

**MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O’CLOCK P.M.
March 17, 2015**

**Held in the Municipal Court Room 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, Public Works Director Craig Browning, Police Chief Dave Smail, City Planner Mike Gotfredson, Margaret Gotfredson, and Brian McCauley with the Miami County Republic.

Agenda Item 1 - CALL TO ORDER: A special call meeting of the City Council was called to order by Mayor Stuteville.

Agenda Item 2 - ROLL CALL: Mayor Stuteville and Council Members Pritchard, Wilhoite, House, and Nickelson were all 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 else addressed the Council.

Agenda Item 4 - CONSENT AGENDA:

- a. Approval of minutes of the regular meeting of February 24, 2015.
- b. Approval of Salary Ordinance 15-05.
- c. Approval of Appropriation Ordinance No 798.
- d. Approval of the Journal Entries Report for February, 2015.
- e. Approval of the Pledged Securities Report for February, 2015.

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 – Consider bids for the City’s liability/property/auto insurance policies.

Clerk Droste reported that the City’s liability, property, and auto insurance package through EMC Insurance Companies renews annually on April 1st. Last fall, he was contacted by Arthur J. Gallagher & Company expressing an interest in bidding the City’s insurance package. Arthur J. Gallagher & Company is located in Chicago and one of the largest insurance brokerage firms in the country.

Clerk Droste indicated that Elliott Insurance Group, the City’s current insurance broker, and Arthur J. Gallagher & Company, were invited to solicit competitive bids from competing insurance companies. In an attempt to obtain comparable premium quotes, copies of the existing coverage amounts, limits, and deductibles were provided to each broker and all were asked to bid the coverage as it currently exists. Elliott Insurance Group represented EMC, Traveler’s Insurance Companies, and Berkshire-Hathaway while Arthur J. Gallagher & Company represented Lloyd’s of London and Citizens Insurance Company of America.

Clerk Droste reported that the proposal presented by Arthur J. Gallagher & Company with coverage through Lloyd’s of London has a total premium of \$109,416.00, while the proposal presented by Elliott Insurance Group with coverage through EMC Insurance Companies has a total premium of \$113,721.00.

Without considering EMC’s dividend program, the proposal from Lloyd’s of London is \$4,305.00 less expensive than that of EMC. However, when considering any historical dividend average, EMC’s proposal is less expensive. The history of the dividends that have been paid to the City of Paola from EMC have averaged from \$5,538.28 to \$8,996.36 over the past 7 years.

Clerk Droste also noted that additional consideration could also be given to maintaining a business relationship with a local insurance agency. The renewal premium offered by EMC Insurance Companies is 4.97% lower than the current expiring premium.

After additional discussion, Council Member Pritchard made a motion to approve the bid from EMC Insurance Companies for the City’s liability/property/auto insurance policies in the amount of \$113,721.00, as presented. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 5b – Consider an Ordinance amending Water Utility Rates effective with the utility billing dated 03/31/2015 and rates for Bulk Water Sold by Tank effective 03/31/2015.

Manager Wieland reported that as a result of the increase in the rate that the City purchases water, it is necessary to increase our rates to water users to cover our costs and maintain our infrastructure. He noted that the Marais Des Cygnes Public Utility Authority Board increased water rates to the cities of Paola and Louisburg from \$6.48 to \$6.90 per 1,000 gallons for 2015. He also noted that during 2014, expenditures from the Water Fund were reallocated out of the fund to compensate for revenue shortfalls caused by the lack of water sales due to the wet summer season.

Manager Wieland presented an ordinance that would increase the Water Utility Metered Volume Rate per 100 Gallons Billed Volume from \$0.650 to \$0.730 inside the city limits and from \$0.850 to \$0.930 outside the city limits, effective with the utility billing dated 03/31/2015. Also, the rate for bulk water sold by tank per 50 gallons would increase from \$0.38 to \$0.40, effective 03/31/2015. There will not be any changes to the Monthly Base Charges, which are established by meter size, or to the Water Plant Debt Charge.

Manager Wieland stated that City staff is very conscious that no one is in favor of higher utility rates. For an average household using 6,000 gallons per month, this \$0.08 rate increase would result in an additional monthly charge of \$4.80.

After additional discussion, Council Member Nickelson made a motion to approve AN ORDINANCE AMENDING TITLE VII UTILITIES, CHAPTER 700 WATER DEPARTMENT, ARTICLE II WATER RATES, SECTION 700.250 METERED VOLUME RATES, AND SECTION 700.270 WATER SOLD BY TANK, TO 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 3081.

Agenda Item 5c – Consider an Ordinance amending Sewer Utility Rates effective with the utility billing dated 03/31/2015.

Manager Wieland reporting that in developing the 2015 budget for the City of Paola staff performed an evaluation of the operational needs of the Sewer Fund including revenue levels, fund balances, carryover amounts and the costs of operating, maintaining, and improving the sanitary sewer system. Based on the recalculation of projected operating costs in 2015, staff is recommending that the adjustment to the volume charge per 100 gallons of billed volume be increased from \$0.35 to \$0.38. He noted that the Monthly Service Charge and the Wastewater Treatment Plant Improvement Charge will remain unchanged.

Manager Wieland noted that on a typical sewer bill for a residential unit using 6,000 gallons of water per month the increase would amount to \$1.80 per month. Including the base sewer charge, the new total monthly charge for a residence with 6,000 gallons usage would go from \$44.00 to \$45.80. It should be noted that residential sewer billings for residential units are calculated using the average water usage billed for the two month period from December 15th through February 15th. Commercial and industrial users are billed on their actual monthly water consumption.

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 3082.

Agenda Item 5d – Consider bids for repairs to the dam at Lake Miola.

Public Works Director Browning reported that over the last two years, sloughing has occurred in a couple of different locations on the south side of the dam at Lake Miola. Last year, the

first phase of re-construction and re-compaction was completed and bids have been solicited for the next phase of repairs. He explained how the contractor made repairs last year and also explained the methods that the contractors have proposed for the new repairs. He presented bids for the second phase of repairs as follows:

Harris Excavating	\$38,950.00: 28,085 square feet / \$1.39 per unit
Harris Excavating	\$49,800.00: 39,050 square feet / \$1.27 per unit
Debrick Excavating	\$50,000.00: 79,300 square feet / \$0.63 per unit
Walters Excavating	\$45,000.00: 50,900 Square feet / \$0.88 per unit

Public Works Director Browning noted that the bid from Debrick Excavating included the greatest quantity of materials at the lowest per unit cost. This would provide the most “bang for the buck” by repairing a larger section of the dam.

Council Member Pritchard asked if it would be less expensive to complete all of the repairs at one time rather than completing it in phases. Public Works Director Browning indicated that the contractors were not charging a mobilization fee and that budgetary constraints do not allow for the entire process to be completed at one time.

After additional discussion, Council Member Nickelson made a motion to accept the bid from Debrick Excavating in the amount of \$50,000.00 for repairs to the dam at Lake Miola, as presented. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0.

Agenda Item 6 – NEW BUSINESS

Clerk Droste presented an invitation from USD 368 to attend a ground breaking ceremony at Cottonwood Elementary School on Monday, March 23rd at 9:00 am.

Public Works Director Browning reported that the contractor for the rail road will be closing traffic on Old Kansas City Road at the railroad underpass so that repairs to the railroad bridge could be completed. The closure will take place on Wednesday, March 18th from 11:00 am to 7:00 pm. Improvements are being made to keep the track ballast from falling onto the roadway.

Manager Wieland reported that the city-wide tree limb pick up will take place on Monday, March 23rd. Bundled limbs will be picked up at curbside beginning at 8:00 am.

Manager Wieland reported on amendments to Senate Bill 171 relating to changes in Municipal elections.

Manager Wieland reported that thanks to the Police Department and postings to social media sites, a citation has been issued to the person who has been driving an ATV on the Paola Pathways Trails at Wallace Park.

Manager Wieland thanked the Council for allowing him to travel to Heston to attend the 25th anniversary reflection on the tornado that devastated that community.

Council Member Pritchard noted that he had been asked about the City providing a shredding service for residents. Staff reported that a free shredding service was offered every year at the Kansas Day celebration and that Lakemary Center offers the service on an ongoing basis.

Council Member House inquired about the Firehouse Gym being open to the public for extended hours in the evenings and on weekends. Clerk Droste reported that since staff is not available during those hours, it would be difficult to have the gym open during these times.

Council Member Nickelson congratulated the PHS Girls Basketball Team on their successful season.

Agenda Item 7 – 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 Nickelson and all voted aye. The motion passed 4 to 0.

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk