

**Coralville City Council
Work Session
January 2, 2018
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, Broadband Telecommunications Coordinator Eric Dickerson, Fire Chief Dave Stannard, Water Plant Superintendent Kevin Callahan, Engineer Dan Holderness, Assistant Library Director Ellen Hampe Alexander, 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 Chris Gilstrap, Human Resource/Risk Manager Mike Funke

Others Present: Ryan Sempf, Iowa City Area Chamber of Commerce

Mayor Lundell opened the meeting at 4:00 pm.

Mayor Lundell welcomed everyone and thanked them for their work; Lundell welcomed Meghann Foster to the City Council.

1. Fiscal Year 2019 Budget Presentation and Discussion by the Management Team: Director of Finance Tony Roetlin noted the TIF release of approximately \$4.5 million that will occur in Fiscal Year 2019 and that after other payments previously committed, the release available will be approximately \$1,018,648. Roetlin also said the proposed FY19 budget maintains a tax levy rate of \$13.5277 per \$1,000, which has been the rate since FY11. Roetlin noted the proposed budget is balanced.

Roetlin added that the City Clerk's budget shows a small decrease in cigarette permits and taxi cab licenses to reflect current trends.

Sherri Proud said the proposed Recreation budget includes a request for a half-time staff person for senior programming which would increase to three-quarter time on January 1, 2019, pending a partnership with Grand Living. Proud noted a request to increase playground reserves for new and replacement playground equipment; a new forestry/trails staff person; \$35,000 for 8 tee pads at the disc golf course at Altmaier Farm; and sign replacement at City facilities. She noted the Center for the Performing Arts is concentrated on sponsorships and fundraisers.

Ellen Hampe Alexander said the Library budget does not have any large changes. She said that although there is a decrease in circulation of physical materials, electronic material circulation

continues to increase. She added that they are close to having a new coffee shop vendor and are increasing the budget for pest control.

Jim Kessler said the Building and Zoning budget projects permit revenues at \$450,000 again and no change in revenues for plan review fees or licensing fees. He added the new software is running well and expenses are largely unchanged. He said the Rental Inspection budget does not show a change in revenues although a lot more rental units are coming on-line and expenses are basically unchanged.

Dan Holderness said the Engineering budget is consistent with the prior year and includes a request for \$32,300 for a subdivision tracking software program.

Eric Dickerson said the Telecommunications budget is status quo with a small increase reflecting human resource costs.

Shane Kron said the Police Department and Animal Control budget reflects the increased cost of personnel and spending of Trust and Agency funds for sidearms and rifles. Kron said the proposed budget includes a request to move the Animal Control Officer from 66% time to full-time and noted the animal shelter agreement with Iowa City is down \$18,000 for FY19.

Dave Stannard said the Fire Department budget request includes \$31,500 for traffic pre-emption, \$25,000 for concrete repair and 4 interior doors at Station 1, and \$36,000 for diesel exhaust on engines.

Eric Fisher said the State of Iowa projects just under \$2.3 million for Coralville for RUTF for FY19, a 1.5% increase. Fisher said the budget includes replacement of a plow truck, aerial lift truck, signal project at Coral Ridge Avenue and on 1st Avenue, and paving and patching projects, all from reserve funds. For the Solid Waste budget, Fisher said with a change in recycling brokers he is projecting \$18,000 in recycling sales revenue and a cost of \$12,000 for the drop site containers.

Kevin Callahan said the Water Department budget includes a request for another full-time employee, an additional \$30,000 for the water meter budget, and an additional \$50,000 for infrastructure repair.

Chris Gilstrap said the Wastewater Treatment proposed budget is consistent with the FY18 budget. He said he would like to fill an open Treatment Plant Operator position and expects plant improvements to start in 2018 with a 27-month construction period. He said the budget also requests replacement of gravity sewer line along 4th Avenue.

Dan Holderness said the proposed Stormwater budget reflects consistent staffing levels and a request for 2 rate increases to \$500 per permit and \$50 per quarterly reinspection and stormwater utility fees to \$3 per account and \$1.40 per equivalent residential unit. Holderness

said these would be expected to generate \$23,500 and \$65,585, respectively. Roetlin added that the revenues would be used for the stormwater projects list.

Vicky Robrock said FY19 appears to be a challenging year for the Transit budget as there are reductions projected in FTA funds and fare revenues. Robrock said the budget does not propose to expand service or personnel, although Johnson County has asked to make the mobility coordinator position full-time, which would be a \$12,000 cost for Coralville. Robrock said she hasn't seen the paratransit contract but doesn't expect a lot of changes. She also said that with 4 new 40' buses, and funds to replace 3 ADA paratransit vehicles, the fleet is in the best shape it has been in a long time. Roetlin added that he is reviewing the transfer into Transit for FY19 from the General Fund and the request is for an additional \$125,000 for FY19. Robrock said the Parking budget for FY19 is very consistent with previous years and includes a small tractor replacement.

Roetlin then reviewed other General Fund budget proposals, noting they are mostly status quo. Mike Funke said there are no proposed staffing changes in Human Resources and on a City-wide basis the budget includes a 7% premium increase. Funke noted the City pays \$2.1 million in premiums annually and the employee share will not change this year. Funke added the contracts remain in place for the 3 unions and Police union negotiations will begin in the fall of 2018.

Roetlin added that the Health and Social Services budget as proposed is included for review. He said he was open to questions and thanked department heads for their work on the budget and the City Council and Mayor for their attention.

The Council took a brief recess at 5:25.

The Council reconvened at 6:15 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

Others Present: Jess Schamberger, Goodwill of the Heartland; Ryan Sempf

Hayworth introduced Jess Schamberger, vice president of operations for Goodwill of the Heartland. Schamberger shared information about Goodwill's selection as a contractor to package oil for USDA through the Ability One program to create jobs for people with disabilities. Schamberger said Goodwill was selected in July 2017 for a long-term contract and will package 10,000 to 24,000 metric tons of soy oil annually and creating over 40 jobs. Schamberger said the oil will be distributed through the World Food Program and start up costs will exceed \$7 million; operations are expected to start in late 2018 or early 2019.

Schamberger said the operation will occur in the former Hawkeye Foods/US Foods building and an announcement will be made on January 3.

2. Johnson County CIT Paper Discussion: Hayworth said the meetings of the CIT governance and operations committees had been taking place for over a year and Johnson County has now indicated a willingness to own and operate the building, and has shared a proposal for operating costs. Participation by other governments and the University of Iowa as a provider was noted and discussed, as well as the capital and operating cost share for Coralville. Councilman Gross said he would like assurance that members of the facilities committee will be those with funds invested. Hayworth said he would investigate the operations limit and cost share.

3. Fiscal Year 2019 Budget Discussion: Hayworth reviewed again the TIF release to the General Fund, noting approximately \$4.5 million in release, based on FY19 tax levy rates and FY19 valuations, so it could change somewhat; a transfer to \$2,376,900 to the TIF from the General Fund for payments made to purchase Hawkeye Redi Mix for flood improvements that required a significant portion of that property; and payment of \$1,120,900 in ongoing mowing and maintenance expenses that were previously paid from the TIF. Hayworth said the resulting number is \$1,018,648 and that it should be held flexible; a one-time capital project or debt reduction are options.

Roetlin then moved on to a review of Enterprise Fund budgets. He reviewed the Stormwater budget and proposed rate increases. Hayworth said North Liberty has added the reinspection fee and believes it has resulted in fewer reinspections; he added that storm sewer projects have been limited because of budget constraints.

Roetlin said the coming year would be an evaluation year for Solid Waste. Hayworth said he did not recommend changing rates for FY19 because it needs to be determined whether the City will convert to single stream recycling and if so, who will process it; when that is determined, the size of a new building can be determined, and then any rate changes. Hayworth said a new facility will include a permanent drop-off recycling site.

Roetlin said the Streets budget is aligned with the State's projections. Hayworth added that the list of equipment purchases comes from reserves.

Roetlin said a rate increase is not proposed for the Water department and the debt service on the SRF can be paid without it. Hayworth said the budget and financing are proceeding as planned, with debt on the previous improvements paid off and now able to make further improvements without raising rates. He added that continued growth also allows for this.

Roetlin said increases for FY19 Wastewater Treatment rates were included in the FY18 ordinance. He said he will update the numbers to be sure the rates are still on target.

Hayworth said there is a lot to review but no major changes and that everything can be balanced but some things may be omitted or paid for differently. He also said the 20-year TIF limit is providing for \$900 million rolling out of TIFs statewide in FY19 and that will be an ongoing trend.

He encouraged the City Council to review the materials and said staff will provide further recommendations.

4. City Administrator's Time: Hayworth asked Assistant City Administrator Ellen Habel to update the Council on the owner-occupied rehabilitation applications. Habel said she had applied to the Housing Trust Fund of Johnson County for funding for 2 homes in the Valley View neighborhood on December 20 and should be notified by late January. She said further funding would become available each quarter and she would continue to re-apply as necessary.

Hayworth said he and Josh Schamberger continue to work on details for the Iowa Arena project for start of construction in March.

Habel said that the contract for interior design at the Marriott is being finalized and design work will start this month.

Hayworth noted that demolition of the recycling center and 625 1st Avenue will begin soon for the redevelopment in that location.

Hayworth said bids are due for Coral Ridge Avenue for the second time on January 4.

Adjourned at 8:00 pm.

Notes taken by Ellen Habel, Assistant City Administrator