COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O’CLOCK P.M.
August 12, 2014**

**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, and Leigh House.

Council Members absent: Aaron Nickelson.

Also present: City Manager Jay Wieland, City Clerk Dan Droste, City Attorney Lee Tetwiler, Public Works Director Craig Browning, Police Chief Dave Smail, City Planner Mike Gotfredson, Human Resources Director Vicki Belt, Richard Lentz, 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, and House were all present. Council Member Nickelson 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 regular meeting of July 22, 2014.
 - b. Approval of Salary Ordinance 14-17 and 14-18.
 - c. Approval of Appropriation Ordinance No 782.
 - d. Approval of the Journal Entries Report for July, 2014.
 - e. Approval of the Pledged Securities Report for July, 2014.

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 House and all voted aye. The motion passed 3 to 0.

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

Agenda Item 5a – Public Hearing for and adoption of the proposed 2015 Paola City Budget.

Council Member Pritchard made a motion to open the public hearing on the proposed 2015 Paola City Budget. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 3 to 0.

Mayor Stuteville invited those in attendance to comment on the 2015 Budget. No one addressed the Council.

Council Member Pritchard made a motion to close the public hearing. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Agenda Item 5b – Consider adoption of the 2015 Budget.

Manager Wieland presented the proposed 2015 Budget and reported that the Fiscal Year 2015 budget for the City of Paola totals \$14,816,836. This total includes all transfers and reserves. The 2015 budget is \$230,794 higher than the adopted 2014 fiscal year budget of \$14,586,042. This represents a 1.58% increase between the 2015 and 2014 budgets. The majority of this increase can be found in the General Fund and the Water Utility Fund.

Manager Wieland stated that even with the increase of 1.58% in the proposed 2015 budget, the amount of property taxes needed to fund operations decreased. For the 2015 budget, property taxes provide only 13.36% of all budgetary revenues as compared to 13.61% for the 2014 budget. As noted earlier, the mill levy for the 2015 budget reflects no increase as compared to the 2014 budget. It should be noted, the minor increase in assessed valuation resulted in the city seeing an increase of \$10,095 in property tax revenue for the 2015 budget as compared to the 2014 budgeted amount.

He also explained that the proposed 2015 fiscal year budget reflects \$2,690,618 in “intra-fund” transfers as compared to \$2,637,318 in the 2014 budget. The largest part of this change is due to the transfer of funds from the Wastewater Plant Fund and the Police/Justice Center Capital Improvement Accounts to the Bond and Interest Fund for debt service on special revenue and refunding bonds.

Manager Wieland discussed the Employee Benefits Fund noting that the 2015 budget reflects a salary “Cost of Living” adjustment of 2%. The Merit/Performance Adjustment portion of the employee development program will be funded at the 2% level. The City Council also continued the contribution rate of 78% for employee health insurance and dental insurance benefits for employees who choose the base plan cost option for insurance coverage and for non-tobacco users. For employees that are tobacco users the City’s health insurance contribution will be 58%. For those employees choosing the premium insurance plan option the City’s proposed contribution rate is equal to the base plan coverage cost. The decision to have employees pay a higher portion of the premium health insurance plan helps to offset the differential in the benefits levels especially deductibles and certain prescription drugs, and will allow for more resources to be channeled to the further development of an employee wellness program.

He reported that the 2015 budget is based on a minimum Prior Year Revenue or cash carry over balance for all funds of \$3,112,646 and Appropriated Reserves of \$2,153,191. The Prior Year Revenue total represents 21.00% of the City’s operating funds for the 2015 fiscal year. This is an increase of 2.12% over the 2014 total.

Manager Wieland discussed the utility funds and noted that rates for water service will be re-evaluated in late 2014 to insure operating costs are being met. Sewer rates will increase in 2015 due to the changes in the operational needs and system repairs. A \$0.60 increase in refuse rates is anticipated in September 2014 to meet contractual obligations.

