

MEETING OF STANDING COMMITTEES

City Hall, 220 Clay Street

February 6, 2023

The meeting of Standing Committees met at City Hall at 5:50 p.m. on February 6, 2023, with the following Committee persons in attendance: Councilmembers Susan deBuhr, Kelly Dunn, Simon Harding, Daryl Kruse, Dustin Ganfield, Gil Schultz, and Dave Sires. Staff members from all City Departments and members of the community attended in person.

Finance & Business Operations Committee:

Chair Dunn called the meeting to order and introduced the only item on the Finance & Business Operations Committee Agenda, FY2024 Budget and introduced the Finance & Business Operations Director, Jennifer Rodenbeck. Director Rodenbeck gave an overview of the budget process: October/November, departments submit budget requests to finance; November/December, City Council holds goal setting that outlines budget goals; December, TIF certification; December/January, review and approve CIP; January, Black Hawk County certifies valuation & Finance revenues; February/March, Public Hearings. Director Rodenbeck explained a SSB 1056 (Senate File 181 & House Bill 120) are affecting the schedule. Director Rodenbeck reviewed valuations, multi-residential/commercial/residential rollback, assessed property valuation, backfill funding, and business property tax reimbursement. Director Rodenbeck explained Cedar Falls is over 78% residential. Director Rodenbeck reviewed the preliminary calculations based on the new legislation with a tax rate of around \$11.65. Hotel/Motel tax is budgeted at \$900,000; this supports our parks, cultural, and tourism. Director Rodenbeck gave an overview on outside agency funding, those agencies included: Cedar Falls Economic Development, Grown Cedar Valley, block grant, band, and MET. Other budget factors that were discussed included: \$.27 of emergency levy was not utilized (may change depending on valuation effects), FY24 projects in the CIP budget, and the EMA levy. Director Rodenbeck explained that employee salary increases will be between 3%-5% in accordance with the union agreement, new positions were outlined at goal setting for FY24, IPERS remained the same for FY24, and the 411 Pension decreased from 23.90% to 22.98% for FY24. Director Rodenbeck stated the following FY24 budget revenue challenges include backfill continuing to be phased out, new business tax credit, changes to TIF and continue to watch residential rollback. Director Rodenbeck stated the following FY24 budget challenges for expenses include health insurance costs, personnel costs, inflation effects and construction costs. Looking forward the City has saved up capital replacement funds for capital projects, continues to save the TIF release for future economic development and the \$.27 of emergency levy that could be utilized if there's a significant drop in residential rollback. Director Rodenbeck reviewed the updated tentative budget schedule opened for questions from Council. Councilmembers discussed MET funding, EMA levy, city cuts, Cedar Falls' residential distribution and how we compare to other cities.

Meeting adjourned at 6:23 p.m.

Minutes by Kim Kerr, Administrative Supervisor