Council Study Committee
January 30, 2014
Minutes

Members present: Greg Marchant, Eric Mathieu, John Parker Jr., Pam Pepper, Brad Ross, Greta Southall and Mayor Kelly Shaw.

Also present were: Chuck Burgin, Diana Bowlin, Doug Bylund, Dave Button, Brian Seymour, RoxAnne Hunerdosse, Joyce Godwin, Dan Miers, Ed Yando and Mike Bowlin

City Manager Eric Hanson discussed the FY 2015 budget. The City Manager and Finance Director provided information including year-end revenue/expenses and projections for the upcoming years for the Mayor and Council to make a decision on the tax rate.

Committee discussing included:

- Money in the trust and agency
- Library funding – give $15,300 back for materials – if the Library was to receive $15,300 back into their budget then there would need to be other cuts to the Library – possibly cutting one full-time and adding two part-time positions
- Each department should have something cut from their budget
- By percentage the Library and Park and Recreation took the biggest cut – questioned if the cuts would come back in the future or gone forever – The departments will need to come back to council with priorities, will need to look at other sources of revenue – possibly local option sales tax
- Need to look at staff and their skills and move forward – this will take the City to the next step
- Clarification of the articles in the Record Herald and Indianola Tribune - the City is making their payments, a lot of information is incorrect from the paper, there are going to be misquotes. Pension/IPERS are being paid from the operations budget. Everything has been done to the bond portfolio to maximum savings.
- Would like a list of deferred maintenance by the next council meeting – how are these items going to be addressed
- Sewer treatment plant – will have to raise taxes and sewer rates – also will have to use Revenue and G.O. Bonds mixes. The City will not be able to build the plant solely on increasing rates
- Borrowing should be for streets, sewer treatment plants, etc. not for maintenance items such as ambulances, trucks, etc – which the city is paying for after these items are no longer in service. Should the City borrow for operational expenses? The debt service is over $2.00
- 27% of the 63% debt is the YMCA – Not all of it was mismanagement, but when the discussion of the "Y" was being presented there was never any talked about the sewer treatment plant. The "Y" is bringing in revenue
- Need to ask yourself, what has the City borrowed for and does that make sense, if the answer is yes the City will keep doing the same thing if the answer is no then changes need to be made. The discussion is not how we got in this position it is

where does the City want to go. Does the City have a fund balance because the City is in great shape or because of the borrowing?

- 10 years prior to the "Y" being built the City was over spending more than what the revenue was bringing in
- Total cuts from this budget was $631,000
- If there were no budget cuts the tax rate would need to be approximately $12.52, to cover this budget the rate would need to be $11.63

The committee discussed increasing the tax rate between $.75 - $1.50 or $11.95 - $12.70. The committee also thanked the department heads for their hard work on the budget.

Susan Glick, 511 W. Boston, stated the valuations have increased in the last 10 years but in 2015 they decreased. This is because of a decrease in commercial valuation.

Meeting adjourned at 7:35 p.m.