

# City Commission of Arkansas City — Special Meeting Minutes

The Arkansas City Board of City Commissioners met in special session at **noon Friday, July 16, 2021**, in the City Manager's Office at City Hall, located at 118 W. Central Ave. in Arkansas City.

Mayor **Scott Rogers** called the meeting to order. Commissioners also present at roll call were Commissioners **Kanyon Gingher, Duane L. Oestmann, Jay Warren** and **Karen Welch**.

City employees present at the meeting included City Manager **Randy Frazer**, City Attorney **Larry Schwartz**, City Clerk **Lesley Shook**, Public Information Officer **Andrew Lawson**, Management Assistant **Mike Crandall**, Finance Director **Jennifer Waggoner**, Accountant **Amy Roberts** and Public Services Superintendent **Tony Tapia**.

## **Business**

### **Revenue Neutral Rate Hearing** **Resolution No. 2021-07-3420**

Mayor Rogers presented for discussion a resolution approving the notice of intent to exceed the Revenue Neutral Rate (RNR) and set the date for a public hearing at **5:30 p.m. Tuesday, September 7, 2021**, for the purpose of hearing and answering objections of taxpayers relating to the Revenue Neutral Rate, the amount of ad valorem tax and proposed use of all funds.

There was an extended discussion **July 9** of whether to notify the Cowley County Clerk of the City's intent to exceed the Revenue Neutral Rate. Under a new state law (**SB 13/HB 2104**), this would require notifying the clerk by **July 20**, placing a notice on the City website and in the Cowley CourierTraveler by **September 10** (and 10 days prior to the hearing), and conducting both a tax rate and budget hearing by **September 20**, giving taxpayers an opportunity to comment on the budget.

At that time, the City Commission would have to adopt a resolution or an ordinance to exceed the **Revenue Neutral Rate** (RNR), then adopt the proposed budget and certify by **October 1** to the County Clerk the amount of ad valorem tax to be levied by the City for **2022**.

Commissioner Gingher asked Finance Director Waggoner a question about the mill levy process.

Waggoner confirmed the City Commission is merely setting a top limit now and can reduce it later.

She said that if the mill levy is increased from the current 70.276 mills to **74.276 mills**, it would mean \$53 per year in property taxes more on a property appraised at \$100,000.

Commissioner Welch asked how long the mill levy has been between 68 and 70 mills. Waggoner thinks it has been at least 12 years. Commissioner Welch commended the City for keeping it flat.

City Manager Frazer pointed out the mill levy itself doesn't even cover the entire Police and Fire-EMS department budgets, which is why it necessary for the City to have other sources of revenue.

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Commissioner Gingher cited as reasons to possibly raise the mill levy the current rate of inflation, deferred maintenance, and numerous unbudgeted and unanticipated expenses in 2020 and 2021.

Commissioner Warren suggested raising the mill levy to around **71 mills** in 2022 and developing a detailed plan of street improvements before making a bigger property tax jump in 2023 and beyond. Mayor Rogers said the City needs to nail down the Wastewater Treatment Plant cost, too.

Commissioner Gingher also advocated for increases to starting pay and a cost-of-living adjustment.

Commissioner Warren said sales tax is a fairer, more lucrative way to pay for street improvements.

Commissioner Oestmann made a motion to approve the resolution to express the City's intention to exceed the Revenue Neutral Rate with a proposed mill levy of **74.276 mills**.

Commissioner Gingher seconded the motion. A voice vote resulted in **three yea votes** and **two nay votes**, with Mayor Rogers and Commissioner Warren casting the two dissenting votes. Mayor Rogers declared the resolution **approved** and given **Resolution No. 2021-07-3420**.

## **Adjournment**

City Manager Frazer previewed the Wastewater Treatment Plant study session at **3 p.m. July 20**.

Commissioner Welch made a motion to adjourn the meeting. Commissioner Oestmann seconded the motion. A voice vote was **unanimous** in favor of the motion. Mayor Rogers declared the special call meeting adjourned at **12:37 p.m.**

**THE CITY OF ARKANSAS CITY  
BOARD OF CITY COMMISSIONERS**

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Scott Rogers, Mayor

## **ATTEST:**

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Lesley Shook, City Clerk

## **Prepared by:**

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Andrew Lawson, Public Information Officer