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RESOLUTION NO. 19-
City Council

RESOLUTION APPROVING THE CREATION OF THE PROPERTY TAX RELIEF FUND AND RESERVE FUND AND AUTHORIZING UTILIZATION

WHEREAS, the Hiawatha City Council formed an Investment Committee to formulate a committee that consists of two council members, mayor, finance director and the City Administrator to review the city's obligated and non-obligated funds to ensure the highest return on investments along with planning for future investments for the betterment of the community, and

WHEREAS, the Investment Committee has engaged with PMA Financial Network; a financial advisor. The Investment Committee has committed $10M to a laddered CD schedule-6-month, 1-year and a 2-year, and

WHEREAS, the Investment Committee has determined the need to solicit proposals for banking services to ensure the best rate of return of daily operation funds with a minimum ledger balance of $3M and a maximum balance of $10M; Investment Committee will review and make recommendations to the City Council in December, and

WHEREAS, the Investment Committee has determined the need to create a Property Tax Relief Fund and a General Fund Reserve Fund delineation to provide tax relief for our City Stakeholders and create a public record demonstrating Council efforts to provide quality services at an appropriate cost, and

WHEREAS, the City Council approves the following funds with their definitions and its appropriate uses:

Property Tax Relief Fund:

- 10% of Local Option Sales Service Tax will be calculated annually during the budget process and those funds are to be used for property tax relief to City Stakeholders
- All interest from daily banking accounts, general fund reserve funds and investment accounts (transfer of interest from all accounts would occur on June 30 of the Fiscal Year to the Property Tax Relief Fund)

General Fund Reserve Funds:

General Fund Reserve funds in excess of the approved 30% operational reserve funds (Resolution #18-242 establishing reserve funds) and those funds will be calculated annually based on previous years' operation budget (once those funds ae determined those funds in excess of the approved 30% are to be used to reduce the City's levy rate asking), and

WHEREAS, the City Council of the City of Hiawatha has reviewed the Investment Committee's comprehensive plan set in this resolution creating an overall

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Property Tax Relief Fund and a General Fund Reserve Fund and its definitions of those funds to provide the City's Stakeholders a public record demonstrating Council efforts to provide quality services at an appropriate cost, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, to approve the creation of the Property Tax Relief Fund and the General Fund Reserve Fund as set by the Investment Committee and authorizes staff to utilize those funds during the coming budget year process to reduce the City's property tax levy asking.

AYES:
NAYS:

PASSED AND APPROVED this 18th day of December, 2019.

_____
Bill Bennett, Mayor

ATTEST:

_____
Kari Graber, City Clerk