



CITY COUNCIL Study Session

May 12, 2025

6:00 PM, Council Chambers - 111 E. Maple Ave.

To view a Council meeting agenda, visit <https://independencemo.portal.civicclerk.com/> and select 'Most Recent Council Agenda'.

PRESENTATIONS

1. IRIS Update
2. 2025-26 Proposed Budget Presentation

INFORMATION ONLY

1. **Please Note:** *In accordance with RSMo. 610.021, the City Council may convene in an Executive Session during or after the meeting, in the Council Chambers and move to Conference Room D for the closed meeting, on matters of litigation, legal action, and/or attorney client communications, as permitted by Sec. 610.021(1), on matters of personnel, as permitted by Sec. 610.021(3) and personnel records, as permitted by 610.021(13), on matters of contracts, as permitted by 610.021(12), on matters of real estate, as permitted by 610.021(2) and/or matters of labor negotiations, as permitted by 610.021(9).*

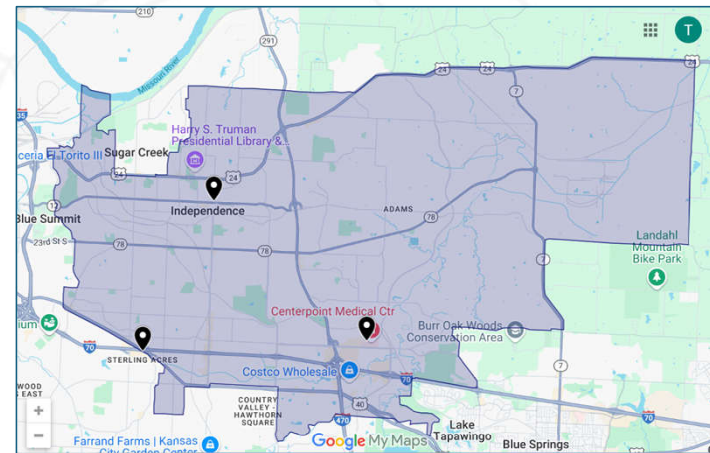


City of Independence IRIS Microtransit Report

*A Data-Driven Review
(January 6 – April 19)*

Service Overview

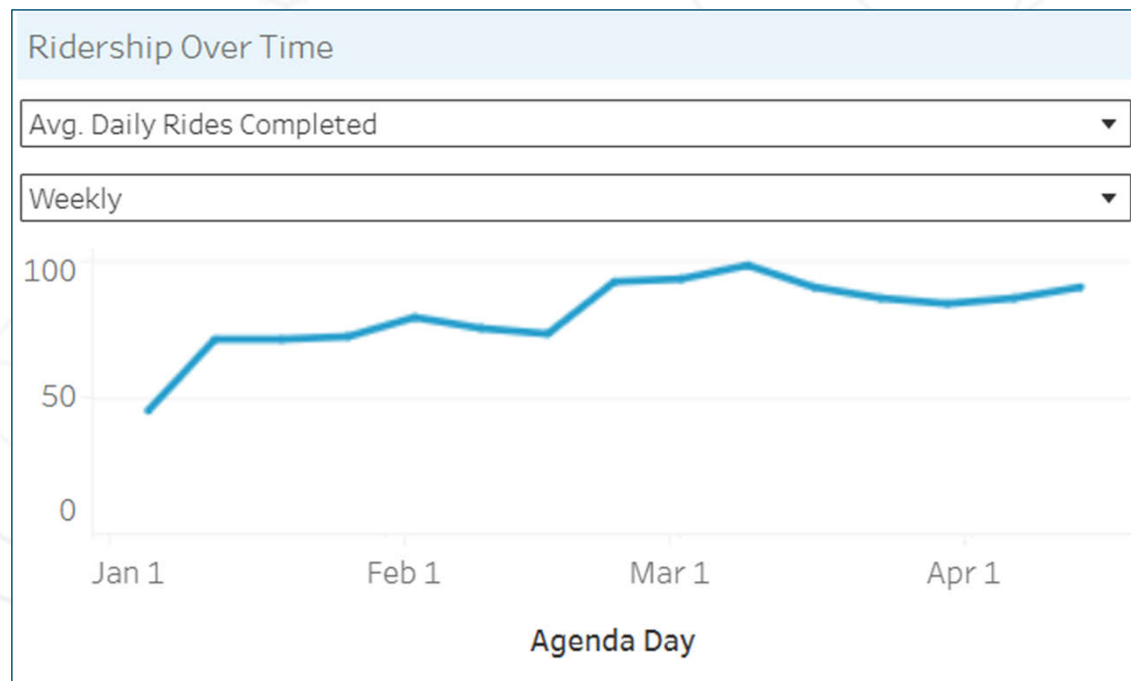
- **Launch Date:** January 2, 2025
- **Service Hours:** Monday-Saturday; 6:00am – 6:00pm
- **Fleet:** 5 vehicles (1 Wheelchair Accessible, 4 Ambulatory)
- **Booking Methods:** Riders can book via the IRIS App, Web Portal or Live Call
- **Fare:** \$5.00 per passenger (unless going to free Transfer Center)
- **Payment Methods:** Cash, Credit/Debit & Mobile App



Performance Metrics

Trips Passengers Completed

- 6,979 Passengers
- Average: 93 Passengers/day
- Average Shared Ride: 37%



Jan 6 – April 19

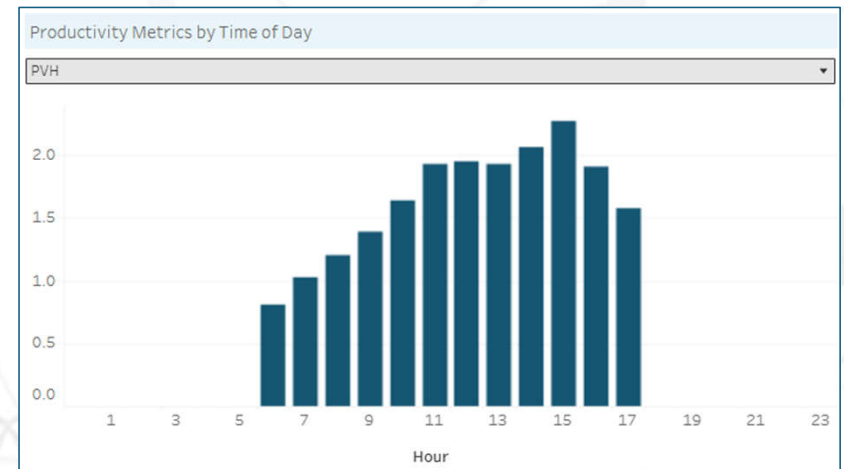
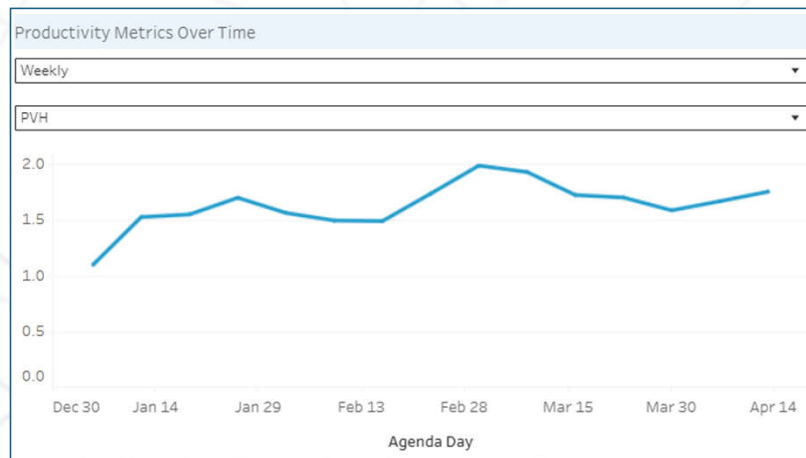


Performance Metrics

Passengers per Vehicle Hour (PVH)

Current Average: 1.95

Industry Average: 1.5–2.0



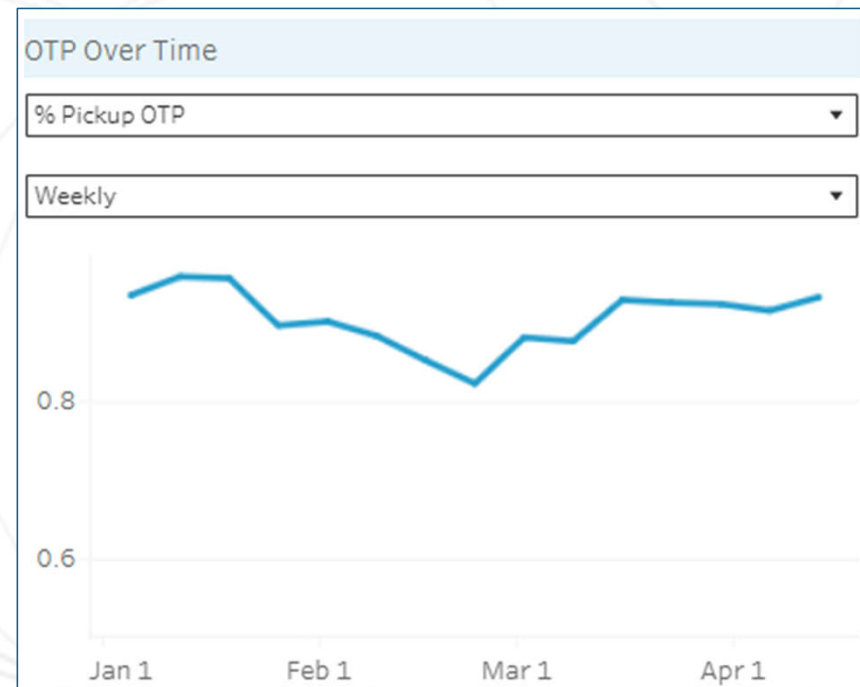
Jan 6 – April 19



Performance Metrics

On Time Performance (OTP)

