

**MINUTES OF THE COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
5:30 O’CLOCK P.M.**

April 28, 2009

**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.

Councilmembers present: Mayor Stuteville, Council Members Pritchard, Dial, Rowlett, and Bell.

Council Members absent: None

Also present: City Manager Wieland, City Clerk Droste, City Attorney Tetwiler, City Planner Gotfredson, Public Works Director Bieker, Deputy Police Chief Poore, Richard Lentz, Harold Mayes with Agler & Gaeddert, 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, Dial, Rowlett, and Bell 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 addressed the Council.

Agenda Item 4 - CONSENT AGENDA

- a. **Approval of minutes of the meetings of April 14, 2009.**
- b. **Approval of Salary Ordinance number 09-08.**
- c. **Approval of Appropriation Ordinance No. 651.**

Mayor Stuteville questioned expenditures for plumbing repairs on the Community Center and the Justice Center. Manager Wieland explained that both were the result of clogged lines from within the buildings. Councilmember Pritchard made a motion to approve the Consent Agenda including the minutes of April 14, 2009, Salary Ordinance No 09-08, and Appropriation Ordinance No 651, and authorize the Mayor to sign. Councilmember Dial seconded the motion and all voted aye. The motion passed 4 to 0.

Agenda Item 5 - REPORTS OF OFFICERS, BOARDS AND COMMITTEES

Mayor Stuteville stated that Harold Mayes with Agler & Gaeddert would be coming to present the 2008 audit. However, as he had not yet arrived to the meeting, agenda items 5a and 5b will be moved to the end of the agenda. The Mayor started the agenda with item 5c.

Agenda Item 5c - Consider a Resolution requesting a waiver from conformance to fixed asset accounting provisions as provided in KSA 75-1120a(c)1.

Clerk Droste presented a Resolution requesting a waiver from conformance to fixed asset accounting provisions as provided in KSA 75-1120a(c)1. He explained that annually, the City must approve the waiver to avoid accounting for fixed assets such as streets, water lines, sewer lines, and other assets.

Councilmember Dial made a motion to A RESOLUTION REQUESTING A WAIVER FROM CONFORMANCE TO CERTAIN PROVISIONS OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. The motion was seconded by Councilmember Rowlett and all voted aye. The motion passed 4 to 0. The Resolution was assigned number 2009-003.

Agenda Item 5d - Consider the renewal of a Conditional Use Permit for 102 S Hospital Drive (One Stop Auto).

Planner Gotfredson presented an Ordinance renewing Conditional Use Permit (CUP) 04-CUP-03. He explained that a public hearing was held by the Planning Commission prior to recommending approval of the renewal. No one at the public hearing spoke in opposition to the renewal and City Staff has reviewed the current business operations for compliance with the existing CUP conditions.

Planner Gotfredson explained that the previous CUP was renewed for three years and he proposed that the CUP be renewed with the existing restrictions but without an expiration date. He stated that this provides the business owner with some level of administrative finality without concerns about turnover in City Staff or the Governing Body. The City would still have the power to revoke the CUP if the business fails to comply with any conditions.

Councilmember Pritchard questioned compliance with the parking restrictions at the corner of the property at the intersection of Wea Street and Hospital Dr. The issue regarding site restrictions at the intersection was discussed at length.

Councilmember Bell questioned the requirement to provide screening from the additional parking to the neighboring residential and institutional uses. Planner Gotfredson explained the current layout of the parking and the existing fence. He indicated that the current fencing satisfies the original intent of the requirement.

Councilmember Bell made a motion to approve AN ORDINANCE RELATING TO ZONING: AUTHORIZING A CONDITIONAL USE PERMIT FOR CERTAIN PROPERTY. The motion was seconded by Councilmember Rowlett and all voted aye. The motion passed 4 to 0. The Ordinance was assigned number 2985.

Agenda 5e - Consider a request to waive the fee for a building permit.

Manager Wieland presented a request from John Scherman of the Miami County Fair Board to waive the Building Permit Fee in the amount of \$69.00 for improvements to one of the buildings at the Fair Grounds.

After discussing the request, Councilmember Pritchard made a motion to approve a request from the Miami County Fair Board to waive the \$69.00 fee for a Building Permit for improvements to a fair grounds building. The motion was seconded by Councilmember Dial and all voted aye. The motion passed 4 to 0.

Mayor Stuteville welcomed Harold Mayes with Agler & Gaeddert to the meeting.

Agenda Item 5a - Presentation of the 2008 Audit Report by Harold Mayes of Agler & Gaeddert.

Harold Mayes with Agler & Gaeddert, Chartered, Certified Public Accountants, presented a summary of the 2008 audit report to the Governing Body.

