

**MINUTES OF THE COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O'CLOCK P.M.
June 9, 2020**

With Council in-person at 202 E Wea and Public to join by Zoom

The Governing Body of the City of Paola, Kansas, met with Mayor Stuteville presiding.

Council Members present: Mayor Artie Stuteville and Council Members Dave Smail, Trent Upshaw, Leigh House and Aaron Nickelson.

Council Members absent: None

Also present: City Manager Sid Fleming, Assistant City Manager Randi Shannon, City Clerk Stephanie Marler, Public Works Director Kirk Rees, Police Chief Don Poore, Harold Mayes with Agler & Gaeddert, Janet McRae with Miami County Economic Development, LeAnne Shields and others

CALL TO ORDER: The regular council meeting was called to order by Mayor Stuteville.

ROLL CALL: Mayor Stuteville and Council Members Smail, Upshaw, House and Nickelson were all present.

Agenda Item 1 - CONSENT AGENDA

- a. Approval of minutes of the meeting of May 12, 2020.
- b. Approval of Salary Ordinances 20-10 and 20-11
- c. Approval of Appropriation Ordinances 927 and 928.
- d. Approval of the Pledged Collateral Report for May 2020.
- e. Approval of the Journal Entries Reports for May 2020.
- f. Approval of the Renewal of a drinking establishment license for El Potro Mexican Café at 602 N Pearl.
- g. Approve the extended premises for Papa C's BBQ Bar and Grill at 807 S Silver contingent upon State of Kansas approval.
- h. Approve a leak allowance for Doug Slawson at 4 Sunset Lane in the amount of \$101.38

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

Agenda Item 2 - COMMENTS FROM THE PUBLIC:

Agenda Item 3 – NEW BUSINESS

Agenda Item 3a – Audit Items

i. Presentation of the 2019 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 2019. 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 discussed the potential pension liability for KPERS and KP&F. He noted as of December 31, 2019, the City’s proportionate share of the collective net pension liability reported to KPERS was \$1,389,868 and \$1,633,127 for KP&F.

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 2019 Budget.

With no further discussion Council Member Smail made a motion to accept the 2019 Audit Report from Agler & Gaeddert. The motion was seconded by Council Member Upshaw and all voted aye. The motion passed 4 to 0.

ii. Consider a Letter of Engagement for the 2020 audit.

Mr. Mayes presented a Letter of Engagement from Agler & Gaeddert for the preparation of the 2020 audit. The audit firm proposed a fee of \$15,400 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 2020 in the amount of \$15,400.00 plus costs. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

iii. Consider a Resolution requesting a waiver from conformance to fixed asset accounting provisions as provided in KSA 75-1120a(c)1.

Clerk Marler presented a Resolution requesting a waiver from conformance with Generally Accepted Accounting Principles for 2020. she reported 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.

Council Member Upshaw 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 Smail and all voted aye. The motion passed 4 to 0 and was given Resolution No. 2020-010.

Agenda Item 3b – Consider a Resolution fixing the time and place for a public hearing to consider the creation of a community improvement district.

Manager Fleming noted Highlands Development LLC has been working with the City of Paola on a Redevelopment District Plan to redevelop and revitalize approximately 36 acres at the northeast corner of Hedge Lane and Baptiste Drive. Mr. Fleming stated the redevelopment proposal has been named Paola Crossings.

Manager Fleming summarized in late 2019, Paola City Council approved the creation of a Tax Increment Financing (TIF) district for the entire Paola Crossings development and approved the phased development of the TIF district for the Redevelopment Project Area 1 (RPA 1), which is approximately 9.6 acres. The redevelopment plans also included the utilization of a Community Improvement District (CID) to impose an additional 1.25% on retail sales made within the CID boundaries.

Manager Fleming stated as part of the CID process, Council must set and hold a public hearing regarding the creation of the CID. The proposed resolution formally sets the public hearing for July 14, 2020 at 6:00 PM.

With no further discussion Council Member Nickelson made a motion to approve A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF PAOLA, KANSAS GIVING NOTICE OF A PUBLIC HEARING ON THE ADVISABILITY OF CREATING A COMMUNITY IMPROVEMENT DISTRICT IN THE CITY TO BE KNOWN AS THE PAOLA CROSSINGS COMMUNITY IMPROVEMENT DISTRICT. The motion was seconded by Council Member Upshaw and all voted aye. The motion passed 4 to 0 and was given Resolution No 2020-011.

Agenda Item 3c - Consider a Resolution of Support for the Miami County Economic Strategic Plan.

At the Paola City Council's June 2, 2020 Work Study, Miami County Economic Development Director Janet McRae presented the Executive Summary for the Miami County Economic Development Strategic Plan. She also touched on some of the next steps planned as Miami County looks to further engage community leaders and implement the plan. A resolution of support has been prepared for Council's consideration, encouraging the Miami County Commissioners to accept the Economic Development Strategic Plan from Ady Advantage.

The Council thanked Ms. McRae for her work on the strategic plan and Council Member Smail made a motion to approve A RESOLUTION SUPPORTING ACCEPTANCE OF THE MIAMI COUNTY ECONOMIC DEVELOPMENT STRATEGIC PLAN AS A ROADMAP FOR CREATING A "COUNTY OF CHOICE" IN THE KANSAS CITY METROPOLITAN AREA. The motion was seconded by Council Member Upshaw and all vote aye. The motion passed 4 to 0 and was given Resolution No 2020-012.

Agenda Item 3d – Consider approval of disbursements from the Transient Guest Tax Fund.

Manager Fleming reported the Paola Convention and Tourism Committee met on Monday, May 11, 2020 to review several grant applications for fiscal year 2020.

The total of the approved funding for grants as recommended is \$21,550. The fund has a budgetary commitment of \$15,000 to the Chamber of Commerce to cover partial cost of

Grant No.	Applicant	Amount	Amt Approved	Granted / Denied
1	Paola Community Center	\$5,000.00	\$3,000.00	See #1
2	Lil Red Hen Quilt Shop	\$500.00	\$500.00	Granted
3	ROOTS Festival	\$10,000.00	\$0.00	See #2
4	Miami Co Arts Coalition	\$2,650.00	\$2,650.00	Granted
5	Heartland Art Guild	\$3,000.00	\$0.00	See #3
6	Paola Farmers Market	\$900.00	\$900.00	Granted
7	Paola Farmers Market	\$500.00	\$0.00	See #4
8	Discover Historic Paola	\$1,100.00	\$0.00	See #5
9	PCC – Visitors Center	\$2,000.00	\$2,000.00	Granted
10	PCC - Fireworks	\$5,000.00	\$5,000.00	Granted
11	PCC – Car Show	\$5,000.00	\$5,000.00	Granted
12	PCC - Wine & Brew	\$1,500.00	\$1,500.00	Granted
13	PCC – Kansas Day	\$1,000.00	\$1,000.00	Granted

economic development services and for advertising and other community promotional activities.

After additional discussion, Council Member Upshaw made a motion to approve disbursements for the Transient Guest Tax Fund as presented. The motion was seconded by Council Member Smail and all voted aye. The motion passed 4 to 0.

Agenda Item 4 - COMMITTEE REPORTS – None.

Agenda Item 5 - STAFF REPORTS

Manager Fleming informed the Council the bond refunding has closed. He thanked Mary Carson with TWG, Greg Vahrenberg with Raymond James and City staff for assistance in completing the bond refunding.

Manager Fleming reminded Council the Dog Park grand opening will be on June 19th at 9:00 am.

Manager Fleming gave an update on some projects Public Works has been working on.

Manager Fleming suggested a special meeting be set for June 23rd to begin the budget discussions for 2021.

Manager Fleming said the City has followed up with the owners of 115 W Wea and they hope to have a plan together by October.

Assistant Manager Shannon informed the Council the company that had requested the tax credits for a project was not chosen but they plan to apply again next year.

Assistant Manager Shannon announced the Paola Industrial Park is the first site in the Kansas Certified Site Program. This program tells developers the Industrial Park is ready for development and provides information developers need to move forward.

Agenda Item 7 - MISCELLANEOUS MATTERS FROM THE COUNCIL

Council Member Upshaw inquired about the progress with the Lake Miola Dam. Public Works Director Rees said he is waiting on more information.

Agenda Item 8 - MISCELLANEOUS MATTERS FROM THE MAYOR

Mayor Stuteville asked the Council to consider the appointment of Sid Fleming to the Marais Des Cygnes Public Utility Authority Board.

Council Member House made a motion to approve the appointment of Sid Fleming to the Marais Des Cygnes Public Utility Authority Board. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

Mayor Stuteville asked the Council to consider the appointment of John McLean and Gabe Pfefferkorn to the Planning Commission Board.

Council Member House made a motion to approve the appointment of John McLean and Gabe Pfefferkorn to the Planning Commission Board. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

Agenda Item 11 – ADJOURNMENT

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

Artie Stuteville, Mayor

ATTEST: [seal]

Stephanie Marler, City Clerk