

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

May 10, 2011

**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 and Council Members Pritchard, Wilhoite, House, and Minden.

Council Members absent: None.

Also present: City Manager Wieland, City Clerk Droste, City Attorney Tetwiler, City Planner Gotfredson, Public Works Director Browning, Police Chief Smail, Richard Lentz, Harold Mayes with Agler & Gaeddert, and Jesse Kratz from 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, Wilhoite, House, and Minden 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 meeting of April 26, 2011.
- b. Approval of Salary Ordinance 11-09.
- c. Approval of Appropriation Ordinance No 701.
- d. Approval of the Journal Entries Report for April, 2011.
- e. Approval of the Pledged Securities Report for April, 2011.

Councilmember Minden made a motion to approve the Consent Agenda as presented and authorize the Mayor to sign. The motion was seconded by Councilmember 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 2010 Audit Report by Harold Mayes of Agler & Gaeddert.

Harold Mayes with Agler & Gaeddert, Chartered, Certified Public Accountants, presented a summary of the 2010 audit report to the Governing Body.

Mr. 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 reviewed the Summary of Cash Receipts, Expenditures, and Unencumbered Cash for the calendar year 2010. He explained that the cash balance for many of the individual funds, including the General Fund, increased during the year. He reported that there were a few funds that experienced a decrease in unencumbered cash, but that overall cash balances increased during 2010.

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 2010 Budget.

Mr. Mayes noted that the City does have a potential liability of unused employee vacation pay in the amount of \$135,485 and sick pay in the amount of \$101,345. Mr. Hayes stated that although the City would likely not incur a significant liability for these items in any single year, he recommended that the City begin accruing for this future potential liability.

Mr. Hayes went on to discuss the City's debt schedules and other items. After additional discussion, Councilmember Pritchard made a motion to accept the 2010 Audit Report from Agler & Gaeddert. The motion was seconded by Councilmember Minden and all voted aye. The motion passed 4 to 0.

Agenda Item 5b – Consider a “Letter of Engagement” for the 2011 audit.

Manager Wieland presented a Letter of Engagement from Agler & Gaeddert for the 2010 audit. The proposal for the 2011 audit is \$14,000.00 plus out of pocket expenses, an increase of \$400 over the 2010 amount.

After discussion, Councilmember House made a motion to approve a Letter of Engagement with Agler & Gaeddert to audit the City of Paola for calendar year 2011. The motion was seconded by Councilmember Minden 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

Clerk Droste presented a Resolution requesting a waiver from conformance with Generally Accepted Accounting Principles for 2011. 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, Councilmember Wilhoite 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 Councilmember Pritchard and all voted aye. The motion passed 4 to 0 and the Resolution was assigned number 2011-004.

Agenda Item 5d - Consider approval of improvements to the drainage ditches along Baptiste Drive.

Manager Wieland presented a proposal from Walter's Excavating for drainage ditch improvements along Baptiste Drive. He reported that the proposal was for "Phase I" which includes an area east of Hospital Drive as discussed in the Council Work Study Meeting on May 3rd. Councilmember Minden asked if the remaining ditches would be a budgeted item in the 2012 Budget. Manager Wieland indicated that depending on the cost for the additional area, the project could be completed in one or more additional years.

After discussion, Councilmember Pritchard made a motion to accept the bid from Walter's Excavating in the amount of \$47,730.00 for Phase I improvements to the drainage ditches along Baptiste Drive. The motion was seconded by Councilmember Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 5e - Consider adoption of a Policy for Waiving Building Permit Fees.

Manager Wieland presented a Resolution adopting a formal policy for waiving building permit fees as discussed in the Work Study Meeting on May 3rd. The policy would allow for the waiver of building permit fees from the following:

- 1) Entities that have statutory authority to levy local property taxes (these entities shall not include the State of Kansas or the U.S. Federal Government).
- 2) Entities that are primarily funded by entities that have statutory authority to levy local property taxes.
- 3) Individual projects for public recreation facilities that are not located on property owned by the City of Paola.

After additional discussion, Councilmember Minden made a motion to approve A RESOLUTION ADOPTING A POLICY FOR WAIVING BUILDING PERMIT FEES FOR THE CITY OF PAOLA, KANSAS. The motion was seconded by Councilmember Pritchard and all voted aye. The motion passed 4 to 0 and the Resolution was assigned number 2011-005.

Agenda Item 6 – NEW BUSINESS

Clerk Droste reported that the city received a refund from the Kansas Municipal Insurance Trust in the amount of \$8,276 for a refund of the 2010 Workers Compensation premium. He also reported that a dividend was received from EMC Insurance Companies for the 2010 premium in the amount of \$3,358.80.

Planner Gotfredson reported that the City of Paola is currently in 2nd place in the Take Charge Challenge. He indicated that there is plenty of time remaining and programs are in the works to help win the challenge.

Manager Wieland reported that he will be distributing a goals worksheet to the Council as the 2012 budget process gets underway. He will also be sending out a budget timeline so that everyone can plan accordingly.

Manager Wieland reported that rather than passing KPERS legislation this year, the State has instead opted to create a KPERS committee to study the issue and report to the legislature next year.

Manager Wieland reported that bids have been received for the concrete work on the skate park. The issue will be presented for consideration at the next City Council meeting.

Councilmember Minden asked about the left turn arrow at the intersection of Hedge Lane and Baptiste Drive. Public Works Director Browning indicated that he plans to include this issue in the 2012 budget so that the signal can be changed to allow a left turn on green.

Councilmember Minden asked if the yard waste drop off site is being used by non-city residents. Public Works Director Browning stated that there is currently no easy way to stop non-residents from using the facility.

Councilmember Minden noted that he received a complaint about out of area residents utilizing the facilities at Lake Miola. Public Works Director Browning indicated that since it is a public park there is no way to keep out of area residents from using the facilities or giving priority to area residents.

Mayor Stuteville commented on the seeding at the corner of Pearl and Kaskaskia Streets. Public Works Director Browning reported that the area will be re-seeded, but unless the neighborhood children stop playing in the dirt, the seed is not likely to grow.

Agenda Item 7 – ADJOURNMENT.

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

Artie Stuteville, Mayor

ATTEST: (seal)

Daniel G. Droste, City Clerk