

COUNCIL PROCEEDINGS
JANUARY 14, 2019

Charles City city council met in a budget planning session on January 14, 2019 at 5:45 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Jerry Joerger, DeLaine Freeseaman, Dan Mallaro and Michael Hammond. Also present were city administrator Steve Diers and city engineer John Fallis.

Council member Starr stated he would like to step back from pursuing more information on charging for fire calls that he had requested at the last budget session and he apologized for any confusion that may have caused.

Water superintendent Cory Spieker was present to review the water department budget. Sales have increased due to the annual rate increase and increased production at Simply Essentials. A new water excise tax has been mandated by the state to replace the sales tax on water and this revenue will be used by the state for water quality projects. An increase of 2.75% has been included for salaries for FY20. In the building maintenance line item, \$45,000 has been included for dehumidifiers, painting pipes and replacing garage heaters. The use of chlorine gas in this area is very hard on the equipment there. Cory also stated that the water tower will probably need to be painted in 2023 to 2025. It may be possible that if the city is successful in establishing a broadband telecommunications utility, the water department could ping meter readings from city hall and not have to drive around to get the readings every month. All other expenses and revenues are fairly steady here. Meter deposit fund is simply receipt and payment of water deposits.

Wastewater budget was reviewed with superintendent Dan Rimrodt. Biggest development here is the proposed construction of the plant upgrade. Discussion will need to be had on increasing the sewer rates to cover the cost of this upgrade. Since we've done annual increases to the sewer rates over the past several years, the necessary increase will be much lower. It is estimated a 20% increase will be necessary to cover the new plant and this will be for both residential and commercial users. The rates for Simply Essentials and Zoetis are negotiated and these will be changed to be based on loads and volume usage, not just volume of usage. This will cover the true costs of providing this service to them. The operating supplies budget item includes use of ferric for Simply Essentials in case it's needed to decrease their loadings prior to the new plant starting. Capital equipment also includes purchase of ferric equipment but this won't be needed if the new plant gets operational prior to Simply Essentials increasing their output. Smoke testing to find inflow/infiltration issues has been done on one quarter of the city and this will continue to be done until the entire city has been covered. The budget for the wastewater treatment plant expansion was presented. Construction is expected to start in FY20 and the purchase of three properties has been included in the expenses. The total cost has been estimated at nineteen million. There is a fund balance left in the UV Disinfection project fund and this will be transferred to the Wastewater Plant expansion fund.

General fund administration departments were reviewed. Business office budget needs to be increased \$18,000 for FY20 to cover expense of a new server. Increase of 2.75% for salaries for FY20 was also included. City administrator budget doesn't have a lot of changes. He was asked what shape his vehicle is in and reply was it is in good shape. He had to replace a computer this year. City clerk budget remains about the same as well. City elections will be held in fall of 2019 so \$4000 has been included for those expenses for FY20. The union contract will not be negotiated for FY20 so those costs are decreased. Included in city hall budget for FY20 is \$20,000 for a renovation of reception area to make it more secure. This will depend on any final decisions of location of city hall. Audit fees of \$14,800 have been included in the various areas those costs are expensed.

Debt service budget reviewed. One day borrowing items for FY20 totaling \$213,460 include the following: clothing 12600, fire equip 15000, guns/ammo 3000, PD equip 8360, PD vehicle replacement 20000, tornado siren replacement 3000, code enforce computer 1000, animal cages 500, tree removal (streets) 30000, tree removal (parks) 20000, wildwood clubhouse paint 15000, resurface tennis courts 25000, demo/nuisance abate reserve 40000 and doors/windows at 401 N. main 20000.

RAGBRAI fund still has one grant to be paid out but then this account will be put on inactive status until it's needed in the future for the next RAGBRAI event.

RCPG grant fund is for revenues and expenses for the grant awarded to the 28E entity of the Upper Cedar watershed. The city is the lead entity for this grant. Not much going on yet in this fund, so minimal amounts included.

City administrator Diers noted that we were approved for a water quality initiative grant.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk