

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

July 26, 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, Lee Mott, 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 July 26, 2011.
 - b. Approval of Salary Ordinance 11-14.
 - c. Approval of Appropriation Ordinance No 706.

After a discussion, 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 and discussion about the 2012 Roots Festival.

Lee Mott, President of the Paola Roots Festival Committee, addressed the Council regarding the upcoming 22nd annual Roots Festival. He reported that the festival would be held on August 26th

and 27th. On Friday evening, the featured band will be *Marcia Ball* and on Saturday evening *Tower of Power* will be the headline act. The festival also is the home of the East Central Kansas BBQ Contest.

Mr. Mott reported that the budget for this year's festival is over \$90,000 and the entire event is run by more than 300 volunteers. Single day admission for the festival is \$10 and children 10 and under are free. He reported that a discounted 2 day pass could be purchased in advance for \$17 at First Option Bank.

The Roots Festival Committee is again requesting support from the City for the following:

- 1) Close the streets around the Park Square beginning at 9:00 pm on Thursday, August 25th.
- 2) Place "No Parking" signs for traffic redirected to Piankishaw, Gold and Miami Streets.
- 3) City Police presence equivalent to last year's festival.
- 4) Trash barrels, picnic tables, and barricades with delivery and pick up by city workers.
- 5) Request waiver of any fees associated with the use of the Park Square.

Mr. Mott reported that the Roots Festival Committee has decided not to sell alcohol at the festival; however they do plan to apply for an alcohol consumption license as they have in past years.

Clerk Droste reported that the Roots Festival Committee has submitted all of the required applications for city permits. Official action for street closure will be included on the August 9th City Council Meeting Agenda.

Agenda Item 5b - Consider options for the City's Group Health, Life and Dental Insurance policies.

Manager Wieland reported that the City of Paola offers group health, dental and life insurance benefits to its employees and these group policies will renew on September 1st. The City works with Heritage Benefit Consultants, an insurance brokerage firm, on the management of these programs. The Heritage is responsible for group oversight, plan advice, recommendations on plan design, and the solicitation of insurance renewal quotes.

Our insurance broker attempted to obtain quotes from a number of other insurance carriers. Unfortunately, the other carriers declined to quote our group because they did not feel that they could provide competitive pricing due to our group experience and the current exposure for ongoing claims. United Health Care, the current health insurance provider, has offered renewal options to the City for the upcoming plan year which runs from September 1, 2011 to August 31, 2012.

The City's health insurance committee reviewed the various options available to our group and decided to offer two insurance plans for our employees to choose from. The two plan options not only have differences in the premium amounts but there are also significant differences in the deductible, coinsurance, and out of network benefit levels.

Manager Wieland reported that he and the health insurance committee are recommending renewal terms for each policy are as follows:

Group Health Insurance - United Health Care

<u>Plan #1 (Existing)</u>	<u>Current Premium</u>	<u>Renewal Premium</u>	<u>\$ Change</u>	<u>% Change</u>
Employee only	\$277.26	\$310.73	\$33.47	12.08%
Employee + Child(ren)	\$540.65	\$605.92	\$65.27	12.08%
Employee + Spouse	\$582.23	\$652.55	\$70.32	12.08%
Employee + Family	\$845.63	\$947.74	\$102.11	12.08%

Group Health Insurance - United Health Care

<u>Plan #2 (New Option)</u>	<u>Current Premium</u>	<u>Renewal Premium</u>	<u>\$ Change</u>	<u>% Change</u>
Employee only	\$277.26	\$264.82	-\$12.44	-4.70%
Employee + Child(ren)	\$540.65	\$516.40	-\$24.25	-4.70%
Employee + Spouse	\$582.23	\$556.12	-\$26.11	-4.70%
Employee + Family	\$845.63	\$807.70	-\$37.93	-4.70%

Group Dental Insurance - Delta Dental

<u>Plan</u>	<u>Current Premium</u>	<u>Renewal Premium</u>	<u>\$ Change</u>	<u>% Change</u>
Employee only	\$23.01	\$24.00	\$0.99	4.30%
Employee + Child(ren)	\$44.45	\$46.43	\$1.98	4.45%
Employee + Spouse	\$45.68	\$47.65	\$1.97	4.31%
Employee + Family	\$75.45	\$78.81	\$3.36	4.45%

Group Life Insurance - Lincoln Life

<u>Plan</u>	<u>Current Premium</u>	<u>Renewal Premium</u>	<u>\$ Change</u>	<u>% Change</u>
Employee only	\$4.05	\$4.05	\$0.00	0.0%
Employee + Dependents	\$5.05	\$5.05	\$0.00	0.0%

The renewal premiums offered by United Health Care include a 12.07% increase for the plan that is identical to our existing program and a decrease of 4.70% for the optional plan that the health insurance committee recommended. The premiums for dental insurance will increase between 4.30% and 4.45% depending on the plan. These increases have been incorporated into the Amended 2011 Budget and in the 2012 Budget.

