

CITY OF IOLA
07/21/2014

A special called meeting of the City Council of the City of Iola was held on July 21, 2014, at 6:00 p.m., at the Court Room in City Hall located at 2 W Jackson. The purpose of the meeting was to discuss budget and sales tax.

CALL MEETING TO ORDER

Mayor Wicoff called the meeting to order at 6:00 p.m.

ROLL CALL

Mayor Wicoff, Council Members, Zornes, Wells, Becker, Shaughnessy, French and Franklin were present. Also present was Administrator Slaugh, Assistant Administrator Schinstock, City Clerk Hutton. Council Members Ford and Myrick were absent.

Mayor Wicoff started the discussion with concerns he has heard about the increase in the mill levy for the 2015 proposed budget. The City of Iola has been keeping the mill levy pretty flat over the last several years. The council needs to consider if the mill levy is increased to support the EMS and then with the proposed ½ cent sales tax this is a lot on the citizens of Iola. If the school district the county and the city all increase their mill levy's that could add up to quite an increase.

Tim Henry, owner of Twin Motors Ford spoke about his concerns on the sales tax increase. Small businesses will be hurt due to the increase because consumers could go to neighboring towns and shop cheaper because of a lower sales tax. With a lower sales tax the city could possibly attract new businesses to the area which would generate more income for the city as a whole.

Mayor Wicoff asked Mr. Henry how he would address the issue if the sales tax doesn't pass. Would higher property taxes be better?

Council Member Wells stated that the only option left is to cut manpower and if that is done then the infrastructure would suffer. He is in favor of a surcharge on utility bills because it would hit renters also. With a property tax increase the landowners would be the only ones taking a hit.

Council Member French stated that previous governing body dedicated sales tax money that was to be used for capital improvements to the hospital; now the current council has to look at how we go on from that decision. He used to think that city employees made good money, but after the study was done it showed they are under the median for those in their fields. With that being said employees at McDonalds and Russell Stover's are paid less than city employees are and these are the people that are already struggling to make ends meet.

Council Member Wells noted that it is the best time to build a school in Iola because before long mandates will come that towns must unify schools and they will look to which town has the most up to date buildings. It would be better for our citizens to have the school in Iola.

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Council Member Wells stated that if people are looking to move to a new area the shape of the schools will make a difference in their choice. Remember the council is only voting to put the sales tax issue on the ballot, not voting to put the sales tax into effect. Let the people decide, give them a chance to vote.

Council Member Franklin asked whether the six mill increase was due to the EMS merger or the valuation. Administrator Slaugh stated that is for both items.

Council Member Shaughnessy asked if the city is using the \$750,000 for only EMS funding. Administrator Slaugh noted that it is hard to separate the two because the same person does both jobs. The \$750,000 does not cover the cost of the EMS alone. The amount was determined by the county which also equals the \$600,000 the county was collecting for runs and the \$150,000 the city was collecting for runs.

Council Member Franklin stated she hated to see the city raise the mill levy to support the EMS when the county is already taxing Iola citizens for EMS service.

Administrator Slaugh reviewed the fund balances and noted that if we use the reserve balances to cover the EMS shortfall it will put these funds in jeopardy since they will have a lower reserve.

Council Member French stated that one of the options could be that we turn the EMS back over to the county.

Council Member Wells stated that in order to deal with the shortfall for this year we could take 10% out of each of the general fund, gas fund, wastewater and or the electric fund and add a \$5.00 surcharge. Discussion centered on raising the solid waste charges by \$1.50 for an even \$10.0 charge to generate a little more income.

Council Member Shaughnessy stated that it shouldn't be on the backs of Iola citizens for a countywide service.

Administrator Slaugh stated that one way the city could cut is to go to a "as needed basis" with VanScoyoc instead of the monthly retainer.

Council Member French stated that each department could make cuts. It should be a policy to promote within. Is it possible to rebuild the utility trucks instead of buying new? Would this save the city money? Is it possible to sell electric back to the grid? Administrator Slaugh stated that the possibility is being looked into. It would only be a slight amount but would be better than nothing.

Council Member French wondered about the possibility of drilling a gas well to run the generators. Is it possible to use wind energy as an energy source?

Mayor Wicoff stated he would prefer to see a transfer from other funds instead of a surcharge.

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Administrator Slauch gave a recap of the options. Transfer 10% from general, gas, wastewater and or electric and add a \$5.00 surcharge to all electric bills. The other option would be transfer from funds and not have a surcharge. He will prepare both scenarios for review at the July 28th council meeting.

ADJOURNMENT

7:31 p.m. Motion made by Council Member Becker and seconded by Council Member Wells to adjourn the meeting. As the vote was unanimous, the meeting was declared adjourned.

Approved by the City Council of the City of Iola, Kansas this 28th day of July 2014

Mayor, Joel Wicoff

City Clerk, Roxanne Hutton