- *Pick-up: 92.5% (trailing 30 days)*
- *Drop-off: 92.8%(trailing 30 days)*



Jan 6 – April 19

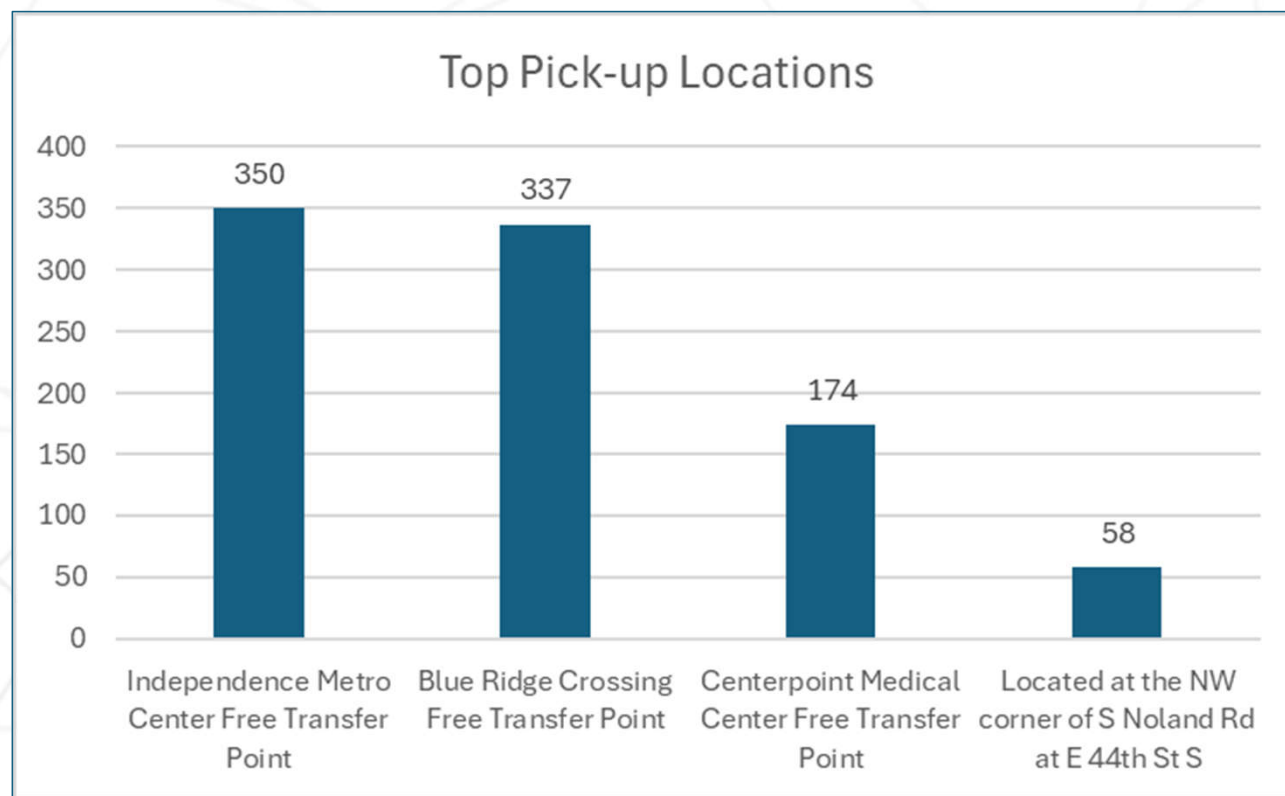


Rider Access & Key Locations

Top Pick-up Locations

Fare-free Locations Include:

- *Independence Transit Center, located at Noland and Truman Rd*
- *Centerpoint Hospital, located at 39th and Jackson Dr.*
- *Blue Ridge transfer point, located at 43rd Street*



Jan 6 – April 19

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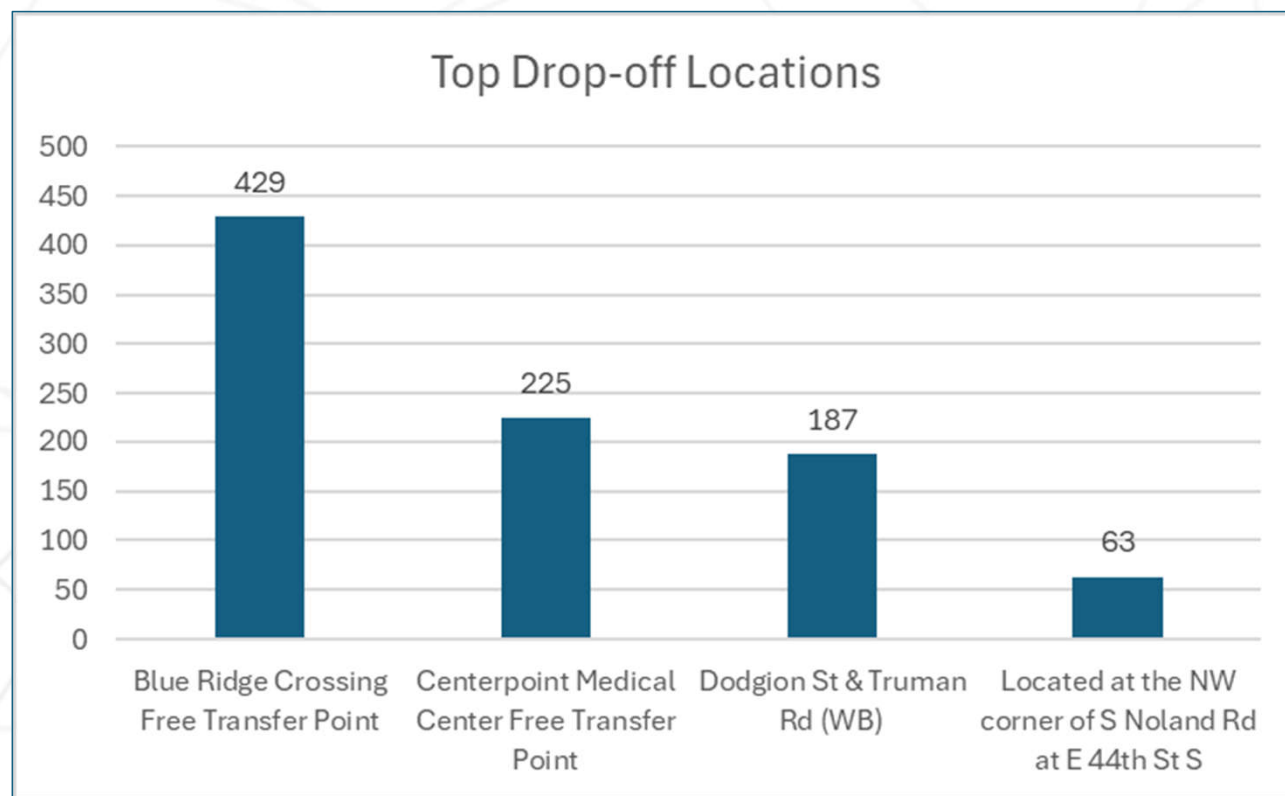


Rider Access & Key Locations

Top Drop-off Locations

Fare-free Locations Include:

- *Independence Transit Center, located at Noland and Truman Rd*
- *Centerpoint Hospital, located at 39th and Jackson Dr.*
- *Blue Ridge transfer point, located at 43rd Street*



Jan 6 – April 19

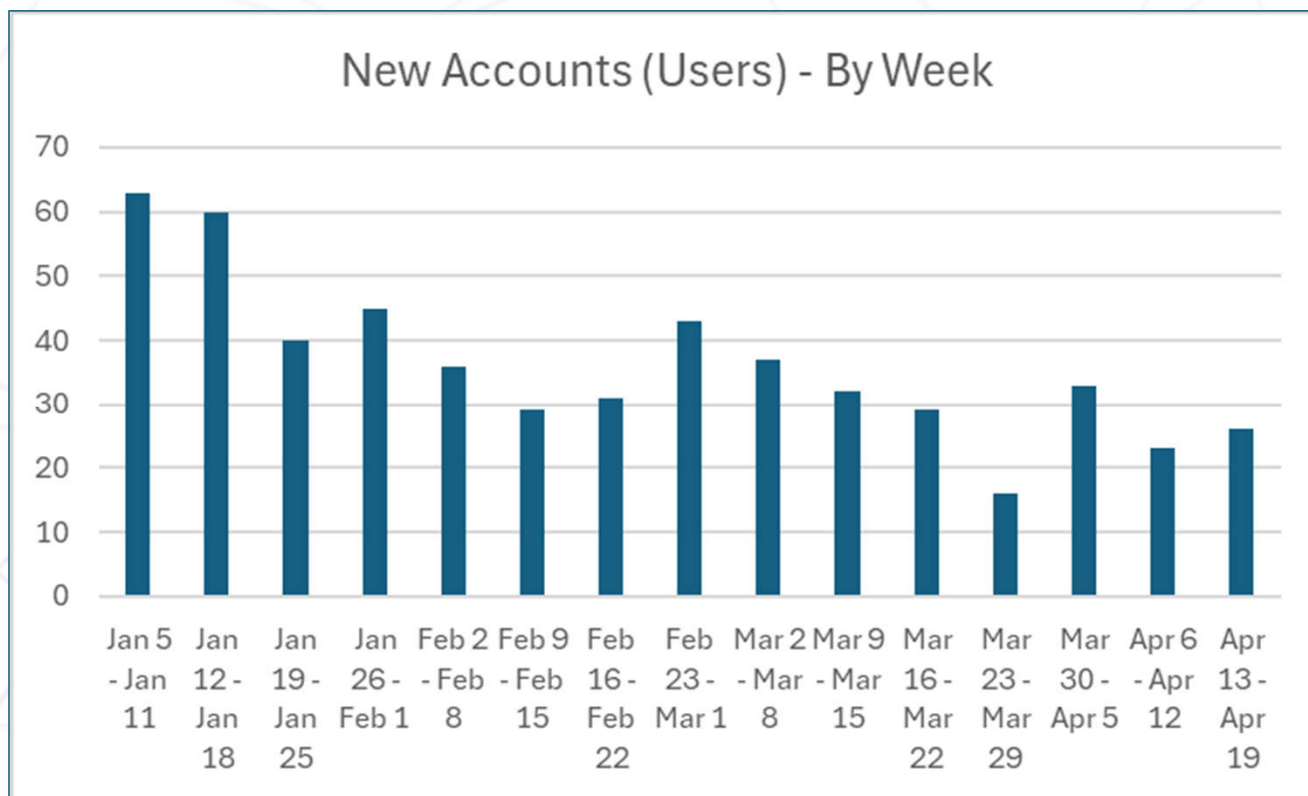
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Rider Access & Key Locations

New Accounts (Users)

- *Averaging 37 new users/week*
- *Total Unique Users: 543*



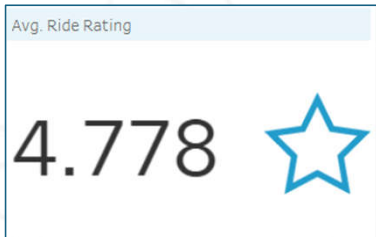
Jan 6 – April 19

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Rider Feedback & Satisfaction

Average Ride Rating:



"she was amazing we had wonderful conversations and she was just a fantastic driver and person 10 out of 10 great driver a great person and everything else"
03/20/25

"best driver independence has!!!! very polite and considerate. excellent driving!!!"
04/08/25

"Very nice and pleasant ride. And please keep the iris program going."
04/17/25

"she was amazing we had wonderful conversations and she was just a fantastic driver and person 10 out of 10 great driver a great person and everything else"
03/20/25



Why the Change to IRIS?

- Cost to continue fixed route service
 - 60% reduction in fixed route service
 - FY 25-26 – General Funds Needed = over \$3.3 million and by FY 29-30 over \$5.4 million.
 - Cost to continue same service level provided by First Transit, ADA Paratransit and 24 Route
 - FY 25-26 – General Funds Needed = over \$4.4 million and by FY 29-30 over \$6.6 million



IRIS Updates

- IRIS covers entire City
- City's IRIS website found at <https://www.independencemo.gov/IndependenceIRIS>
 - Information on scheduling a trip,
 - Map of stop locations
- Free Hubs – 59.8% are free trips
- Number of Stops = approximately 775



Typical No-Shows Reasons

- Users booking multiple rides
- Booking before they are ready
- Pax not being in the correct spot
- Pax expected a shorter wait time
- Trips booked on the incorrect days

Drivers were generally waiting for several minutes to try and locate the passenger. Many no shows from passenger's end up with a completed ride within a short time highlighting a "rebooking".



Going Forward

- IRIS 1-year contract to be considered by Council May 19th
- Continue to monitor transit situations in KCMO and in other adjacent communities
- Continue to make adjustments to our transit services as necessary.





zTrip

**KC→
ATA**


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IRIS

RIDE GO

Thank You Questions & Answers

Committed to enhancing mobility options for the Independence community.



PROPOSED BUDGET

Fiscal Year 2025-26



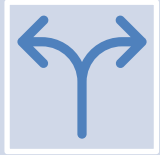
FY25-26 Proposed vs FY 24-25 Adopted

All Funds					
	FY2023-24 Actual	FY 2024-25 Adopted	FY2024-25 Projected	FY 2025-26 Proposed Budget	% Difference Adopted FY 24-25 to FY 25-26
Salaries	\$123,088,720	\$128,919,969	\$129,538,507	\$136,212,650	6%
Retiree Health Insurance	6,387,193	6,935,237	129,538,507	7,496,000	8%
Operating Expenses	164,203,200	190,077,746	129,538,507	197,223,730	4%
Equipment	164,203,200	6,745,177	129,538,507	6,058,599	-10%
Total Operating	\$298,896,995	\$332,678,129	\$331,069,526	\$346,990,980	4%
Capital Improvements	29,543,551	57,802,103	42,638,224	78,441,011	36%
Debt Service	20,045,227	21,025,863	42,638,224	24,194,990	15%
Transfers Out	394,666	910,000	42,638,224	-	-100%
Contingency	-	834,925	42,638,224	157,700	-80%
Total	\$348,880,440	\$413,251,019	\$395,069,613	\$449,784,680	9%

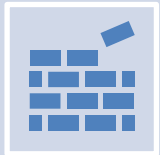
Reflecting on FY 24-25

- General Fund satisfied the minimum reserve policy (min. 16% of revenue) for the first time.
- Validation from S&P Global as part of credit rating review that our financial policies and practices are moving in the right direction.
- Thriving economic development - \$111M increase in building permit valuations.
- Approved a City Charter Amendment ensuring that Independence will never go more than 7 years without a Charter review.
- Historic General Obligation Bond vote – voters approved \$55M for street, bridge, and sidewalk repairs.
- Implementation of strategic priorities to support Power and Light.

Setting the Stage For Progress



Improved financial position, but facing critical choices as expenditures continue to outpace revenues.



FY 25-26 Budget continues to build on corrective actions already taken.



Addressing structural imbalance in the budget.

STRATEGIC ACTION PLAN

- **An Engaged Community.** We foster a culture of engagement and civic leadership based on innovation and best practices involving community members of all backgrounds and perspectives.
- **An Innovative Economy.** We grow a diversified and innovative economy leveraging our community amenities, skilled and creative people, and educational resources to generate economic opportunities.
- **A Safe, Welcoming Community.** We embrace a safe, healthy, welcoming, and inclusive community.
- **A Well-Planned City.** We consistently improve our community's appearance and quality of life as it grows and changes, honoring our unique history and sense of place as we plan for a livable, affordable, more connected city.
- **A Financially Sustainable Organization.** We create long-term financial stability by using equitable and sustainable sources of funding for City services, and we deliver them in a lean and efficient manner.
- **A High-Performance Organization.** We operate as an ethical, high-performance organization anticipating future needs, utilizing best practices, and striving for continuous improvement.



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Reallocating for Priorities

- Continue to utilize the established Strategic Agenda surrounding key areas of operations
- Simply cutting programs and services is not the answer
- Reallocation of resources from lower priority programs to higher priority (strategic alignment)
 - Considering new ways to achieve those priority goals

Shaping the General Fund Picture

- Address General Fund shortfall (**\$6.3M**).
- Provide 3.25% across-the-board wage increase for non-represented employees.
- Additional \$350,000 needed just to sustain current Transportation service levels.
- Shift approach from “reactive” to “proactive” public safety.
- Identify funding to support Independence Together.

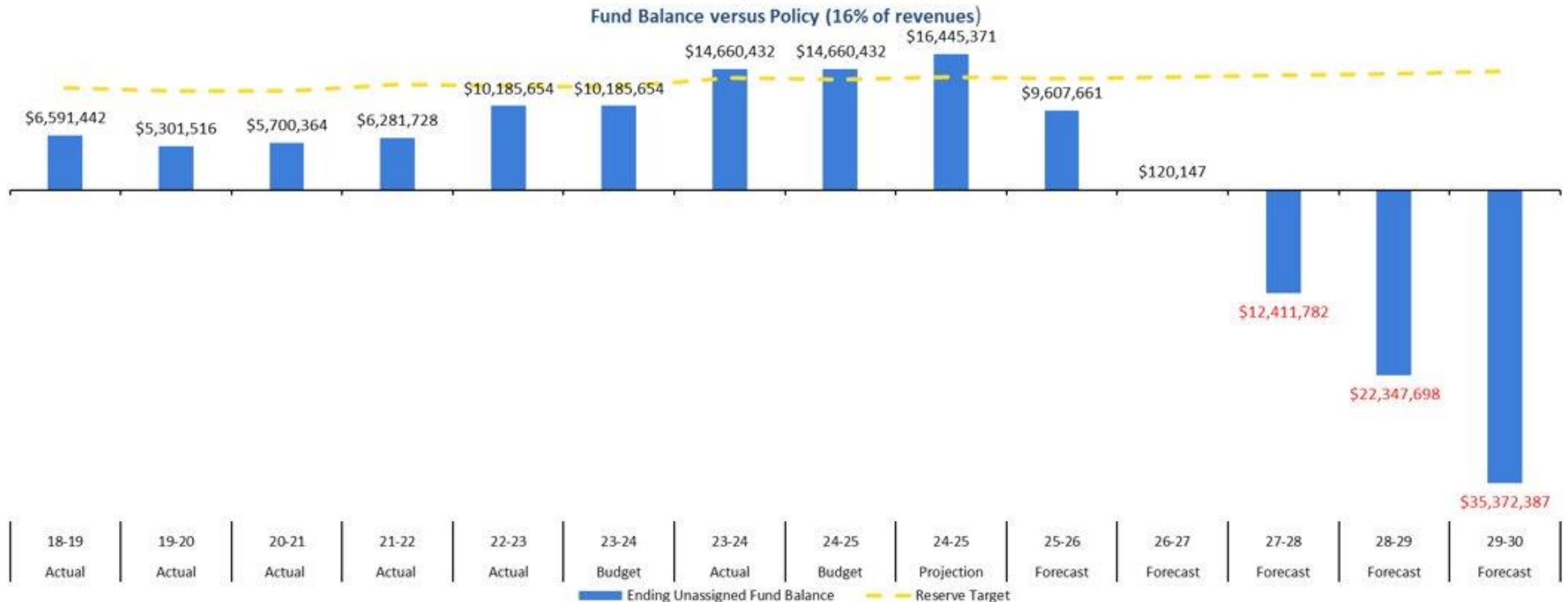
General Fund Revenues

General Fund				
	Actual 2023-24	Forecast 2024-25	Budget 2025-26	% Difference (Actual FY 23-24 to FY 25-26)
Taxes	29,992,518	29,805,500	30,097,000	0.3%
Franchise Fees	8,705,781	8,586,000	8,825,000	1.4%
PILOTS	22,149,695	23,650,000	23,150,000	4.5%
Licenses and Permits	4,861,002	5,527,700	4,589,300	-5.6%
Intergovernmental Revenue	7,223,391	7,595,400	7,055,000	-2.3%
Charges for Services	2,733,280	2,857,050	3,232,148	18.3%
Fines and Court Fees	2,454,405	1,968,700	1,906,000	-22.3%
Interfund Charges	4,664,461	4,603,862	5,573,875	19.5%
Other Revenue	1,987,491	2,183,343	454,000	-77.2%
Revenue Total	84,772,024	86,777,555	84,882,323	0.1%

General Fund Expenditures

General Fund				% Difference (Actual FY 23-24 to FY 25-26)
	Actual 2023-24	Forecast 2024-25	Budget 2025-26	
Salary & Benefits	66,063,783	66,554,005	11,275,598	-82.9%
Operating Expenses	13,127,628	16,288,557	9,773,992	-25.5%
Equipment	125,664	174,760	68,071	-45.8%
Debt Service	566,026	1,776,568	1,792,440	216.7%
Transfers Out	29,206	449,195	62,252,223	213048.7%
Contingency	-	-	-	-
Expenditure Total	79,912,307	85,243,085	85,162,323	6.6%

General Fund Unassigned Fund balance at beginning of 25/26 process



How GF Dollars are Spent

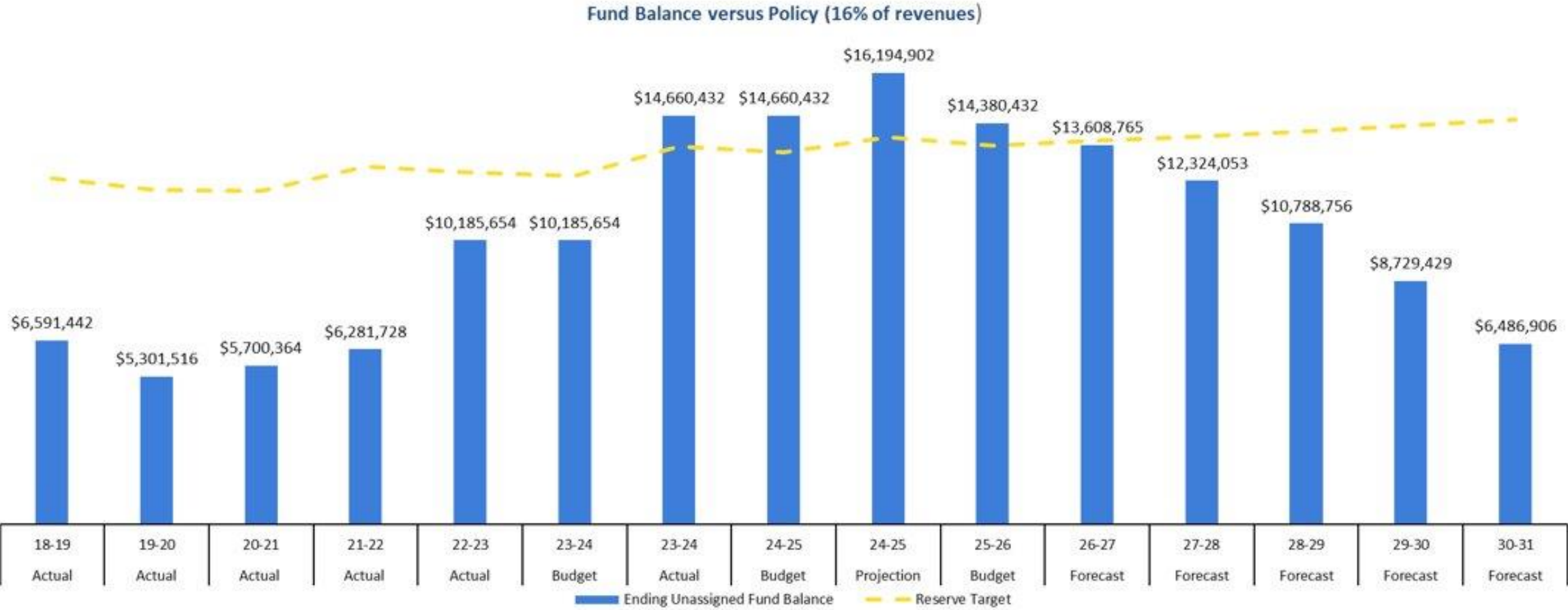


Remainder:

Mayor & Council \$0.012
PRT \$0.024
Law \$0.002

City Manager \$0.021
Municipal Court \$0.02

General Fund Unassigned Fund based on proposed budget



Notable General Fund Changes

- Shift Fire and Police out of the general fund into special revenue funds
 - Fire is receiving a General Fund transfer equal to 30.6% of General Fund revenues
 - PD is receiving a General Fund transfer equal to 42.5% of General Fund revenues
- Fund \$470,000 of the \$3.4M in new spending requests:
 - \$350,000 for transportation
 - \$50,000 for code enforcement
 - \$60,000 for GF portion of Independence Together contribution
 - \$10,000 for Customer Service training.
- Personnel
 - 3.25% Increase for Non-Rep

Proactive Public Safety

- Department of Community & Emergency Services (Net Zero Fiscal Impact).
- Creation of Homeless Outreach Coordinator (Marijuana Sales Tax).
- Additional \$400,000 for Dangerous Building Demolitions (Marijuana Sales Tax).
- Additional \$50,000 for Code Enforcement (General Fund).
- \$100,000 for Independence Together (\$60,000 General Fund/\$40,000 Storm Water Sales Tax).

Sales Tax Fund Revenues				% Difference (Actual F23-24 to FY25-26)
	FY 2023-24 Actual	FY 2024-25 Projected	FY 2025-26 Proposed Budget	
Street Improv Sales Tax (011)	15,829,222	11,894,000	11,665,000	-26%
Park Improv Sales Tax (012)	5,852,628	5,280,177	7,139,532	22%
Storm Water Sales Tax (013)	6,486,336	6,014,900	5,874,900	-9%
Police Public Safety Sales Tax (016)	3,538,047	3,242,600	3,257,600	-8%
Fire Public Safety Sales Tax (017)	12,968,742	12,565,000	12,565,000	-3%
Marijuana Sales Tax Fund (065)	687,397	980,000	980,000	43%
Prop PD Sales Tax Fund (067)	0	3,000,000	6,006,000	NA
Total Revenue	\$45,362,372	\$42,976,677	\$47,488,032	5%

Sales Tax Funds Revenues

Expenditures in Special Revenue Funds

Special Revenue Funds				
	FY 2023-24 Actual	FY 2024-25 Projected	FY 2025-26 Proposed Budget	% Difference (Actual F23-24 to FY25-26)
Salaries & Benefits	18,078,061	20,530,428	77,181,231	327%
Retiree Health Insurance	189,965	178,300	4,297,500	2162%
Operating Expenses	12,101,070	15,688,128	24,509,418	103%
Equipment	4,105,156	5,638,181	3,890,128	-5%
Total Operating	\$34,474,251	\$42,035,037	\$109,878,277	219%
Capital Improvements	17,543,495	15,253,804	37,212,011	112%
Debt Service	2,093,461	1,817,917	4,981,700	
Contingencies	-	-	7,700	-
Transfers Out	365,460	900,000	-	-100%
Total	54,476,667	60,006,758	152,079,688	179%

Enterprise Funds

	FY 2023-24 Actuals	FY 2024-25 Adopted	FY 2024-25 Projected	FY 2025-26 Proposed	% Difference (Adopted FY24- 25 to Proposed FY25-26)
Salaries & Benefits	\$44,555,141	\$48,231,443	\$46,656,874	\$48,439,321	0.4%
Retiree Health Insurance	\$2,222,387	\$2,422,037	\$2,598,800	\$2,515,000	3.8%
Operating Expenses	\$139,849,633	\$157,198,821	\$155,407,144	\$162,940,320	3.7%
Equipment	\$993,730	\$1,288,100	\$1,354,349	\$2,100,400	63.1%
Total - Operating	\$187,620,890	\$209,140,401	\$206,017,167	\$215,995,042	3.3%
Capital Improvements	12,040,115	32,659,000	27,384,420	40,949,000	25.4%
Debt Service	17,385,740	17,411,617	17,441,701	17,420,850	0.1%
Contingencies	-	150,000	150,000	150,000	0.0%
Transfers Out	-	-	-	-	-
Total	\$217,046,745	\$259,361,018	\$250,993,288	\$274,514,892	5.8%

Enterprise Fund Overview

		FY 2023-24 (Actual)	FY 2024-25 (Projected)	FY 2025-26 Proposed Budget
Power & Light (020)	Revenue	165,435,590	163,988,000	162,035,700
	Expenditure	146,666,497	162,981,125	185,257,779
	Net	\$18,769,093	\$1,006,875	(\$23,222,079)
Water (040)	Revenue	39,455,293	41,510,298	33,485,700
	Expenditure	35,931,620	41,682,496	44,201,355
	Net	\$3,523,673	(\$172,198)	(\$10,715,655)
Sanitary Sewer (030)	Revenue	37,501,398	37,844,765	36,477,900
	Expenditure	34,448,628	42,592,432	45,055,758
	Net	\$3,052,770	(\$4,747,667)	(\$8,577,858)

Internal Service Funds

	FY 2023-24 Actual	FY 2024-25 Adopted	FY 2024-25 Projected	FY 2025-26 Proposed Budget	% Difference (Adopted FY 2024-25 to FY2025-26)
Salaries & Benefits	7,361,754	7,633,165	7,425,294	8,677,361	14%
Retiree Health Insurance	245,197	288,200	225,000	288,200	0%
Operating Expenses	41,935,409	40,931,360	42,996,935	44,148,092	8%
Equipment	286,081	83,050	202,899	190,000	129%
Total Operating	\$49,828,441	\$50,850,128	\$50,850,128	\$53,303,653	5%
Capital Improvements	-	1,018,334	-	1,681,668	65%
Debt Service	15,981	-	-	-	-
Transfers Out	-	-	-	-	-
Total	49,844,422	51,868,462	50,850,128	54,985,321	6%

- Includes city-wide technology expenses
 - Munis
 - Phone Systems
- Risk Management
- Work Comp
- Staywell
- Internal Service Departments Personnel
 - Finance
 - Human Resources
 - Tech Services
 - Communications

Internal Service Fund Budgetary Changes

- Personnel
 - Same COLA increase as GF
 - Includes the following personnel additions:
 - Addition of one position in Technology Services (Systems Administrator)
 - Addition of one position in Finance (Contracts Specialist)
- Operating/Equipment
 - \$20,000 for customer service training and IT cross-training
 - \$5,000 to replace antiquated camera equipment for the Communications Division
 - \$78,000 for Tech Services' call filtering software and Finance's Annual Comprehensive Report and Budget Book software
- Operating/Equipment
 - \$4.08 million in capital expenditures for Tech Services related initiatives

Use Tax Revenues

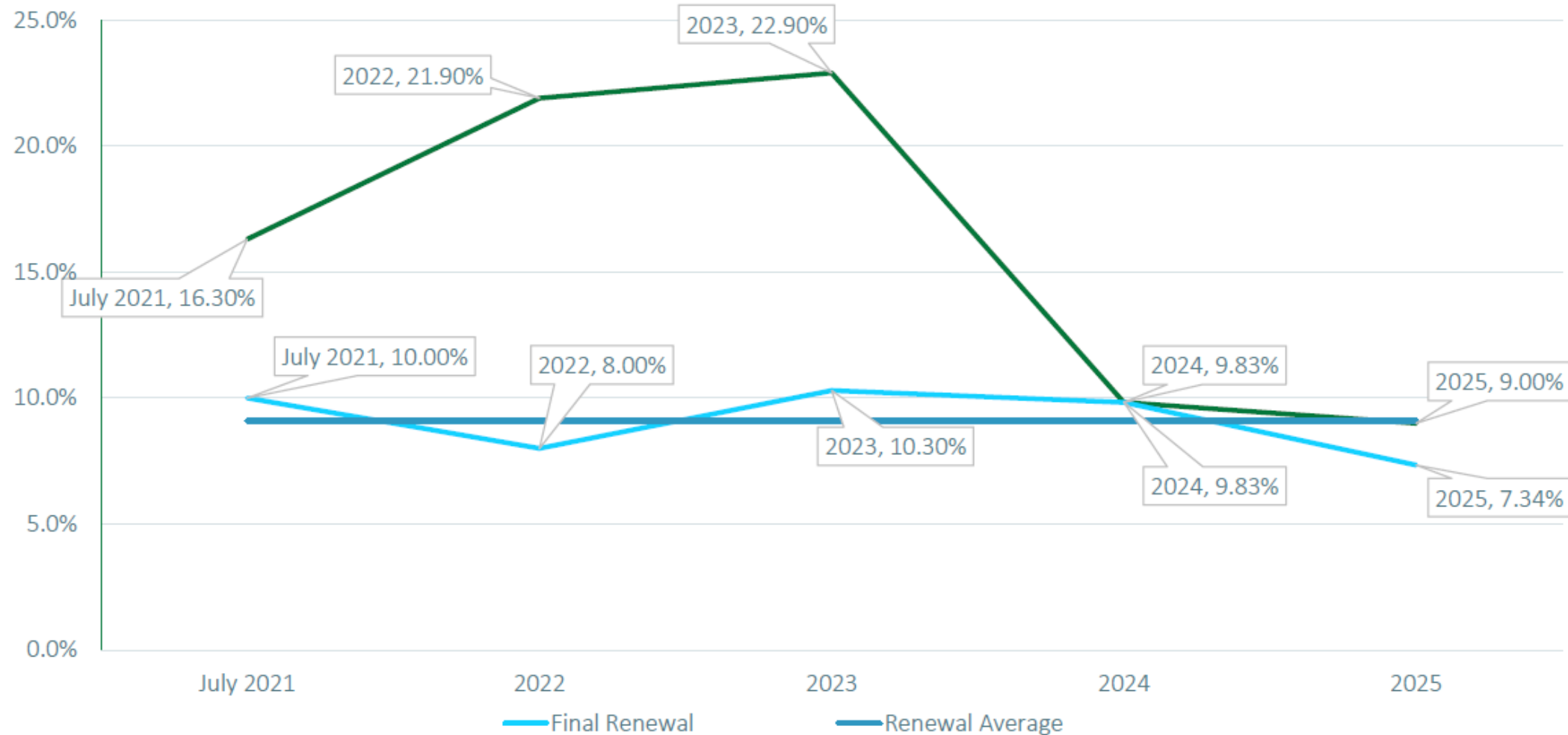
Use Tax Receipts			
	2023-24 Actuals	2024-25 Projected	2025-26 Proposed Budget
Animal Shelter Use Tax (010)	\$855,000	\$893,000	\$911,000
Police (018)	4,483,000	4,683,000	4,782,000
Waterfall			
General Fund (002)	\$2,089,246	\$1,934,000	\$2,022,000
Street Improv Sales Tax (011)	1,044,623	994,000	1,013,000
Park Improv Sales Tax (012)	522,286	438,000	506,000
Storm Water Sales Tax (013)	522,286	497,000	506,000
Police Public Safety Sales Tax (016)	261,143	248,000	253,000
Fire Public Safety Sales Tax (017)	1,044,623	994,000	1,013,000
Total Revenue (All funds)	\$10,822,207	\$10,681,000	\$11,006,000



HEALTH INSURANCE UPDATES

Assumptions	+8.89%/+\$1,927,597/+\$141.53 PEPM
Medical & Rx Claims Used	Period 1: April 2024 – March 25; Period 2: April 2023 – March 24
Weighting of Experience Periods	Period 1: 80% / Period 2: 20%
Trend Factors	Medical: 7.3%, Rx: 9.9%
Enrollment/Migration	1,135
Plan Design Changes	No changes assumed
Cigna Admin Fees	No Admin Fee increase assumed
Stop Loss Increase	+25% Placeholder – Individual Stop +5% Placeholder – Aggregate
Claims Margin Applied	Medical: 2%; Rx: 2%

Calculated Renewal History (medical)





PREPARING FOR FUTURE GENERATIONS

- Make critical changes to preserve general fund balance progress
- Looking outside of the box for creative, innovative solutions.



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NEXT STEPS

- Departmental Presentations: May 27th & 28th
- Official Public Budget Hearing and First Reading of Operating and Capital Budgets on June 2, 2025
- Adoption of the Operating and Capital Budgets on June 16, 2025



ROGER T SERMON COMMUNITY CENTER



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QUESTIONS?