After a discussion, Councilmember Pritchard made a motion to approve the proposals for the City's Group Health Insurance with United Health Care, Group Dental Insurance with Delta Dental, and Group Life Insurance through Lincoln Life as presented. The motion was seconded by Councilmember Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 5c – Consider a request for a street closure for the Kansas State Fire Fighters Regional Fire School on September 10th and 11th.

Clerk Droste reported that the Paola Fire Department is hosting the Kansas State Fire Fighters Association Regional Fire School on Saturday and Sunday, September 10th and 11th. The fire school will be held at the Paola Fire Station. In order to accommodate the outdoor classes and provide for the safety of participants, it will be necessary to close Oak and Walnut Streets between Wea and Peoria Streets. These are the two streets that adjoin the Fire Station property to the east and to the west. The streets will be closed from 6:00 am to 6:00 pm on Saturday, September 10th and from 6:00 am to 2:00 pm on Sunday, September 11th.

After a discussion, Councilmember Minden made a motion to approve the temporary closure of Oak and Walnut Streets between Peoria and Wea Streets adjacent to the Paola Fire Station on

September 10th and 11th for the Kansas State Fire Fighters Regional Fire School. The motion was seconded by Councilmember Pritchard and all voted aye. The motion passed 4 to 0.

Agenda Item 5d - Adoption of the 2011 Uniform Public Offense Code.

Manager Wieland presented an Ordinance adopting the 2010 Uniform Public Offense Code (UPOC) with omissions. He reported that this adopting ordinance is similar to the adopting ordinance approved in previous years.

City Attorney Tetwiler reported that there was some urgency in adopting the 2011 Uniform Public Offense Code and the 2011 Standard Traffic Ordinance as recent changes in State Statutes pertaining to DUI offenses became effective on July 1st. He complimented the League of Kansas Municipalities for making these documents available so quickly.

After a discussion, Councilmember Wilhoite made a motion to approve AN ORDINANCE AMENDING SECTION 205.005 OF THE CODE OF THE CITY OF PAOLA, KANSAS, 2009, REGULATING PUBLIC OFFENSES WITHIN THE CORPORATE LIMITS OF THE CITY OF PAOLA, KANSAS; INCORPORATING BY REFERENCE THE "UNIFORM PUBLIC OFFENSE CODE FOR KANSAS CITIES, EDITION OF 2011", WITH CERTAIN OMISSIONS; AND AFFIRMING THAT SECTION 205.240 CRIMINAL USE OF WEAPONS OF THE CODE OF THE CITY OF PAOLA, KANSAS, 2009 IS NOT AMENDED, MODIFIED OR REPEALED. The motion was seconded by Councilmember House and all voted aye. The motion passed 4 to 0 and the Ordinance was assigned number 3033.

Agenda Item 5e - Consider Adoption of the 2011 Standard Traffic Ordinance.

Clerk Droste presented an Ordinance adopting the 2010 Standard Traffic Ordinance with omissions and amendments.

After a discussion, Councilmember Pritchard made a motion to approve AN ORDINANCE AMENDING SECTION 300.010 OF THE CODE OF THE CITY OF PAOLA, KANSAS, 2009, INCORPORATING BY REFERENCE THE "STANDARD TRAFFIC ORDINANCE FOR KANSAS CITIES, EDITION OF 2011", WITH CERTAIN OMISSIONS AND AMENDMENTS; AND AFFIRMING THAT SECTION 305.070 OPERATION OF GOLF CARTS OF THE CODE OF THE CITY OF PAOLA, KANSAS, 2009, IS NOT AMENDED, MODIFIED OR REPEALED. The motion was seconded by Councilmember Minden and all voted aye. The motion passed 4 to 0 and the Ordinance was assigned number 3034.

Agenda Item 5f - Consider 2012 Budget Notice of Public Hearing to be set for August 9, 2011.

Manager Wieland presented a summary of the 2012 proposed budget. He stated that that proposed 2012 budget provides a fiscally sound financial plan that will continue programs and practices that support the quality of life that will attract and retain good residents and businesses. This plan includes:

- Creating a structural balance in the budget to help minimize any need to draw on cash reserves for operational expenditures

- Strengthening Appropriated Reserves where possible within the various funds as a means to rebuild cash reserves
- Continuing to designate funding to protect the City's assets for:
 - Park maintenance and repair
 - Street and sidewalk maintenance
 - Equipment repair and maintenance
 - Technology replacement
 - Employee development

Manager Wieland went on to say that the 2012 budget process was again a challenge as revenues continue to be a concern. The City's assessed valuation for the 2010 budget decreased by .89% and continued to drop with a 2.35% decrease in assessed value for the 2011 budget. The assessed valuation for the 2012 budget reflects a decrease of 1.39%. For the three budget years of 2010, 2011 and 2012 the assessed valuation of the City of Paola has decreased by 4.63%. The impact of that percentage of decrease in the assessed valuation means that one mill of property taxes levied in 2012 generates approximately \$2,233 less than it did in the 2009 budget year. When applied to the average mill levy rate of 40.374 mills for the City's last two fiscal year budgets the 2012 budget would have reflected a decrease of \$90,155 in operational revenues as compared to the revenues generated in the 2009 budget year. Property taxes levied for all of the City's ad valorem tax supported funds comprise just 13.94% of the City's total budgeted revenues.

The proposed Fiscal Year 2012 budget for the City of Paola totals \$13,757,292. This total includes all transfers and reserves. The proposed 2012 total budget is \$601,687 more than the 2011 budget total of \$13,155,605. For the proposed Fiscal Year 2012 budget the property tax levy is 41.225 mills which is an increase of 0.815 mills. Even with the increase in the mill levy for 2012 the total property tax revenues generated will be less than the amount produced by the lower 2011 mill levy. Manager Wieland went on to point out the following items that are included in the 2012 Budget:

- A slight increase in the property tax levy rate (from 40.410 mills to 41.225).
- A cost of living adjustment of 2% for employees in 2012 following 2 years of no increases.
- One of two vacant patrol officer positions in the Police Department will be filled in August of 2011 but the second position will remain unfilled for the remainder of 2011. In the 2012 budget year the remaining vacant patrol officer position will be filled.
- The part-time dispatcher position in the Police Department which is currently vacant will not be filled for the remainder of 2011 and will be eliminated from the 2012 budget.
- The City's health insurance coverage will increase by 12.08% for the 2011-2012 plan year. The new premium amount includes a slight modification to the amount paid by the plan for prescription drugs. The budget reflects substantial increases in the Employee Benefit Fund line items for retirement benefit costs and unemployment insurance charges. Implementation for a reserve account to pay for the accrued benefit costs for vacation and sick leave of separated employees as recommended by the City's auditor has been included in the Employee Benefit Fund as a line item for the 2012 budget.
- A rate increase for the Health & Sanitation Funds will need to be made in September of 2011 and again in September of 2012. The rates for the Sewer Fund, the Wastewater Plant, and the Water Utility Fund will also need to be increased in 2012.

After a discussion, Councilmember Pritchard made a motion to approve the proposed 2012 Budget for publication at \$13,757,292 and set August 9, 2011 as the date for the budget public hearing. The motion was seconded by Councilmember Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 6 – NEW BUSINESS

Clerk Droste reported that July sales tax revenues amounted to \$184,852. He also presented information on the Lakemary Center Miami County Wellness & Safety Expo scheduled for August 6th. He also reminded the Council that the Miami County Fair Parade is scheduled for tomorrow at 7:00 pm.

Manager Wieland reported that the skate park equipment is scheduled for delivery in mid August. He reported that a dedication would be planned once the weather cools down a little bit.

Councilmember Minden reported that a yield or stop sign is missing at the intersection of Kaskaskia and Brayman. He also reported a complaint regarding trash at 809 E Kaskaskia. He also asked about the no parking signs for Dewey Street.

Councilmember House asked about the increases in the water rates that were included in the 2012 budget and what that would do to water bills. Manager Wieland indicated that the average resident with 6,000 gallons usage could anticipate a \$3 per month increase.

Mayor Stuteville asked about the water pressure issue on Tower Street. Manager Wieland reported that progress has been made on this issue, but the water department continues to work to improve the situation.

Mayor Stuteville asked about the termite treatment at City Hall and asked when the old police station was scheduled to be demolished. Manager Wieland stated that the old police station would be torn down in October or November, after the Public Works Department completes its summer projects.

Agenda Item 7 – ADJOURNMENT.

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

Artie Stuteville, Mayor

ATTEST: (seal)

Daniel G. Droste, City Clerk