

**MINUTES OF THE COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O’CLOCK P.M.
June 12, 2018**

**Held in the Municipal Court Room at the Paola Justice Center
806 N 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 Dave Smail, Gee Gee Wilhoite, Leigh House and Aaron Nickelson.

Council Members absent: None

Also present: City Manager Jay Wieland, City Clerk Dan Droste, Assistant City Clerk Stephanie Marler, City Attorney Lee Tetwiler, Captain Kevin Colwell, Fire Chief Andy Martin, Trent Upshaw, members of the Robotics Team 1108 and others.

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

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

Agenda Item 1 - CONSENT AGENDA

- a. **Approval of minutes of the meeting of May 8, 2018.**
- b. **Approval of Salary Ordinances 18-10, 18-11 and 18-12.**
- c. **Approval of Appropriation Ordinances 879 and 880.**
- d. **Approval of the Pledged Collateral Report for May, 2018.**
- e. **Approval of the Journal Entries Reports for May, 2018.**
- f. **Approval of the Renewal of a drinking establishment license for El Potro Mexican Café at 602 N Pearl**

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 –

Robotics Team 1108 expressed their gratitude towards the City of Paola for allowing them to use the building at 18 E. Wea for the past 9 years.

Agenda Item 3 - UNFINISHED BUSINESS – None.

Agenda Item 4 - NEW BUSINESS

Agenda Item 4a - Presentation of the 2017 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 2017. 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 2017. He explained that the unencumbered cash balance for all funds increased by a little over \$276,000 from \$5,684,787 at the beginning of the year to \$5,960,818 at year end. The increase was mainly due to Special Assessment payments and decrease in Bond & Interest Debt.

Mr. Mayes reviewed the City’s schedule of long term debt and noted there has been no new General Obligation bonds but did add one new capital lease for Police Cars. The debt amount did go down even with the addition of the new lease.

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, 2017 the City’s proportionate share of the collective net pension liability reported to KPERS was \$1,407,508 and \$1,561,215 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 2017 Budget.

After additional discussion, Council Member Smail made a motion to accept the 2017 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 4b - Consider a Letter of Engagement for the 2018 audit.

Clerk Droste presented a Letter of Engagement from Agler & Gaeddert for the 2017 audit. The audit firm proposed a fee of \$14,800 plus out of pocket expenses.

Council Member Wilhoite made a motion to approve a Letter of Engagement with Agler & Gaeddert to audit the City of Paola for calendar year 2018 in the amount of \$14,800.00 plus costs. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

Agenda Item 4c - 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 2018. 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.

Council Member House 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 Nickelson and all voted aye. The motion passed 4 to 0 and the Resolution was assigned number 2018-007.

Agenda Item 4d - Consider the purchase of a 2011 Komatsu WA200-6 Loader for the Public Works Department.

The Public Works Department made a request to replace their 1998 Loader with a used 2011 Komatsu loader in the amount of \$78,350.00. The loader has 4,100 hours, Cab A/C, 2-spool valve with mono lever and GP bucket. The loader would be purchased from Road Builders Machinery and Supply Co., Inc. This will be purchased using the MERF account that contains \$51,724.74 and the remainder will be funded by the equipment being sold on Purple Wave.

Council Member Nickelson made a motion to approve the purchase of a 2011 Komatsu Loader from Road Builders Machinery and Supply Co. in the amount of \$78,350.00. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 4e - Report by the City Clerk on Candidates who have filed for City Offices for the November 6, 2018 election.

Clerk Droste reported that the deadline for filing for the positions of City Council Member for Wards 2 and 4 was 12:00 Noon on June 1st. The following have filed the appropriate paperwork to have their names placed on the ballot: Ward 2 – Trent Upshaw; and Ward 4 – Aaron Nickelson. The general election will be held on Tuesday, November 6, 2018.

Agenda Item 4e - Consider bids for new radio system for the Fire Department.

Fire Chief Andy Martin explained to the council that the current communication equipment that they are using has become unreliable. The fire department did extensive studies to determine the problem areas and to test new radios to find the best solution. They determined that the 800 MHz P25 system would be the most reliable and economical. The Fire Board has agreed to pay \$75,000 towards the new equipment. Chief Martin is requested to use funds from the ¼ cent sales tax to fund the City's portion of the purchase.

After some discussion Council Member Smail made a motion to approve the purchase of KenwoodVP600, VM5000, and VM7000 Radios and accessories from KA-Comm, Inc. and to relocate paging equipment in the amount not to exceed \$85,000.00. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0.

Agenda Item 5 - COMMITTEE REPORTS – None.

Agenda Item 6 - STAFF REPORTS

Clerk Droste reported that the Assessed Valuation for the City is at \$50,856,201 which is just over 5% higher than last year. The June installment of Ad Velorum Taxes came in and the mill levy funds are at 100% of revenues for current taxes and at or above for delinquent taxes.

Manager Wieland requested to set up departmental budget meetings with the Council on Tuesday June 19th and 26th at 6:00 at City Hall.

Manager Wieland also reported that he is continuing to work on the animal control ordinance. He will get together a draft, have the City Attorney review it then present it to the council in July. He is also working on the enforcement officer and will get a job description together.

Manager Wieland reported two economic development projects are moving along in the industrial park.

Manger Wieland then reported that the Rural Fire District agreed to the revised compensation rate increase for the Fire Fighters. This was not only for runs but also for training.

Agenda Item 7 - MISCELLANEOUS MATTERS FROM THE COUNCIL

Agenda Item 8 - MISCELLANEOUS MATTERS FROM THE MAYOR

Mayor Stuteville nominated Cindy Dial, Tammy Bridgeman, and Romona Willig to serve on the Paola Free Library Board.

Council Member Wilhoite made a motion to approve the Mayor's nominations to the Library Board. The motion was seconded by Council Member Nickelson and all voted aye. The motion passed 4 to 0.

Agenda Item 9 – 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 House and all voted aye. The motion passed 4 to 0.

Artie Stuteville, Mayor

ATTEST: [seal]

Daniel G. Droste, City Clerk