

COUNCIL PROCEEDINGS
FEBRUARY 3, 2022

Charles City city council met in a budget planning session on February 3, 2022 at 5:30 p.m. via Zoom. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Patrick Lumley, DeLaine Freeseman, Phoebe Pittman and Phillip Knighten. Also present was city administrator Steve Diers.

Mayor Andrews commented that himself, city administrator Diers and council member Keith Starr will be meeting with Jim Davis soon to start working on the public education for the upcoming local option sales tax referendum. Diers stated that the state is looking at a tax cutting bill that includes language that allows all cities in the state to receive LOST, not just the ones who have passed referendums. One requirement they have in the current draft of this bill is that 50% of LOST receipts would have to be dedicated to property tax relief. This would make a big cut in the LOST funding we have now for street projects. If we get this ballot passed in March, it would be good for 10 years. Mayor Andrews also commented that there will be a meeting with management from Pure Prairie on Monday to discuss their operations that will be starting up in the Simply Essentials facility.

Fiscal year 2023 budget was reviewed. The General fund budget is currently at a positive balance. Since Governor Reynolds has declared the COVID emergency rules are suspended, so that means we won't be getting 100% reimbursement for our transit wages anymore. That caused some changes to be made to the transit re-estimated and FY23 budget numbers. The levy was increased from \$25,000 to \$70,000 for FY23. This in turn caused the total tax levy to increase to \$16.77282. Current tax levy is \$15.98283. Even with the General fund currently in the positive for FY23, there are some variables to keep in mind. One is the Parkside development. We have budgeted 4 lots to be completed there next fiscal year, but that number could be higher if they really get going on finishing that. Our current projected cash balance at end of fiscal year 2022 is \$1.7 million. This represents the General fund only, not the reserve funds we have set up. There are a lot of transfers into the General fund this year to reimburse for payments made for certain TIF items so that is helping with the cash balance. Council member Starr commented that he would like to see us keep that balance up since there is uncertainty on what the state may do. He then had to leave the council meeting. Diers stated that we could reduce some of the one day items we have to lower the levy. Council member Freeseman stated that he would rather work on lowering the General fund balance over several years rather than a lot at once. Mayor Andrews concurred. Freeseman would like to see the levy closer to \$16 and Councilmember Knighten agreed. Then if the state makes the changes they are thinking of making, we can adjust the rate up to make up the differences. Consensus of the council was to do this slowly. Council member Knighten we could reduce the one day borrowing by 50% then build back up over the next few years. Councilmember Pittman agreed with only reducing the General cash balance slightly with the uncertainty we are facing from the state. Councilmember Pittman then have to leave the meeting. Diers will work on lowering the one day items and send out a new levy sheet to council when he's done.

Discussion on the recent request from Main Street Charles City to paint the Main Street bridge and the light poles before RAGBRAI comes to town. When we looked at doing some repairs to the bridge within the last couple years, we got an estimate of \$100,000 for painting it. After much discussion, consensus of council was to have a study done and include estimates for painting in that study. Main Street Charles City had also asked the city to consider installing lights on the Main Street bridge to light the dam. Mayor Andrews stated that this project would be best funded by private donations for the most part. Consensus was to wait with lighting until the study is done in case there would be major repairs required to the bridge.

Diers reported that Cory Spieker, our current water superintendent, has agreed to take on the street superintendent duties in addition to his current position. We will advertise for a street foreman position to oversee the daily activities of the street department. We are also looking to add a water supervisor position as well. There may also be some changes to the fire department with imminent retirements coming up fairly soon. With John Fallis, our engineer, retiring at the end of this calendar year, we hope to hire an engineer to replace him. We have a retirement at the end of the month from the business office and we had considered sharing the police secretary and not fill this position. City hall set up is not really conducive to doing this at this time, but we may be able to make that work in the future. Diers is also

considering changing who code enforcement is overseen by, possibly the new city engineer could take over that department. We have \$58,000 in the current year budget to replace half of the Sternburg decorative street lights with LED and \$45000 in FY23 for the remaining half. We could instead use the current budget to paint the bridge railings and light poles for RAGBRAI if we choose and put off the LED project for a couple of years. Council member Knighten expressed concern with doing this, with the costs probably increasing and not realizing the energy costs with LED for the next two years. Diers will look into what we may be losing in efficiencies if we postpone for two years.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk