

City of Elk Run Heights
Regular Council Meeting
October 26, 2022 - 5:00 p.m.
Located at Eddis Winstead Council Chambers

The City Council of the City of Elk Run Heights, Iowa met in regular session, according to law, the rules of said Council and prior notice given each member thereof, in the Council Chambers of City Hall of Elk Run Heights, Iowa at 5: 00 p.m. on the above date. Council members present in order or roll call: Bass, Sallis, Galbraith, and McChane. Absent: Wurtz. Quorum present.

Sallis/Bass to approve the October 26, 2022 agenda. Ayes-four. Motion carried.

Galbraith/McChane to approve resolution 4082 approving the disposal of city property. Roll call vote: Ayes-four.

Sallis/Galbraith to approve request from Mayor to allow the Cedar Valley Youth Sports to use the community room every other Tuesday for no charge for three months. Mayor Smock explained this is a none profit group who is needing a good-sized room for their group to meet to plan for youth sports events. Councilor Bass expressed concerns with the precedence this may set by allowing a not-for-profit group to use the room at no charge. Councilor Sallis stated she agrees to an extent and would like to see it revisited in a few months. Councilor Galbraith suggested even a small donation per month to use. Ayes-three. Nay-Bass. Motion carried.

Discussion with Maggie Burger with Speer Financial over the financial appropriations and best practices for City's. Maggie introduced herself and began with debt capacity. Explaining how it is calculated; you can issue 5% of your 100% value in general obligation debt (not revenue debt), our legal debt limit for fiscal year 2023 is \$4,187,130 minus the GO Bond issued for \$1,500,000 leaving \$2,687,130. Burger does not recommend using over 80% of your debt capacity at any time. Leaving our current borrowing capacity at \$1,900,000. Continuing to explain the types of things cities can borrow for with Council approval verse what needs to be voted on by the public.

The other type of borrowing is revenue bonds (SRF), which can only be paid with revenue brought in from proprietary accounts (ex. Water, sewer, garbage). Burger then went on to discuss the SRF bond the city currently has for the sewer plant, applauding the city for having a million dollars in cash to lower the user fees. Upon reviewing the information originally provided for the loan breakout, Burger reiterated the sewer rates are to be raised 1.5% yearly to keep up with the principal and interest rate per loan agreement along with the cost of running the plant.

Burger discussed the debt service levy and some of the other levy options the city has as options to help provide additional tax dollars. In addition, how property tax dollars fluctuate and how they work.

The fourth topic was tax increment financing (TIF). Burger explained the dynamics of how TIF works, stating that TIF dollars are granted to the city before county and schools get any funds for taxes. There are some programs that can benefit builders and new commercial businesses to come into the city, specifically the rebate program. This does not benefit the city from the TIF dollars but does give the builder the money back in the form of a rebate, thus incentivizing businesses to want to come to our community. Residential programs are a bit more complex and do not give as many incentives but are available and can work in select circumstances.

Burger then explained the importance of capital improvement plans and having all departments have a plan for future expenses that should be planned out. Continuing on to the topic of fund balances. Spear Financial recommends having a reserve of 75-100 percent of our expenditure on hand, adding if the GO bond continues being paid by the General Fund it will draw that balance down.

Bass/Sallis to approve B&B Builders of Washburn, Iowa to fix the buckle in Dubuque Rd. in an amount not to exceed \$4,200.00. Ayes-four. Motion carried.

Bass/Sallis to adjourn at 6:47. Ayes-four. Motion carried.

Attest:

Lisa Smock, Mayor

Julie Eastman, City Clerk