Mayes directed the Council to the auditor's opinion included in the report. That opinion states that the City is in compliance with the cash basis and budget laws of the State of Kansas. The cash basis and budget laws of the State of Kansas do differ somewhat from generally accepted accounting principles. Mr. Mayes explained that the auditor's opinion for 2008 is an "unqualified opinion" which is the best opinion that an auditor can offer.

Mayes reviewed the Summary of Cash Receipts, Expenditures, and Unencumbered Cash for the calendar year 2008. He explained that the cash balance for the General Fund decreased by approximately \$290,000 and the cash balances in the Special Revenue Funds in total increased approximately \$156,000. The Debt Service fund increase approximately \$170,000 and the Capital Project Accounts also increased by \$2,050,000 primarily due to the receipt of bond proceeds for projects under construction. The cash balances in the Enterprise Funds increased approximately \$260,000. Overall, the total cash balances for the City increased approximately \$3,000,000 primarily due to the balances in the Capital Project Accounts.

Mayes cautioned the Governing Body to be mindful of delinquent tax and utility revenues given the current economic conditions. Higher delinquency rates will create pressures on revenues.

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 2008 Budget. He also reviewed the footnotes to the financial statements including the details of the City's long term debt.

Councilmember Dial questioned the Management Advisory Comments relating to Fraud Risk Assessment. Mayes explained that the purpose of the comment was to draw attention to the risk of fraud to the Governing Body. He explained that the auditor is obligated to look for

fraud during the audit, but it is the obligation of the Governing Body to assess the risk of fraud to the City. He reported that the audit indicated that it did not appear that fraudulent activity was occurring.

After discussing the 2008 Audit Report, Councilmember Pritchard made a motion to accept the 2008 Audit Report from Agler & Gaeddert. The motion was seconded by Councilmember Dial and all voted aye. The motion passed 4 to 0.

Agenda Item 5b - Consider a “Letter of Engagement” for the 2009 audit.

Clerk Droste presented a proposal from Agler & Gaeddert for the 2009 audit. The proposed cost of the 2009 audit is \$13,500 plus out pocket expenses, the same cost as the 2008 audit.

After discussion, Councilmember Dial made a motion to approve a Letter of Engagement with Agler & Gaeddert to audit the City of Paola for calendar year 2009. The motion was seconded by Councilmember Rowlett and all voted aye. The motion passed 4 to 0.

Agenda Item 6 – NEW BUSINESS

Manager Wieland reminded the Council that the Public Officials Meeting with the Kansas Department of Transportation on the K-68 Corridor Master Plan will be held on Thursday, April 30th at the Miami County Administration Building at 5:00 pm.

Manager Wieland presented a proposed timeline for the 2010 Budget process. The initial discussions will begin at the next Council Work Study Meeting on May 5th.

Manager Wieland presented a report from Carol Everhart on the “Bike Across Kansas” event that is coming to Paola. The report indicates that over 800 people from 33 states have signed up for the event. The Chamber of Commerce will coordinate a shuttle service from the camping area to local restaurants so that participants can experience Paola.

Manager Wieland presented a revision to the south elevation of the Fire Station. He reported that drilling for the geothermal wells will begin tomorrow. He also reported that some of the roofing would need to be removed but most would be left in place and covered by the new roof system. The final details on the roof installation would be presented to the Council when the final analysis is completed. Wieland also reported that the Kansas State Historical Society has approved the Fire Department plans.

Manager Wieland invited the Council to an open house to honor Dean Whitaker as he retires from the City of Paola after 31 years of service. The open house will be on Friday, May 8th from 3:00 to 4:00 pm at the Public Works Building.

Manager Wieland presented a property tax calculation summary and comparison between Kansas and Missouri. The comparison covered real and personal property as well as machinery and equipment.

Manager Wieland presented an alert from the League of Kansas Municipalities regarding the swine flu outbreak.

Councilmember Rowlett stated that the Shelter House at Wallace Park needs to be evaluated for improvements.

Mayor Stuteville recommended that Penny Windler be appointed to the Tree Board. Councilmember Rowlett made a motion to approve the Mayor's appointment of Penny Windler to the Tree Board. Councilmember Dial seconded the motion and all voted aye. The motion passed 4 to 0.

Public Works Director Bieker reported that two of the monthly water samples that are sent to the State for testing did test positive for coliform bacteria. A second set of samples was taken and sent for additional testing and all of the additional samples tested negative. However, the City will be required to notify all water utility customers of the positive test. Bieker explained the procedure for obtaining water samples for testing and the customer notification process.

Agenda Item 13 –ADJOURNMENT.

With no additional business to come before the Council, Councilmember Dial made a motion to adjourn. Councilmember Rowlett seconded the motion and all voted aye. The motion passed 4 to 0.

Artie Stuteville, Mayor

ATTEST: (seal)

Daniel G. Droste, City Clerk