

Minutes of the Independence City Commission's August 14, 2017 Special Meeting

The Independence City Commission met on August 14, 2017 at 5:30 P.M. in the Veterans Room at the Memorial Hall. Mayor Fred Meier, Commissioner Leonhard Caflisch, and Commissioner Gary Hogsett were present. Others present included:

City Staff

Craig Whitehead, City Manager
Kelly Passauer, Assistant City Manager
Michael Borovetz, Director of Finance/City Clerk
Terry Lybarger, Director of Utilities
Mike Passauer, Director of Public Works
David Cowan, Director of Public Safety
Shawn Wallis, Fire Chief
Jerry Harrison, Police Chief
Barbara Beurskens, Director of Parks & Zoo
April Nutt, Director Independence Housing Authority

Visitors

Larry McHugh	Debbie Miller
Jerry Bright	Louis Ysusi
Matt Jordan	Judy Ysusi
Anthony Royse	Amanda Williams

Mayor Meier called the meeting order.

Agenda Items:

1. 2017R/2018 Budget Public Hearing; and consider adopting the budget.

Mike Borovetz, Director of Finance/Clerk made a presentation of the City's proposed 2017R/2018 budget to the Commission. During the presentation, City staff addressed questions raised by the Commission. The following proposed mill levies and rates were included in the presentation:

	2018 PROPOSED		2017 APPROVED	
	MILL RATE	MILL LEVY	MILL RATE	MILL LEVY
GENERAL FUND	29.598	1,442,345	30.898	1,562,810
EMPLOYEE BENEFIT	15.826	771,227	12.968	655,920
LIBRARY	4.796	233,717	4.796	242,589
LIABILITY INS	1.932	94,150	1.386	70,095
INDUSTRIAL	0.197	9,600	0.197	9,982
BOND INTEREST	0.995	48,500	2.369	119,799
TOTAL 2018 MILLS	53.344	2,599,539	52.614	2,661,195

TOTAL ASSESSED VALUE	48,731,650	50,579,196
ONE MILL	48,732	50,579

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Public Hearing:

The Mayor opened the Public Hearing.

Debbie Miller addressed the Commission and stated that a few years ago, the Commission approved 4 mills to go towards debt service for working to bring CRMC to the Mercy Hospital facility which would cover their \$3,000,000 shortfall. It was brought to her attention in a recent letter to the editor that the 4 mills were being used on other things not related to debt service. She said if that was true, she would ask the Commission to remove the 4 mills from the budget if it is not being used for the intended purposes or make it clear to the public they are not being used for strictly for debt.

She also stated the cost to tax payers is between \$200,000 and \$300,000 per year for electric costs for Building D. She noted from the Treanor study that approximately 8,500 square feet is not being used but the tax payers still have to pay for climate controlling this area as they building's electric service is not set up in zones.

She also noted that the tax base is growing older, small and less affluent and the tax payers have been asking taxing entities including the City to acknowledge this fact. She finds it irresponsible that City officials wastefully spend tens of thousands of dollars for climate control on unused space. She stated that the \$100,000 St. John pays in rent helps but it is not enough to offset the costs. She hopes that by this time next year, the City sells the building to a private entity that can bring jobs to the community even if that means City offices have to be relocated to another location.

Louis Ysusi addressed the Commission and said the tax payers feel the tax burden is high and don't feel like paying more taxes and want responsible spending. He said if the City wants citizens to make additional sacrifices, the City needs to evaluate all expenses and positions to determine if the money is being used for good value. He sees it as a 2-way street that if the City is wanting the tax payers to make sacrifices, is the City doing what it can to cut expenses.

He went on to say he had been with companies in the past where every job is on the line and the City needs to look at every position to see if some of them can be combined. He noted that this is a business and businesses need to be solvent. He said that we didn't get here overnight and it is not going to be fixed overnight. He stated that this is going to be a long process and it was important for the City to be transparent as possible.

After no further comments from the public, the Mayor closed the Public Hearing.

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Motion:

On the motion of Mayor Meier, seconded by Commissioner Hogsett, the commission approved the 2018 budget along with the 2018 Capital Improvement Plan.

Aye: Caflisch, Meier, Hogsett

Nay: None

Adjournment

Motion:

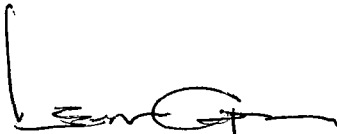
On the motion of Mayor Meier, seconded by Commissioner Hogsett, the commission adjourned the meeting.

Aye: Caflisch, Meier, Hogsett

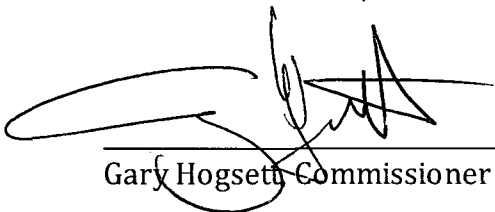
Nay: None



Fred Meier, Mayor

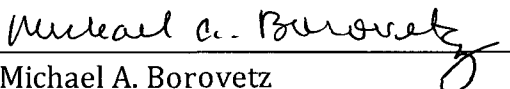


Leonhard Caflisch, Commissioner



Gary Hogsett, Commissioner

Attest:



Michael A. Borovetz
Director of Finance/City Clerk

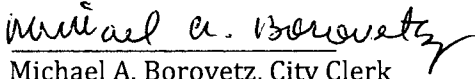
**NOTICE OF SPECIAL MEETING TO THE BOARD OF COMMISSIONERS OF THE
CITY OF INDEPENDENCE, KANSAS**

Notice is hereby given that a meeting of the board of commissioners of the City of Independence, Kansas, will be held at the Veterans Room, Memorial Hall, Penn and Chestnut, Independence, Kansas, at 5:30 p.m., on August 14, 2017 for the following purpose (s):

Agenda Item:

1. 2017R/2018 Budget public hearing; and consider adopting the budget.

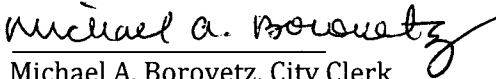
Date: August 14, 2017


Michael A. Borovetz, City Clerk

CERTIFICATE OF SERVICE OF NOTICE

I, Michael A. Borovetz, the duly appointed, qualified and acting City Clerk of the City of Independence, do hereby certify that on this 14th day of July, 2017, I served a true copy of the Notice of Special Meeting on each and every member of the Board of Commissioners of the City of Independence in the manner provided by law.

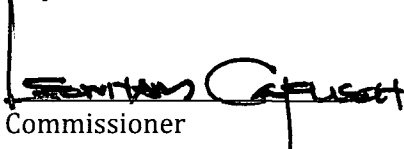
Date: August 14, 2017

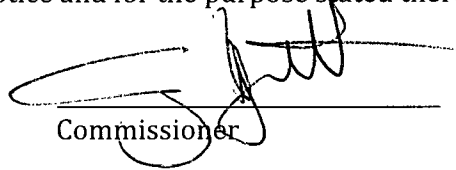

Michael A. Borovetz, City Clerk

WAIVER OF REGULAR NOTICE OF AND CONSENT TO SPECIAL MEETING

We, the undersigned members of the Board of Commissioners of the City of Independence do hereby accept service of the notice of special meeting waiving any and all irregularities in such service and in such notice and consent and agree that the said members of said Board of Commissioners shall meet at the time and place named in such notice and for the purpose stated therein.


Mayor


Commissioner


Commissioner

NOTICE OF BUDGET HEARING

The governing body of the City of Independence, Kansas will meet on **August 14, 2017, 5:30 p.m.**,
Veterans Room, Memorial Hall, for the purpose of hearing and answering objections of
taxpayers relating to the proposed use of all funds and the amount of 2017 ad valorem tax.

Detailed budget information is available at the City Clerk's office at City Hall and will be available at this hearing.

BUDGET SUMMARY

Proposed Budget 2018 Expenditures and Amount of 2017 Ad Valorem Tax establish the maximum limits
of the 2018 budget. Est Tax Rate * is subject to change depending on final assessed valuation.

	2016		2017		2018 Proposed Budget		
	Actual	Tax	Budget or	Actual	Amount of	Est.	
	Expenses	Rate*	Estimate of	Tax	2017 Tax to	Tax	
Fund	Expenses	Rate*	Expenses	Rate*	Expenses	be Levied	Rate*
General	\$5,907,440	14.363	\$7,442,432	30.898	\$7,209,291	\$1,442,345	29.598
Industrial	22,000	0.210	19,500	0.197	27,500	9,600	0.197
G F Emp Benefits	714,800	12.196	847,115	12.968	893,811	771,227	15.826
Lib Emp Benefits	0	0.000	0	0.000	0	0	0.000
Library	253,572	4.809	278,900	4.796	266,718	233,717	4.796
Liability Insurance	78,218	1.399	92,981	1.386	92,981	94,150	1.932
Bond & Interest	1,277,356	14.102	996,725	2.369	889,444	48,500	0.995
Airport	553,379	N/A	572,864	N/A	589,509	N/A	N/A
Water/Sewer	3,675,378	N/A	4,011,978	N/A	5,372,205	N/A	N/A
Sanitation	1,339,474	N/A	1,159,998	N/A	1,136,170	N/A	N/A
Spec Parks/Rec	31,540	N/A	30,000	N/A	30,000	N/A	N/A
Spec Alcohol	26,825	N/A	23,967	N/A	30,000	N/A	N/A
Eco Dev & Transportation	171,364	N/A	477,504	N/A	559,300	N/A	N/A
Educational Sales Tax	1,773,105	N/A	1,930,000	N/A	1,931,000	N/A	N/A
Quality of Life Sales Tax	58,022	N/A	75,000	N/A	80,000	N/A	N/A
Memorial Hall Tax Credit	148,861	N/A	165,000	N/A	197,341	N/A	N/A
Special Use Sales Tax	2,600,014	N/A	2,231,144	N/A	1,559,169	N/A	N/A
TOTAL	\$18,631,348	47.079	\$20,355,108	52.614	\$20,864,439	\$2,599,539	53.344
Less: Transfers	973,645		1,011,315		1,870,735		
Net Expenses	\$17,657,703		\$19,343,793		\$18,993,704		
Total Tax Levied	\$2,280,366		\$2,661,195		xxxxxxxxxxxxxx		
Assessed Valuation	\$48,436,247		\$50,789,196		\$48,731,650		
Outstanding							
Indebtedness, Jan 1,	2015		2016		2017		
G O Bonds	\$9,160,000		\$11,120,000		\$10,335,000		
Ks Revolving Loans	3,287,490		1,978,018		3,121,584		
Lease Purchase	224,413		564,708		511,005		
Total	\$12,671,903		\$13,662,726		\$13,967,589		

* Tax Rates are expressed in mills.

Michael A. Borovetz
Michael A. Borovetz
Director of Finance - City Clerk