

## COMMITTEE OF THE WHOLE

City Hall – Council Chambers

February 7, 2022

The Committee of the Whole met at City Hall at 6:20 p.m. on February 7, 2022, with the following Committee persons in attendance: Mayor Robert Green and Councilmembers Susan deBuhr, Kelly Dunn, Dustin Ganfield, Simon Harding, Daryl Kruse, Gil Schultz and Dave Sires. Staff members from all City Departments and members of the community attended in person and teleconferenced in.

Mayor Green called the meeting to order and introduced the first item on the agenda, Board of Adjustment Interview-Ruby Hibben. Ms. Hibben stated she's a Senior Account Manager with AMPERAGE Marketing & Fundraising and has been a Cedar Falls resident most of her life and looks forward to servicing her community.

Mayor Green moved to the second item on the agenda, FY23 Budget Presentation and introduced Jennifer Rodenbeck, Director of Finance & Business Operations. Ms. 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; January, CIP approved & Black Hawk County certifies valuation & Finance revenues; February/March, Public Hearing on Maximum Levy. Ms. Rodenbeck stated that 2 years ago a new budget process was implemented that included a March 31 deadline and if an increase of more than 2% a supermajority vote is needed to pass the Max Levy resolution. Ms. Rodenbeck stated the following FY23 budget challenges include residential rollback decreasing, multi-residential phase out, backfill phasing out, project costs, high personnel costs & wage settlements, health insurance fund, technology costs, and insurance costs. Ms. Rodenbeck explained that valuations are set by the County and the rollback is set by the State. Ms. Rodenbeck stated FY18-FY22 budgets have not included the backfill revenue since it was not a guarantee, but if received it was used for a one-time capital project. Ms. Rodenbeck explained the FY22 tax rate of \$11.38 & FY23 \$11.67 tax rate; this will be a 29 cent increase (the tax rate tends to increase/decrease along with the rollback changes). Ms. Rodenbeck showed amongst 20 of the largest cities in Iowa that Cedar Falls has the 7<sup>th</sup> lowest property tax rate. Ms. Rodenbeck explained the Maximum Levy shows an increase of 6.33%, but when factoring rollback and tax rate the actual change in taxes paid are 4.65% for residential. Other budget factors that were discussed included: continue to set aside capital replacement funds in the general fund, \$.27 of emergency levy was not utilized, all projects in the FY23 column of the CIP were incorporated into the FY23 budget, did not pay for any portion of debt service out of the \$8.10 levy, and the EMA levy for emergency management costs and consolidated dispatch costs were used. Ms. Rodenbeck explained that salary increases will be between 3%-5% in accordance with the union agreement, additional funds for City's health insurance contribution is budgeted, new positions were incorporated per goal setting, IPERS remained the same, and the 411 Pension decreased. Hotel/Motel tax has been budgeted back to "normal"; this supports our parks, cultural and tourism, and does impact outside agency funding. Ms. Rodenbeck outlined the 6 outside agencies funded in FY23. The budget summary is as follows: property tax increase for residential of 4.65%; property tax increase for commercial/industrial of 2.55%; property tax decrease for multi-residential properties of 3.15%. Ms. Rodenbeck explained the challenges going forward: backfill will continue to be phased out, continue to watch revenue impacts due to COVID, health insurance & personnel costs, and continue to watch our growth in expenses compared to revenue. Looking forward the City has saved up capital replacement funds for capital projects, continues to save the TIF release for future economic development and CFU has committed to a financial partnership with the City. Ms. Rodenbeck suggested City Council motion to set the Maximum Tax Levy. Mayor opened

for questions from Council. Ms. Rodenbeck explained that Councilmembers can make adjustments to the budget; it can't go above the set maximum levy rate of 6.33% but it can be reduced. Ms. Rodenbeck explained CIP items in the FY23 column and noted general revenue (GR) dollar items can be removed to reduce the budget and would have an effect on the property tax levy. Councilmember Kruse asked about clarification on item 56 (Housing needs assessment-\$35,000). Ms. Rodenbeck stated the housing needs assessment was recommended by the Racial Equity Task Force Committee. Director Sheetz stated the committee identified needing to support and expand opportunities, particularly for workforce housing, low/moderate income families. This assessment is a requirement for a State program that is available to help support this particular housing. Councilmember deBuhr asked if items #56 & #59 are removed what is the impact on the tax rate. Ms. Rodenbeck stated it would be a decrease to the tax payer. Councilmember Schultz stated citizens are inquiring of adding a restroom facility to Veteran's Memorial Park. Mayor Green asked for a motion to set the Maximum Levy rate of \$10.92 or tax levy of \$22,543,328, with a total rate of \$11.67. Motioned by Councilmember deBuhr. Seconded by Councilmember Kruse. Motion passed.

There being no further discussion, Mayor Green adjourned the meeting at 6:57 p.m.

Minutes by Kim Kerr, Administrative Supervisor