

**Coralville City Council
Work Session
January 6, 2020
City Hall**

Present: Mayor John Lundell; Council Members Tom Gill, Jill Dodds, Laurie Goodrich, Meghann Foster, Mitch Gross

Staff Present: City Administrator Kelly Hayworth, Assistant City Administrator Ellen Habel, Building Official Jim Kessler, Director of Finance Tony Roetlin, Fire Chief Orey Schwitzer, Engineer Dan Holderness, Library Director Alison Ames Galstad, Police Chief Shane Kron, Director of Parks and Recreation Sherri Proud, Director of Parking and Transportation Vicky Robrock, Streets and Solid Waste Superintendent Eric Fisher, Wastewater Plant Superintendent David Clark, Human Resource/Risk Manager Mike Funke, City Clerk Thor Johnson, Water Superintendent Matt Gilmore.

Mayor Lundell opened the meeting at 4:45 pm.

Mayor Lundell welcomed everyone and introduced Matt Gilmore, newly hired Water Superintendent.

1. Fiscal Year 2021 Budget Presentation and Discussion by the Management Team: City Administrator Kelly Hayworth noted the challenges to the general fund for the upcoming Fiscal Year and the need for council direction to address the impacts of the assessor's agreements with Brookfield on the valuation for Coral Ridge Mall; change in rollback for multi-family; and the change in the residential rollback, which Hayworth identified as the most significant. Hayworth said that with the rollback's link to the ag economy and the five-year average, the impacts can be expected to continue for a couple of years. He added that many department heads put together budgets that were very judicious.

Director of Finance Tony Roetlin said there is no proposed rate change for water, wastewater, storm water, or transit; further discussion is needed for solid waste and the general fund. Roetlin noted department requests are listed in the budget books and the draft budget assumes the backfill will be paid by the state and there is zero growth in hotel/motel taxes. Roetlin also noted that with the biannual approach for health and social services funding, the budget was determined last year for FY21. Roetlin said that the Marriott budget is included in the book and reminded the council that Piper Jaffray and CHM Warnick are beginning their study.

City Clerk Thor Johnson reported that the Clerk's budget reflects a decrease in dance hall licenses of \$300 since the City Council voted to eliminate those fees and licenses; he also said that taxi revenues are projected to fall from \$3,200 to \$1,800 because of the effects of transportation network companies. Johnson said he believes the market is stabilizing and there

are now two taxi companies remaining in the area. He also said the combined municipal school elections in 2019 resulted in a cost savings for the city.

At this point Johnson left the meeting.

Vicky Robrock said the proposed budget for Parking includes an increase in capital replacement reserves from \$52 per space to \$100 per space based on a consultant's recommendation. She said the budget also includes a part-time parking enforcement position for patients and staff of the UIHC and retail employees. For Transit, Robrock said the budget includes a light duty bus for ADA Paratransit, which will be 80% funded by grants.

David Clark said the proposed budget for Stormwater includes an increase of \$59,000 for maintenance on stormwater pump station equipment and an increase to reserves of \$20,000. Dan Holderness said the stormwater budget maintains \$35,000 for the best management practices reimbursement program.

Clark said the Wastewater Treatment budget proposes replacement of the combustible gas detectors and controllers at \$25,000; a collection systems capacity, management and operations management (CMOM) program at \$65,000; and stormwater outlet at 12th Avenue and Forevergreen Road at \$60,000, which will improve lift station operations. Clark also included an increase to reserves of \$31,500. Roetlin noted this budget reflects cash on hand that will be used to begin repaying the SRF loan for the wastewater treatment plant improvements.

Roetlin reported the Water budget as proposed is balanced and that Kevin Callahan had proposed reallocating some of the reserve funds prior to retirement. Roetlin said that reallocation will be discussed with Matt Gilmore at a later date.

Eric Fisher said the Solid Waste budget reflects a less than 1% increase in expenses and commented on the increased costs associated with the drop off recycling site. Fisher said the proposed budget at this time is underfunded by \$75,000 and that reserves could be adjusted to narrow the gap but that would be a short-term solution. Fisher also said the City needs to evaluate replacement facilities for recycling and cold storage. Fisher said an increase in fees of \$1 per household per month yields \$50,000 annually.

Fisher said the Road Use Tax Fund projection from the State of Iowa is \$127 per person or \$2.4 million, an increase of \$4.5 million. Fisher said the projects for FY21 include Deer Creek Road, 9th Street from 20th to 22nd Avenue, Oakdale Boulevard over the tunnel, and North Ridge Drive from 1906 to 1926. He said work also continues to convert high pressure sodium lights to LED. Fisher proposes purchasing a new mini excavator and joint sealer/tar kettle, as well.

Orey Schwitzer said the Fire Department budget decreased because improvements at Station #1 are complete. He said physical exams are proposed to increase by \$3,000 for existing

members. Schwitzer said the next vehicle replacement will be a rescue vehicle, for which reserves are on track, but that purchase will occur in the following budget year.

Shane Kron said the Police Department budget proposes an additional officer, noting an increase in call volume since the last addition in 2015. Kron noted that five officers are required to provide patrol coverage for a full year of 24/7 service. Kron reported the Animal Shelter fees are proposed to increase by \$11,985 per the terms of the 28e agreement with Iowa City.

Ellen Habel said the CoralVision budget is slightly lower because of carryover from the prior year. Habel noted the pay for part-time staff has increased to \$12 per hour and was accommodated through efficiencies with the new coordinator and reduced part-time hours.

Dan Holderness said the Engineering budget requests \$20,000 for subdivision and permitting tracking software.

Jim Kessler said the Building Department has collected approximately half of the budgeted revenues for FY20 and that number has been maintained for FY21. He said the budget requests an additional \$20,000 for subdivision and permitting tracking software, to be shared with engineering. Kessler said the Rental Housing department is projecting \$175,000 in revenues in FY21, up from \$167,000 this year.

Alison Ames Galstad said it has been 10 years since the Library renovation and expansion and they are focusing on areas that need work, refurbishing the Children's Wing and furniture replacement in the Adult Wing and Young Adult area.

Sherri Proud said the proposed Recreation budget includes an increase in indoor pool hours, which with increased revenue of \$3,000, will cost a net \$3,370. Proud also requests a net \$25,000 for programming at the Field House on Tuesdays and Thursdays for four hours each day. Proud said a conversion to a cloud based system for record collection and retrieval will cost \$4,800 net. For Parks, Forestry, and Building Maintenance, Proud said the budget proposes new floor scrubber machines at \$5,000, an additional \$30,000 for mechanical reserves, and \$30,000 for future park space. For Brown Deer Golf Club, Proud said the Golf Course Maintenance Superintendent position has been eliminated and replaced with a Maintenance Coordinator. She added that the food and beverage operations and management that are part of the Marriott agreement will be evaluated as part of the hotel agreement. Proud said the budget at the Center for the Performing Arts has stabilized and she feels optimistic as fundraising is improving. She noted that CAM fees increased by 50%. She said median renovation work continues on streets and recommended an increase of wages for lifeguards and lesson instructors from \$10.80 to \$11.50.

The Council recessed at 6:20 pm.

The Council reconvened at 6:40 pm.

Present: Mayor John Lundell; Council Members Tom Gill, Jill Dodds, Laurie Goodrich, Meghann Foster, Mitch Gross

Staff Present: Kelly Hayworth, Ellen Habel, Tony Roetlin

2. Fiscal Year 2021 Budget Discussion: Hayworth said the Streets, Water, and Wastewater budgets are balanced and asked the City Council to review them and share any questions. He said he recommends not increasing rates on the Stormwater budget and consider it again next year, noting several projects that will be applied for through grants or that have been funded through grants, as well as stormwater funding that will be paid as “fee in lieu of” for the multi-family project at Brown Deer Golf Club, which could support the stormwater work to be done along Oakdale Boulevard, and a project that will be paid with wastewater funds since it impacts the lift station significantly. Hayworth said this would be a lot of projects to complete for the year.

Roetlin said the General Fund is down \$250,000 because of the settlements with Coral Ridge Mall and rollbacks. He said a property tax levy rate increase of \$0.2533 would yield the same property tax dollars as FY20, and an additional increase of \$0.8967 would fund the additional general fund expenses proposed, for a total increase to the levy rate of \$1.15 per \$1,000. Roetlin said the current rate is \$13.5277. Hayworth requested feedback from the council for the general fund from a policy standpoint on whether they would like to maintain the status quo or increase incrementally. Roetlin added that the general fund is short \$1,135,000; Hayworth noted that the increase is \$800,000 and the reduction in property tax dollars from FY20 is \$250,000. Council Member Gross inquired about police force and crime data for comparable cities, and would like to see a budget with another additional officer. The Council discussed options and requested scenarios for consideration. Council Member Foster inquired about the rate being paid at the Field House; Council Members Dodds and Gross agreed they would like more information on that.

3. City Administrator’s Time: Hayworth provided the following updates:
 - He will be meeting with a representative from Coral Ridge Mall’s ownership this week; they are anticipating 5% vacancy by mid-summer.
 - ArenaCo and Coral Ridge Mall are exploring partnerships regarding ice use at both facilities.
 - He and Mayor Lundell will travel to Wichita later this month for the All Star ECHL event and meetings with owners and the commissioner.
 - The DOT has committed \$20 million for the \$35 million interchange at 1st Avenue and Interstate 80; staff will continue to seek options for gap funding.
 - Assistant City Administrator Ellen Habel has been appointed to the State Census committee and will travel to Des Moines for the first meeting on Wednesday.

Adjourned at 7:35 pm.

Notes taken by Ellen Habel, Assistant City Administrator