



AGENDA OF THE SPECIAL SESSION OF THE
COUNCIL OF THE CITY OF WASHINGTON, IOWA
TO BE HELD AT WASHINGTON FREE PUBLIC LIBRARY
NICOLA-STOUFER MEETING ROOM
115 W. WASHINGTON STREET
AT 6:00 P.M., TUESDAY, JANUARY 31, 2017

Call to Order

Pledge of Allegiance

Roll Call

Agenda for the Special Session to be held at 6:00 P.M., Tuesday, January 31, 2017 to be approved as proposed or amended.

PRESENTATION FROM THE PUBLIC - Please limit comments to 3 Minutes.

NEW BUSINESS

Discussion and Consideration of a Resolution Setting a Public Hearing Prior to Considering Dissolving the Park Commission as an Administrative Agency under Iowa Code 392.7.

Discussion and Consideration of Listing Price Change – Old Library Building.

Fiscal Year 2018 Budget Workshop.

MAYOR & COUNCILPERSONS

Sandra Johnson, Mayor
Brendan DeLong
Steve Gault
Kerry Janecek
Jaron Rosien
Kathy Salazar
Millie Youngquist

ADJOURNMENT

Illa Earnest, City Clerk

*Brent Hinson, City Administrator
Sandra Johnson, Mayor
Illa Earnest, City Clerk
Kevin Olson, City Attorney*



*215 East Washington Street
Washington, Iowa 52353
(319) 653-6584 Phone
(319) 653-5273 Fax*

Memorandum

January 27, 2017

To: Mayor and City Council
Cc: Illa Earnest, City Clerk

From: Brent Hinson
City Administrator

Re: Dissolve Park Commission- Resolution Setting Public Hearing

The Council voted at the January 17 meeting to set a public hearing for February 7 on the proposition to dissolve the Park Commission administrative agency. However, I realized after reviewing Iowa Code 392.7 that this public hearing should have been set by resolution. Assuming you approve this resolution, we are still on track to hold the public hearing on February 7.

RESOLUTION NO. _____

**A RESOLUTION ESTABLISHING INTENT TO DISSOLVE
AN ADMINISTRATIVE AGENCY AND SETTING PUBLIC HEARING**

WHEREAS, the Park Commission of the City of Washington was established in Chapter 23 of the City Code, and is an administrative agency under Iowa Code 392.7; and

WHEREAS, the City Council has determined that it may be in its best interests to consider moving from the current elected park board to an appointed board; and

WHEREAS, the City must hold a public hearing on this issue prior to the Council considering any action to dissolve the current administrative agency and adopt a new park board ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, IOWA:

Section 1. The City Council hereby establishes intent to dissolve the Park Commission administrative agency and replace it with an appointed board.

Section 2. The City Council hereby sets a public hearing on this proposition for Tuesday, February 7, 2017 at 6 PM at the Council Chambers, Former Public Library, 120 East Main Street.

PASSED AND APPROVED this 31st day of January, 2017.

Sandra Johnson, Mayor

Illa Earnest, City Clerk

*Brent Hinson, City Administrator
Sandra Johnson, Mayor
Illa Earnest, City Clerk
Kevin Olson, City Attorney*



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Memorandum

January 30, 2017

To: Mayor & City Council
Cc: Illa Earnest, City Clerk

From: Brent Hinson
City Administrator

Re: Former Library Revised List Price

Attached is a revised real estate listing for the building. This reflects a change in list price from \$571,000 to \$245,000.

I did also receive a more in-depth update on progress on selling the building. The realtors have a bona fide interested buyer, but this is contingent on the decision of a local non-profit on how or whether they would like to proceed on occupying 3,000-4,000 square feet of the building. If the non-profit decides to proceed, that will be enough for the buyer to proceed with the purchase. There is also a scenario where the non-profit could decide to purchase the building by itself. In the buyer/lease situation, the building would pay property tax, but not in the non-profit ownership scenario.

Based on this information, I would recommend giving the realtors a bit more time to bring the possible deal to fruition. However, I think it probably makes sense for the Council to determine a "hard" end date for listing the building. I'm not necessarily indicating that this be decided at the budget workshop, but perhaps we could put this on the February 7 meeting agenda for further discussion and a decision on timeline.

Iowa City Area Association of REALTORS® - Listing Status Change/Correction Form

Property Address 120 E. Main, Washington, IA MLS # 20164218

Listing Office LKR Listing Agent Edberg Price \$571,000.00

CONTINGENCY (AC) (Active Status)
(Accepted Offer Subject to Contingencies)

Contingent Date (Purchase Agreement Date)

SOLD STATUS (Closing Taken Place)
Selling Office _____

Selling Agent _____

Buyer's Last Name _____

Sale Price _____

Transaction Value _____
(If Sale, Selling Price. If Lease, Total Value.)

Lease Value _____
(Per Foot or Per Month)

Lease Term _____

Sales Terms: (Circle One)

- Cash Conventional
 Lease Exchange
 Other FHA
 VA Private Party Contract

Pending Date _____

Closing Date _____

PRICE CHANGE

Change Price to \$245,000.00

REALTOR® & Seller Signatures Required Below

Use this area below to make changes to the text of a listing. If changes are extensive, use a profile sheet to indicate changes.

Signatures of Sellers/REALTORS® required: Price changes/extensions/withdrawals/cancellations.

Sellers' Signatures _____ / _____ Date _____

REALTOR®'s Signature _____ Date _____

WITHDRAWAL - It is also hereby agreed that if said property is sold within the terms of the original listing, or any extension thereof, or is sold within _____ days after the expiration of the listing or any extension thereof, as provided in said listing, then this withdrawal agreement shall be absolutely void and said original listing or extension thereof shall be in full force and effect. This is a withdrawal from the Service, NOT a cancellation of the listing.

ENTERED BY AGENT

PENDING (Status)
(Days on Market Calculated from List Date to Pending Date)

Pending Date _____

WITHDRAWAL/CANCELLATION

_____ Listing is Withdrawn

REALTOR® & Seller Signatures Required Below

_____ Listing is Cancelled

Designated REALTOR® & Seller Signatures Required Below

EXTENSION

Listing Expires This Date _____

Extend Expiration Date to _____

REALTOR® & Seller Signatures Required Below

BACK ON THE MARKET

(Not to Be Used to Activate an Expired Listing)

_____ Listing is Back on Market

Listing Expiration Date _____

City of Washington

Fiscal Year 2017/2018 Budget Presentation

Fiscal 2017-2018 Budget Overview

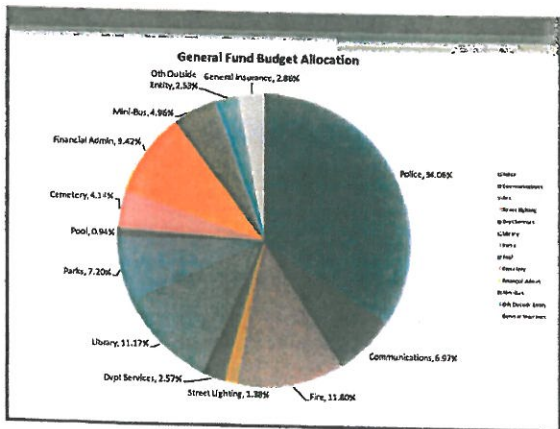
- As Presented:
 - The General Fund budget is exactly balanced to keep the projected GF balance at \$1,000,000.00 per the adopted policy related to our City Hall/Police/Fire building projects.
 - Property Tax levy stays level at \$15.82079/\$1,000 valuation, with a 1.7% increase in taxable valuations. This would be our 6th straight year at this rate.
 - 3% average (non-union) salary increases are included.
 - The net increase in General Fund spending is 0.29%.

Fiscal 2017-2018 Budget Overview

- As Presented (Continued):
 - Personnel changes limited to restructuring of Police command structure to replace one lieutenant position with two shift sergeants.
 - Funding is included for projects including the South 15th Subdivision, Wellness Park, Fire Station, a major I/I reduction project, and finishing the Water Plant improvements. Total capital projects are estimated at \$11.2 million.
 - Water & Sewer are both budgeted at 5% on base rate and usage. This is necessary because of the increased cost of the Water Plant project and because this is the first full payment on the debt for the WWTP (our debt payment jumps by \$260,000/year).
 - Sanitation is budgeted at a 5% increase. This is mainly due to the new 28E Recycling Center arrangement and the increasing cost of the custom recycling carts we provide to residents.

General Fund Budget

- Overall:
 - Revenues: \$3,631,240.67
 - Expenditures: \$3,631,240.67
 - Surplus (Deficit): \$0.00
 - Estimated balance at 7/1/17: \$1,000,000.00
 - Estimated balance at 6/30/17: \$1,000,000.00



Police Budget Summary

- Revenues: \$22,375
- Local Option Sales Tax Transfer In: \$305,000 (stays same)
- Expenditures: \$1,501,971
- General funding: \$1,174,596
- Net Funding increase/(decrease): \$63,608
- Highlights:
 - \$15,090 budgeted for RMS System loan (final payment 7/1/17)
 - Police command change (see next two slides)

Police Command Change

- Washington has typically had the chief, 3 lieutenants and 7 patrol officers.
- With Lt. Ellingson's departure, and keeping in mind the need to develop future leaders in the department (average tenure of chief & 2 remaining lieutenants is 29 years), Chief Goodman proposed and I recommend going to a structure with the chief, 2 lieutenants, 2 shift sergeants, and 6 patrol officers.

Police Command Calculations

- As per the 2nd page of the Police Department narrative in your books, I recommend the shift sergeants be placed on the pay scale the equivalent of 1 step above the highest union step (\$3,236.12 higher).
- To maintain proper pay structuring, I recommend that the chief and lieutenants also be adjusted by this amount.
- Taking into account the higher salary of Lt. Ellingson versus the new officer, the net salary cost of this change is projected to be \$4,899.98.

Fire Budget Summary

- Revenues: \$85,000
- LOST Transfer In: \$132,500 (stays same)
- Expenditures: \$428,466
- General funding: \$210,966
- Net Increase/(decrease): (\$2,244)
- Highlights:
 - \$29,000 of township revenues is transferred to Debt Service Fund 200 for Year 3 of 5 on debt service for new brush truck for rural fire response.
 - Includes new foam system- \$5,900
 - Plan on \$10,000 in maintenance to aerial truck, probably still in FY17, in effort to keep our most expensive truck in good working condition for the next 15 years.



Development Services Summary

- Revenue: \$69,500
- Expenditures: \$93,311
- General Funding: \$23,811
- Net Increase/(decrease): (\$6,388)
- Highlights:
 - Reduction in part-time hours



Library Budget Summary

- ☐ Revenues: \$88,896
- ☐ Expenditures: \$405,559
- ☐ General Funding: \$316,663
- ☐ Increase/decrease: \$8,872
- ☐ Highlights:
 - ☑ As a personnel-heavy department, health insurance increase in budget is \$8,000. This is the most significant reason for increased general funding this budget.



Parks Budget Summary

- Revenues: \$450
- Expenditures: \$261,582
- General Funding: \$261,132
- Increase/decrease: \$16,028
- Highlights:
 - Increase in part-time wages (around \$5,000) reflects increased maintenance demands on department.
 - YMCA Rec Services contract is up to \$32,000 from FY17's \$27,000 payment.
 - Budget includes \$7,000 for Municipal Band, as in past years.
 - Purchase of replacement mower- \$10,000 and used gator UTV- \$8,000 in Capital Equipment.



