

CITY OF CHARLES CITY
COUNCIL PLANNING SESSION
January 5, 2026

Charles City City Council met in a planning session on January 5, 2026, following the regular meeting that adjourned at 6:17pm, in the Zastrow Room of the Public Library. Mayor Dean Andrews presided and the following council members were present: Phillip Knighten, Patrick Lumley, Krista Noah, Jeff Otto, and Phoebe Pittman. Also present was City Administrator Tyler Trout, City Engineer John Fallis, City Attorney Brad Slotter, Water Superintendent Cory Spieker, and Chief Anderson.

Mayor Andrews welcomed attendees to the planning session.

The Council heard a proposal from Water Superintendent Spieker and City Administrator Trout regarding the necessity of a formal utility rate study for the City's water, sewer, and stormwater systems. Discussion centered on the fact that these utilities rely on user rates to fund operations, maintain infrastructure, and meet long-term financial obligations. It was noted that existing rate structures may no longer reflect the true cost of service due to rising costs and changing usage patterns. A primary focus of the proposed study is the significant gap between residential and commercial/industrial rates. Under the current "declining block" structure, high-volume commercial users receive significantly lower per-unit rates, which in some cases may fall below the actual cost to provide the service. Superintendent Spieker and City Administrator Trout discussed the need to bring these rates closer together to create a more equitable rate structure for residential users. This adjustment would ensure commercial users pay a more proportional share of the system's costs.

Additionally, the City must maintain a minimum debt service coverage ratio of 1.10 to remain in compliance with State Revolving Fund (SRF) loan requirements. Trout noted that the cost of the study would be split proportionally between the three utilities being evaluated. It was anticipated that a quote for the study would be available for discussion at the January 14 planning session.

The Council discussed the upcoming expiration of the City's ambulance services contract with American Medical Response (AMR) on June 30, 2026. City Administrator Trout presented a proposal from Emergency Medical Solutions LLC to conduct a comprehensive feasibility study to evaluate future service delivery models, including City-operated, fire-based, third-service, or private contracting options. The study is intended to provide Council and staff with the objective data necessary to make an informed decision regarding long-term EMS provision. It was noted that AMR has been contacted for a proposal regarding future services, as the city seeks to build flexibility into its long-term planning. During the discussion, Mayor Andrews emphasized the importance of regional collaboration, suggesting that the County should be brought into the conversation to potentially split the study fees. Councilmember Lumley also spoke in favor of cost-sharing and inquired about the logistics of how those costs would be divided. Mayor Andrews suggested contacting County Supervisor Rottinghaus and noted that the hospital might also have an interest in participating. The consensus was to explore these partnerships to ensure all stakeholders are involved in the planning process.

The Council reviewed proposed updates to the City's Tax Increment Financing (TIF) Matrix, a review prompted by recent state legislation expected to reduce municipal property tax revenues. City Administrator Trout, along with Councilmember Knighten, former Councilmember Freeseaman, and Mayor Andrews, recommended these updates to ensure the City's incentive policies remain financially prudent under current fiscal conditions. Staff presented a new rebate calculator designed to illustrate the proposed changes, which include reducing the number of available rebate tranches, implementing a sliding scale for annual rebate percentages based on applicant scoring, and shortening the maximum agreement length from ten years to nine years. These changes are intended to allow developments to begin generating full property tax revenue for the City sooner. Additionally, the updated policy would require recipients to maintain a minimum assessed property value for the duration of the urban renewal area. During the discussion Tim Fox, Executive Director of the Charles City Area Development Corporation, expressed skepticism regarding the proposed changes and their potential impact on competitiveness. He informed the Council that he would review the updated matrix and calculator with his site selector to gauge market reception and will report back with his findings in one month.

The Council reviewed a proposal for maintaining municipal engineering services following the upcoming retirement of City Engineer John Fallis. City Administrator Trout highlighted the essential role the engineering department plays in day-to-day operations and ensuring capital projects remain in regulatory compliance. To avoid any lapse in service, Trout suggested shifting to a retainer-based model with a private firm rather than hiring a direct staff replacement. This approach would provide the city with flexible access to specialized expertise, a model Trout noted is currently utilized by the City of Waverly and other peer communities to ensure long-term project continuity.

In a related discussion, Trout presented a plan to restructure the City's organizational framework by creating a new Development Services Department. This department would consolidate community development, planning and zoning, building inspections, and engineering coordination into a single entity. A primary feature of this proposal involves moving code enforcement duties from Public Safety to this new department, allowing for more specialized oversight of police and fire services.

Responding to an inquiry from Councilmember Knighten regarding funding, Trout explained that the Director's salary and department costs would be drawn from the General Fund and utilities, with the potential for support from a new residential urban renewal area. Additionally, the position could be funded via a "TIF Admin Assistance" project as part of a larger TIF-funded initiative. Chief Anderson provided feedback on the transition, noting that while he is hesitant to lose the direct connection to code enforcement, he believes the new structure is a strong fit.

Anderson expressed confidence that a new Director would successfully manage the complexities of floodplains and code changes, and expressed a desire to remain involved in the transition process to ensure continued success.

There being no further business, the planning session was adjourned at 7:40 p.m.

Dean Andrews, Mayor

Attest: _____
Brittney Lentz, City Clerk