The Hiawatha City Council met in a Budget Work Session on January 15, 2018. Mayor Bill Bennett called the meeting to order at 5:30 P.M. Council members present: Denny Norton, Steve Dodson, Aime Wichtendahl, Rob Archibald, and Dick Olson. Staff present: City Administrator Kim Downs, Fire Chief Mike Nesslage, Police Chief Dennis Marks, Community Development Director Pat Parsley, City Engineer John Bender, Parks and Recreation Director Kelly Willadsen, Public Works Superintendent Rod Jasa, Finance Director Cindy Kudrna, and Library Director Jeaneal Weeks. Guests: None.

Olson moved the approval of the agenda, seconded by Wichtendahl. Motion carried.

POLICE

Chief Marks presented the Police Department budget for FY 2019:

- 3.94% total budget reduction from $126,900 in 2018 to $121,900 in 2019.
- Police Department Operating Budget has remained virtually the same from 2009 to 2019, even with the increase in staff by one person.

Council Member Olson inquired if Chief Marks is anticipating court fines to double from FY 2018. Chief Marks stated in FY 2018, the Police Department was approximately $10,000 under the revenues received from past years. Marks anticipates court fines to increase for FY 2019.

FIRE

Chief Nesslage presented the Fire Department and Ambulance Department budget for FY 2019:

Chief Nesslage said the Fire department is a growing entity and they are always trying to deliver better service and with that comes more costs as the department needs to address more requirements each year. Chief Nesslage stated the only increase on the ambulance side is related to staff salaries for the Duane Arnold contract.

Chief Nesslage noted the following budget increases:

- $10,000 increase to the Vehicle Maintenance Supplies line item for the purpose of tire replacement on Fire Department vehicles. Nesslage said the total cost will be spread over a period of years. Chief Nesslage stated he did research to come up with options for replacement of the tires and recommends replacing the steer tires first as these are the most crucial. Nesslage estimated $18,000 - $19,000 to replace all tires and $6,100 to replace the steer tires. Nesslage said he will bring back the entire plan showing funding allocations for council approval.

Council Member Archibald questioned the need to spend the money on tire replacement and asked if Nesslage did research to make sure this needed to be done.

Chief Nesslage stated he did do the research and if there is an accident and the tire blows, the Fire Department will be questioned on the age of the tire.

- $1,300 increase to the Equipment Repair line item to cover the cost of repairs to any equipment not on wheels; this expense has increased each year due to inflation and age of equipment. Fire Department has been increasing routine service and repairing in-house when possible.

- $5,000 increase to the Health and Wellness line item covering costs of health and wellness program including physicals, medical expenses and psychological health care. Heart attacks are leading cause of firefighter death and suicide rate is more than 10 times the rate of general populations. This account grows each year as the department is trying to stay on top of compliance and protecting health of members.
- $3,500 increase to Operating Supplies line item including janitorial and office supplies. The increase is attributed to inflation, more in-station activities, and more office activity. The department continues to look for efficiencies to reduce this account.

Council Member Olson pointed out that ambulance fees have generated $400,000 in revenue and asked Chief Nesslage to discuss the fees.

Chief Nesslage explained ambulance generates approximately $5,000 to $10,000 per year when charging for services. Nesslage said a lot of goodwill will be lost by charging for all services.

Council Member Archibald said the money received by charging for the services that are currently free is not worth the loss of image the Fire Department has with the community.

City Administrator Downs additionally noted there are several businesses that are donating funding toward city events and activities and the added fees may affect this goodwill as well.

Chief Nesslage said he will review fees when making updates to the Fire Code. Nesslage stated he does not feel right about charging a permit fee if the Fire Department is not doing inspections.

Council Member Olson added there is no need to nickel and dime the residents.

COMMUNITY DEVELOPMENT

Community Development Director Parsley presented the Community Development Department budget for FY 2019:

- $1,550 increase in Refunds line item due to changes in permitting and fees associated with the online portal. Contractors have the ability to pay online and there is often a discrepancy in the permit fee.
- The remainder of the Community Development budget remains virtually the same as FY 2018.