Pool Budget Summary

- Revenues: \$0
- Expenditures: \$34,100
- General Funding: \$34,100
- Increase/(decrease): \$2,100
- Highlights:
 - New management agreement with YMCA includes City assumption of payment for utilities- \$18,500 more than previous
 - Management Fee: \$5,600
 - Continue replacement of lounge chairs: \$2,000.
 - Last year's budget included bathroom reroofing, so building maintenance line is \$11,000 lower.



Cemetery Budget

- Revenues: \$68,500
- Expenditures: \$150,254
- General Funding: \$81,754
- Increase/decrease: (\$5,338)
- Highlights:
 - Purchase of utility tractor in Capital Equipment Fund: \$15,000.



Finance, Legal & City Hall

- Revenues (includes property tax): \$2,859,020 (up \$28,043)
- Expenditures: \$705,999 (down \$48,594)
- Highlights:
 - \$3.8 million (1.7% increase) in general taxable valuations.
 - Continuing policy of maintaining \$1,000,000 fund balance and transferring any additional at year-end to Fund 309 for City Hall, Police, and Fire building improvements.
 - \$6,500 transfer out to Cable Commission (they plan to purchase a piece of equipment for \$15,000 and this plan utilizes their existing fund balance).



Outside Entity Funding

- Requests:
 - WEDG: \$21,850 (2% higher than current)
 - PAWS & More: \$18,000 (extend written agreement by one year at plus \$1,000 as stipulated for extensions)
 - Main Street: \$20,000 (same as current, was up \$5,000 last year)
 - Tourism Committee: \$20,000 (same as current, was up \$5,000 last year)
 - Fireworks: \$4,000 (same as current)
 - Auditorium: \$20,000 (pay off pledge, using Riverboat Municipal Grant funds)
- Discussion will be held at the 3rd budget workshop on WEDG, Main Street, and Tourism requests.
- Proposed establishment of new WIF Partner Program Fund (Fund 050) to incentivize large downtown building renovations, and transfer in of \$128,500 from Riverboat Municipal Grant funds, subject to Riverboat Foundation approval).

Tax Rate Comparison: Current vs. Proposed

Levy	Current Rate	Proposed Rate	Increase/ (Decrease)
General	8.10000	8.10000	0.00000
Employee Benefits	3.03012	3.10873	(0.07861)
General Insurance	0.47596	0.46788	(0.00808)
Emergency	0.27000	0.27000	0.00000
Debt Service	3.94471	3.87418	0.07053
Overall	15.82079	15.82079	0.00000
\$100K House City Bill	\$880.05	\$900.82	\$20.77
\$100K Biz City Bill	\$1,423.87	\$1,423.87	(\$0.00)

Debt Service Fund

- Total debt service payments for year: \$1,173,328.
- Funding for debt payments on a \$500,000 GO Bond for the 2017 Street Program (South 15th Avenue Street & Subdivision Project), and assumes a later bond issue in Spring 2018 for Wellness Park & Sewer I/L, with no debt payments in FY18. FY18 is the last year of bond payments on the Library and Downtown Streetscape bond, so we do not want to overlap payments in this fiscal year.
- Total DS Levy responsibility: \$890,369. Transfer in of \$60,000 from Water & Sewer to assist with debt service on 2009 GO Bond (Water Tower/WWTF) and to hold debt service levy slightly better than level.
- Total levy requested is 3.87418, which is \$0.07053/\$1,000 valuation less than last budget.

