

## MEETING OF STANDING COMMITTEES

City Hall, 220 Clay Street

March 6, 2023

The meeting of Standing Committees met at City Hall at 5:50 p.m. on March 6, 2023, with the following Committee persons in attendance: Councilmembers Kelly Dunn, Simon Harding, Daryl Kruse, Dustin Ganfield, Gil Schultz, and Dave Sires; absent: Susan deBuhr. 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 first 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 recent actions in the budget process: On February 20, 2023, SF181 (formerly SSB 1056) was signed by the Governor, recalculation of residential rollback was completed, and the rollback reduction went from 56.49% to 54.65%. The SF181 effects an estimated loss of \$430,000 to our general fund, shifts tax burden from residential to commercial/industrial properties; an extension of the deadline to April 30, 2023, for this year only was given. Director Rodenbeck reviewed valuations, multi-residential/commercial/residential rollback, and assessed property valuation. Director Rodenbeck explained Cedar Falls is over 78% residential and displayed comparisons of similar cities from FY23. Director Rodenbeck stated in FY23 the tax rate was \$11.51 and the rate proposed for FY24 is \$11.74, an increase of 23 cents. Director Rodenbeck displayed a history of previous years' tax rates from 2017-2024 and displayed 20 of the largest cities property tax rates for FY23; Cedar Falls was the seventh lowest. Director Rodenbeck reviewed the FY24 property tax effect and max levy calculations. Director Rodenbeck gave an overview of the EMA levy that included an increase from \$576,590 to \$1,104,190; the increase is due to the formula going from calls of service/population to based on valuation. Director Rodenbeck stated the following FY24 budget revenue challenges include backfill continuing to be phased out, new business tax credit, and property tax reform. 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 a portion of 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 budget schedule and stated staff would like the following budget action: Motion to recommend to Council to set the Public Hearing on the Maximum Levy for March 20, 2023, to include the Maximum Tax Levy for \$22,370,390 (for applicable levies) and the Maximum Levy Rate of \$10.81 (for applicable levies), with a total rate of \$11.74. Councilmembers discussed the EMA levy, max levy rate, \$.27 emergency levy, and 0% residential net affect rate. It was motioned by Harding and seconded by Schultz to set the public hearing on the maximum levy March 20, 2023, City Council meeting. The motion was put to vote. Aye: deBuhr, Dunn, Harding, Kruse, Ganfield, Schultz and Sires; Nay: None. Motion passed.

Chair Dunn introduced the second item on the Finance & Business Operations Committee Agenda, Economic Development Incentives and introduced Economic Development Coordinator, Shane Graham. Mr. Graham reviewed the TIF districts in Cedar Falls: Downtown, College Hill, Pinnacle Prairie, South Cedar Falls, and Unified Hwy 58; he gave an overview of the current incentives for each TIF district. Mr. Graham gave an overview of the City values in the existing industrial park property at \$1.50 per square foot and explained the types of industrial park businesses in Cedar Falls. Councilmembers discussed per acre/per square foot cost, property tax income, lifespan of TIF districts, annual funds returning to City, expired TIF dollars funds returned to Economic Development funding, review of value prior to demolition of buildings, sunset dates, continuous TIF districts, slum and blight definitions, fair market valuations, and the approval of land sales by Councilmembers.

Meeting adjourned at 6:58 p.m.

Minutes by Kim Kerr, Administrative Supervisor