

The Sheldon City Council met in special session on Wednesday, January 30, 2013 at 3:00 p.m. Mayor Katricia Meendering called the meeting to order. Roll call was taken. Ayes: Ron Rensink, Brad Hindt, Duane Seehusen, and Dave Popkes. Greg Geels arrived at 3:20 p.m. Also present: Todd Uhl, Lyle Bolkema, Scott Wynja, and Arlene Budden.

City Clerk Arlene Budden updated the Council on the legislative changes for fiscal year 2013/2014. She stated the residential rollback will be 52.8166 per \$1,000 of valuation, estimated Road Use Tax per capita to be \$96.50, and the maximum mileage reimbursement is 56.5 cents per mile. She informed them of the new bid thresholds for construction projects as of January 1, 2013, and the new IPERS rates beginning July 1, 2013. Budget information also included the proposed tax levy rate at 12.70082 which is a slight reduction from the 2012/2013 levy, a \$33,031 increase in general property taxes, and all the debt payments, which included the proposed new bonds.

City Clerk Arlene Budden reviewed the proposed revenues for fiscal year 2013/2014. Included in the revenues is an increase in Hotel/Motel Tax, and an increase in Road Use Tax due to TIME-21 funding and state increases in fees for motor vehicle registrations. The Sheldon Regional Airport will receive a grant for the Runway and Taxi-way Rehabilitation Project, and the City will receive shared funding from the State of Iowa and the Iowa Department of Transportation for some of the proposed capital projects. Revenues totaled \$10,687,288.

City Manager Scott Wynja reviewed the proposed expenditures for fiscal year 2013/2014. He stated the department heads have done a good job at keeping the operating costs down. The proposed operating budgets only had slight increases, which included maintenance to equipment, supplies, utilities, etc. He went over the capital items to be funded with the Depreciation Reserves and the proposed bond funds for Essential Capital Improvements, which now would include a new deep well and a plant generator for the Waste Water Plant. The other bonding would be for the Downtown Infrastructure Project and the Sheldon Crossing Residential Development. Expenditures totaled \$16,563,172, less \$5,970,000 that would be funded through other financing sources. In summary, the 2013/2014 operating budget would have \$94,116 more revenue than expenditures.

City Clerk Budden provided information on the cash balances of the various funds. After discussion, it was the consensus of the Council to approve the proposed 4 ½% increase in water and sewer rates. This would help to fund the operating expenses in those funds for 2013/2014, and reserve funds for capital items as necessary. The Council agreed to the rate increase from \$170 to \$185 per hour for city attorney legal fees with Wolff Whorley DeHoogh Schreurs & McAllister PLLC. It was also the consensus of the Council to allocate a total of \$100,000 over the next three years to Children's World, and \$10,000 to Northwest Iowa Regional Transit for the fiscal year 2013/2014. With the addition of these two items, the City Clerk was directed to prepare

the budget as proposed. The date for the public hearing will be set by the Council at the next regular meeting.

The Mayor and the Council thanked the city staff for the work they had put into preparing the budget.

A motion was made by Rensink and seconded by Seehusen to adjourn the meeting at 6:15 p.m. Roll call was taken. Ayes, all. Motion carried.

Arlene Budden, City Clerk/Treasurer/Finance Officer