Debt Payments for FY17-18

- \$49,079 for 2013 Streets/Airport (Year 5 of 5)
- \$51,538 for 2014 Streets (Year 4 of 5)
- \$217,788 for 2015 North Tower/Streets/Fire Truck (Year 3 of 19)
- \$156,370 for 2016A Nontaxable Refunding of 2009 GO Bond (Year 1 of 12)
- \$51,463 for 2016B Taxable Refunding of 2009 GO Bond (Year 2 of 13)
- \$505,000 for 2016C Refunding of 2008 GO Bond (Final Year)
- \$65,000 for 2016C Streets/Business Park (Year 2 of 5)
- \$61,500 for 2017 Streets (Year 1 of 10)

Historical Tax Levy Rates

	13-14	14-15	15-16	16-17	17-18
General	8.10000	8.10000	8.10000	8.10000	8.10000
General Insurance	0.52695	0.49356	0.50343	0.47596	0.46788
Employee Benefits	3.02021	3.05107	3.03705	3.03012	3.10873
Debt Service	3.90363	3.90617	3.91031	3.94471	3.87418
Emergency	0.27000	0.27000	0.27000	0.27000	0.27000
Total	15.82079	15.82079	15.82079	15.82079	15.82079

Airport Budget

- Airport is in Fund 002 and is self-supporting on an operating basis
- Revenues: \$432,400
- Expenditures: \$387,478
- Fund Surplus (Deficit): \$44,922
- Projected FB @ 7/1/17: \$224,715.86
- Projected FB @ 6/30/18: \$269,637.83



Highlights:

- The Capital Projects Fund includes a \$600,000 project that is 90% FAA funded to expand the apron/parking area that was constructed in 2016. This may be somewhat premature to when FAA funding will be available for the project, but the Airport Commission asked it be included for FY18. This project is also in the Capital Improvements Plan.

Road Use Tax Fund

- Revenues: \$1,010,273
- Expenditure: \$1,168,271
- Fund Surplus (Deficit): \$157,998
- Projected FB @ 7/1/17: \$678,298.77
- Projected FB @ 6/30/18: \$520,301.13

Highlights:

- \$60,000 transfer out to Capital Projects for Airport Apron Expansion; \$125,000 transfer out to Capital Projects for South 15th Subdivision.
- \$50,000 transfer out to Capital Equipment Fund- used skid loader is budgeted at \$90,000.
- Sidewalk replacement budgeted at \$25,000 as a transfer out to Fund 311.
- Tree removal & replacement budgeted at \$50,000 as a transfer out to Fund 312.
- \$3,500 included for participation in the Iowa Pavement Management Program through Iowa State University. This will help us do a full assessment of the condition of our streets and prioritize future maintenance and improvements. After the first year, annual cost is estimated at \$1,250.

Capital Projects

- This Year's Include:
 - Fire Station- \$2,083,560 budgeted.
 - Wellness Park- \$1,200,000 budgeted.
 - Kewash/Willow Pond Trail- \$160,000 budgeted.
 - West Side Residential Historical District Nomination- \$14,410 budgeted; \$9,400 grant.
 - Airport Apron Expansion- \$600,000 project; 90% FAA funding.
 - South 15th Subdivision- \$775,000 project.
 - Central Park Fountain Lighting Project- \$16,500.
 - Water Plant Improvements- \$4,559,297 budgeted; funded by SRF loan and (anticipated) CDBG grant.
 - West Washington Boulevard Water Main- \$487,108 budgeted. Funded by Water Fund.
 - Sewer Lining/Separation- \$1,300,000 budgeted. Funded primarily by \$1.1 million GO issuance.

Fire Station Design & Construction

- Subject to sale of the Former Library, we should be ready to proceed with this project. Should the Former Library not be sold in a reasonable time (to be determined by Council), it is recommended that we move forward with the Former Library being renovated & expanded as City Hall/Police in place of this project.
- \$2,083,560 is included in this budget, including a \$700,000 bond issuance.

Riverboat Capital Projects

We now follow the application process designed by the Riverboat Foundation for these funds, so this fund operates a bit differently than in previous years.

- Starting fund balance (7/1/17): \$0.00
- Revenues: \$425,000
- Expenditures: \$425,000
 - Wellness Park: \$200,000
 - WTF Partner Program: \$128,500
 - Kewash/Willow Pond Trail: \$60,000
 - Auditorium: \$20,000 (pay off pledge)
 - Central Park Fountain: \$16,500
- All of the above uses are still subject to approval by the Riverboat Foundation.

