

COUNCIL MINUTES
REGULAR SESSION
JANUARY 3, 2023

Charles City city council met in regular session on January 3, 2023 at 6:00 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Patrick Lumley, DeLaine Freeseaman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers, city attorney Brad Sloter, city engineer John Fallis and engineer in training Brian Sullivan.

Citizen comments – none

Mayor Andrews welcomed everyone to the meeting.

Motion by Freeseaman, second Knighten to approve the agenda. Ayes – 5

Motion by Pittman, second Lumley to approve the minutes of the December 14 and 19 meetings. Ayes – 5

Motion by Freeseaman, second Pittman to approve the consent calendar. Ayes – 5. Consent calendar consisted of the following: approve the following liens for mowing bills: \$147.00 306 8th Ave, \$145.00 305 B St and payment of claims (including those approved by other boards):

Council committees were reviewed. Council member Lumley needs to leave the airport commission and will be replaced with Councilmember Freeseaman. Council member Knighten will be replaced on the E9-1-1 commission as alternate and will be replaced with Councilmember Lumley.

Mayor Andrews opened the public hearing on proposed development agreement with Cambrex Corporation. Affidavit of publication dated 12/23/22 was informally filed. City administrator Diers reviewed the terms of the development agreement, which include a 6 year 90% tax rebate with a cap of \$400,000. Forty new jobs will be added with 39 of them qualifying for the high quality job credit. This will gain them a forgivable loan of \$48,750 (\$1250/job for 39 jobs). These jobs will need to be added within the next three years. Construction on their project will start this spring. Council member Freeseaman introduced Resolution 01-23 entitled, "RESOLUTION APPROVING DEVELOPMENT AGREEMENT WITH CAMBREX CORPORATION, AUTHORIZING ANNUAL APPROPRIATION TAX INCREMENT PAYMENTS AND PLEDGING CERTAIN TAX INCREMENT REVENUES TO THE PAYMENT OF THE AGREEMENT" and moved for adoption. Second to adopt Pittman. Resolution duly passed on roll call vote as follows: Ayes – Starr, Lumley, Freeseaman, Pittman, Knighten. Nays – none.

The arboretum project was awarded to Wells Hollow at the last regular council meeting. The contract and bond are both ready to be approved for this project. The total of the bid is \$178,411.50 which includes the base bid and two alternate bids. This project will be funded with a \$100,000 WQI grant, sponsored project dollars and donations. The city will also be paying about \$20,000 for replacement of the sidewalks around this project. Work will start this spring with a completion date of September 30, 2023. Council member Pittman introduced Resolution 02-23 entitled, "RESOLUTION APPROVING A CONTRACT AND BOND FOR THE 2022 GARDEN CORRIDOR EDIBLE ARBORETUM URBAN CONSERVATION DEMONSTRATION PROJECT, CHARLES CITY, IOWA" and moved for adoption. Second to adopt Lumley. Resolution duly passed on roll call vote as follows: Ayes – Starr, Lumley, Freeseaman, Pittman, Knighten. Nays – none.

Pay estimate #35 for the WRRF project has been submitted. The amount to be paid to Portzen Construction for this month is \$28,378.67. They are still waiting on a valve but once that is

installed, the project to be able to be closed out. Fox Strand Engineering is recommending payment of this amount. Councilmember Freeseaman introduced Resolution 03-23 entitled, "RESOLUTION APPROVING PAY ESTIMATE #35 FOR WATER RESOURCE RECOVERY FACILITY PROJECT" and moved for adoption. Second to adopt Pittman. Resolution duly passed on roll call vote as follows: Ayes – Starr, Lumley, Freeseaman, Pittman, Knighten. Nays – none.

Chris Diggins from NIACOG has submitted a procurement policy that council needs to approve as a requirement for the CDBG grant we have been awarded for the clear well project. These are procedures we follow on all of our grants but it is a requirement that council formally adopt this. Motion by Pittman, second Freeseaman to approve the procurement policy. Ayes – 5

An alternate signatory needs to be approved for this CDBG grant. The mayor currently is appointed but in case he is unavailable, we would like to add city administrator Diers as an alternate signatory. Motion by Knighten, second Starr to approve city administrator Diers as alternate signatory for the CDBG grant. Ayes – 5

City clerk O'Donnell reported that there are budget meetings scheduled for January 4, 5, 9 and 11 at 5:30 p.m.

City administrator Diers reported that our valuations are in and show a decrease of 3 ½ million in our taxable valuations but a 3% increase in the 100% valuations, which will hurt our general fund. Some of the reasons for this are TIF payments, the end of the multi-residential backfill and the changes in how the state is treating business property tax credits. Diers also reported that we lost Toni Pieper, one of our Foster Grandparents, this past week and expressed sympathy to her family.

Motion by Pittman, second Freeseaman to adjourn. Ayes – 5.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk

COUNCIL PROCEEDINGS
JANUARY 4, 2023

Charles City city council met in a budget session on January 4, 2023 at 5:30 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Patrick Lumley, DeLaine Freeseaman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers, city engineer John Fallis and engineer in training Brian Sullivan.

Library director Annette Dean was present to review the proposed library budget. They will be asking for a 2% increase in funding from the county. They recently received a grant from the Floyd County Community Foundation. A proposed increase of 5% in all library salaries is included to bring their amounts up to the 50% percentile of library salaries for our size in the state. There is a projected increase in the travel line item due to sending two full time employees to a national library conference. For FY24, plans are to paint the Zastrow Room and an estimated \$25,000 roof repair. They have had great participation in their children's programs. The art valuation will be done in the current fiscal year. The various library trusts budgets were also reviewed.

Park and rec director Tyler Mitchell was present to go over his budgets. The revenue at Wildwood was higher than projected this year. We receive \$10,000 per year from CIA for park maintenance and \$8,000 per year to go towards mower purchases. During discussions with them, it has been stated that they will probably only do one more three year contract with the city for these items and then will look to give their parks to the city. Their membership is made up mostly of elderly women who aren't able to keep up with flower maintenance. Mitchell is proposing an increase in seasonal workers wages to keep up with the state average. Our current max is \$11.00 and he is suggesting increasing to \$14.25. This past year has had some major vandalism to our park restrooms, about \$4,500 worth. He is looking at adding timers to lock down and open up the restrooms to help keep this vandalism down. Items included in the construction line item are \$10,000 for riverfront rock, \$8,500 to replace lights at Sportsman's and \$6,000 for dugout roof repairs. Mitchell is also proposing an increase in salaries for the pool employees, it has been very difficult to find employees. He is also looking to join with the school and YMCA to help coordinate lifeguard training to reduce costs. Discussion will be held with the park board on what to do with the horseshoe courts located near Shaw Avenue. The clubhouse manager has been doing a fantastic job and Mitchell would like to increase that wage to \$15 from the current \$12. He would like to increase the bartender salary as well to help attract more of them to that position. There was some fire damage at Wildwood clubhouse to that re-estimated line item has been increased for those expenses. For the park and rec capital improvement fund, trail renovations and a skate park are included in the construction line item. Park and rec purchase reserve includes a transfer in from water and sewer for mowing at their facilities to go toward future mower purchases.

Public safety director Hugh Anderson was present to discuss police, fire and code enforcement budgets. We had budgeted for the school to reimburse us \$10,000 for the school resource officer, but this fell through so that revenue was reduced. Anderson would like to look at raising the amount of our tickets since they have been at \$15 for quite some time. He would also like to raise the rental inspection fees since these have remained the same since the inception of that program. The police union agreed to a 3% increase in salaries for FY24, so that has been incorporated in the salary line item. The legal fees line item has gone up quite a bit due to more dog and nuisance cases. Capital equipment for FY24 includes a squad purchase, 2 tasers and a mobile data terminal. They would like to convert the old communications center to secure storage in FY24. A gun range has been discussed and this would require a property purchase. Discussions have included possibly utilizing this property for lime sludge storage and brush repository as well. Fire department budget was reviewed next. Chief Anderson commented that we have never had a truly full time fire department

since our career fire fighters simply drove the equipment to the fire and had to wait until volunteers arrived to actually fight the fire. In order to have a true full time department, we would have to employ at least 20 firefighters. As part of the previous contract with AMR, we provided a driver for their ambulance and this is what our career fire fighters used to provide. As was previously requested by council, the budget numbers presented included two options: one with a full time chief and one full time and the other option was with a full time chief and 4 full time firefighters. With both options, we still rely on volunteers to fight the fires. Interim fire chief Marty Parcher has done a great job in recruiting more volunteers, there are currently 6 or 7 ready to join. The volunteer wage was increased \$.50/hour for FY24. Parcher is also looking at doing a fire cadet program to recruit high school students who will hopefully become volunteers when they are old enough. Council member Knighten voiced concern over even finding four full time fire fighters at the wages we have for an entry level firefighter, seems like full time fire are hard to find. Parcher has expressed confidence that we can operate with just a full time chief and the rest volunteers and fill our needs. We only average 12 structure fires a year. Council member Lumley expressed concern over not having the fire station manned 24/7 and that a strictly volunteer force is not sustainable. Chief Anderson stated that 90% of the fire departments in the state are strictly volunteer staffed. Council member Starr requested to receive a replacement schedule for the major fire equipment some time in the near future. Code enforcement budget reviewed next. A 3% increase in salary for FY24 has been included here with most of the other expenses remaining steady. Safety Education fund is used for police programs, such as bike rodeo, and is funded by donations. Fire extinguisher fund revenues are from servicing fire extinguishers and is used for living expenses at the fire station for the firefighters. Nuisance reserve account has a projected balance at end of FY24 of \$108,000. We have done several nuisance property purchases and will be compiling a list soon of the top nuisance properties in the city to identify some possible future purchases/remediations.

FY24 budgets for all of the TIF funds were reviewed next. Riverside is a perpetual district and all of our cultural/entertainment and Façade programs are funded here. Also annual payments to Main Street Charles City and to help support ADC come from this fund. Southwest Bypass is the joint district with the county. Development agreements with Trelleborg, Cambrex and Zoetis flow through here. Also admin payment to the city and support of ADC from both city and county are funded here. Legal fees for preparing the development agreements and proceedings are also paid from here. South Grand has a negative balance currently because we were shorted what we requested for TIF revenue last year. The loan and interest payments for the certified site come from here as well as payments for the Parkside housing development as lots are filled. There are two development agreements with Molstead Motors that flow through this district as well. East Park district has no activity since it has expired. Park Avenue district will have one final year of collection and then be done.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk

COUNCIL PROCEEDINGS
JANUARY 5, 2023

Charles City city council met in a budget session on January 5, 2023 at 5:30 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Patrick Lumley, DeLaine Freeseaman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers, city engineer John Fallis and engineer in training Brian Sullivan.

Cory Spieker, water superintendent, was present to review the budgets for the water department. The revenues for FY24 were calculated with the annual 3.5% increase. The increased usage at Pure Prairie Farms was also taken into consideration. We have separated out Valero's usage due to an agreement with them. This has been increased due to us not breaking even on their previous rates. Salaries for FY24 have also been calculated using a 3% increase on July 1. Contracted services line item includes 120 Water (\$10,000), Itron (\$7,000), Primex (\$10,000), Sensus (\$2,000), Utility Cloud (\$15,000) and SAM (\$5,000) license/maintenance amounts. Replacement of slaker #1 controls (\$70,000), truck purchase (\$40,000) and ¼ share of a new vac truck (\$76,875 first half) are included in capital equipment. Spieker is also recommending purchase of a bulk water filling station, at an estimated cost of \$75,000, to be located at the hydrant by the fire station. This would allow anyone to purchase bulk water anytime using a credit/debit card. FY24 budget also includes \$5,000 for leak detection services, \$15,000 for hydrant replacement, \$15,000 for valve replacement and \$100,000 for cleanout the south cell of the lime sludge lagoon. Costs of supplies have been increased due to Pure Prairie Farms gearing up production. A transfer of \$30,000 to Fund 303 for water portion of the Main Street project and \$187,500 to fund 604 water looping project are also budgeted for FY24. Water Looping Project budget was reviewed. This project will help with issues Zoetis is having with their water pressure. It will be bid this spring and be done in FY24 with an estimated cost of \$375,000. This will be split between FY23 and FY24. Clear Well project budget reviewed next. This project was just bid out with low bid at \$4,364,000. Half has been budgeted for FY23 and half is in FY24. A \$600,000 CDBG grant has been awarded for this project with the remainder of funding coming from a water loan.

The water resource and recovery facility budget was reviewed with superintendent Dan Rimrod. The purchase of a new sewer vac truck in FY24 has been included, which caused quite a large increase in expenditures here. Pure Prairie Farms usage is a big variable here as well as the utilities for the new plant. Rates have been calculated with a 3.5% increase for FY24. Salaries have also been calculated for a 3% increase for next fiscal year. Rehab of 5 to 7 manholes has been included for each year. We had decreased the slip lining projects due to the payments on the new plant loan but will work at increasing this amount going forward. The purchase of the new sewer vac truck has been split 50/50 for FY23 and FY24. The plant expansion project fund is winding down. We are waiting on a final valve replacement for this project and should then be able to do the final draw on the SRF loan and close this project out.

Transit budget was discussed. Ridership is up with the Christmas light tour being very popular again this year. We are moving back to sharing 50% of costs since the federal government stopped funding that at 100% due to COVID. We are budgeting the transit levy at \$89,366 for FY24. These fund expenses are split between the city route expenses and the county route expenses since they are funded differently. We have the bare minimum of drivers, could use more substitutes. With the recent increase in the costs to obtain a CDL, we may have to consider paying some of that cost for new drivers and implementing a reimbursement agreement for them. We have budgeted a 5% increase to Circle K for their contract to operate the transit.

RCPP fund will be closed out this year.

RAGBRAI fund has a positive balance in it. A large portion of that money is for distribution back to non-profits in our area in accordance with RAGBRAI organization request.

Our next budget meetings will be January 9 and January 11 at 5:30 p.m.

Dean Andrews, Mayor

Attest:
Trudy O'Donnell, City Clerk

COUNCIL PROCEEDINGS
JANUARY 9, 2023

Charles City city council met in a budget session on January 9, 2023 at 5:30 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Patrick Lumley, DeLaine Freeseaman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers and engineer in training Brian Sullivan.

Mayor Andrews stated that he had been on the radio this morning discussing city items.

The streets budgets were reviewed with street superintendent Cory Spieker. We have pulled out as much as we can from the General fund portion of streets and put them into the road use tax fund items. We have included sidewalk assessments for those who didn't repair their sidewalks and the city went in and completed them. These reimbursements will come through on the property taxes. Tree removal line item has been increased significantly to get as many ash trees down as we can. Our goal is to get them down before they start dying, since they become a huge safety issue when that occurs. Discussion on doing a couple of general obligation borrowings and knock out a larger number of trees sooner. A tree utility has been discussed but this would involve going on a ballot to be voted on so we would need that in place before we could add a monthly charge to the utility bills for tree removal/replanting. Consensus was to do the borrowing now and look at implementing a tree utility later. We have included \$105,000 (triple the normal amount) for tree removal costs in FY24. Road Use Tax budget was reviewed. Revenue has been calculated at \$129/capita for FY24. We have included \$40,000 for rocking/improving alleys for next fiscal year. Purchase of a vac truck is also budgeted, half in FY23 and half in FY24. CVTC budget was reviewed. This is for operation of the joint facility shared by the city, county and state on the south edge of town. The expenses are all shared based on number of bays each entity has with some expenses being shared equally. Our share of these expenses is covered by a transfer out of RUT. We are starting to replace the overhead doors in the shop area of the facility, doing three a year until they are all replaced. They are experiencing water log and failing seals on the windows. Local option sales tax has a larger balance being built up because we do major street projects about every other year and allow the balance to build up some to cover the costs easier. Street related capital improvement fund budget was reviewed next. This fund is where we run all of our street projects. The expenses are then covered by transfers from local option sales tax, water, sewer or storm water for their various portions of a project. For FY24, we have the Mill Race parking lot planned with some of this being paid for by sponsored project funding from the state. We have already visited with the surround business owners on this project several years ago and had favorable responses to it. We will visit with them again as this draws closer. Council member Lumley asked if we were going to pave any more of the gravel roads in town and reply was not this year. We will review our street capital improvement plan to see what streets will be done next. Storm water utility fund was discussed next. This revenue is generated by a \$5 monthly fee on each water bill. We have done some good projects with these funds. Council member Knighten asked if this fee should be recalculated and possibly have commercial properties paying more since they typically generate more storm water runoff. Council member Freeseaman replied that we had discussed this when we initially implemented this monthly fee but decided it was too difficult to split this up fairly so we left it one flat fee for everyone. Waste Collection fund budget was reviewed next. This is a money in/money out fund since the money we collect on water bills for garbage gets paid out to Jendro each month. Their contract has an annual CPI increase clause plus they recently implemented a fuel surcharge fee for 6 months. We will be talking with them on the surcharge since the CPI amount should include an amount for the increase in fuel prices. Spring clean up expenses have decreased due to our change in how we conduct this event. The line item for grinding services has been increased due to the larger number of trees we are removing due to the emerald ash borer situation. Charley Western trail bridge will be closed out this fiscal year. We recently received money from Friends of the Trail for the lights on the bridge and will be

drawing down on the G.O. loan for this project. Since this project came in under budget, we have the capacity to cover the pledges from park and rec capital improvement funds and from hotel/motel, so this fund will be closed out at the end of FY23. Arboretum Phase 2 fund was reviewed. This project needs to be completed by December 2023. We are receiving an IDALS grant of \$100,000 and sponsored project funds of \$61,075. The city will also be paying for approximately \$20,000 to replace the sidewalks around this project. SW Industrial Storm Water project was completed as a result of flooding issues experience by Winnebago in the development park. Winnebago had pledged \$100,000 toward this project but had hired some work done to help mitigate this issue. They deducted that payment off and paid us the difference. So we will be transferring \$23,950 from the storm water fund to clear this fund out.

City administrator Diers reported that the school board has a meeting scheduled for January 23, same night as our budget workshop and asked if we want to reschedule our meeting so council members can attend the school board meeting if they wish. Consensus was to reschedule the January 23 meeting to January 30. So our schedule will be January 25 (planning session), January 26 and January 30. We have a meeting scheduled for February 2 if needed. Diers had a conversation with Charley Thomson about issues we are facing as a city so he can hopefully help with those at the statehouse.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk

COUNCIL PROCEEDINGS
JANUARY 11, 2023

Charles City city council met in a budget planning session on January 11, 2023 at 5:30 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Patrick Lumley, DeLaine Freeseaman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers and engineer in training Brian Sullivan.

Miscellaneous general fund budgets were reviewed. We are still working on finding property to purchase for a gun range/lime sludge storage/brush site and have a couple leads. We have included \$25,000 in the budget for this item. No major work is planned for 401 N. Main since we recently completed a large remodel there. Their parking lot is in need of some work and that has been included in Fund 303 with other street projects. The payments to others TIF account is where we expend items that will be repaid with TIF funds, such as our payments to ADC, Façade and Cultural/Entertainment grants, etc. Council and mayor salaries may be reviewed at a later date. This would have to be approved prior to the next city council election in order to take effect the January after the election. City administrator expense line items remain pretty steady. \$6700 for a vehicle stipend has been included in FY24 since the current administrator car is getting quite old. City clerk expense line items also remain pretty steady. The data processing line item has been increased for FY24 for a contract with our current IT person to fill our technology needs. For city hall capital improvement, a \$200,000 figure has been included to re design the entrance and business office reception area to make it more handicap accessible and also more secure. We really have no idea what this might cost. Mark Wicks was present and commented that we would be able to access design services from Main Street Iowa program, so we will look at doing that soon to get a better idea of what we are looking at. ARPA funds would be able to fund this project. Salary raises for deputy clerk, utility clerk and accounts payable clerk have been included for FY24 to make them more comparable to other cities. Council asked to have these proposed amounts sent to them. The engineer salary for FY23 was re estimated since we have now hired that position and know what that salary is. Rest of the engineering expenses remain pretty steady.

For Emergency Fund budget, we have included the emergency levy of \$.27/thousand in our revenues into that fund with the corresponding transfer out to General fund for that amount.

Employee Benefit fund budget reviewed. All of the benefits for General fund and RUT fund salaries are expensed from here with a corresponding levy coming in. We underfunded this levy last year to keep the levy down so the cash balance here decreased.

American Rescue Plan fund budget has a total balance of just over 1.1 million. We have included this same expense for FY24, which would include the remodel of the business office reception/entrance. These funds need to be designated by December 2024 and expended by December 2026, so we have time to plan.

State CARES fund will be closed at the end of FY23, it has a small balance of approximately \$300.

Cable fund budget was reviewed. The revenues here are from the Mediacom cable/video sales in Charles City. These amounts have been declining, due mostly to more streaming being done by their customers. The county reimburses us \$3000 annually to cover the costs of videotaping their supervisor meetings. The supervisors are renovating a room at the courthouse to become their meeting room and may install the necessary equipment to tape their own meetings. So this reimbursement could go away. The agreement with the school for one of their employees to oversee the uploading of the city's meeting videos is in limbo right now. It was discussed putting our meetings on YouTube, so this may be an option for us in the

future. The cable commission may not be necessary anymore with so many changes in the cable industry, so this will be discussed at a future meeting of that commission.

Fiber to the Home fund reviewed. Right now, the only activity in this fund are the utility bills for the building up on North Main Street that was to be the office for the city's telecom utility. With the uncertainty of that project, this building may become available for other uses by the city. There will be a transfer from the General fund to cover these utility bills at the end of the year.

Jennifer Lantz, Foster Grandparent director, was present to review her budgets. The advisory fund is where the sales of their items and grant awards are deposited. The non qualifying grandparents expenses come out of advisory fund since they can't use Federal money for them. We currently have two of these grandparents in service. Foster Grandparent Operating fund budget was discussed. The stipends line item has increased quite a bit from FY23 and FY24 and this is due to the increase in the stipends from \$3.15/hr to \$4.00/hr. Long distance travel has also increased quite a bit for FY24 due to Jennifer traveling to Washington DC as a Americorp Seniors board member. The office supplies line item is also increasing quite a bit from FY23 to FY24 due to changing all of the pamphlets and sending postcards to show the increase in the stipends. Jennifer is working on getting more grandparents hired and hopes that Mason City will garner us quite a few more. Current number is 39, with two more being non qualified and two more being a Foster Grandparent for free.

City administrator Diers reviewed the tax levy sheet that had been distributed prior to the meeting. The initial proposed FY24 levy is quite higher than the current year but we will probably be bringing this down as we review the budget further. This is just the starting point. He has included a \$250,000 G.O. loan in debt service to take down about 500 trees.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk