

**MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O'CLOCK P.M.
August 16, 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 Council Vice President Nickelson presiding.

Council Members present: Mayor Artie Stuterville, 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, Public Works Superintendent Kirk Rees, Chief of Police Paul Jokerst, Judith Keller, and Brian McCauley with the Miami County Republic.

CALL TO ORDER: The special council meeting was called to order by Mayor Stuterville.

ROLL CALL: Mayor Stuterville and Council Members Pritchard, Wilhoite, House, and Nickelson were all present. No one was absent.

Agenda Item 1 - Public Hearing for and adoption of the proposed 2017 Paola City Budget.

Council Member Wilhoite made a motion to open the public hearing on the proposed 2017 Paola City Budget. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0.

City Manager Wieland presented a summary of the highlights of the proposed 2017 Budget:

- The proposed 2017 budget totals \$14,860,332 which represents an increase of \$171,347 over the adopted 2016 budget of \$14,688,985.
- The proposed 2017 budget reflects an increase to the mill levy of 1.932 mills. The total mill levy for all city funds will be 45.534 mills.
- The mill levy increase is allocated to the General Fund and the Library Fund. Both of these funds have been either held level or slightly decreased for the last several years.
- There is no mill levy increase allocated to the Employee Benefit Fund or the Bond and Interest Fund. There is no anticipation of issuing any new debt that would be funded through the Bond and Interest Fund in 2017 even though some consideration may be given to issuing temporary notes in late 2017 depending on the status of transportation system improvements (Hedge Lane, Industrial Drive, and Iron Street).

- The expense of increased employee benefits (health insurance, KPERS, KP&F, and Workers Compensation) paid from the Employee Benefit Fund will be covered from existing cash reserves in that fund.
- The proposed 2017 budget includes a 2% COLA and a 2% merit pay pool. These are necessary components of a competitive compensation program that will help the city recruit and retain highly qualified and highly motivated employees.
- Some fees for services provided by General Fund expenditures will be increased to either fully fund the costs of those services or at least substantially help with paying the costs of manpower related to those activities. These include some cemetery fees, licensing fees, and recreational fees.
- The proposed 2017 budget does anticipate slight rate adjustments for the sewer and water funds as well as the Health & Sanitation Fund. No increase is anticipated for the Storm Water Fund.
- An attempt was made in the preparation of the 2017 budget to increase the city's cash carryover/ reserve fund ratios. This was accomplished in the majority of the city's funds for the proposed budget. One notable exception to that is the General Fund which reflects a decrease of 1.57% in reserve levels.
- The proposed budget allows for equipment upgrades in several departments and the replacement of 4 police patrol vehicles and the replacement of the sewer vac truck. In addition, the budget allows for increased transfers to both the MERF and CIP funds.
- As proposed the 2017 budget will allow for continuation of the street improvement and sidewalk replacement programs as well as continuation of the Osage Street water main replacement project and the fire hydrant replacement program. Money has also been allocated for the first phase of the development of a disc golf course and the layout of a "pickle ball court".
- No additional fulltime positions are included in the 2017 proposed budget but an increase in part time employees for the Library has been funded as well as the addition of one more volunteer firefighter.
- All departmental budget requests were carefully reviewed with an emphasis toward providing the most effective services in the most efficient manner. Thus the 2017 proposed budget reflects several line item reallocations or reductions.
- The budget proposals submitted by department heads reflected the common theme of fiscal conservatism with an eye to future needs and changing service demands. The challenge going forward will be to continue to get the most out of the resources that are available. This will require a constant re-tooling and evaluation of programs and service delivery strategies.
- The 2017 proposed budget recognizes the need to continue investment in technology and to better utilize existing technology to communicate the city's programs and services.
- Reflected in the proposed budget is the continuation of support for our economic development partners through the funding of the Chamber of Commerce, the funding for Convention and Tourism grant activities, and funding for the Miami County/City of Paola mini-grant program.

Mayor Stuteville asked if there was anyone else in attendance that would like to address the Council in regard to the 2017 Budget. No one else asked to speak.

Council Member Pritchard made a motion to close the public hearing. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

Agenda Item 2 - Consider adoption of the 2017 Budget.

Pursuant to the discussion during the Public Hearing, Council Member House made a motion to adopt the 2017 Paola City Budget in the amount of \$14,860,332 pursuant to the Notice of Budget Hearing published in the Miami County Republic on August 3, 2016. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 3 - Consider adoption of an Ordinance attesting to an increase in tax revenues for budget year 2017.

Council Member Pritchard made a motion to approve AN ORDINANCE ATTESTING TO AN INCREASE IN TAX REVENUES FOR BUDGET YEAR 2017 FOR THE CITY OF PAOLA, KANSAS. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 4 to 0 and the Ordinance was assigned number 3099.

Agenda Item 4 - 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