Capital Equipment Fund

- Due to the City Hall/Police/Fire improvements, we are eliminating the Local Option Sales Tax contribution to this fund for a few years, so the only source recommended for FY18 is Road Use Tax. We have enough non-designated fund balance to cover anticipated purchases over that time period.
- Priorities for this year include:
 - Payment 4 of 4 on the Police records management system (\$15,090)
 - Purchase of a used skid loader for M/C (\$30,000)
 - Purchase of a lawn mower (\$10,000) and used gator UTV (\$8,000) for the Parks Department.
 - Purchase of a utility tractor (\$15,000) for Cemetery to replace an old tractor without rollover protection.

Water Fund Budget

- Revenues: \$1,887,998
- Expenditures: \$2,295,235
- Fund Surplus (Deficit): (\$407,237)
- Projected FB @ 7/1/17: \$738,423
- Projected FB @ 6/30/18: \$331,185
- Highlights:
 - Assumes 5% increase on both usage and base rate. This is higher than last year, but is necessary to cover the expected higher cost for the Water Plant improvements (\$6 million current expectation vs. \$4.2 million expectation from facility plan).
 - Includes funding for Water Plant improvements and West Washington Water Main.
 - Equipment purchases recommended are a new box for a one-ton truck and purchase of a new pickup for the Water Plant.

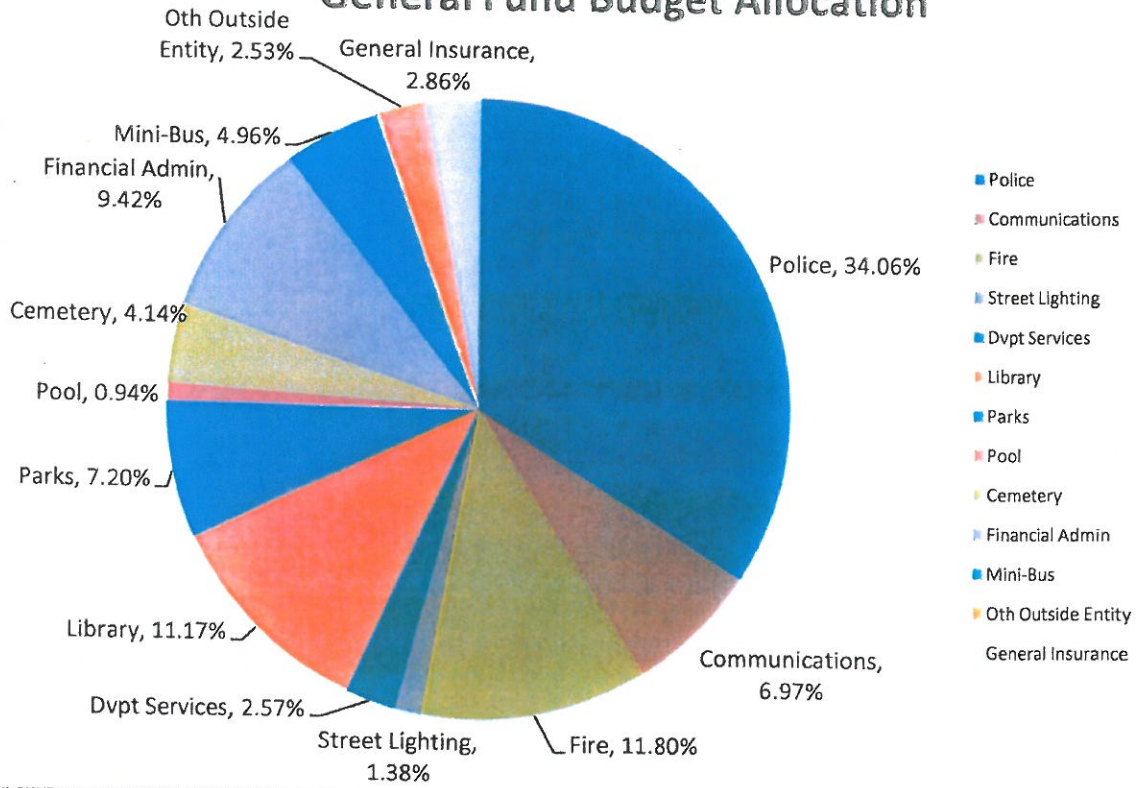
Sewer Fund Budget

- Revenues: \$2,365,502
- Expenditures: \$2,529,966
- Fund Surplus (Deficit): (\$164,464)
- Projected FB @ 7/1/17: \$656,316.72
- Projected FB @ 6/30/18: \$491,852.77
- Highlights:
 - Assumes a 5% increase on usage and base rate at 7/1/17. As I warned in budget last year, in order to adequately address 1/1 and to handle the first year of full WWTF debt payments, we need to go higher than the 5% usage only increases we have done the past few years.
 - IRE Treatment Agreement revenues are projected at \$96,000.
 - Debt Payments as follows:
 - WWTF 51-9 Loan: \$782,025 (Payment 6 of 30 - final debt service payment)
 - West Side Interceptor: \$152,297.50 (Payment 6 of 20)
 - \$200,000 is budgeted for 1/1 projects & activities, which is proposed to be matched with \$1.1 million in GO debt for a major 1/1 project.
 - Equipment purchases are limited to \$9,000 for a new box for a one-ton truck and a new larger bathing mower for the WWTF.

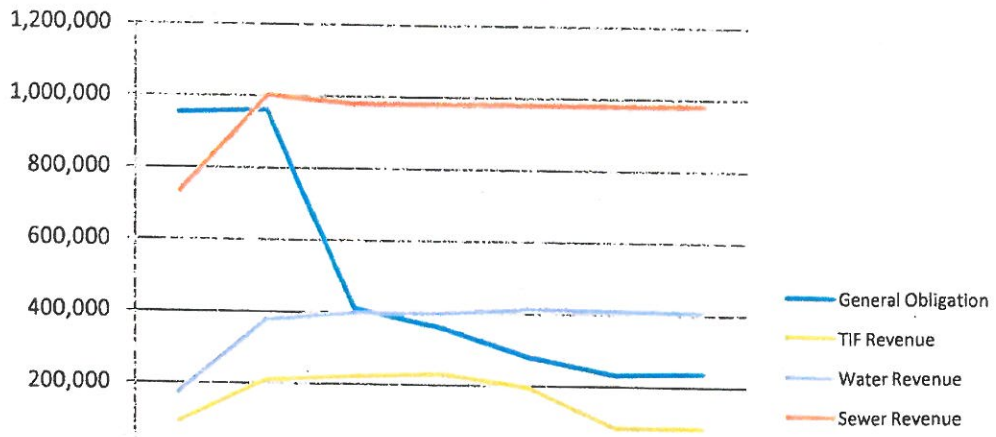
Sanitation Budget

- Revenues: \$430,232
- Expenditures: \$426,201
- Fund Surplus (Deficit): \$4,031
- Projected FB @ 7/1/17: \$119,491
- Projected FB @ 6/30/18: \$123,522
- Highlights:
 - Assumes a 5% increase on the monthly bill. This increase is needed to cover anticipated costs for the 28E Recycling Center and for replacements of recycling carts in particular.

General Fund Budget Allocation



Historical & Projected Level of Annual Debt Payments by Type



	16-17	17-18	18-19	19-20	20-21	21-22	22-23
General Obligation	954,258	962,815	412,797	361,358	280,108	229,983	235,933
TIF Revenue	91,403	208,707	220,080	229,367	195,420	83,650	83,650
Water Revenue	174,642	378,688	398,688	398,588	411,675	409,425	406,925
Sewer Revenue	733,748	999,353	979,150	979,493	979,348	978,715	979,595

Fiscal Year

