The Hiawatha City Council met in a Budget Work Session on January 9, 2017. Mayor Bill Bennett called the meeting to order at 5:30 P.M. Council members present: Marty Bruns, Aime Wichtendahl, Bob Rampulla, Dick Olson, and Dennis Norton. Staff present: City Administrator Kim Downs, Fire Chief Mike Nesslage, Police Chief Dennis Marks, Community Development Director Pat Parsley, Parks and Recreation Director Kelly Willadsen, Public Works Superintendent Rod Jasa, and Finance Director Cindy Kudrna. Guest: Daniel Hoffmann.

Norton moved the approval of the agenda, seconded by Bruns. Motion carried.

POLICE

Chief Marks presented the Police Department budget for FY 2018:

- $5,000 decrease in Vehicle Operating Supply (fuel) line item from FY 2017. Department saw a drop in fuel cost due to the increase in fuel efficiency for new vehicles.
- $67,800 budgeted for Linn County dispatch fees. The City is still negotiating on this item.

City Administrator Downs explained Linn County chose to wait until the election was over to continue discussion on dispatch fees. Downs said conversations ceased after September and she is currently trying to put together another meeting to discuss.

Council Member Olson inquired on the revenue sources for the Police Department. Chief Marks noted the department takes in approximately $54,000 in revenues including fines, finger prints, parking violations, impounds, and grants.

FIRE

Chief Nesslage presented the Fire Department and Ambulance Department budget for FY 2018:

Chief Nesslage said the fire and ambulance budget had $0.00 increase from FY 2017 except for the cost of the Fire Department Master Plan split between Local Option Sales and Service Tax Dollars and the Fire Department Operating Budget.

Nesslage said the department continues to grow and with that comes added repairs on vehicles and supply costs. Nesslage noted the stipend volunteers have been performing some of the equipment maintenance for the department instead of farming this work out.

Nesslage stated the ambulance service doesn't have the ability to collect as much as they should for service due to Medicaid. Nesslage noted there is a Ground Emergency Medical Transport Federal program that would backfill revenue lost from transporting Medicaid patients, if our state legislators would support such a bill to enable us to capture those dollars.

Nesslage reported approximately $307,000 in total revenue for the ambulance service for 2016.

COMMUNITY DEVELOPMENT

Community Development Director Patrick Parsley presented the Community Development Department budget for FY 2018:

- $0.00 increase in budget from FY 2017. Specific line items were adjusted to maintain the budget.

Permit Fees-
Community Development estimated revenues for 2018 will remain the same as 2017:

- $160,000 for building permits
- $1,500 for occupancy permits
- $3,000 for housing inspection fees (revenues are projected to decrease slightly due to a decrease in rental inspections)
- $1,000 in reimbursements for nuisances
- $5,000 in Planning and Zoning and Board of Adjustment fees

LIBRARY
In Library Director Weeks' absence, City Administrator Downs presented the Library budget for FY 2018:

- $0.00 increase in budget from FY 2017. Specific line items were adjusted to maintain the budget.

Downs noted an error in the Technology Reserve line item; request is for $6,000 and should be $10,000 for replacement of computers and equipment.

PARKS AND RECREATION
Parks and Recreation Director Willadsen presented the Parks and Recreation and Community Center budget for FY 2018:

- $0.00 increase in budget from FY 2017. Specific line items were adjusted to maintain the budget.

Willadsen noted after receiving new quotations, she increased funding in the Reserve line item from $6,500 to $8,600, to resurface the park splash pads in FY 2019.

Willadsen stated seasonal employees have been a hardship on the department as it is hard to find good people to work for the summer. Willadsen noted she is extending the replacement of one (1) department vehicle but will be replacing the Batwing mower in FY 2018.

Willadsen noted with the new website, registration for programs and facilities was not working properly, creating a decrease in revenue.

Willadsen said there was recently an update of the audio visual equipment in the community center but the sound is not working properly; the quote for repair is $7,000.

Council Member Olson stated he did not realize the Parks and Recreation Department is a six figure revenue generator. Total anticipated revenue for FY 2018 is $106,100.00. Revenues include community center rentals, park pavilion rentals, adventure camp registration, farmer's market registrations, recreation activities, and donations.