Parsley stated 2018 was a great year for permits and expenses also increased to match that. Parsley said the department has done a nice job of keeping up with the increase in permits and inspections without adding personnel.

Council Member Olson inquired if Parsley completed a competitive analysis of permit fees in the metro area.

Parsley stated the Community Development Department reviewed permit fees a couple of years ago to try and get fees comparative to the metro communities. Parsley said Hiawatha is very competitive with Marion and Cedar Rapids but at the time Hiawatha was on the low side; the increase to fees put Hiawatha closer to the top.

Parsley explained the department also moved from configuring valuations to following the national standard in order to provide a consistent amount. Parsley said the department could make more money if planning and zoning were taken out of permit fees.

Council Member Olson said he would argue if Hiawatha's permit fees are considered high, so is the service.

LIBRARY

Library Director Weeks presented the Public Library budget for FY 2019:

- 0% increase in budget from FY 2018. Specific line items were adjusted to maintain the budget.

Weeks noted a decrease in revenues in the Enriched Iowa Funding and an increase in funding from the Linn County due to reimbursement changes.

Weeks shared the library steering committee has been amping up fundraising significantly and it is making a difference. Weeks additionally mentioned the library just started merchandise sales.

Council Member Wichtendahl inquired about the increase in the utilities line item. Downs noted utility rates have increased at all city facilities.

Council Member Wichtendahl asked about finding ways to save such as implementing solar initiatives as discussed in the past.

Downs said an energy audit has been completed.

Council Member Olson asked Weeks to provide a fundraising update for the group.

Weeks announced the fundraising total at approximately $968,000; staff is working on grant requests and currently has an application submitted for a $60,000 grant. Weeks said staff is additionally requesting state funding through Enhanced Iowa.

PARKS AND RECREATION

Parks and Recreation Director Willadsen presented the Parks and Recreation and Community Center budget for FY 2019:

- 1% increase in Parks budget from FY 2018; remainder of budget stayed the same.

Willadsen said the Parks and Recreation Department generates a lot of revenue in the spring and summer; continue to add programs to capture more revenue. Willadsen explained the department has increased the marketing budget to promote events and activities.

Willadsen added there are so many pavilion rentals and the community center rentals are non-stop; the room is booked every weekend.

Council Member Olson said it was a great decision to increase rental fees for non-residents.

Willadsen stated the Parks and Recreation Department did a study to compare with other cities; Hiawatha residents don't rent the community center as much as out of town patrons; 70% non-resident rentals. Willadsen said the damage deposit was increased from $200 to $300 due to a lot of

issues with clean up and sometimes damage to the room. Willadsen added staff is looking at replacing security cameras and Willadsen will have the ability to monitor the community center herself to stay on top of rentals and cleanup.

Willadsen said part of the 1% increase to the Parks budget is to keep up with supplies because of damage done to pavilions and equipment at the parks. Tucker Park is a big concern because it is so secluded but the purchase of the new land and future trail should help alleviate some of these concerns.

Willadsen stated she had a conversation with the Mayor and City Administrator and they agreed a three year plan is the best way to manage mower replacement. Willadsen additionally noted the splash pads will be resurfaced in FY 2019. Many of the day schools/daycare facilities love Hiawatha parks because they are attractable; many of the visitors are not even from Hiawatha.

Willadsen said Adventure Camp fees are lower than Marion and Cedar Rapids but it makes sense because Hiawatha still has a small town feel.

Willadsen noted staff will be adding a water fountain in Guthridge Park with a pet fountain; Friends Foundation pays for a lot of costs associated with these types of amenities.

ROAD USE, STORM WATER, SEWER

Public Works Superintendent Jasa presented the Road Use and Sanitary and Storm Sewer budget for FY 2019:

Road Use Budget –

- No major changes in the Road Use budget for FY 2019.
- Plan to asphalt overlay Robins Road, 8th Avenue, Tucker Street, and Marion Street in the summer.
- 10% decrease to Equipment Reserve; will use savings toward street repairs.
- Last few winters have been mild and helped to keep expenses down; funds reallocated to street repairs.

Sewer Budget –

- Sewer budget is in good shape.
- Plan to replace some force main line at Mitchell Lift Station and install a new sewer main on Edgewood Road from Hunt Road south to 2830 Edgewood Road.
- Continue to make payments to Cedar Rapids for the Dry Creek/Indian Creek rehabilitation project.

Storm Water Budget –

- No changes from FY 2018.

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 2019:

City Council Budget -

- 40.3% increase from FY 2018 by adding $2,800 to do strategic planning work session.

Building, Grounds and Maintenance Budget -

- 0.00% from FY 2018.

Clerk/Finance Budget –

- 17.35% increase from FY 2018 by adding $5,800 to perform Code of Ordinances update and cleanup and provide funding for the expense of codifying amendments made to code chapters throughout the year.

City Hall Budget -

- 3.16% increase from FY 2018; individual line item increases: $5,000 in utilities, $7,000 in miscellaneous contractual for city contract, $4,000 in newsletter postage and printing, and $5,100 tuition reimbursement.

Elections Budget -

- $0.00 budgeted in the Elections line item for FY 2019; election will fall in FY 2020.

Legal Services Budget -

22.22% decrease from FY 2018.

Technology Reserves Budget -

Based on the computer replacement schedule for FY 2019, reserves increased from $10,000 to $14,000. Funding request for computer/copier replacement will fluctuate each year based on number of units that need to be replaced.

Staff had conversation with Mayor Bennett about the possibility of reducing costs in Technology Reserves. However, it is not feasible to cut funding requests for replacement of staff computers; currently behind schedule and playing catch up. No other significant increases to the Technology Reserves for FY 2019.

Engineering Budget -

City Engineer Bender presented the Engineering budget for FY 2019:

- 11.54% decrease in budget from FY 2018.

City Engineer Bender said the Engineering Department will be purchasing a seat on the Community Development Department's permit program to help input inspection data.

Bender additionally mentioned adding $500 in funding to the Vehicle Maintenance and Repair line item for regular maintenance of a city vehicle used by the Construction Observer; the vehicle was handed down from another department.

Council Member Olson commended Bender for the great work Bender has done while working for the city. Olson said if he had to estimate the amount of money saved by bringing engineering in-house it would be to the tune of hundreds of thousands of dollars.

Bender stated the Storm Water Committee recommended a storm water fee increase to help build the fund.

City Administrator Budget –
City Administrator Downs presented the City Administrator budget for FY 2019:

- 0% increase in budget from FY 2018.

Downs noted there are 127 snowflakes for use as holiday decorations along Center Point Road and many of them are discolored and weathered. Downs said there is currently no Equipment Reserve Fund set up for the replacement of the snowflakes. Downs stated finance has started a fund to replace and purchase any new holiday decorations.

Downs ask for input on conducting a hotel feasibility study to go along with the Town Center concept; need to have this study to talk to the hotels.

Council Member Archibald wondered what would be gained from a hotel study. City Administrator Downs said the study lets the hotels know how many people, events and new venues coming to the area.

Council Member Archibald asked if there were any regional studies that already exist.

Council Member Dodson mention the feasibility study that was done for the Tuma Soccer Fields.

Council Member Olson felt it would be premature to do the hotel study this year; hotels have their own site selection models and Cedar Rapids Metro Alliance could potentially help with this process.

Downs said hotels ask for this study and it includes the metro area but focuses on Hiawatha.

Council Member Olson reiterated the study is not critical right now.

Downs informed council there will be no work session on January 22; finance just received the Linn County valuations and needs time to work with the numbers. Downs said the next budget work session will be scheduled for January 29 at 5:30 p.m.

Downs asked council to check their schedules for availability to hold a Town Center developers meeting on January 24 at 5:30 p.m.

Wichtendahl moved to adjourn the meeting at 7:12 P.M., seconded by Dodson. Motion carried.

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Bill Bennett, Mayor

ATTEST:

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Kelly Kornegor, City Clerk