

COUNCIL PROCEEDINGS
JANUARY 11, 2021

Charles City city council met for a budget session on January 11, 2021 at 5:30 p.m. via Zoom due to the COVID-19 pandemic. Mayor Andrews presided and the following council members were present: Keith Starr, Jerry Joerger, DeLaine Freeseaman, Phoebe Pittman and Phillip Knighten. Also present was city administrator Steve Diers, water superintendent Cory Spieker and wastewater superintendent Dan Rimrod.

Water budget was reviewed. The water rates are set by ordinance to increase 3.5% each year, so this was calculated in to the revenue line items. A new agreement is being drafted for Valero since their old one expired with the last payment the city made on the water main lease. We will add a separate line for this revenue in the water accounts since this won't be subject to the automatic yearly increase. Salaries are budgeted to increase 2.25% for FY22, same as the union contract. Capital equipment purchases for FY21 include a portable generator for \$70,000 to be used on the high pressure side of town, a booster pump station and a trailer for water use only. Council member Freeseaman asked if the generator would also be available for use by other city departments if needed and Diers replied that he is pretty sure it will be. Spieker commented that he would like to install a card swipe system at the water plant so they can know who is coming and going. A study of the clear well for \$20,000 has been included in FY22 expenses. Also clean out of the lagoon has been included in FY22 expenses for \$75000. The usual line item for meter purchases has been included for both FY21 and FY22 at about \$100,000 each year. We are approximately 30% complete with this replacement project. A transfer out of \$400,000 to a separate project fund for the looping project will be done in FY22 and a transfer out of \$710,000 will be done for FY21 to the street related capital improvement fund for water work in conjunction with the Hwy 18 street project.

No changes to the water meter deposit fund.

Wastewater budgets reviewed next. The wastewater plant expansion project (WRRF) started the year with a negative 2.2 balance in anticipation of drawing down on the SRF loan this year. The 3 million GO loan is anticipated to be paid out of sewer revenues and not debt service levy. We hope to wrap up construction of the WRRF project in FY22. Wastewater operating fund is expected to cover all of the upcoming SRF loan payments. A 20% increase in sewer rates was supposed to be done in April of 2020 to help cover the SRF loan payments, but due to COVID-19, we did not feel comfortable with implementing that increase. So, we deleted planned slip lining projects for the next couple of years to make up the difference. Salaries are budgeted for a 2.25% increase, same as union contract. Health insurance line had a large increase here due to adding two family plans. Building and maintenance line item includes \$3550 for mowing around the plant done by the park and rec employees. Capital equipment purchases for FY22 include a new lift station hoist. Contract services in the sanitary sewer department have been decreased significantly for FY22 due to not doing slip lining projects. This is because of not implementing the planned 20% increase in sewer rates in April due to COVID-19 pandemic.

Business office budget reviewed. Increase of 2.25% for salaries has been included for FY22. Otherwise, not much change in this department. City administrator budget reviewed. Salary increase of 2.25% was also figured for FY22. Travel and meetings was decreased for FY21 due to COVID-19. Not many changes here otherwise. City clerk budget was reviewed. A 2.25% salary increase was also calculated for FY22. The increase in data processing line item was due to the addition of two more modules for our financial software. Otherwise, not many changes in this budget for FY22.

Next meeting will be January 13 at 5:30.

City administrator Diers commented that the final valuation for the Holtkamp development appears to be quite a bit higher, so we may be discussing an amending to his development agreement at a future meeting.

TLC funding request will be put right after the Lessin sewer agreement line item on the January 13 agenda.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk