

COUNCIL PROCEEDINGS
JANUARY 5, 2023

Charles City city council met in a budget session on January 5, 2023 at 5:30 p.m. in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Patrick Lumley, DeLaine Freeseman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers, city engineer John Fallis and engineer in training Brian Sullivan.

Cory Spieker, water superintendent, was present to review the budgets for the water department. The revenues for FY24 were calculated with the annual 3.5% increase. The increased usage at Pure Prairie Farms was also taken into consideration. We have separated out Valero's usage due to an agreement with them. This has been increased due to us not breaking even on their previous rates. Salaries for FY24 have also been calculated using a 3% increase on July 1. Contracted services line item includes 120Water(\$10,000), Itron (\$7,000), Primex(\$10,000), Sensus (\$2,000), Utility Cloud (\$15,000) and SAM (\$5,000) license/maintenance amounts. Replacement of slaker #1 controls (\$70,000), truck purchase(\$40,000) and $\frac{1}{4}$ share of a new vac truck(\$76875 first half) are included in capital equipment. Spieker is also recommending purchase of a bulk water filling station, at an estimated cost of \$75,000, to be located at the hydrant by the fire station. This would allow anyone to purchase bulk water anytime using a credit/debit card. FY24 budget also includes \$5,000 for leak detection services, \$15,000 for hydrant replacement, \$15,000 for valve replacement and \$100,000 for cleanout the south cell of the lime sludge lagoon. Costs of supplies have been increased due to Pure Prairie Farms gearing up production. A transfer of \$30,000 to Fund 303 for water portion of the Main Street project and \$187,500 to fund 604 water looping project are also budgeted for FY24. Water Looping Project budget was reviewed. This project will help with issues Zoetis is having with their water pressure. It will be bid this spring and be done in FY24 with an estimated cost of \$375,000. This will be split between FY23 and FY24. Clear Well project budget reviewed next. This project was just bid out with low bid at \$4,364,000. Half has been budgeted for FY23 and half is in FY24. A \$600,000 CDBG grant has been awarded for this project with the remainder of funding coming from a water loan.

The water resource and recovery facility budget was reviewed with superintendent Dan Rimrod. The purchase of a new sewer vac truck in FY24 has been included, which caused quite a large increase in expenditures here. Pure Prairie Farms usage is a big variable here as well as the utilities for the new plant. Rates have been calculated with a 3.5% increase for FY24. Salaries have also been calculated for a 3% increase for next fiscal year. Rehab of 5 to 7 manholes has been included for each year. We had decreased the slip lining projects due to the payments on the new plant loan but will work at increasing this amount going forward. The purchase of the new sewer vac truck has been split 50/50 for FY23 and FY24. The plant expansion project fund is winding down. We are waiting on a final valve replacement for this project and should then be able to do the final draw on the SRF loan and close this project out.

Transit budget was discussed. Ridership is up with the Christmas light tour being very popular again this year. We are moving back to sharing 50% of costs since the federal government stopped funding that at 100% due to COVID. We are budgeting the transit levy at \$89,366 for FY24. These fund expenses are split between the city route expenses and the county route expenses since they are funded differently. We have the bare minimum of drivers, could use more substitutes. With the recent increase in the costs to obtain a CDL, we may have to consider paying some of that cost for new drivers and implementing a reimbursement agreement for them. We have budgeted a 5% increase to Circle K for their contract to operate the transit.

RCPP fund will be closed out this year.

RAGBRAI fund has a positive balance in it. A large portion of that money is for distribution back to non-profits in our area in accordance with RAGBRAI organization request.

Our next budget meetings will be January 9 and January 11 at 5:30 p.m.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk

