

COUNCIL PROCEEDINGS  
JANUARY 26, 2023

Charles City city council met in a budget session on January 26, 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 Freeseaman, Phoebe Pittman and Phillip Knighten. Also present were city administrator Steve Diers, city engineer John Fallis, park and rec director Tyler Mitchell, library director Annette Dean, interim fire chief Marty Parcher and police chief Hugh Anderson.

City administrator Diers did an overview of the general fund budget and what expenses had been reduced or revenues increased since the last budget meeting. The total overall tax asking is \$4,215,388 which is a decrease of \$17,130 from last year. We are underfunding the transit operations and are using a cash balance in that fund for FY24 operations. We underfunded the employee benefits fund last year by \$200,000 and we are underfunding \$100,000 for FY24. The current proposed levy for FY24 is \$16.36207, which is a \$.16 increase from the current year levy. With all of the changes made, we are estimating a \$36,441 surplus in General fund. The business property tax exemption is estimated to be backfilled by the state for \$98,249. However, the allocation the state has set for all the cities is estimated not to be enough. Consequently, we are anticipating we won't get that full amount. As with most other state funded backfills, we think this will be taken away in the future. The ambulance payment has not been determined. We are budgeting for that to increase by \$70,000 but if the planned cost shares don't materialize, it could be more. Since the PAN director position has been eliminated by the school, a portion of that payment will be transferred to the General fund in the amount of \$32,600. Park and rec has reduced their budget by \$50,424 and the library has reduced \$14,489. Police has also reduced their budget by \$31,500. The budget being proposed is for one full time chief and one full time firefighter. Discussion held on what adding three full time firefighter would increase the budget. A rough estimate is \$187,000 of expenses would be added to the General fund budget. Other options discussed to help reduce expenses in the General fund included decreasing police coverage, reduce operation hours of both the pool and the library, less mowing by park and rec and combining some positions at city hall. These would still not bring us enough to cover the addition of the three full time firefighters. Council is hesitant to reduce the pool hours, especially with the changes being planned by the park and rec board to add amenities. Kids need something to do in the summer. Concern raised on relying too much on volunteerism, the entire state is seeing a decline in volunteerism. Interim chief Parcher was asked if he was comfortable proceeding with just one full time chief and one full time firefighter. He replied yes, he is getting more people interested in becoming a volunteer firefighter and a lot of interest in starting up various programs, such as cadet firefighters. He thinks we should give this model a chance. Consensus of council was to move ahead with the recommended model for the fire department. Concern was voiced that with budgets continuing to get tighter and tighter, we may need to look at other options in the future. The four big items that the city must provide to it's citizens is water, sewer, police and fire. The others, such as library and pool, are important too, for quality of life. Consensus of council was that we aren't at the point yet of making huge cuts to park and rec and library but we need to watch those operations closely. We need to make adjustments as needed to make them more cost efficient, whether that is cutting expenses or raising revenues. City administrator Diers reviewed some of the changes made to Road Use Tax, water, sewer and local option sales tax budgets.

City administrator Diers reported that he had talked to city attorney Slotter today regarding the questions council had on the carbon pipeline. Brad will prepare a memo to share with council and if necessary, a closed session could be held with council to discuss the possibilities.

Council determined there is no need to meet next week for budget, so the next meeting will be a regular meeting on February 6 at 6:00.

There being no further business, meeting was adjourned.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk