**SPECIAL MEETING**

**August 8, 2016**

The Board of City Commissioners of the City of Herington, Kansas met in special session on Monday, August 8, 2016 at 6:00 p.m. at City Hall for the purpose of holding the 2017 budget hearing. Present were Mayor Kat Souza, Commissioner Michelle Stanford, Commissioner Mark Hager, Commissioner Dave Jones, City Manager Ed Patton, City Clerk Debra Wendt, Rick Freeman, Karla Mann, Larry Mann, Duane Bauer, Gloria Boomer, Mike Mowat, Sandy Merrifield, Vance Donahue, Pam Dalton, Rick Dalton, Bobby Lockwood, Wendy Jones, Krista Pavek, Marion Noble, Mark Noble, Virginia Neuberger, Jenette Clark, Ron Maggard, and Cynthia Naylor. Commissioner Kitty Walter and City Attorney Brad Jantz were absent.

The meeting was opened with the Pledge of Allegiance. Mayor Souza opened the public hearing. Vance Donahue spoke first, and asked if there is any way to cut expenses and still give raises to the employees. He also mentioned our high sales tax rate and selling the power plant. Larry Mann asked if the Cemetery Perpetual Fund could be used to take care of the cemetery, and said that our mill levy is the third highest in the State for a City of the Second Class. Michelle brought up that the citizens have voted on all sales tax increases. Bobby Lockwood spoke at length on several issues, including Logan Pointe, salaries of employees, and why volunteers are cleaning up the town instead of City employees. Ed commented that we really need these volunteers, and that he is looking at grants.

He then explained a comparison sheet he had prepared on three different properties, and also went over a pie chart of mill levy history. Ed asked if the proposed mill levy increase is not approved, what services everyone wants to quit, and added that the cost of anything the City purchases never goes down. Bobby commented on the dirty downtown, and the Industrial Park. Ed said that the local and county economic development groups are working on business recruitment, and added that our workers compensation rates are due to increase around 34%. Ed blamed a lot of the City’s problems on bad decision making from the past, and said that we will need to have money set aside for our portion of any grant we may receive. He also said that many other communities our size are looking at a 10-20 mill increase. Bobby commented on the Police Department, and asked if the Hospital is paying the City back for their utilities. Karla Mann spoke about the trash in town, especially in the downtown area, and asked why we don’t enforce what has already been condemned. Mark and Michelle explained that there hasn’t been any funds for demolition, but now we have begun to put money in the budget for this. Marian Noble asked if we have any blight laws, and Sandy Merrifield also commented that many places in town look dirty and filthy. Jenette Clark wanted to know how much the proposed mill levy increase would affect her taxes, and it was figured to be approximately $75.00/year.

Duane Bauer asked why City employees would be getting a raise when “everyone else” is not. This prompted a discussion on the salary range of employees, and the Police Department. Cynthia Naylor had several questions about the budget, which included an increase in Homestead Village expenditures, Capital Outlay for the Fire Department, Park and Cemetery fund increase, Pool commodities, Hilltop Capital Outlay, Storm Water fund, Water Production wages, and the Revolving Loan Fund.

Gloria Boomer said she is happy and thankful to live here, and that Ed Patton is not responsible for all of the City’s past problems. She added that more people need to volunteer instead of complain. Mayor Souza felt like Ed has done more in the last three months than has been accomplished in the last eight years. She said that even though the Commission does not want to raise taxes, they may have to.

Discussion continued on the proposed mill levy increase, sales tax, and Logan Pointe. Ed said that the Land Bank now owns the lots at Logan Pointe. Bobby Lockwood and Larry Mann both asked if there was somewhere the budget could be trimmed, as an increase is not easy for people on a fixed income. Dave suggested giving a 0% raise to employees, instead of the 3% that is budgeted. Ed said that he will be doing performance evaluations, and money would need to be set aside for performance based raises. He added that some employees may not get a raise, depending on their performance, but there would be no incentive for improvement if all of the money earmarked for raises is taken out of the budget. The Commission wanted to make it clear that any raises would be performance based.

A motion was made by Commissioner Hager, seconded by Commissioner Stanford, to close the budget hearing. Motion carried, all voting, “Aye.”

A motion was then made by Commissioner Hager, seconded by Mayor Souza, to approve the proposed 2017 budget, with an 85.142 mill levy, up 6.66 mills from 2016. Motion carried, all voting, “Aye.”

A motion was made by Commissioner Stanford, seconded by Commissioner Hager, to adjourn the special meeting. Motion carried, all voting, “Aye.”

Debra Wendt

City Clerk