Willadsen stated the Parks and Recreation Department supports park programs with marketing money and use social media marketing. The Parks and Recreation Department currently has 2,000 followers on their Facebook page.

ROAD USE, STORM WATER, SEWER

Public Works Superintendent Jasa presented the Road Use and Sanitary and Storm Sewer budget for FY 2018:

Road Use Budget –

- No major changes in the Road Use budget for FY 2018.
- Plan to do an asphalt overlay on Northwood Drive and Tucker Street using additional funding received from road use taxes.
- FY 2017 projects included overlay of B Avenue, seal coat of Todd Hills Road and crack sealing 23,000 feet of cracks.

Jasa noted potential equipment replacement items including one (1) dump truck and one (1) backhoe.

Sewer Budget –

Jasa reported the sewer budget is in good shape. There are plans to televise sewer lines in the Stamy Road area due to some infiltration. The City continues to make payments to Cedar Rapids for the Dry Creek and Indian Creek sewer rehabilitation project and the Edgewood Road sewer project is 99% complete.

Storm Water Budget –

- No changes from FY 2017

ADMINISTRATION (MAYOR, COUNCIL, CITY ADMINISTRATOR, CLERK/FINANCE, CITY HALL AND ENGINEERING)

City Clerk Kornegor presented the Mayor and Council, Building, Grounds and Maintenance, Clerk and Finance, City Hall, Elections, Legal Services, and Technology Reserves Budgets for FY 2018:

City Council Budget -

Kornegor said there is an increase from $1,000 to $2,000 in the Public Relations line item in order to provide appropriate funding to support local business recognition initiatives.

Building, Grounds and Maintenance Budget -

- Decrease of 0.8% from FY 2017 by adjusting specific line items within the budget.

Clerk/Finance Budget –

- Decrease of 22.8% from FY 2017, by adjusting specific line items and taking out unused funding.

City Hall Budget -

- 2.2% increase from FY 2017. Increased Contingency line item to complete a professional salary survey as request by City Council. Cost of project is approximately $10,000.

Elections Budget -

- $7000 budgeted in the Elections line item for FY 2018, to cover the cost of General City Election and public library referendum.

Legal Services Budget -

Legal Services line item decreased from FY 2017 by 40%. Staff continues to complete their own research and creation of documents prior to attorney review.

Technology Reserves Budget -
Kornegor explained based on the computer replacement schedule for FY 2018, reserves were increased from $6,200 to $10,000. Funding for future years will fluctuate based on the number of computers that need to be replaced.

Kornegor noted one (1) other significant increase to the Technology Reserve budget; the replacement of the city hall elevator is scheduled for FY 2028 with an estimated cost of $100,000 (20 year life span). Reserves were increased from $3,000 to $8,000 until FY 2028 to cover the cost of replacement.

Engineering Budget -
In City Engineer Bender's absence, City Administrator Downs presented the Engineering budget for FY 2018:

- $0.00 increase in budget from FY 2017.

The FY 2018 budget allows for the purchase of testing equipment for inspection staff reducing the City's cost to contract for testing services. Budget includes funds to add a software seat to allow sharing of Community Development inspection log for construction projects.

City Administrator Downs noted the Engineering budget does include a Construction Observer position.

City Administrator Budget –

City Administrator Downs presented the City Administrator budget for FY 2018:

- $0.00 increase in budget from FY 2017.

Downs memo included in the packet reported FY 2018 total estimated General Fund operating budget without salaries and employment benefits at a 2.7% ($40,725) increase from FY 2017 estimated budget due to second year gap in funding for Cedar Rapids transit system ($23,900), Fire Department Master Plan ($25,000), increased dispatch fees ($17,800) and custom salary study ($10,000) per City Council request.

Council Member Olson noted the department heads do a great job of decreasing expenses each year. Olson stated there is $750,000 in no-tax revenue and the City needs to look into other opportunities to tap into that funding.

Finance Director Kudrna announced she has not received property tax revenue numbers from Linn County. City Council directed staff to postpone the January 16 budget work session until January 23 to give time for receipt and review of the property tax revenue numbers from Linn County

Rampulla moved to adjourn the meeting at 6:15 P.M., seconded by Wichtendahl. Motion carried.

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Bill Bennett, Mayor

ATTEST:

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Kelly Kornegor, City Clerk