

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

May 8, 2012

**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 Clouse.

Council Members absent: None.

Also present: City Manager Wieland, City Clerk Droste, City Attorney Tetwiler, Police Chief Smail, City Planner Gotfredson, Richard Lentz, Harold Mayes, 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, Wilhoite, House, and Clouse 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 24, 2012.
- b. Approval of Salary Ordinance 12-09.
- c. Approval of Appropriation Ordinance No 726.
- d. Approval of the Journal Entries Report for April, 2012.
- e. Approval of the Pledged Securities Report for April, 2012.

Councilmember Wilhoite made a motion to approve the Consent Agenda as presented and authorize the Mayor to sign. The motion was seconded by Councilmember House 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 2011 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 2011. He reported that the opinion of the financial statements for the City is presented on a “Cash Basis” per the Kansas Municipal Audit.

Mr. Mayes reviewed the Summary of Cash Receipts, Expenditures, and Unencumbered Cash for the calendar year 2011. He explained that the cash balance for the General Fund and a few others decreased slightly during the year. He reported that there were several funds that experienced a increase in unencumbered cash, and that overall cash balances increased by approximately \$270,000 during 2011.

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 2011 Budget.

Mr. Mayes went on to review some of the details of the activity in various funds. After a discussion, Councilmember Pritchard made a motion to accept the 2011 Audit Report from Agler & Gaeddert. The motion was seconded by Councilmember Wilhoite and all voted aye. The motion passed 4 to 0 and the Ordinance was assigned number 3045.

Agenda Item 5b – Consider a “Letter of Engagement” for the 2012 audit.

Manager Wieland presented a proposal from Agler & Gaeddert to prepare the 2012 audit for the amount of \$14,150.00. The proposal represents an increase of \$150.00 over the cost of the 2011 audit.

After a discussion, Councilmember House made a motion to approve a Letter of Engagement with Agler & Gaeddert to audit the City of Paola for calendar year 2012. The motion was seconded by Councilmember Pritchard 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 2012. 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 a 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 Clouse and all voted aye. The motion passed 4 to 0 and the Resolution was assigned number 2012-004.

Agenda Item 6 – NEW BUSINESS

Clerk Droste presented a reported that sales tax revenue totaled \$156,537 for the month of April, making the year to date total \$677,922. Year to date sales tax revenue is just slightly less than the same period in 2011.

Clerk Droste reported that the City received a \$4,480.41 dividend from EMC Insurance Companies.

Clerk Droste reminded the Council about the Miami County K-68 Kickoff Meeting sponsored by KDOT on Wednesday, May 16th from 3:00 to 5:00 pm and the Paola Justice Center. He also reminded the Council about the Chamber of Commerce Annual Dinner on Thursday, June 7th.

Manager Wieland reported that the Kansas Legislature is nearing a vote on Senate Bill 59 which could change the classification of some real property to machinery and equipment. This would have a devastating effect on assessed valuation of all municipalities and counties across the state. He went on to discuss the details of SB59 and encouraged the Council to contact Senator Pat Apple and Representative Jene Vickery to vote against the bill.

Manager Wieland reported that City Staff and the contractor met with Kristen Johnston from the Kansas Historical Society to discuss the tax credits for the City Hall project. He reported that the City could realize as much as \$150,000 in additional funds from the sale of the tax credits which would provide for the addition of a ground source HVAC system for City Hall.

Councilmember Pritchard reported that he has been getting a lot of calls about the elimination of the tree limb drop off area at Public Works. The issue was discussed at length.

Councilmember Pritchard reported that 33 Circle Drive and 2 W Chippewa have very tall grass and a house of 5 Morningside Drive that has a lot of junk and trash in the back yard. He also reported that at the corner of Morningside and Hillcrest, the backfill dirt had settled and Public Works needs to follow up.

Councilmember Pritchard asked about the Comfort Station near the shelter house at Wallace Park was locked the other day. Public Works Director Browning reported that it is locked overnight and that staff must have forgotten to unlock it that morning.

Councilmember Pritchard asked about the rest rooms at Lake Miola. Public Works Director Browning reported that it was necessary to close the rest rooms due to a pump failure. The pump has since been replaced and the old pump has been sent to be repaired for a backup.

Mayor Stuteville inquired about the dead trees along Baptiste Drive. Public Works Director Browning reported that there were several along Baptiste and at the Justice Center that would be replaced.

Agenda Item 7 – EXECUTIVE SESSION

Councilmember Pritchard made a motion to adjourn to Executive Session, to include the Mayor, Council, City Manager, City Clerk and City Attorney, for 15 minutes for purpose of a consultation with an attorney for the governing body which is deemed privileged in the attorney-client relationship. K.S.A. 75-4319(B)(2) is the authority for this recess; the regular meeting to reconvene at 7:15 p.m. The motion was seconded by Councilmember Wilhoite and all voted aye. The motion passed 4 to 0.

At 7:15 pm, Councilmember Wilhoite made a motion to reconvene the adjourned meeting. The motion was seconded by Councilmember House and all voted aye. The motion passed 4 to 0.

Councilmember House made a motion to adjourn to Executive Session, to include the Mayor, Council, City Manager, City Clerk and City Attorney, for an additional 45 minutes for purpose of a consultation with an attorney for the governing body which is deemed privileged in the attorney-client relationship. K.S.A. 75-4319(B)(2) is the authority for this recess; the regular meeting to reconvene at 8:00 p.m. The motion was seconded by Councilmember Wilhoite and all voted aye. The motion passed 4 to 0.

At 8:00 pm, Councilmember Wilhoite made a motion to reconvene the adjourned meeting. The motion was seconded by Councilmember Pritchard and all voted aye. The motion passed 4 to 0.

No action was taken pursuant to the Executive Sessions.

Agenda Item 8 – ADJOURNMENT

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

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk