

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O’CLOCK P.M.
May 12, 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, Public Works Director Craig Browning, Police Chief Dave Smail, City Planner Mike Gotfredson, Brandi Lopez, Richard Lentz, Greg Vahrenberg, 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 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.

Mayor Stuteville read and presented a proclamation naming May as Community Action Month.

Agenda Item 4 - CONSENT AGENDA:

- a. Approval of minutes of the regular meeting of April 28, 2015.
- b. Approval of Salary Ordinances 15-09 and 15-10.
- c. Approval of Appropriation Ordinance No 802.
- d. Approval of the Pledged Securities Report for April, 2015.
- e. Approval of the Journal Entries Report for April, 2015.

Council Member House 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 4 to 0.

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

Agenda Item 5a – Consider approval of an Ordinance authoring the refunding of Bonds for the Marais Des Cygnes Public Utility Authority.

Manager Wieland introduced Greg Vahrenberg with Piper Jaffray and Company who presented the results of the offering of refunding bonds for the Marais Des Cygnes Public Utility Authority (MDCPUA). Mr. Vahrenberg explained that the repayment schedule for the original bonds issued by the MDCPUA in 2007 was based on historical growth rates by the Cities of Paola and Louisburg. Due to the recession that affected the housing markets for both cities, these growth expectations were not achieved and the bond repayment schedules have created upward pressure on water rates. This bond restructuring will provide short term relief from escalating repayment schedules by extending the overall payment schedule of the bonds by approximately 5 years.

Mr. Vahrenberg indicated that the current low interest rate environment enhanced the ability of the MDCPUA to successfully restructure the bonds. The new bonds were sold at an average true interest cost of 4.367% which was slightly lower than anticipated. He went on to explain the refunded repayment schedule and other details of the bond issue.

Clerk Droste added that the authorizing Ordinance includes an amendment to the definition of the calculation of the “take or pay” in the Water Supply Agreements of the cities. This was the result of the interpretation of that definition by Standard & Poor’s during the bond underwriting process.

Council Member Nickelson asked about the purpose of bond insurance on the bond issue. Mr. Vahrenberg explained that bond insurance adds an additional level of comfort for investors and results in a lower overall interest rates on the bonds. This lower interest rate on the bonds more than offsets the cost of obtaining bond insurance.

After additional discussion, Council Member Wilhoite made a motion to approve AN ORDINANCE OF THE CITY OF PAOLA, KANSAS, APPROVING THE ISSUANCE OF \$15,380,000 AGGREGATE PRINCIPAL AMOUNT OF THE MARAIS DES CYGNES PUBLIC UTILITY AUTHORITY, MIAMI COUNTY, KANSAS (“AUTHORITY”), WATER FACILITIES REFUNDING REVENUE BONDS, SERIES 2015 TO REFUND A PORTION OF THE AUTHORITY’S WATER FACILITIES REVENUE BONDS, SERIES 2007; AUTHORIZING THE EXECUTION OF ANY NECESSARY DOCUMENTS RELATED TO THE TRANSACTIONS AUTHORIZED HEREIN; AND AMENDING, RATIFYING AND CONFIRMING THE CITY’S ORDINANCE NO. 2949. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0 and the Ordinance was assigned number 3085.

Agenda Item 5b – Consider the approval of a Community Event Permit and Street Closure Application for the annual Heartland Car Show on June 13th.

Manager Wieland reported that due to the growing success of the Car Show, they are requesting an earlier closure for the streets to accommodate set up for the event. This created a conflict with the Farmers Market, but the Car Show organizers were able to work out a solution with the Farmers Market organizers. He reported that the area for the Car Show is larger to accommodate the growing numbers of cars entered in the event. A map of the event was reviewed, including the detour route for traffic on Silver Street.

After additional discussion, Council Member House made a motion to approve the Community Event Permit and Street Closure Application for the annual Heartland Car Show on June 13th as presented. The motion was seconded by Council Member Pritchard and all voted aye. The motion passed 4 to 0.

Discussion regarding the calendar for the preparation of the 2016 Budget.

Manager Wieland presented a calendar for the 2016 Budget process. He reported that meetings with Department Heads will begin later in May and that the Public Hearing for the adoption of the 2016 Budget is anticipated to take place on August 11th. This would allow staff to file the budget documents with the County Clerk's Office by August 25th as required by State Statute.

Agenda Item 6 – NEW BUSINESS

Public Works Director Browning reported that the swimming pool has been filled and is ready for the upcoming season. He also reported that the valley/cutter project at Chippewa and Iron Streets is nearing completion. Also he reported that the Paola Pathways Trails were dressed with a box blade and staff is spraying for poison ivy and preparing for mosquito fogging.

Police Chief Smail reported that “click it or ticket” enforcement will begin next Monday and run through June 2nd.

Manager Wieland reported that Fred Miller with the 1st Baptist Church would like to meet with him to discuss the installation of an ADA crossing between the parking lot at the Fire Station and the Church. He reported that the Church is willing to pay for the improvements.

Manager Wieland reported that the Rural Fire District Board has agreed to purchase the reserve Pumper Truck #1 from the City for \$15,000.00.

Manager Wieland reported on recent legislative activity in Topeka relating to annexation and other bills of interest. He urged the Council to contact our representatives to express our concerns with the proposed legislation.

Council Member Pritchard inquired about the early swimming lesson sign ups. Clerk Droste reported that staff was quite busy on Friday evening, but the volume was much lower on Saturday morning.

Mayor Stuteville inquired about the sidewalk replacement program. Public Works Director Browning reported that there is still sufficient funds in the budget to rebuild 2 more sidewalks if any resident desires to participate yet this year.

Agenda Item 7 – ADJOURNMENT

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

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk