

COUNCIL PROCEEDINGS
JANUARY 25, 2022

Charles City city council met in a budget session on January 25, 2022 at 5:30 p.m. via Zoom. Mayor Dean Andrews presided and the following members were present: Keith Starr, Patrick Lumley, DeLaine Freeseman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers and city engineer John Fallis.

Mayor Andrews talked about the upcoming election the city will have for local option sales tax. He has talked to Jim Davis about helping with the committee to get the information together to send out on this important vote but Jim doesn't want to chair the committee. Mayor Andrews will be on the committee and asked if any council members would like to be included and possibly chair. Since council or city staff can't call people about this election, we will need to recruit people to do that on behalf of the city. Council member Starr volunteered to be on this committee and chair it.

The most current levy sheet was reviewed. Right now, we have the levy set at \$16.59839, which is an increase of about \$.62 from the current levy. The approximate 14 million lower valuations we have received resulted in this increase to generate what is needed for the various funds. We decreased the levy for employee benefits and reviewed the short term borrowing items to help take the pressure off the General fund. Those items are as follows: PD ammo 6000, PD equip 43200, clothing 12600, fire equip 22250, tornado siren replacement 4500, fire station roof reserve (2 of 3) 13750, animal control cages 1000, tree removal streets/sidewalks/EPA 64375, pool chair repair/chlorinator 12000, tree removal parks 20000, ambulance bay (2 of 2) 60000, golf cart shed renovation 13000, demo/nuisance abate 10000 and TLC (2 of 3) 33333 for a total of \$326,008. We may not levy the entire amount for the fire station roof but hopefully a good chunk of it. Mayor Andrews wants to be sure we keep up with nuisance abatements, so wants to be sure there is enough for that. Discussion held on the decrease in valuations possibly causing us to spend some of the cash balance in General fund. We were able to keep things fairly steady this year but need to be sustainable going forward. City administrator Diers shared what he had done for this year for long term fixes to help the General fund as follows: utilize the short term borrowing more, move street expenses out of General into RUT, calculated the 10% from Local option sales tax for public safety expenses starting January 23, 2023 and school funding a portion of the school oriented police officer position. Some short term funding he used was: repayments from TIF for things expensed out of General fund (such as the Parkside lots we paid for) and a transfer from Administration purchase reserve to General for a vehicle stipend for Diers. He also discussed some sustainable items going forward such as going with a strictly volunteer fire department with a full time chief since we have three eminent retirements in the near future. This would reduce General fund expenses by approximately \$180,000. We need to work out the ambulance driver situation with AMR if we do this and we also need to be sure we can fill up a volunteer roster. Councilmember Pittman asked if we have considered implementing a junior firefighter program, it may help foster future volunteer firefighters for the city. Council member Lumley commented on the ability to keep up with maintenance at the fire station if we go strictly volunteer, he would like to see more data before we would make a final decision. We also have our city engineer retiring in December of this year so maybe we just outsource our engineering services as needed rather than fill this position. Mayor Andrews commented that we tried doing that when former city engineer Dan Barrett retired and it didn't work as well as we thought, but maybe we need to consider not replacing. We will have to try and evaluate what our costs would be if we outsource to see if we come out ahead with not replacing the city engineer position. With a retirement in the business office in February, we could consider not filling that position and sharing the police department secretary with the business office. The way city hall is configured now, it won't be very conducive to share those positions. But if we change the entryway to serve as the reception area, that could make it easier to share secretaries. This may be discussed at our next planning meeting on February 3. We are looking at having a current department head be the interim street superintendent until we can get a foreman position hired for the street department. The move of all street expenses that were in the General fund to road use tax did not leave as big a deficit there as originally thought, but we still cut some expenses there. We are looking to start replacing the three 2008 dump trucks we have over the next 3 years. We may also spread the replacement of the downtown Sternburg lights over three years rather than two. We will have one more budget review on February 3 to hopefully get some final numbers on all of these issues.

Outside agency requests were reviewed. Diers had plugged in the following amounts as a starting point: Depot 2500, museum 0, Arts Center 3000 and Crisis Intervention 2000. Much discussion on how much to give the depot. The 2500 amount was the consensus with possibly giving more in the future as it nears completion. Especially since the depot may well become a trailhead for the city bike trail. Council member Pittman stated that she is a little hesitant with the depot donation, it's got quite a bit to go to completion. She thinks Crisis Intervention provides an important service so she agrees with their funding. Consensus with the museum request being for a specific event, leave that at zero and encourage them to apply for hotel/motel funding, which is really meant for special event funding. The recent opinions from the state attorney general's office on cities funding non profits and private entities means the city needs to show the public benefit in any donations they give to those types of businesses. Council member Freeseaman commented that in his mind, the depot and art center not being essential for the city. Also, Crisis Intervention showed a fairly large cash balance in their financials, so maybe their funding could be reduced, even though he appreciates the work they do. Council member Knighten commented that the biggest issue with the depot has been solved since they were able to save it and move it. Maybe we could wait a year or two to donate more to them, especially if our valuations come back up. Council member Starr stated that the depot committee has worked hard and gotten funding, but we can't leave that building left undone. Maybe \$10,000 would be a better donation. Diers commented that we have applied for TAP funding for extending the bike trail near the depot, so that would be a good potential to partner with the depot to make it a trailhead. This funding should be available in FY26 and would pay for 80% of the costs with the city coming up with the remaining 20%. Consensus of council was to fund the following: Crisis Intervention 2000, Arts Center 3000, Depot 2500, Museum 0 and TLC 33333.

Next meeting will be February 3 with a final overview of entire FY23 budget.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk