

Minutes of the City Commission's September 20, 2023 Meeting

I. SPECIAL SESSION

Commissioners Present: Mayor Louis Ysusi, Vice-Mayor Dean Hayse and Commissioner Tim Emert

City Staff Present: Kelly Passauer, City Manager; David Cowan, Assistant City Manager; Jeff Chubb, City Attorney; David Schwenker, City Clerk/City Treasurer; Jerry Harrison, Chief of Police; Lacey Lies, Director of Finance; Shawn Wallis, Fire/EMS Chief and Brian McHugh, Memorial Hall Supervisor

Visitors Present: Larry McHugh, Brea Sanford, Fred Gress, Rita Ortolani, Jennifer Keith, Jamie Clubine, Nancy Clubine, Angela Lewis, Julie McConnell, Mark Leaman, Scott Smith and Sue Thompson

A. Call to Order

Mayor Ysusi called the meeting to order.

II. PUBLIC HEARING

A. Revenue Neutral Rate Hearing

KSA 79-2988 - Revenue Neutral Rate

In March 2021, the Kansas Legislature passed Senate Bill (SB) 13 to establish limitations on ad valorem property tax levies by taxing subdivisions without an additional notice and hearing prior to budget adoption. Subsequently, Senate Substitute for House Bill 2104 was passed to amend the timelines in SB 13. SB 13 is retroactively effective January 1, 2021.

The bill repeals the tax lid law and computed tax limits imposed by KSA 79-2925b and KSA 79-2925c. Alternatively, the bill introduces the use of a "revenue neutral rate" (RNR), defined as the amount of ad valorem tax revenue levied in the prior year over the current year's assessed valuation estimates, expressed as a mill. County clerks are responsible for computing and providing the estimated rates for taxing subdivisions with the budget information estimates by June 15th.

Valuations for properties participating in incentive and/or abatement programs such as Neighborhood Revitalization Districts and Industrial Revenue bonds are still included in the RNR calculation although they will not be realized by the taxing entity, therefore artificially lowering the stated RNR.

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Taxing subdivisions cannot levy above the RNR without holding a Revenue Neutral Rate Hearing for taxpayers to attend and provide feedback. At the end of the RNR hearing, the governing body of the taxing subdivision will publicly vote to pass a resolution to exceed the RNR for the upcoming budget year.

If the taxing subdivision adopts a budget that does not exceed the RNR, the subdivision should contact the county clerk to prepare for valuation decreases from the June 15th property valuation estimates to the November 1st property valuations certified by the county clerk. If property valuations decrease from June 15th to November 1st, the taxing subdivision would realize fewer dollars than budgeted.

The City's Revenue Neutral Rate for 2024, as calculated by the County Clerk, is 44.535.

Motion:

On the motion of Louis Ysusi, seconded by Dean Hayse, the Commission adopted Resolution No. 2023-040 authorizing the City to levy a property tax exceeding the Revenue Neutral Rate.

Aye: Dean Hayse, Tim Emert, Louis Ysusi

Nay: None

B. Budget Hearing

Details of the 2024 Budget, historical information, and a breakdown of departmental costs and projects can be found online at www.independencexs.gov using our online budget platform.

2024 Budget Highlights include:

Mill Rate

The proposed budget requests a mill rate of 54.515 mills, or no increase from the 2023 rate. This generates \$3,420,374 of ad valorem property taxes for use in the City's General Fund, General Fund Employee Benefit Fund, Liability Fund, Library, and Industrial Fund. In 2023, the average second class city taxed its property holders at a rate of 53.273 mills and the median rate was 54.408 mills. In 2023, at 54.515 mills, Independence ranked 52 out of 107 communities. The City's proposed mill rate in 2024 is the same actual rate as 2023.

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Staffing Changes

Within the 2024 budget, a number of staffing changes will occur.

- **One crew member will join the Park Department to focus on maintenance and horticulture.**
- **One part-time Evidence Clerk will join the Police Department.**
- **Two positions from the Finance Department will be reclassified to Water & Sewer**
- **One 2023 budgeted but unfilled Administrative position will be eliminated in the Water/Sewer Admin Department.**
- **One 2023 budgeted but unfilled Wastewater Plant Operator position will be eliminated in the Wastewater Treatment Department.**

Motion:

On the motion of Tim Emert, seconded by Dean Hayse, the Commission adopted the 2024 Budget as presented.

Aye: Dean Hayse, Tim Emert, Louis Ysusi

Nay: None

III. ITEMS FOR COMMISSION ACTION

- A. Consider approval of Industrial Revenue Bonds for Trident Partnership LLC.**

Trident Partnership LLC has purchased six buildings in historic downtown Independence for the purpose of renovating the downtown floors into usable commercial space while renovating the upper floors into apartments..Tirdent Partnership LLC is requesting the city authorize the issuance of taxable industrial revenue bonds for the purpose of financing the acquisition, construction, renovation, furnishing and equipping of commercial facilities located in the city.

