

THE LINKING LETTER

by Anne Scheck

December 18, 2016

Preface: As the calendar year comes to a close, the City Council tackled several issues as it heads into the new year: a bigger MINET payment this fall, the need for a higher water rate, and initial efforts to ready the riverfront for development.

Question: *Were there complications related to these year-end tasks ?*

-- MINET DEBT PAYMENT. A sum of nearly \$300,000 was approved to subsidize a recent MINET debt payment. The action brought a rebuke -- by memo -- from City Manager David Clyne, who criticized the municipal internet company for failing to notify the city of the needed amount in a timely way. MINET caused “unnecessary difficulties” by not sharing this information sooner, he said. The company’s plan is to “refresh technology” in the coming years by holding some funds in reserve, but the specific reasons how this will help build a positive cash flow haven't been explained in detail, Mr. Clyne said. This is “a troubling lack of transparency,” he said.

“I want to apologize to the council about not having debt shortfall information to you sooner,” stated MINET’s General Manager Don Patten in a written response to Mr. Clyne, which was provided to the City Council. Since joining MINET in 2013, he has been grappling with circumstances he has tried to control, Mr. Patten explained, such as “pre-existing debt, a company in deep trouble, and a deteriorating central plant.” To prepare for a brighter future, MINET is actively seeking outside markets -- without those, MINET cannot generate the revenue needed to meet both operating costs and debt obligations, Mr. Patten added. MINET was tentatively set to provide service to Jefferson, but the recent ballot there meant a change in city council members. The deal has been delayed, but it is “not off the table,” he said.

The high number of households already subscribing to MINET make it unlikely that MINET can create more profit without expansion, observed Councilor Forrest Peck. However, to “throw money” at new business-building efforts is questionable when there is “no clear indication” of how and when the pay-off for that investment will occur.

Mr. Patten indicated that a strategic plan for MINET will be presented at a joint executive session with city councils from Independence and Monmouth, the municipal owners of the telecom company.

-- **WATER RATE HIKE.** Increases of 2% for water and 4% for sewer rates were announced by Independence Finance Director Gloria Butsch, prompting a resident in the audience to speak publicly to the City Council, asserting that an annual 6% increase in water and sewer is increasingly difficult for middle-class homeowners who want to live in Independence -- and who also see their property taxes tick up each year. Councilor Peck reminded staff that affordability is one of the reasons some choose to reside in the city. "These cumulative increases impact their lives," Mr. Peck said.

-- **INDEPENDENCE LANDING.** Sub-surface oil has been found during excavation for the sewer lines and street construction at the city riverfront, which is being prepared for development of the property. City Manager Clyne said the clean-up costs will be paid out of grant funds available through the state. However, the discovery during the dig apparently will slow some work at the site, at least in the immediate future.

-- **MARIJUANA.** Marijuana ordinances were discussed and included substantial public testimony. The issue will be revisited at **tonight's meeting**, at **7 pm** at the Civic Center -- in the event center, *not* council chambers See link to agenda: <https://ciindependenceor.civicweb.net/Portal/MeetingInformation.aspx?Id=55>