

COUNCIL PROCEEDINGS  
JANUARY 13, 2020

Charles City city council met in a budget session on January 13, 2020 at 5:30 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Jerry Joerger, DeLaine Freeseman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers and city engineer John Fallis.

The water tower painting design was discussed. Water superintendent Cory Spieker had a possible design that was shown to the council. It has the new city logo on either side of the words "Charles City". This would be on the side that faces the avenue. The lettering is planned to be 8 to 9 feet tall, the current lettering is 5 feet tall. Staff will proceed with this design and get the project ready to be done this summer.

Water department budget reviewed with water superintendent Cory Spieker. The projected sales for this year and next are down due to Simply essentials closing. The sales tax on water is split between a water excise tax (WET) and normal sales tax. The WET is to be used by the state for water quality projects. Salaries are set for a 3% increase but they are showing a smaller increase from this year due to new hire in the water department. Some discussion on our current schedule for water bills, such as when they are due. The utilities for the water department may decrease some due to Simply Essentials closing. We are still working on updating the agreement with Valero since that one expired this past December. One thing we need to include in the new agreement is a charge for the water meter at their facility. That was included in the price in the expired agreement. Contract services line item includes generator maintenance, mowing, computer trouble shooting and a computer program to allow login from outside the plant to trouble shoot. Capital equipment line item includes a truck purchase for the water superintendent. Re-estimated expense for repairs include an increase of \$260,000 for painting the water tower this spring/early summer. The lagoon was cleaned out for the second time this current year. FY21 budget includes putting a rock base out there for vehicles and equipment to drive on. Spieker would like to increase the in ground storage at the water plant as well.

Wastewater budget reviewed with wastewater superintendent Dan Rimrod. Residential and commercial **sales include a 20% one time increase in April 2020 and the regular annual increase of 3 ½% on July 1 2020.** This will help fund the plant update and is necessary to make up for the lost revenue that was expected from Simply Essentials. Another option might be to utilize a G.O. bond to help fund if we did not want to raise rates. We are budgeting for the rate increase which would give us more flexibility in case a business comes in to replace Simply Essentials. The salaries reflect a 3% increase for FY21 but with a new employee, the total increase from FY20 will be smaller. Rimrod has also budgeted to have the park and rec department do the mowing at the plant for FY21. This will free up the wastewater employees to do work at the plant where they are needed most. The utilities line item is increasing for FY21 due to expected start up of the new plant. The contracted services line item will be increased \$31,150 for moving the dirt from the school for the plant project. Operating expenses and capital equipment line items are decreasing due to not needing supplies and equipment to process Simply Essentials wastewater. Plant expansion fund reviewed. This project has been bid so we have more definite costs in the budget for FY20 and FY21. For FY20, we have around three million budgeted and for FY21 we have about seven million. This project has had work done on it all winter due to the favorable weather. General fund miscellaneous items reviewed. City administrator line items don't have much change from last year. A 3% salary increase has been budgeted for FY21. City clerk line items remain mainly unchanged as well with a 3% salary increase also for FY21. Business office line items also include a 3% salary increase for FY21 and an increase in flex plan expenses to allow for the maximum IRS allowed amounts going into employees flex plan accounts. The re estimated line item for capital equipment is for recent installation of a new server for city hall. The building line item has increased \$10,000 for FY21 to allow for more security at the front desk in the business office. Mayor Andrews also commented that possibly work could be done to the front steps of city hall, they are looking kind of tough. The audit of FY21 will be the last year of the three year contract with T.P. Anderson, so we will be going out for bids for a new three year contract in the spring of 2021.

RAGBRAI fund is the leftover money from when this event came through in 2017. This money will stay here to be seed money for when this event may come through again.

RCPD fund has \$500 we received from Iowa Corn Growers and is to be used for field day expenses when we are ready for this project to be rolled out.

There being no further business, meeting was adjourned.

Dean Andrews, mayor

Attest:

Trudy O'Donnell, City Clerk