

**MINUTES OF THE COUNCIL MEETING
OF THE CITY OF PAOLA, KANSAS
6:00 O'CLOCK P.M.
June 13, 2017**

**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 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 Attorney Lee Tetwiler, City Planner Mike Gotfredson, Deputy Chief of Police Don Poore, Interim Public Works Director Kirk Rees, Human Resources Director Vicki Belt, Sheila Jacobs, Dave Smail, Richard Lentz, Harold Mayes with Agler & Gaeddert, Brian McCauley with the Miami County Republic, and others.

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

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

CEREMONY: Deputy Police Chief Don Poore introduced Police Officer Adam Hale who was recently promoted from SRO Officer to Patrol Sergeant. Sergeant Hale was presented his new badge by his wife, Christen Hale, and his collar brass was presented by Lieutenant Eric Jenkins.

Agenda Item 1 - CONSENT AGENDA

- a. Approval of minutes of the meeting of May 9, 2017.
- b. Approval of Salary Ordinances 17-10, 17-11, and 17-12.
- c. Approval of Appropriation Ordinances 853 and 854.
- d. Approval of the Journal Entries Report for May, 2017.
- e. Approval of the Pledged Collateral Report for May, 2017.
- g. Approval of the renewal of a Drinking Establishment License for El Potro Mexican Restaurant, subject to complete documentation.

Clerk Droste reported that the American Legion has withdrawn their application for the renewal of their Class "A" Private Club License. Council Member Pritchard made a motion to approve the Consent Agenda as presented and authorize the Mayor to sign. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 2 - COMMENTS FROM THE PUBLIC – Sheila Jacobs addressed the Council in regard to tall grass and weeds at the property located at 809 E Kaskaskia Street.

Agenda Item 3 - UNFINISHED BUSINESS – None.

Agenda Item 4 – NEW BUSINESS

Agenda Item 4a - Presentation of the 2016 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 2016. 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 2016. He explained that the unencumbered cash balance for all funds increased by a little over \$91,000 from \$5,591,911 at the beginning of the year to \$5,682,925 at year end. The increase was distributed over all funds, but the General Fund experienced a decrease of \$35,425 from \$651,437 to \$616,012.

Mr. Mayes reviewed the City’s schedule of long term debt and noted that one new refinancing bond was issued during 2016. Overall, total outstanding bonded debt amounted to \$12,110,000 at the end of 2016.

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 2016 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, 201 the City’s proportionate share of the collective net pension liability reported to KPERS was \$1,523,422 and \$1,594,260 for KP&F.

After additional discussion, Council Member Nickelson made a motion to accept the 2016 Audit Report from Agler & Gaeddert. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0.

Agenda Item 4b - Consider a Letter of Engagement for the 2017 audit.

Clerk Droste presented a Letter of Engagement from Agler & Gaeddert for the 2016 audit. The audit firm proposed a fee of \$14,700 plus out of pocket expenses.

Council Member Pritchard made a motion to approve a Letter of Engagement with Agler & Gaeddert to audit the City of Paola for calendar year 2017 in the amount of \$14,700.00 plus costs. The motion was seconded by Council Member Wilhoite 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.

Manager Wieland presented a Resolution requesting a waiver from conformance with Generally Accepted Accounting Principles for 2017. 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 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 Council Member Nickelson and all voted aye. The motion passed 4 to 0 and the Resolution was assigned number 2017-006.

Agenda Item 4d - Report by the City Clerk on Candidates who have filed for City Offices for the November 7, 2017 election.

Clerk Droste reported that the deadline for filing for the positions of Mayor and City Council Member for Wards 1 and 3 was 12:00 Noon on June 1st. The following have filed the appropriate paperwork to have their names placed on the ballot: Mayor - Artie Stuteville; Ward 1 - Dave Smail; and Ward 3 - Leigh House. The general election will be held on Tuesday, November 7, 2017.

Agenda Item 4e - Consider bids for chip and seal road maintenance on Hedge Lane and Baptiste Drive Extension.

Manager Wieland reported that as part of the City of Paola's 2017 Street Maintenance and Reconstruction Program, staff has evaluated the feasibility of returning to the use of "chip and seal" resurfacing as a means of extending the life cycle, ride-ability, and traction factors of certain roadways. In the past, the City did a substantial amount of "chip and seal" resurfacing but had encountered problems with the breakdown of the aggregate (rock) used in the process which created public concerns due to the dust that was created. Staff has done research and found that other aggregates are available and would like to try "chip and seal" resurfacing with a harder stone material on Hedge Lane from 303rd Street to 295th Street and on Baptiste Drive from just east of US 169 Highway to the intersection at 311th Street. Both of these roadways are low-density residential areas that would be good for testing the harder aggregate. The City has received a bid from Vance Brothers for \$39,996.00 for the "chip and seal" resurfacing and a proposal from Streetwise in the amount of \$4,867.50 to re-stripe the roadways.

After additional discussion, Council Member Pritchard made a motion to approve the bid from Vance Brothers in the amount of \$39,996.00 for chip and seal, and the bid from Streetwise in the amount of \$4,867.50 for paint stripping for Hedge Lane from 303rd to 295th and Baptiste Extension from just east of 169 Highway to 311th. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0.

Agenda Item 4f - Consider bids for the installation of traffic signals at 303rd Street and Hedge Lane.

Manager Wieland reported that the City and the Paola School District have been concerned about the volume of traffic and the traffic congestion at the intersection of Hedge Lane and 303rd Street. The traffic is extremely congested during the school year due to the number of parents that drop off and pick up their children at the elementary schools. The traffic volume as well as pedestrian traffic is especially high during the periods of 7:30 am to 8:30 am and 2:30 pm to 3:30 pm. These high traffic peak periods cause an unsafe condition for both pedestrians and drivers. The situation became more pronounced after the discontinuance by the school district of in-town bus service and the construction of more sidewalks. In 2015, the city hired Wilson & Company to conduct a traffic study in the areas surrounding the schools. The report indicated that a traffic signalization program might be the more efficient and cost effective way of handling the traffic situation during the peak periods.

Manager Wieland went on to explain that earlier this year staff began the process of studying the installation of a traffic signal at the intersection of Hedge Lane/303rd. Emphasis was placed on the best ways to handle traffic during the peak period, improve pedestrian safety, and cause the least impact to traffic on Hedge Lane and 303rd during the non-peak times. The answer is the use of sequenced and radar detection controllers and pedestrian stations that adjust to traffic flows during peak and non-peak times. Staff has been working closely with J. Warren and Company, Inc. of Topeka, Kansas to develop an appropriate system. J. Warren and Company was the firm that designed, installed, and continues to assist us in maintaining the traffic signals on Baptiste Drive. J. Warren and Company was asked to design a viable traffic signalization program for the intersection of Hedge Lane and 303rd and to submit a proposal for the installation of the system. Their proposal which includes the complete installation of 4 traffic signals, the addition of radar detection for better traffic movement and management, the installation of pedestrian audible pushbuttons, concrete repairs and re-seeding as needed, and all programming necessary to accomplish the goals of better pedestrian safety and better traffic movement during both peak and non-peak times. The cost of the proposed work is \$140,800 not including the KCP&L electrical connection.

Manager Wieland recommended the waiver of the bid procedures and the acceptance of the proposal from J. Warren and Company in the amount of \$140,800 and he indicated that the project would be funded from sales tax revenue sharing from Miami County.

After additional discussion, Council Member Wilhoite made a motion to approve the bid from J. Warren Company, Inc. in the amount of \$140,800 to install traffic signals at the intersection at 303rd Street and Hedge Lane. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0.

Agenda Item 4g - Consider an assignment of the Franchise Agreement with Kansas Fiber Network.

Manager Wieland reported that in October of 2015 the City Council approved Ordinance No. 3088 granting Kansas Fiber Network and its successors and assigns, a telecommunications franchise agreement. Kansas Fiber Network recently amended its financing arrangement with

CoBank ACB of Colorado and as part of that financing arrangement CoBank has received a security interest in all assets of Kansas Fiber Network, including franchises and fiber lease agreements. Kansas Fiber Network, through its attorney, has requested the City of Paola approve an "Assignment and Attachment Agreement" which provides for the City's consent to allow Kansas Fiber Network to assign its interest in the franchise with the City of Paola to CoBank ACB as additional security on a loan between the arrangement between the bank and the company. The assignment of the City's franchise agreement with Kansas Fiber Network does not change the terms and conditions of the agreement as adopted by Ordinance No. 3088.

After additional discussion, Council Member Nickelson made a motion to approve the "Assignment and Assumption Agreement" of the Franchise Agreement with Kansas Fiber Network to CoBank ACB of Colorado and authorize the Mayor to sign. The motion was seconded by Council Member Wilhoite and all voted aye. The motion passed 4 to 0.

Agenda Item 4h - Consider and Resolution pertaining to the Paola Pathways Trails Funds.

Manager Wieland presented a Resolution that officially records the intended use of the funds raised by the Paola Pathways task force for the construction and maintenance of the Paola Pathways Trail System. Specifically, the Resolution states:

- 1) The monies raised by the Task Force through either grants or donations would be specifically designated for trail use only.
- 2) Any transfer of funds to another city fund for either a non-trail construction project or a non-trail maintenance project would need to be approved by the City Council.
- 3) The transfer of funds from the Paola Pathways Funds to the General Fund or any other City Fund would need to be authorized and approved by the City Council prior to the transfer being made.
- 4) The City Council would take reasonable measures to insure that trail grant monies and donations are used for their intended purpose.

After additional discussion, Council Member Pritchard made a motion to approve A RESOLUTION OF THE CITY OF PAOLA, KANSAS, ACKNOWLEDGING THE INTENT FOR THE USE OF FUNDS GENERATED BY THE PAOLA PATHWAYS TASK FORCE FOR THE SOLE BENEFIT OF THE PAOLA PATHWAYS TRAILS SYSTEM. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0 and the Resolution was assigned number 2017-007.

Agenda Item 4i - Consider and Resolution pertaining to Mayoral Proclamations

Clerk Droste presented a Resolution that contains written guidelines for the issuance of Mayoral Proclamations. He indicated that these are the guidelines that are currently used for the issuance of Proclamations, however the adoption of the guidelines by Resolution would better communicate these procedures to the public.

After additional discussion, Council Member Wilhoite made a motion to approve A RESOLUTION OF THE CITY OF PAOLA, KANSAS, ESTABLISHING WRITTEN GUIDELINES FOR THE ISSUANCE OF PROCLAMATIONS. The motion was seconded by

Council Member Nickelson and all voted aye. The motion passed 4 to 0 and the Resolution was assigned number 2017-008.

Agenda Item 5 - COMMITTEE REPORTS – There were no Committee Reports presented.

Agenda Item 6 - STAFF REPORTS

Clerk Droste reported that the Assessed Valuation for the 2018 budget increased from \$46,965,576 to \$48,417,117 which is a 3.091% increase.

Clerk Droste reported that sales tax revenue for the month of April amounted to \$206,993 bringing the year-to-date total to \$1,048,817, which is 7.63% more than the same time period last year.

Clerk Droste reminded everyone that the special election for the renewal of the ¼ cent sales tax for the Fire Department will be on June 20th. Voting is from 7 am to 7 pm at the American Legion.

City Attorney Tetwiler discussed recent changes in the Kansas Open Meetings Act specifically related to Executive Sessions.

Manager Wieland reported that the year-end cash balances that were confirmed by the Audit Report were very positive for the 2017 Budget and in the preparation of the 2018 Budget. He thanked the Department Supervisors for their hard work in managing their department budgets.

Manager Wieland reported that he would be preparing a calendar for budget meetings with the Council and the Department Supervisors in the coming weeks.

Agenda Item 7 - MISCELLANEOUS MATTERS FROM THE COUNCIL

Council Member House thanked everyone for the outpouring of support in the recent passing of her grandfather. She thanked the Police Department for their role in his funeral service.

Agenda Item 8 - MISCELLANEOUS MATTERS FROM THE MAYOR

Mayor Stuteville nominated Ruby Reynolds and Corene Buchanan to serve on the Paola Free Library Board. Council Member Wilhoite made a motion to approve the Mayor's nominations. The motion was seconded by Council Member Nickelson and all voted aye. The nominations were approved 4 to 0.

Mayor Stuteville inquired if the Public Works Department sprayed the weeds that are growing in some of the brick streets. Interim Public Works Director Kirk Rees reported that he would take care of it.

Agenda Item 9 - EXECUTIVE SESSION for the purpose of discussing confidential data relating to financial affairs or trade secrets of corporations, partnerships, trusts and individual proprietorships. K.S.A. 75-4319(B)(4) is the authority for this recess.

Council Member Pritchard made a motion to adjourn to Executive Session, to include the Mayor, Council, City Manager, City Attorney, City Planner, and City Clerk for 15 minutes for the purpose of purpose of discussing confidential data relating to financial affairs or trade secrets of corporations, partnerships, trusts and individual proprietorships. K.S.A. 75-4319(B)(4) is the authority for this recess; the regular meeting to reconvene at 7:20 p.m. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0.

At 7:40 pm the City Council came out of Executive Session and Council Member Wilhoite made a motion to reconvene the adjourned meeting. The motion was seconded by Council Member House and all voted aye. The motion passed 4 to 0.

No action was taken pursuant to the Executive Session.

Agenda Item 10 – 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.

ATTEST: [seal]

Artie Stuteville, Mayor

Daniel G. Droste, City Clerk