The City Council has chosen to keep the 2015 mill levy at the same rate as the 2014 levy. Manager Wieland presented an example of the breakdown of the tax levy for a residential property appraised at \$100,000 as follows:

	<u>Appraised</u> <u>Value</u>		<u>Residential</u> <u>Ratio</u>		<u>Assessed</u> <u>Valuation</u>		<u>Mill</u> <u>Levy</u> <u>Ratio</u>		<u>Tax</u> <u>Paid</u>
General Fund	\$100,000	x	11.50%	=	\$11,500	x	0.025317	=	\$291.15
Library Fund	\$100,000	x	11.50%	=	\$11,500	x	0.004824	=	\$55.47
Employee Benefits Fund	\$100,000	x	11.50%	=	\$11,500	x	0.006250	=	\$71.86
Bond & Interest Fund	\$100,000	x	11.50%	=	\$11,500	x	<u>0.006928</u>	=	<u>\$79.67</u>
Totals							0.043319		\$498.15

Manager Wieland discussed current staffing needs and noted that no staffing changes are anticipated for Fiscal Year 2015. Staff will continue to explore possible funding options for the addition of a part time animal control officer, a part time code enforcement officer, and a part time receptionist/administrative assistant.

After additional discussion, Council Member Pritchard made a motion to adopt the 2015 Paola City Budget in the amount of \$14,816,836 pursuant to the Notice of Budget Hearing published in the Miami County Republic on July 30, 2014. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Agenda Item 5c – Consider options for the City’s Group Health, Life and Dental Insurance policies.

Human Resources Director Belt reported that the renewal premiums offered by United Health Care for the City’s employee group health insurance plans will be the same as the last contract year. This is the first time in recent memory that the City experienced no increase in these premiums. She also reported that group life insurance premiums offered by Lincoln Life Insurance Company will also remain unchanged, and that dental insurance premiums offered through Delta Dental will increase 5% including enhanced benefits for composite resin fillings.

After additional discussion, Council Member Wilhoite made a motion to approve the proposals for the City’s Group Health Insurance with United Health Care, Group Dental Insurance with Delta Dental, and Group Life Insurance through Lincoln Life as presented. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Agenda Item 5d – Consider bids for a new snow plow for the Street Department.

Public Works Director Browning presented bids for a new snow plow that will be installed on one of the new Street Department pickup trucks. This equipment will increase the number of vehicles that are equipped with snow plows from 4 to 5 and provide better snow removal on narrow streets and in cul-de-sacs. Bids were presented as follows:

- Knapheide Truck Equipment: 8.5 ft. Western Pro Plus - \$5,809.00
- Mynatt Truck and Equipment: 8.5 ft. MEY Snow Plow - \$5,813.05
- Blue Valley Tractor & Supply: 8.5 ft. Hiniker Snow Plow - \$6,291.00

After additional discussion, Council Member House made a motion to approve the bid from Knapheide in the amount of \$5,809.00 for an 8 ½' Pro Plus Western Snow Plow as presented. The motion was seconded by Council Member Pritchard and all voted aye. The motion passed 3 to 0.

Agenda Item 6 – NEW BUSINESS

Public Works Director Browning reported that the new “Welcome to Paola” rock sign will be installed tomorrow at the east end of Baptiste Drive.

Manager Wieland reported that US Senator Pat Roberts will be holding a Town Hall meeting here at the Justice Center on Friday, August 15th at 11:45 am. All are welcome.

Manger Wieland reported that the County has decided to spend a portion of the 0.25% Road and Bridge Sales Tax in each of the Cities. Projects being considered in Paola include improvements to Hedge Lane north of 303rd to the entrance of Cottonwood Elementary and also improvements to the western portion of Industrial Park Drive.

Council Member Pritchard reported that he received communications from a resident regarding stops signs on the intersecting roads of West Wea.

Council Member House stated that she supports the improvements to Hedge Lane near Cottonwood Elementary given the planned construction of new ball fields in the area.

Mayor Stuteville reported that she received compliments regarding the tree trimming around the street lights at Petroleus Park.

Agenda Item 9 – ADJOURNMENT

With no additional business to come before the Council, Council Member Wilhoite made a motion to adjourn. The motion was seconded by Council Member Pritchard and all voted aye. The motion passed 3 to 0.

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk