

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O’CLOCK P.M.
June 23, 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, Police Chief Dave Smail, City Planner Mike Gotfredson, Jordan Macfarlane, Cathy Macfarlane, Tommy Downum, David Downum, and Miami County Economic Development Director Janet McRae.

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

Mayor Stuteville presented an amended agenda which included a new Agenda Item 5d – Consider the approval of a Street Closure Application from the First Lutheran Church.

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.

Tommy Downum and Jordan Macfarlane with Boy Scout Troop 103 introduced themselves and stated that they were in attendance for their Citizenship in the Community Merit Badge.

No one else addressed the Council.

Agenda Item 4 - CONSENT AGENDA:

- a. Approval of minutes of the regular meeting of June 9, 2015.
- b. Approval of Salary Ordinances 15-12.
- c. Approval of Appropriation Ordinance No 805.
- d. Approval of the request from USD 368 for the waiver of a building permit fee.

Clerk Droste noted a correction to the draft of the minutes of June 9th. Council Member Pritchard made a motion to approve the Consent Agenda as amended 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 – Presentation of the 2014 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 2014. 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 2014. He explained that the cash balance for the General Fund and a most of the other funds did increase during the year, but overall cash balances decreased by a little over \$1.8 million. The decrease was mostly attributed to payments associated with the completion of the Library Remodeling Project in the Capital Improvement Project Fund and disbursements from the Family Aquatics Center Reserve Fund.

Mr. Mayes reviewed the City’s schedule of long term debt and noted that one new refinancing bond was issued during 2014. Overall, total outstanding debt decreased by \$1.35 million due to 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 2014 Budget.

Mr. Mayes went on to review some of the details of the activity in various funds. He also discussed the potential pension liability for KPERS and that at some point in the future, the State of Kansas may assign an undetermined proportionate share of an estimated \$8.29 billion to each KPERS participating employer.

After additional discussion, Council Member House made a motion to accept the 2014 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 2015 audit.

Clerk Droste presented a Letter of Engagement from Agler & Gaeddert for the 2015 audit. The audit firm proposed a fee of \$14,300 plus out of pocket expenses, the same amount charged for the 2014 audit.

After additional discussion, Council Member Wilhoite made a motion to approve a Letter of Engagement with Agler & Gaddert to audit the City of Paola for calendar year 2015 in the amount of \$14,300 plus costs. The motion was seconded by Council Member Nickelson 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.

Manager Wieland presented a Resolution requesting a waiver from conformance with Generally Accepted Accounting Principles for 2015. 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 additional discussion, Council Member Pritchard 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 Wilhoite and all voted aye. The motion passed 4 to 0 and the Resolution was assigned number 2015-004.

Agenda Item 5d – Consider the approval of a Street Closure Application from the First Lutheran Church.

Manager Wieland reported that this request is identical to the request that was made last year for the Church's vacation bible school. After additional discussion, Council Member Wilhoite made a motion to approve the application from the First Lutheran Church to temporarily close the 400 block of East Piankishaw from July 13th through July 17th from 8:00 am until 12:00 noon. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

Agenda Item 6 - NEW BUSINESS

Manager Wieland reported on the recent passage of the State of Kansas Budget Bills – HB 2109 and SB 270. House Bill 2109 passed a tax limit for cities and counties based on the Consumer Price Index. HB 2109 called for the tax limit to begin on July 1, 2018. The trailer bill, SB 270, was passed subsequent to HB 2109 and also references the tax limit but did not include an effective date. Therefore, the tax limit is set to begin on July 1, 2015 unless the State Legislature corrects the error during the Sine Die Session on June 26th. Janet McRae explained the Consumer Price Index and how that index is calculated. She and Manager Wieland went on to discuss the difficulties of the current legislation and the impact that it may have on the City's 2016 Budget. All were encouraged to call our State elected officials to urge them to attend the Sine Die Session and vote to correct the error.

Manager Wieland reported that the playground equipment in Whitaker Park and Petroleus Park has been painted. He also reported that the City is looking into a company that sells refurbished playground equipment with the same warranties as new equipment. We will explore the possibility of obtaining equipment from this company.

Manager Wieland reported that Lake Miola was very busy over the weekend with the warmer, dry weather.

Manager Wieland reported that the County has been doing a very good job of keeping the City informed on the status of the Jail project. City staff have been invited to attend the weekly construction progress meetings.

Manager Wieland reported that the City of Louisburg did hire a new City Administrator. Nathan Law, the former City Administrator for Kiowa, Kansas, will start at Louisburg on July 27th.

Agenda Item 7 – ADJOURNMENT

Mayor Stuteville announced that at the conclusion of this meeting the Council will hold a work study meeting to discuss the 2016 Budget.

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