

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O’CLOCK P.M.
April 14, 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 Gee Gee Wilhoite, Leigh House, and Aaron Nickelson.

Council Members absent: Council Member Jim Pritchard.

Also present: City Manager Jay Wieland, City Clerk Dan Droste, City Attorney Lee Tetwiler, Public Works Director Craig Browning, Police Chief Dave Smail, Richard Lentz, and Brian McCauley with the Miami County Republic.

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

Agenda Item 2 - ROLL CALL: Mayor Stuteville and Council Members Wilhoite, House, and Nickelson were all present. Council Member Pritchard was absent.

Mayor Stuteville reported that Council Member Pritchard was not in attendance as he was accompanying his father on a World Ward II Veterans Honor Flight to Washington DC.

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 March 24, 2015.
 - b. Approval of Salary Ordinance 15-07.
 - c. Approval of Appropriation Ordinance No 800.
 - d. Approval of the Journal Entries Report for March, 2015.
 - e. Approval of the Pledged Securities Report for March, 2015.
 - f. Approval of the renewal of the Drinking Establishment License for Beethoven’s #9 at 110 W Peoria Street.

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 - CONSIDER CERTIFICATE OF ELECTION RESULTS

Clerk Droste presented a statement from Miami County Election Officer, Janet White, certifying the results of the general election held on April 7, 2015 as follows:

<u>Paola Mayor – At Large</u>	
Artie Stuteville	212
Write In	5
<u>Paola City Council – Ward 1</u>	
Jim Pritchard	68
Write In	0
<u>Paola City Council – Ward 3</u>	
Leigh House	45
Write-In	0

Council Member Wilhoite made a motion to accept the certificate of election results naming Artie Stuteville, Mayor; Jim Pritchard, Ward 1; and Leigh House, Ward 3 as the candidates receiving the most votes. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 3 to 0.

Agenda Item 6 – ADJOURN SINE DIE

Council Member Nickelson made a motion to adjourn sine die. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 3 to 0.

Clerk Droste administered the Oath of Office to Mayor Stuteville and Council Member House.

Pastor Jim Hopwood presented an invocation for the new City Council.

Council Member Nickelson made a motion to resume the adjourned meeting. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Mayor Stuteville called the new City Council to order and resumed the adjourned meeting.

Agenda Item 7 – ELECTION OF COUNCIL OFFICERS

Council Member Wilhoite made a motion to nominate Council Member Jim Pritchard as President of the Paola City Council and Council Member Leigh House as Vice President of the Paola City Council. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 3 to 0.

Agenda Item 8 – DESIGNATION OF DEPOSITORIES FOR CITY FUNDS

Council Member Nickelson made a motion to designate Citizens State Bank, Great Southern Bank, First Security Bank, First Option Bank and Landmark National Bank as depositories for City funds. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 3 to 0.

Agenda Item 9 - REPORTS OF OFFICERS, BOARDS AND COMMITTEES:

Agenda Item 9a – Consider a Street Closure Application The Midwest Meltdown Triathlon.

Clerk Droste presented an application for a street closure application for the seventh annual Midwest Meltdown Triathlon at Lake Miola on May 31st. He reported that this is a new date for this event which has previously been held on the same weekend as the Paola Roots Festival. All of the streets surrounding Lake Miola will be restricted to local traffic only during the event which will begin at 7:00 am and conclude prior to noon on race day.

After additional discussion, Council Member Wilhoite made a motion to approve the Street Closure Application for The Midwest Meltdown Triathlon on May 31st as presented. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Agenda Item 9b – Consider approval of the acquisition of a new fire truck.

Manager Wieland presented a purchase contract for the purchase of a 2014 Sutphen SP70 Single Axle Areal Platform Fire Truck in the amount of \$750,000.00. He reported that this vehicle is the same one that was discussed at the last City Council Meeting and the last Work Study Meeting. This vehicle is a demonstrator model with 15,000 miles and comes with a new factory warranty and will be recertified by the factory prior to delivery. The vehicle is being purchased at a discounted price because it is a demonstrator model.

After additional discussion, Council Member Wilhoite made a motion to approve the contract for the purchase of a 2014 Sutphen SP70 Single Axle Areal Platform Fire Truck in the amount of \$750,000.00. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Agenda Item 9c – Consider lease financing options and the approval of an Ordinance authorizing lease financing for the acquisition of a new Fire Truck.

Clerk Droste presented bids from local financial institutions for lease financing for the acquisition of the new fire truck. Bids received were as follows:

Financial Institution	Rate	Fees	APR	Loan Terms
Landmark National Bank	1.690%	\$0.00	1.716%	5 Year Adjustable - 5 Year Treasury + 30 bp
Landmark National Bank	2.890%	\$0.00	2.933%	10 Yr Fixed / 5 Year Adjustable - 5 Year Treasury + 30 bp
First Option Bank	2.250%	\$14.00	2.283%	15 Year Fixed Rate
Arvest Equipment Finance	2.370%	\$0.00	3.003%	5 Year Adjustable - Dallas FHLB 5/5 Term Rate + 200 bp
First Security Bank	3.250%	\$0.00	3.250%	5 Year Adjustable - Wall Street Prime + 0 bp
Citizens State Bank	3.625%	\$0.00	3.625%	15 Year Fixed Rate
Great Southern Bank	4.000%	\$0.00	4.000%	15 Year Fixed Rate

Clerk Droste stated that given the current historic low interest rates, staff recommends that the bid from First Option Bank at 2.25% for 15 year fixed rate financing be accepted. Although a lower adjustable rate was bid by Landmark National Bank, staff does not recommend that the city take on the potential risk of higher interest rates in the later term of the lease.

Clerk Droste also presented an Ordinance authorizing the execution of the lease documents is required to complete this transaction. To insure that the City meets all statutory requirements, including non-appropriation, and IRS requirements concerning non-arbitrage and tax exemption, documents were prepared by the City's Bond Counsel.

After additional discussion, Council Member Wilhoite made a motion to accept the bid from First Option Bank at a rate of 2.25% / 2.283% APR for a 15 year lease to finance the acquisition of a 2014 Sutphen SP70 Single Axle Areal Platform Fire Truck and approve AN ORDINANCE OF THE CITY OF PAOLA, KANSAS, AUTHORIZING THE EXECUTION OF A LEASE PURCHASE AGREEMENT BY THE CITY TO PROVIDE FOR THE ACQUISITION OF A FIRE TRUCK. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0 and the Ordinance was assigned number 3083.

Manager Wieland publicly thanked all of the local financial institutions for their very competitive bids for the financing package for the new fire truck. Council Member Wilhoite recommended that a formal thank you be sent to all of the financial institutions for their bids.

Agenda Item 9d – Consider bids for the sale of surplus equipment from the Public Works Department.

Public Works Director Browning presented bids for the sale of surplus equipment as follows:

Item #1 – 2009 John Deere Skid Steer:	\$3,001.00
	\$8,500.00
	<u>\$15,500.00 – Winning bid</u>
	\$13,251.00
Item #2 – 2004 Bobcat Skid Steer:	\$16,750.00
	\$2,001.00
	\$16,050.05
	\$9,001.00
	<u>\$23,000.00 – Winning bid</u>
	\$14,100.00
Item #3 – 2012 Mid-mount Grasshopper:	\$1,510.00
	<u>\$5,000.00 – Winning bid</u>
	\$3,275.77
	\$2,850.00
Item #4 – 2005 Grasshopper with 1625 hours:	\$1,810.00
	\$4,201.00
	<u>\$4,500.00 – Winning bid</u>
	\$3,275.77
	\$2,850.00
	\$3,625.00

Item #5 – 2005 Grasshopper with 1843 hours:	\$1,810.00
	<u>\$4,601.00 – Winning bid</u>
	\$3,750.00
	\$3,275.77
	\$2,850.00
	\$1,843.00

Public Works Director Browning reported that if accepted, the total of all bids amounted to \$52,601.00 and will be deposited into the Public Works Equipment Reserve Account for future equipment purchases.

After additional discussion, Council Member Wilhoite made a motion to approve the bids for the sale of surplus equipment from the Public Works Department, as presented. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Agenda Item 9e – Consider bids for purchase of mowing equipment for the Public Works Department.

Public Works Director Browning presented bids for the purchase of two new mowers as follows:

- Norris Equipment – Grasshopper 725 DT - \$13,916.14 each
- Blue Valley Tractor and Supply – Grasshopper 725 DT - \$13,994.76 each
- Gerken Rental – Hustler Z - \$12,779.30 each (machine does not meet specs)

Public Works Director Browning reported that since the Hustler brand equipment did not meet specifications, he recommended that the lowest qualifying bid be accepted from Norris Equipment for the purchase of two mowers at \$13,916.14 each.

After additional discussion, Council Member Wilhoite made a motion to approve the bid from Norris Equipment in the amount of \$13,916.14 each for the purchase of two 2015 Grasshopper 72DT mowers. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Agenda Item 9f – Consider approval of an agreement with KC Bobcat for equipment rental.

Public Works Director Browning reported that in the past, the City has purchased and owned one or more skid steers for all types of work. These machines are invaluable to the day to day operation of our department. Service, maintenance and repairs are all part of owning this type of equipment. Since 2009 we have spent over \$30,000 in service jobs and repairs to our 2004 Bobcat skid steer and 2009 John Deere. Bobcat has a program that nearly eliminates these expenses. The City of Paola has the option to lease machines from KC Bobcat with the following advantages:

- Annual Lease which can be terminated at anytime.
- We will always operate a New Machine – Under Full Warranty.
- No Obligation to Purchase.
- Ability to trade up or down at anytime as our needs change.

The equipment that will be included in the proposed lease is as follows:

1. S650 T4 Skid-Steer Tire Loader at \$5,000 per year / 1 year lease.
Will be split over the Street, Parks, Sewer, and Water Budgets
2. S650 T4 Bobcat Compact Track Loader at \$6,000 per year / 1 year lease.
Will be split over the Street, Parks, Sewer, and Water Budgets

After additional discussion, Council Member Wilhoite made a motion to approve the Municipal Roll Out Lease Program Agreement with KC Bobcat for the rental of a S650 T4 Bobcat Skid Steer Loader in the amount of \$5,000 and the rental of a S650 T4 Bobcat Compact Track Loader in the amount of \$6,000. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Agenda Item 9g – Consider approval of an Ordinance extending the City’s Residential Construction Incentive Program through December 31, 2015.

Manager Wieland reported that at the last Work Study Meeting, staff discussed the existing residential construction incentive program. The program is scheduled to expire at the end of April and staff recommends that the program be extended through the end of 2015.

After additional discussion, Council Member Wilhoite made a motion to approve AN ORDINANCE AMENDING A RESIDENTIAL CONSTRUCTION INCENTIVE PROGRAM ORIGINALLY ADOPTED ON MAY 13, 2014, BY ORDINANCE NO 3070. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0 and the Ordinance was assigned number 3084.

Agenda Item 9h – Consider approval an addendum to the agreement with Miami County Fire District No 1.

Manager Wieland presented an addendum to the agreement with the Miami County Fire District No 1. The addendum increases the amount of the reimbursement for rural fire calls from \$25 to \$30 per run. This makes the reimbursement to the City of Paola equal to the reimbursement to the other cities in Miami County by the Rural Fire District.

After additional discussion, Council Member Wilhoite made a motion to approve Addendum #2 to the agreement for the provision of firefighting and other emergency services between Miami County Fire District No 1 and the City of Paola. The motion was seconded by Council Member House and all voted aye. The motion passed 3 to 0.

Agenda Item 10 – NEW BUSINESS

Clerk Droste reported that sales tax revenue for the month of March amounted to \$170,902 which brings the year to date total to \$593,815 which is 3.37% higher than the same time period in 2014.

Clerk Droste reported that the independent auditors began their 2014 audit of the City’s accounts this week. The report should be completed by late May or early June.

City Manager Wieland reported that he and the City Attorney are working on a lease agreement for the placement of communications equipment on the MDCPUA tower.

City Manager Wieland reported that the MDCPUA is working on a refunding of a portion of the bonds used to finance the construction of the new water plant.

City Manager Wieland reported that the 2016 budgeting process will begin soon.

Council Member Wilhoite congratulated Mayor Stuteville and Council Members Pritchard and House for their re-elections. She also asked about the City's Spring Clean-Up which will be held on Saturday, April 25th.

Council Member Nickelson inquired about the status of the repairs to the dam and the construction of the Paola Pathways Trail at Lake Miola. Public Works Director Browning reported that the contractor has not started on the dam repairs but is scheduled to do so very soon. The construction of the first phase of the Paola Pathways Trail at Lake Miola is nearly complete, but the installation of the benches, kiosks, trail markers, and signs is still in process. Additional information was discussed about the Paola Pathways Trails at Wallace Park and at Lake Miola.

Mayor Stuteville inquired about the work in the street on the north side of the Park Square. Public Works Director Browning reported that a leaking water valve was replaced.

Agenda Item 11 – 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 House and all voted aye. The motion passed 3 to 0.

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk