INDEPENDENCE
MISSOURI

A GREAT AMERICAN STORY

City Council Study Session Minutes

May 12, 2025 6:00 PM

Council Chambers - 111 E. Maple Ave.

PRESENTATIONS

1. IRIS Update

Tom Scannell, Director of Community Development, and Terry O'Toole with ZTrip, gave this presentation.

This is a data-driven review from January 6 through 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
6,9779 passengers
An average of 93 passengers per day
An average of shared rides, 37%
Current average of passengers per vehicle per hour is 1.95
Industry average is 1.5-2.0

On-time performance
Pick-up is 92.5% (trailing 30 days)
Drop-off is 92.8% (trialing 30 days)

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

Rider Access and Key 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

New Accounts are averaging 37 new users a week. Total unique users is 543

Average ride rating is 4.778 stars out of 5

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 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-show reasons
• Users booking multiple rides
• Booking before they are ready
• Passenger not being in the correct spot
• Passenger 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.

The increase in transit was much more than what we had in our budget. The 24 route was to remain as is. The 28 route was going to be affected by the KCMO cuts and would be eliminated. Our 24 route was untouched. We are adding $350,000 on top of what we are spending this year, with a new total of 1.6M to keep the level of service we have. We knew it would take time for people to become acclimated, but the report shows that they are acclimating, and we are meeting a 92% rate. Other smaller cities in our area are also having this issue with the transit fixed routes.

People who miss their ride are able to give feedback. This gives us an opportunity to see what the problem was and take corrective actions. Most of the missed rides are from people not being at the pick-up location on time. This is much like not being at the bus stop on time.

2. 2025-26 Proposed Budget Presentation

City Manager Zach Walker gave this presentation.

FY 25-26 Proposed budget vs FY 24-25 Adopted budget
Salaries 6% increase
Retiree Health Insurance 8% increase
Operating Expenses 4% increase
Equipment -10% (decrease)
Total Operating $346,990,980

Capital Improvements 36% increase
Debt Service 15% increase
Transfers Out -100% (decrease)
Contingency -80% (decrease)
Total $449,784,680

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 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.

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
Taxes: 30,097,000
Franchise Fees: 8,825,000
PILOTS: 23,150,000
Licenses and Permits: 4,589,300
Intergovernmental Revenue: 7,055,000
Charges for services: 3,232,148
Fines and court fees: 1,906,000
Interfund charges: 5,573,875
Other revenue: 454,000
Total: $84,882,323   0.1% difference

General Fund Expenditures
Salary & benefits: 11,275,598
Operating expenses: 9,773,992

Equipment: 68,071
Debt service: 1,792,440
Transfers out: 62,252,223
Contingency: -
Total: $85,162,323 6.6% difference

General Fund Unassigned Fund balance
24-25 Projection $16,445,371
25-26 Forecast $9,607,661
26-27 Forecast $120,147

How are General Fund dollars spent:
Police: $0.43
Fire: $0.31
Municipal Services: $0.08
Community Development: $0.08
Non-Departmental: $0.03
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
24-25 Projection $16,194,002
25-26 Budget $14,380,432
26-27 Forecast $13,608,765

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
Street Improvement Sales Tax Proposed Budget: $11,665,000 -26% difference
Park Improvement Sales Tax: $7,139,532 22%
Storm Water Sales Tax $5,874,900 -9%
Police Public Safety Sales Tax $3,257,600 -8%
Fire Public Safety Sales Tax $12,565,000 -3%
Marijuana Sales Tax $980,000 43%
Prop PD Sales Tax $6,006,000 NA
Total Revenue for 25-26 Proposed Budget $47,488,032   5%

Expenditures in Special Revenue Funds
Salaries & Benefits $77,181,231 327% difference
Retiree Health Insurance $4,297,500 2162%
Operating Expenses $24,509,418   103%
Equipment $3,890,128   -5%
Total Operating $109,878,277   219%

Capital Improvements
$37,212,011   112% difference
Debt Service $4,981,700
Contingencies $7,700
Transfers Out -   -100%
Total $152,079,688   179%

Enterprise Funds
Salaries and Benefits $48,439,321   0.4%
Retiree Health Insurance $2,515,000 3.8%
Operating Expenses $162,940,320   3.7%
Equipment $2,100,400   63.1%
Total Operating $215,995,042   3.3%

Capital Improvements $40,949,000   25.4%
Debt Service $17,420,850   0.1%
Contingencies $150,000   0.0%
Transfers Out - - -
Total $274,514,892 5.8%

Enterprise Fund Overview Proposed Budget
Power & Light
Revenue $162,035,700
Expenditure $185,257,779
Net $($23,222,079)

Water
Revenue $33,485,700
Expenditure $44,201,355
Net $($10,715,655)

Sanitary Sewer
Revenue $36,477,900
Expenditure $45,055,758
Net   ($8,577,858)

Internal Services Funds - 6% increase from 2024-25
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
Animal Shelter Tax 2024-25: $893,000; 2025-26: $911,000
Police 2024-25: $4,683,000; 2025-26: $4,782,000
General Fund 2024-25: $1,934,000; 2025-26: $2,022,000
Street Improvement Sales Tax 2024-25: $994,000; 2025-26: $1,013,000
Park Improvement Sales Tax 2024-25: $438,000; 2025-25: $$506,000
Storm Water Sales Tax 2024-25: $497,000; 2025-26: $506,000
Police Public Safety Sales Tax 2024-25: $248,000; 2025-26: $253,000
Fire Public Safety Sales Tax 2024-25: $994,000; 2025-26: $1,013,000

Total Revenue 2024-25: $10,681,000; 2025-26: $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%

Preparing for future Generations
Make critical changes to preserve general fund balance progress
Looking outside the box for creative, innovative solutions

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

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).*