There is no requirement for a Cost Benefit Analysis or Public Hearing since there is no property tax abatement associated with these bonds, only sales tax exemption.

Motion:

On the motion of Dean Hayse, seconded by Tim Emert, the Commission authorized the Mayor to sign Resolution 2023-041 authorizing the issuance of taxable industrial revenue bonds for Trident Partnerships LLC.

Aye: Dean Hayse, Tim Emert, Louis Ysusi

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Nay: None

B. Consider a lease agreement with VSE.

The City of Independence has been working with VSE and Kelly Aerospace regarding lease space at the City of Independence Round Top Hangar at the airport. The commission previously approved an addendum to the Kelly Aerospace lease allowing them to sub-lease and then it was determined that the space VSE wants to use is space that currently is not leased to Kelly Aerospace. The City Attorney has prepared the attached lease agreement providing 3,000 square feet of space to VSE at \$800.00 monthly. The agreement allows VSE to make improvements to the space, with City approval, in writing, and receive credit towards the lease payment with proof with receipts within 30 days of payment. VSE will occupy the space during the construction of their building expansion, which is expected to take 18 to 24 months. VSE will work with Kelly Aerospace on the monthly utility cost.

Motion:

On the motion of Tim Emert, seconded by Dean Hayse, the Commission authorized the Mayor to sign a lease agreement between VSE and the City of Independence for the Round Top Hangar.

Aye: Dean Hayse, Tim Emert, Louis Ysusi

Nay: None

C. Consider authorizing a USDA Grant for public safety equipment.

The City of Independence previously requested \$50,000 in funding from the USDA Rural Development grant program for the purchase of Public Safety Equipment as follows:

- 1) E-Cite System**
- 2) Filter Hood**
- 3) Radar Sign & Trailer**
- 4) VHF Radio Project**

Our request has been approved with the USDA, pending a federal allocation. The City has communicated with USDA that after award, we will request to remove the E-Cite System and Radar Sign & Trailer from our request and request Storm Sirens as a substitute.

Motion:

On the motion of Dean Hayse, seconded by Tim Emert, the Commission

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approved the USDA Grant as presented and authorized all forms for signature.

Aye: Dean Hayse, Tim Emert, Louis Ysusi

Nay: None

- D. Consider awarding a Downtown Independence Building Grant for improvements to 212 N. Penn Ave.**

Mark Leaman, with IGC, has made an application for a Downtown Building Grant. The IGC is renovating 212 N. Penn and installing exterior security door, plumbing, ADA bathrooms and updated electrical service. The estimated cost of improvements to the building is 1 million dollars, and they have requested \$25,000 towards \$96,000 estimated eligible improvements.

The Building Grant Committee met last Friday to review the application and determined the following items were eligible for the grant.

- New Electrical Service \$75,000.00**
- New Security Door \$3,400.00**

A total of \$78,400.00 is eligible for a building grant of \$19,600.00. The Building Grant Committee voted to approve the application and would request that if additional materials are needed while doing this work, the City has permission to authorize the additional grant funding up to the \$25,000 maximum if funds are available.

Motion:

On the motion of Tim Emert, seconded by Dean Hayse, the Commission approved the Downtown Building Grant application for 212 N. Penn for \$19,600 and not to exceed \$25,000.

Aye: Dean Hayse, Tim Emert, Louis Ysusi

Nay: None

- E. Consider adopting an ordinance for a text amendment to the zoning code relating to Conex Containers.**

At the last Planning Commission meeting three separate text amendments pertaining to shipping containers, off-street parking, and accessory uses were considered. We do not have the draft ordinances prepared for off-street parking or accessory uses (such as storage sheds), so those items will be moved to the September 28th agenda. We do have an ordinance to

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implement a text amendment for Conex (Shipping Containers) prepared by the City Attorney with a minor modification as recommended by the Planning Commission.

Motion:

On the motion of Dean Hayse, seconded by Tim Emert, the Commission tabled this item.

Aye: Dean Hayse, Tim Emert, Louis Ysusi

Nay: None

IV. ADJOURNMENT

Motion:

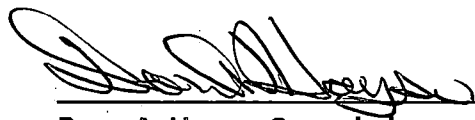
On the motion of Louis Ysusi, seconded by Tim Emert, the Commission adjourned the meeting.

Aye: Dean Hayse, Tim Emert, Louis Ysusi

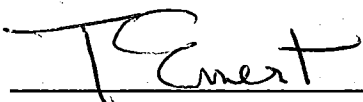
Nay: None



Louis Ysusi, Mayor



Dean A. Hayse, Commissioner



Tim Emert, Commissioner

Attest:



City Clerk/Treasurer