

**MINUTES OF THE COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O'CLOCK P.M.
May 24, 2016**

**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 Planner Mike Gotfredson, Police Chief Paul Jokerst, and Harold Mayes with Aggler & Gaeddert, Chartered.

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 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. No one addressed the Council.

Agenda Item 4 - CONSENT AGENDA:

- a. Approval of minutes of the meeting of May 10, 2016
- b. Approval of Salary Ordinance 16-10.
- c. Approval of Appropriation Ordinance No 828.

Council Member Wilhoite made a motion to approve the Consent Agenda as presented and authorize the Mayor to sign. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

Agenda Item 5 – REPORTS OF OFFICERS, BOARDS AND COMMITTEES:

Mayor Stuteville announced that discussion and action on agenda items 5a and 5b would be deferred to the end of the agenda.

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 2016. 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 2016-007.

Agenda Item 5d – Consider the approval of a Street Closure Application from the Paola United Methodist Church.

Clerk Droste reported that the Paola United Methodist Church filed an application requesting a temporary street closure of Mission Street to accommodate their annual church picnic. The event is scheduled for Sunday, 5th from 8:00 am to 2:00 pm. The church owns all of the property on the south side of Mission Street and the County Courthouse is located on the north side of the same street. No other businesses or residents are affected. The east end of Mission Street is already closed due to the construction at the new County Detention Center.

Council Member Pritchard made a motion to approve the application from the Paola United Methodist Church to temporarily close West Mission Street between Silver and Pearl Streets on June 5th from 8:00 am until 2:00 pm. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 5e – Consider approval a Charter Ordinance changing Municipal Elections from April to November.

Manager Wieland presented a Charter Ordinance in response to HB 2104 which changes municipal elections from April to November. The proposed Charter Ordinance provides for the following:

- The repeal of Charter Ordinances Nos 1, 2, and 6 which are related to the issues.
- Reaffirms that the City of Paola operates under the mayor-manager-council form of government.
- Existing terms of elected officials that expire in April, 2017 are extended to the second Monday in January, 2018.
- Existing terms of elected officials that expire in April, 2018 are extended to the second Monday in January, 2019.
- General elections will take place on the Tuesday following the first Monday in November, 2017 and every year thereafter.
- All elected offices have terms of 2 years.
- 4 Wards with one Council Member elected from each Ward with residency requirements as they currently exist.
- The general election for Mayor and Council Members from Ward 1 and Ward 3 will be held in odd numbered years.
- The general election for Council Members from Ward 2 and Ward 4 will be held in even numbered years.
- All elections for the City of Paola, Kansas shall be nonpartisan.
- In lieu of paying the \$20 filing fee, a nomination petition signed by 50 qualified electors of the City may be submitted.

Clerk Droste noted that a Charter Ordinance differs from a regular Ordinance in that:

- A two-thirds majority of the Governing Body, including the Mayor, is required for passage.
- A Charter Ordinance must be published for 2 consecutive weeks after adopted by the Governing Body.
- The Charter Ordinance does not go into effect until 61 days after the date of the second publication.
- During the 61 days after the date of the second publication, the electorate may file a petition requiring a referendum on the Charter Ordinance.
- After the 61 days has expired, and no protest petition has been filed, the Charter Ordinance is filed with the Office of the Secretary of State for the State of Kansas.

After additional discussion, Council Member Nickelson made a motion to approve A CHARTER ORDINANCE EXEMPTING THE CITY OF PAOLA, KANSAS, FROM THE PROVISIONS OF L. 2015, CH. 88, SEC. 11, RELATING TO THE CITY MANAGER FORM OF GOVERNMENT AND REPEALING CHARTER ORDINANCE NOS. 1, 2, AND 6. The motion was seconded by Council Member House and all voted aye. The motion passed 5 to 0 and the Charter Ordinance was assigned number 20.

Agenda Item 5f – Discussion regarding the calendar for the preparation of the 2017 Budget.

Manager Wieland presented a calendar for the 2017 Budget process. He reported that meetings with Department Heads will begin early in June and that the Public Hearing for the adoption of the 2017 Budget is anticipated to take place at a Special Meeting on August 16th. This would allow staff to file the budget documents with the County Clerk's Office by August 25th as required by State Statute.

Agenda Item 6 – NEW BUSINESS

Clerk Droste reported that sales tax revenue for the month of May totaled \$206,462 bringing the year-to-date total to \$974,446.

Manager Wieland reported that the micro-resurfacing project on Peoria Street was rescheduled to begin on Thursday, weather permitting.

Manager Wieland reported that the City's insurance carrier has settled the pending litigation on the Feuge Case.

Mayor Stuteville inquired about a potential nomination for the Planning Commission. City Planner Gotfredson indicated that he visited with the individual and her employer has asked her not to consider the appointment.

Mayor Stuteville indicated that progress is being made on the Thompson property but they still have a lot to complete.

Agenda Item 5a – Presentation of the 2015 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 2015. 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 2015. He explained that the unencumbered cash balance for all funds decreased by a little over \$387,000 from \$5,977,278 at the beginning of the year to \$5,590,057 at year end. The decrease was distributed over all funds including a decrease of \$118,897 in the General Fund from \$770,316 to \$651,437.

Mr. Mayes reviewed the City's schedule of long term debt and noted that one new refinancing bond was issued during 2015. Overall, total outstanding debt decreased by \$1.6 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 2015 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 KP&F. He noted that as of December 31, 2015 the City's proportionate share of the collective net pension liability reported to KPERS was \$1,262,242 and \$1,324,460 for KP&F

After additional discussion, Council Member Pritchard made a motion to accept the 2015 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 2016 audit.

Clerk Droste presented a Letter of Engagement from Agler & Gaeddert for the 2016 audit. The audit firm proposed a fee of \$14,450 plus out of pocket expenses.

Council Member House made a motion to approve a Letter of Engagement with Agler & Gaeddert to audit the City of Paola for calendar year 2016 in the amount of \$14,450.00 plus costs. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

Agenda Item 7 – ADJOURNMENT

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

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk