

COUNCIL PROCEEDINGS
JANUARY 16, 2019

Charles City city council met in a budget/planning session on January 16, 2019 at 5:30 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Jerry Joerger, Dan Mallaro, Michael Hammond and DeLaine Freeseaman. Also present were city administrator Steve Diers and city engineer John Fallis.

A presentation was given by Scott Sweet from WHKS engineers on a proposed bridge for Wildwood golf course. Holes 5, 6 and 7 at the course become unusable during high water events and the park board is proposing putting in a bridge to enable access to these holes for golfing and also for maintenance. Plans are for a 145' structure to cover the width of the floodway and two different options were presented. One would utilize railroad cars to build a bridge and the other is a prefabricated steel truss construction. Railroad option would cost approximately \$217,000 and the steel truss option would be approximately \$378,000. The board will look at this report and then make their recommendation to the council. If approved, they would like this to be done within the next couple years.

Alan Powell from Jendro was present to discuss the current garbage rates. Recent events in China have severely impacted their recycling program and they are now paying quite a bit more to process the recycling they collect. He is therefore requesting an increase in the amount the city pays him for his solid waste collection. The increase has been calculated across the three different sizes of totes monthly charges as follows: 35 gallon totes would go from \$12 to \$13, 65 gallon totes would go from \$15 to \$16.75 and 95 gallon totes would go from \$18 to \$20.50. Looking ahead, it may also become necessary to stop picking up glass for recycling because he can't safely sort it. One option that was discussed to try and minimize an increase was to have all recycling sorted by the customer and then pick up each kind at different times. It was decided that this would cause too many problems with trying to remember what items to put out on what days. The workman comp costs continue to rise and any savings won't be realized until all of the routes are automated. Council member Hammond commented that it seems fair that the higher volume users should have more of an increase. The garbage rates for customers are set by resolution of the council so this will be on the next regular agenda for council consideration.

The alley located in Block One of the Bartz Addition has raised some issues stemming from its vacation proceedings many years ago. A property owner there had come in recently to city hall for a building permit for a fence and it was discovered that this portion of the alley was still listed as being owned by the city. It was vacated in 1958 but not all of it was conveyed by the city. City attorney Slotter has been trying to determine property ownership of this alley since one of the abutting property owners is claiming ownership of part of it but nothing to that effect shows in their chain of title. Staff is recommending that the alley get conveyed to the abutting property owners as is typically done and charge possibly \$150 to each to cover the legal fees. Staff will continue working through this to get it resolved.

Discussion on increasing sewer rates was held. With the impending wastewater treatment plant upgrade, there will need to be an increase in the rates to help fund the loan for the project. It is anticipated to borrow nineteen million for 1.75% over 30 years with an SRF loan. It has been calculated that an **immediate 20% increase in rates and then the annual 3 ½ % increase would cover the loan payments.** The calculations were based on Simply Essentials being at 50% capacity, which they are currently. If they ramp up their production, that will help more. This increase would only be on the sewer portion of the bill. It was noted that if the city had not implemented the annual increase back in 2008, this current increase would have been much higher. The first reading of the ordinance for this increase is planned for the January 21 meeting.

The housing department's 28E with the Iowa Department of Inspections and Appeals for help with fraud investigations needs to be renewed. The terms are the same. This will be on the next regular agenda for council action.

The housing department has also gone out for proposals for fee accountant services to complete the submissions to HUD in an accepted format. Six requests were sent out and two were received back: HA

Accounting Specialists and Loucks & Schwartz. The housing board will review the proposals at their January 17 meeting and make a recommendation to the council.

Public housing budgets were reviewed. This fund balance is limited in what it can be used for. HUD is looking at cash management and they want to be sure the housing funds are held separately and earning interest. Our balance may negatively impact the amount of funding we receive from HUD in the future, so smaller projects have been included in the budget to use up some of this reserve balance. Section 8 budget remains largely unchanged. There is a small increase included for staff training to participate in more regional conferences. Portability vouchers have tapered off quite a bit. The rehab grant is planned to be spent by the end of FY20. The city cash match for this grant will be \$6,000. The 2017 capital fund is scheduled to be closed out by 7/1/19 with the transformer project. The 2018 capital fund has been used for architect/engineer fees. This will also be used for replacement of a roof at North Cedar Terrace and the balance for the transformer project and landscaping. The 2019 capital fund is anticipated at being funded for \$50,000 and will be used for parking lot and sidewalk work. Some will also be used for kitchen and bathroom work at Morningside apartments.

Engineering department budget remains largely unchanged. Planning and zoning has a \$4,000 amount budgeted for work on updating the city's zoning ordinance. The window and door replacement project at 401 N. Main in the amount of \$50,000 has been budgeted for FY20. We have \$40,000 of this funding coming from one day borrowing and the remainder will possibly be funded with a hotel/motel grant. Payments to others line item is used for items that will be reimbursed from the TIF funds. It includes the annual payments to ADC, Community Revite, work on the Carnegie building and Cambrex forgivable loan payment. The big change in the mayor/council budget is the payment of \$25000 in FY19 for the comprehensive plan. The city hall study is also included here. Riverside TIF budget has no taxes coming in this year to pay down the cash balance. FY20 is the last year for the Cedar Mall tax rebate payments. Southwest TIF has a transfer out to the SW Storm water drainage project of \$100,000. FY20 will have the last payment to Valero for the water main. In South Grand TIF, the first tax rebate payment to Molstead Motors will occur in FY20. No changes in East Park TIF. Some of the debt in Park Avenue TIF has been de-certified. Emergency levy of \$.27/thousand will be transferred into the General fund at the end of the fiscal year. Increases for FY20 of 10% for work comp and 6% for health insurance have been included for the employee benefit fund. Other insurances were calculated with a 10% increase for FY20 as well. The levy sheet was distributed and included \$100,000 as a ball park for transit levy. This may be adjusted. The one day borrowing amount was also adjusted somewhat to \$199,000 to take into account the anticipated backfill payments from the state.

City administrator Diers reported that he will have a conference call on a grant to fund a position to help with the RCPP grant.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk