

SPECIAL CITY COMMISSION MINUTES

August 17, 2009

12:00 p.m.

The special meeting of the Junction City City Commission was held on Tuesday, August 17, 2009 with Mayor Terry Heldstab presiding.

The following members of the Commission were present: Terry Heldstab, Scott Johnson, Mike Rhodes, Ken Talley, and Jack Taylor. Staff present was: City Manager, Rod Barnes, Assistant City Manager Mike Guinn, and City Clerk Tricia Gowen.

UNFINISHED BUSINESS

a. The consideration of the proposed 2010 City budget.

City Manager, Rod Barnes, informed the Commission of the following:

- The City is in full compliance with the debt services for 2009, 2010 and beyond.
- The debt is allowed at 40% and the City is currently at approximately 35%.
- The debt information can be found on the City's web site and is also in the Commission's budget notebooks.
- The City is only one of four taxing entities that levy property tax. The assessed valuation process plays into the property tax calculation.
- The City is going to a team concept which will consist of five departments. There will not be any raises associated with the change in the organization into the five departments.
- The 2010 does not include proposed service reductions; only spending and employee reductions.
- There is a recommendation that the outside agencies transition to other funding sources for future years.
- The City will attempt to eliminate surplus property; there isn't a lot of property that the City has.
- Positions will be redefined and the staff will determine the best way to deliver services.
- Departments will be utilized to assist other departments in the delivery of services in a team manner.
- Three police officer positions were added back to the 2010 budget. The Police Department is currently reorganizing to better deliver services. The 9th grade academy SRO won't be added until the academy is moved into the old Middle School. This position is completely reimbursed by USD 475.
- The Finance Manager is currently being advertised. Some applications have been received; however, no one has any municipal experience. One possible alternative is to have an outside company handle some of the financial reporting. This option will be further researched.
- The privatization of the ambulance service will be further researched.
- Companies will be held accountable. The current development agreements are being reviewed for compliance. A report will be furnished to the Commission.
- The joint City/County agreements will be reviewed to determine if they are working to deliver services to all citizens in the County.
- At a mill levy of 49.268, three police officer positions and \$50,000 additional money for the Arts Council and \$125,000 to the Opera House can be included in the 2010 budget. There are three vacancies in the Fire Department; however, no layoffs would occur in the Fire Department and the City will still maintain the appropriate staffing level for the SAFER Grant.

- One recommendation is to fund the outside agencies at half their requested amount for 2010.
- The mill levy for 2009 is 48.272.
- Any additional money can be put in a reserve fund or cut items can be added back to the budget. The mill levy can be reduced; however, if it is reduced, the staff will have to bring ideas to the Commission at the August 18th meeting.
- Mr. Barnes stated that he believes a mill levy of 48.555 covers what the Commission wants for the 2010 budget.
- There are funds for engineering that are located in the Special Highway Fund. The city can hire a full time Engineer or contract per project.

Commissioner Rhodes asked if the mill levy was left at 49.268, what kind of reserves would there be? Mr. Barnes calculated that the reserve amount would be approximately \$114,000. Commissioner Rhodes stated that he likes the idea of leaving some money for the outside agencies and it gives them time to prepare for future funding opportunities.

Mr. Barnes stated that the staff recommended that the Military Affairs and the Health Department be fully funded by the County.

Commissioner Johnson stated that the article in the Daily Union that it is their view point that the taxes on a \$100,000 house will increase by \$73. Commissioner Johnson wanted to know if this was included in the budget. Commissioner Johnson stated that the City must cut the mill levy. Junction City can't compete with Manhattan. He agrees that the outside agencies need to look at private donations for 2011 and beyond. He wants to see jobs protected as much as possible. The City should have two to three Inspectors. The Police Officers should be doing police duties not inspection duties. He doesn't understand why we Police Officers in the schools and in the inspection department. The Arts Council should be money because they did a lot of work to voice their opinions.

Mr. Barnes stated that Junction City is not the highest mill levy in the First Class Cities in Kansas or even in the State. Junction City is about mid-way on the scale when all of the taxing entities are looked at.

Commissioner Johnson stated that the mill levy has increased every year. Junction City has the highest taxes and the debt is huge. The taxes and debt needs to level off and decrease.

Commissioner Taylor asked about payments from the State with regards to taxes. Mr. Barnes stated that the payments do not arrive on a set schedule. Sales tax revenues come in once a month; the other payments are varied as to when they are paid. Commissioner Taylor stated that he is concerned with the inspector situation, especially if things pick up again; it is hard to train a new person.

Mr. Barnes stated that with the reorganization into the five departments, the City will utilize a team concept and the Codes Department will utilize the Fire Department personnel to assist with inspections.

Commissioner Taylor stated that he doesn't know if the Fire Department has the expertise for the inspections. Commissioner Taylor stated that he appreciates all of the comments regarding the Arts Council; however, most of the attendees at the public hearing that spoke on the Arts Council's behalf were County residents. The Arts Council membership is one-third of out of town people. Commissioner Taylor stated that the outside agencies

should be weaned from City funding. He stated that real estate taxes are high in our community.

Mr. Barnes stated that the 2010 budget assumes a delinquency rate of 30%. The 2009 rate is 28%. The staff is researching to see if the process for collecting taxes for vacant lots can be done in a timelier manner.

Commissioner Johnson stated that he has received great service from the Inspection Department and doesn't want to see them cut.

Commissioner Taylor stated the he would rather see both Inspectors kept in the 2010 budget. To fund this, he recommends a larger decrease to Military Affairs or the Arts Council. He stated that the Military Affairs is now more a social organization than a liaison between the City and Fort Riley.

Commissioner Johnson stated that the Military Affairs mission is to support Fort Riley families; this is nice but the military should take over. Commissioner Johnson stated that the Opera House should be responsible for itself and should be funded by those who use it.

Mr. Barnes stated that the Fire Department and the Codes Department will work together so that there is not a duplication of services.

Commissioner Johnson asked Gail Parsons, Arts Council Director, if the budget is cut and go to donations, what amount would be needed to get by? Mr. Barnes stated that \$98,000 is the 2010 Arts Council budget. The non-profit side of the JCAC reimburses for programs and rent. Approximately \$30,000 is funded from the non-profit side and \$50,000 is funded by the City. Mrs. Parsons stated that the majority of the programs are free to the public. A lot of the attendees could not participate if they had to pay.

Mr. Barnes stated that sponsorships can be obtained from local businesses. Programs should have a fee and scholarships can be utilized.

Commissioner Taylor stated that if there is no fee, the Arts Council programs have no value.

Commissioner Johnson stated that everyone pays through taxes. We have a lot of people who don't pay taxes because they rent.

Mr. Barnes stated that only two mills in the General Fund are from property tax. The rest is based on sales tax revenue and other revenue sources.

Mayor Heldstab stated that he spoke to Adam Wilkey with Coach's Bar & Grill. Mr. Wilkey told him that if it has not been for the Neighborhood Revitalization Program, he and his partners could not have opened Coach's. This is just one example of a success story. Another one is Jim Clark Chevrolet. Junction City wouldn't have these businesses if it weren't for the program. Mayor Heldstab commended the staff; the budget is a good compromise and includes a transition for the outside agencies. He is comfortable with what has been presented this evening.

Commissioner Johnson stated that there a lot of businesses in this Country that didn't get tax breaks.

Mr. Barnes informed the Commission that at the August 18th Commission meeting, the Commission must approve the 2010 budget.

Commissioner Johnson inquired as to the process when the city mows a property.

Mr. Barnes stated that the person received a bill immediately; if the property owner does not pay the bill, the amount is added to the property tax. The bill is guaranteed to be paid when added to the property tax or when the property is sold.

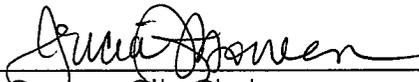
Commissioner Johnson stated that people need to be responsible for their actions. Junction City needs lower taxes like we used to have.

Mr. Barnes stated that ten years ago, the mill levy was at 57 mills. It is currently at 47 mills.

ADJOURNMENT

Commissioner Rhodes moved, seconded by Commissioner Talley to adjourn at 12:55 p.m. Ayes: Heldstab, Johnson, Rhodes, Talley, Taylor. Nays: None. Motion Carried.

APPROVED AND ACCEPTED THIS 1st DAY OF SEPTEMBER 2009 AS THE OFFICIAL COPY OF THE JUNCTION CITY CITY SPECIAL COMMISSION MINUTES FOR AUGUST 17, 2009.



Tricia Cowen, City Clerk



Terry Heldstab, Mayor