

Coralville City Council

Work Session

January 12, 2021

Via Electronic Meeting because a meeting in person is impossible or impractical due to concerns for the health and safety of Council members, staff, and the public presented by COVID-19

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

Staff Present: City Administrator Kelly Hayworth, Assistant City Administrator Ellen Habel, City Attorney Kevin Olson, Director of Finance Tony Roetlin

Others Present: Zachary Smith, Iowa City Press Citizen

Mayor Lundell opened the meeting at 8:00 pm.

1. FY22 Budget Discussion: In anticipation of FY22 budget planning, City Administrator Kelly Hayworth reviewed the status of the FY21 budget. Hayworth revisited estimates made in June 2020 that included a shortfall of \$1.9 million in hotel/motel tax proceeds and used a hiring freeze; cuts in the Library, Parks and Recreation, and Center for Performing Arts budgets; and CARES funds through the FTA for Transit to close the gap.

Hayworth then reviewed the FY21 budget based on the first six months of the fiscal year, with the hotel/motel tax proceeds shortfall now projected at \$1.3 million but losses at the Library, Parks and Recreation, and Center for Performing Arts at \$760,000, totaling a gap of over \$2 million. In addition to the previously planned and approved measures to close the gap, he said \$349,000 of the Local Government Relief Fund could be applied to the shortfall, carrying over the remaining funds to FY22. He noted the CCPA was approved for \$40,000 in grant funds recently and that he and City Attorney Kevin Olson are working on assistance through the shuttered venue program of the most recent COVID-19 assistance package, and are exploring the most recent Paycheck Protection Program (PPP) for the Marriott and Arena.

Hayworth then reviewed the losses that were projected for the enterprise funds of water, wastewater, and stormwater in June 2020 and noted those were not realized. He said the IDOT had projected a reduction in Road Use Tax for the Streets Department of \$599,000 and the actual amount will be \$165,000 over the original budget.

Hayworth said the overall loss to the general fund for FY21 will be \$2 million and the handout shared with the council shows the planned offsets. He noted all departments have been impacted but most can manage the shortfalls within their own department. Hayworth said that \$460,000 of the shortfall in the Parks and Recreation Department is in the partnership programs, which include summer camps and before and after school programs. He said there are several questions surrounding these programs, including whether parents will bring their

children back, whether parents will continue to work from home and no longer need after school programming, and whether the City needs to make permanent changes. He said the programs have gone through the waiting lists and there are not enough students to support the costs. Councilor Dodds commented that the city budget cannot be risked when we don't know the future for demand for this programming. Hayworth said the hybrid school program is very labor intensive using full-time staff and about 20 scholarships are available until spring break; the City has requested additional funds for scholarships from the Community Foundation of Johnson County. Hayworth said that across the community, no BASPs are full and multiple are closed completely.

Regarding the CCPA, Hayworth said despite being closed for a length of time there is an anticipated \$216,000 loss. He said that and Coralville Transit will need to be monitored. Hayworth said the federal assistance replaced the FY21 general fund subsidy, and fare revenues in FY21 are about half of FY19. He said many students are not in the community and many UI staff are working from home, impacting ridership. Looking ahead, Hayworth said the general fund subsidy would be \$920,000 without federal assistance and there has been a five-year trend of declining ridership.

Hayworth said he and Director of Finance Tony Roetlin will assemble the FY22 budget and all departments are trying to stay very close to their existing budgets, with a goal of no changes in taxes or fees. He added that the impact of COVID-19 on property taxes won't be seen until the following fiscal year and some estimate a loss of 20% to 30% of property tax value. He said in response to a question that hotel/motel tax proceeds are used in the general fund and to pay the CVB. He also said the rollback went up very slightly for FY22, and if the City can emerge from the pandemic with no change to the fund balance, it will be a very favorable sign to the ratings agencies.

2. Fire Department Report: Fire Chief Orey Schwitzer presented his departmental report. Schwitzer said that 2020 included a lot of discussion regarding PPE, protocols, and keeping people safe and COVID-free. He also noted the work of the firefighters in derecho recovery. He said there is a national trend in declining membership in volunteer fire departments, but the department has been meeting recruitment goals. He said call volume was down 14% last year and highlighted several calls, including two cranes that tipped over on the Interstate 80/380 construction, one causing injury; the fire at Days Inn that was caused by a bathroom vent fan and included mutual aid response by 7 departments; a home fire caused by a heat lamp and straw for chickens; and another home fire where important documents were lost. He noted the new fire engine that came in on budget just under \$600,000, with the chassis costing 40% of the total. Schwitzer also noted upgrades to the Fire Training Facility, completed for the most part with donated materials and fire department labor. He also reviewed fire prevention, investigations, and safety. Schwitzer said there were 989 total incidents in 2020, down from 1,149 in 2019; 91% of the calls were in Coralville, 2% in Northeast Lucas Township; and 7% mutual aid; and 63% of the calls came between 7 am and 7 pm. Mayor Lundell thanked Chief Schwitzer for the report and the work of the Fire Department, and congratulated him for his 25

years of service to the department. Schwitzer thanked the council for their support and invited them to stop by the fire training facility for a tour.

3. City Administrator's Time: City Administrator Kelly Hayworth reported on the following:

- The police department and Civil Service Commission implemented a new system for recruitment, in which applicants are solicited year-round rather than just once a year. Hayworth said the first round of interviews and testing was just completed and two persons will be hired; more applicants are needed and he asked the council to refer anyone who would be interested. Hayworth added that of the two new hires, one is a certified officer who will not need to go to the law enforcement academy.
- The Scanlon Farms area will be on the next city council meeting agenda and it was very controversial at the Planning and Zoning Commission meeting. He said that Assistant City Administrator Ellen Habel assisted Community Development Director Dave Johnson to locate the previously approved site plan. Habel explained the site plan had been approved previously in 2016 with more units than the current plan and a similar mix of housing types. Hayworth said the proposed site plan was voted down by the Commission by 5 to 2.

Councilor Goodrich said she will work with Matt Miller of the Guidelink Center to set up a tour.

Adjourned at 9:35 pm.

Notes taken by Ellen Habel, Assistant City Administrator