

Budget Workshop
City Hall, Cherokee, Iowa
February 17, 2015 – 5:30 P.M.

A budget workshop was called to order on this date by Mayor Murphy. Present: Council members Miller, Brown, Johnson, Peck, Pingel, Administrator Eikmeier, Clerk-Treasurer Taylor.

Council continued review of the 2015-16 budget. The council heard from the following department heads.

Wastewater – Steve Casey reported no major changes. Need to add \$10,000 to utilities and \$400 to telephone to cover the Tyson plant, and the miscellaneous supplies line item should be \$3,500 not \$35,000. The budget includes \$7,500 to purchase a snowplow for the pickup; however, he also mentioned purchasing a skidloader instead. This will be discussed further as neither one is essential at this time.

Water – Mark Napier reported no major changes. He explained that with one less employee next year an increase in part-time salaries is to cover a seasonal employee for mowing. The increase in overtime salaries will be to cover after hours calls that Mark normally covered as a salaried employee. The Administrator indicated that the Public Works Superintendent could pick up some of the after hours calls. Some long-term challenges will include water main replacements such as the one on Hwy. 59 from Main St. to the river, and renovation of the water plant, which is 20 years old. Projects such as this would be manageable through revenue bonds under the current rate structure.

Water System Maintenance – this budget supports annual water tower maintenance contracts as well as water infrastructure repairs and maintenance.

City Council – includes funding for city elections and the balance of the CDBG Housing Rehab program.

Mayor & Administration – includes funding for a national city manager's conference, which Don highly recommends especially if the new Administrator hasn't had a lot of experience.

Financial Administration – no major changes.

Legal Services – Don reported that Wally Miller, Jr. would be retiring as City Attorney on May 1, 2015. The council will appoint a replacement.

The City's insurance coverage is through the Iowa Communities Assurance Pool (ICAP) and worker's comp. coverage is through the Iowa Municipal Workers' Compensation Association (IMWCA). City's can choose who they wish to represent them. Justin Mohning from Central Insurance and Chuck Wulfsen, Central Bank President, made a presentation outlining the services they would provide as the City's representative. Mr. Mohning indicated they would perform a complete coverage audit of current contracts; create a written plan of action timeline; create claim service guidelines; provide worker's comp. training; create a risk control by objectives program; and provide on-going contract review. Mr. Wulfsen indicated it has been a struggle with the turnover of employees. They hire the best, who then get hired away. He feels they have a good representative in Mr. Mohning, who is originally from Marcus. Mr. Wulfsen very much appreciates the opportunity to continue as the City's representative.

Continuing review of the budget:

City Hall – council added \$5,000 to replace carpet in at least part of the building.

Planning & Zoning Commission – funds the possible update of the zoning ordinances.

Debt Service – this budget shows a significant drop, as several bond issues have been paid.

The Administrator reviewed projected cash balances in each of the funds, which all look relatively good. The council reviewed some of the projects discussed during the budget workshops. Rather than budgeting for a 10' wide, concrete CN Railroad trail using federal funds, which has a local share of approximately \$50,000, the council recommended going with an 8' wide, asphalt trail with a total estimated cost of \$51,200. Council also recommended removing the \$11,400 from the Cemetery budget for the shop building roof and putting this money aside to start a fund to completely replace the building in the next few years to incorporate a shop, restroom, and equipment storage. In the Sewer Department budget, \$7,500 for the snowplow will be replaced with funding for a skidloader. Administrator Eikmeier will put together a summary of recommended changes for Council to review before the February 24th council meeting.

The meeting was adjourned at 7:45 p.m.

Mark Murphy – Mayor

ATTEST:

Debra Taylor
City Clerk-Treasurer