



# CITY COUNCIL BUDGET DISCUSSIONS / WORK SESSION

Monday, January 06, 2025 at 5:00 PM

Council Chambers - 331 First Street East

## AGENDA

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### RULES OF PROCEDURE

*Workshops are not Public Hearings. No member of the public or interested party has the right to make a presentation or address the Council on an item under consideration in a workshop or a study session.*

*During the City Council Work Session, the Council will primarily discuss and debate items intended to be formally considered at a future City Council Meeting. However, the Council may at any noticed meeting, including a City Council Work Session meeting, take action on any item shown on the posted agenda as a potential action item. The City Council Work Session meeting is a regular meeting of the Independence City Council.*

### MEETING OPENING

Call the Meeting to Order

### DEPARTMENT CIP BUDGETS & FUNDING

- [1.](#) Department CIP Budgets & Potential Bond – FY 2026

### NEW BUSINESS

- [2.](#) Budget General Discussion
- [3.](#) ILPT Annual Billing Agreement
- [4.](#) Council Topics
- [5.](#) Mayor Topics
- [6.](#) City Manager Topics

### ADJOURNMENT

This agenda is subject to change.



# CITY COUNCIL WORK SESSION MEMORANDUM

**TO:** Matthew R. Schmitz, MPA - City Manager

**FROM:** Susi Lampe, IaCMC, IaCFO – Assistant City Manager/City Clerk/Treasurer

**DATE OF MEETING:** January 6, 2025

**ITEM TITLE:** Department CIP Budgets & Potential Bond – FY 2026

## DISCUSSION:

These are the proposed CIP budgets for all departments.

Below is a table that shows the FY2025 Budgeted Amount for each Department, the expended FY2024 amount, and the proposed FY2026 Budgeted amount.

Department Name	FY2024 Expended	FY2025 Budgeted	FY2026 Proposed Budget
Airport	\$2,444.42	\$25,000.00	\$475,000.00
Building Codes	\$0	\$3,000.00	\$114,500.00
City Admin	\$54,952.21	\$35,500.00	\$211,000.00
Fire	\$138,911.18	\$107,000.00	\$249,500.00
Library	\$32,058.46	\$82,000.00	\$6,000.00
Parks & Recreation	\$166,628.57	\$192,000.00	\$215,000.00
Police	\$144,912.31	\$79,620.00	\$252,700.00
Streets	\$356,973.00	\$245,500.00	\$207,500.00
Wastewater	\$0	\$190,000.00	\$120,000.00
Water	\$264,444.00	\$455,000.00	\$810,000.00

Attached is also a spreadsheet showing a potential bond issuance to fund the CIP as well as other priority projects for FY2026.

## RECOMMENDATION:

Staff recommends discussion of this topic. No action is needed at this meeting, as any decision items needed would be brought forward to a City Council meeting for approval.

1/3/2025 14:45	FY2026								g/i	ge	hm	le	rt	ff	bd	ip
CURRENT AS OF									Grant/IPAIT	GEN. UTILITY FUND	HOTEL/MOTEL	LOST	ROAD USE	FRAN. FEE	BOND	FUND BAL.
MAIN CIP			HOTEL/MOTEL													
										SUBJECT TO CHANGE BASED UPON COUNCIL DIRECTION						
anticipated in			anticipated in													
Franchise Fees (transferred in qtrly)	200,000.00		Monthly from the State of IA	100,000.00				Monthly from the State of IA	825,000.00							
	200,000.00			100,000.00												
anticipated out			anticipated out					anticipated out								
Franchise Fees POLICE	29,000.00		REG OP EXP dues	2,300.00				TRANSFER TO DEBT SVC	40,000.00							
Franchise Fees FIRE	114,500.00		REG OP EXP comm. Marketing	15,750.00	includes 5K for RAGBRAI			TRANSFER TO NEG PROJECTS	50,000.00							
Franchise Fees BLDG	-		REG OP EXP 3rd party requests	22,840.00					90,000.00							
Franchise Fees STREETS	30,000.00		REG OP EXP BCED dues	17,586.00												
Franchise Fees AIRPORT	23,750.00			58,476.00				left over for CIP funding	735,000.00							
Franchise Fees LIBRARY	-															
Franchise Fees PARKS 430, 445, 450	-		left over for CIP funding	41,524.00				CIP spending out Police	-		CIP spending out Parks	-				
Franchise Fees PARKS 441	-				Fund balance usage			CIP spending out Fire	-		CIP spending out Parks 441	-				
Franchise Fees PARKS 443	-		CIP spending out Library	6,000.00	-			CIP spending out Bldg	-		CIP spending out Parks 443	-				
Franchise Fees PARKS 444	-		CIP spending out Parks	16,000.00	60,000.00			CIP spending out Streets	-		CIP spending out Parks 444	-				
Franchise Fees PARKS 446	-		CIP spending out Parks 441	-	60,000.00			CIP spending out Airport	-		CIP spending out Parks 446	-				
Franchise Fees CITY HALL	-		CIP spending out Parks 443	-				CIP spending out Library	-		CIP spending out City Hall	-				
	197,250.00		CIP spending out Parks 444	-					-			-				
			CIP spending out Parks 446	-	15,500.00											
left to use	2,750.00			22,000.00	135,500.00			TRANSFER TO GENERAL FUND	735,000.00							
			left to use	19,524.00				left to use	-							
POLICE																
anticipated in																
Transfer from MAIN CIP CASH LINE	-															
Transfer from LOST	-															
Bond Proceeds	223,700.00															
Grants	-															
FF from Main CIP	29,000.00															
	252,700.00															
anticipated out																
Squad Car 6710	52,000.00	bd														
Equipment (squads) 6727	20,000.00	bd														
Computers 6725	3,000.00	ff														
Vehicle Computers 6727	2,500.00	ff														
Body Camera & In-car Cameras (upkeep) 6727	151,700.00	bd														
Axon Taser Contract 6727	18,000.00	ff														
Software Upgrades 6725	2,000.00	ff														
Squad Car Flir 6727	3,500.00	ff														
Office Equip	-															
Bullet Resistant Vests	-															
Technical equip	-															
Bldg Maint/Roof/Tuckpoint	-															
Response vehicle upgrades	-															
	252,700.00															
Impact to Fund	-															
Fund Balance at end of FY	(11,002.12)															

FIRE																
anticipated in																
Transfer from MAIN CIP CASH LINE	-															
Transfer from LOST	-		yr 2 of SCBA 50,000 + YR 2 of R1 150,000 - CUT 1/2/25													
Bond Proceeds	110,000.00															
Grants/IPAIT	25,000.00															
FF from Main CIP	114,500.00															
	249,500.00															
anticipated out																
Saving up for R1 over 4 years (?) yr 2 \$150,000																
JAWS 50/50 match either with Community Foundation or BlackHawk Gaming	25,000.00	g/i														
	25,000.00	ff														
FD equip replaced 6505	40,000.00	bd														
Fire gear replaced 6505	25,000.00	bd														
SCBAs 6505 FY24-FY28 saving up. Expend in FY28/FY29 250,000 yr 2 \$50,000	-															
Radio/pager update 10 yr plan	20,000.00	ff														
Air Bag replacement 6505	15,000.00	ff														
Paratech Struts 6505	15,000.00	ff														
Fire hose replacement 6505	5,000.00	ff														
Update/Upfit T1 as it is 20 yrs old 6710	30,000.00	ff														
Computer replacement/station alert system	4,500.00	ff														
Tornado siren	45,000.00	bd														
	249,500.00															
Impact to Fund	-															
Fund Balance at end of FY	521,795.25															
BUILDING																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST	-															
Bond Proceeds	110,000.00															
Grants																
FF from Main CIP																
	110,000.00															
anticipated out																
Unknown vehicle expense 6710	1,500.00	ip														
New Comp Plan 6725	30,000.00	bd														
Zoning Ordinance Update 6725	20,000.00	bd														
Zoning Map Update 6725	60,000.00	bd														
General equip 6725	3,000.00	ip														
	114,500.00															
Impact to Fund	(4,500.00)															
Fund Balance at end of FY	43,211.70															

STREETS																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST	-															
Bond Proceeds	177,500.00															
Grants																
FF from Main CIP	30,000.00															
	207,500.00															
anticipated out																
Slide in Sander 6727	30,000.00	ff														
Pick-up w/ construction dump bed/plow 6710	70,000.00	bd														
Open front storage shed 6799	65,000.00	bd														
Speed learning signs 6799	25,000.00	bd														
Lovers Lane Lights 6799	17,500.00	bd														
	207,500.00															
Impact to Fund	-															
Fund Balance at end of FY	(30,124.12)															
AIRPORT																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST	-															
Bond Proceeds																
Grants	451,250.00															
FF from Main CIP	23,750.00															
	475,000.00															
anticipated out																
	451,250.00	g/i														
Snow removal equipment	23,750.00	ff														
	475,000.00															
Impact to Fund	-															
Fund Balance at end of FY	187,435.67															

LIBRARY																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST																
Transfer from H/M	6,000.00															
Bond Proceeds																
Grants																
FF from Main CIP	-															
	6,000.00															
anticipated out																
Computer equip 6727	6,000.00	hm	use FY26 anticipated revenue													
	-															
	-															
	6,000.00															
Impact to Fund	-															
Fund Balance at end of FY	14,072.48															
PARKS, RV PARK, CEMETERY - 430, 445, 450																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST	-															
Transfer from H/M	136,000.00															
Bond Proceeds	12,500.00															
Grants/IPAIT	-															
FF from Main CIP	-															
	148,500.00															
anticipated out																
Tractor w/ snow removal (replace 2010 JD)	40,000.00	hm	hm fund balance													
Box scraper attachment for Yanmar	2,500.00	ip														
Steel Roof the Park garage (E of Aquatic Ctr)	12,500.00	bd														
Buffalo blower (trails, fence lines)	6,500.00	ip														
Polaris Ranger (1,000 cc) snow removal/spraying	20,000.00	hm	hm fund balance	would move other Ranger to Complex												
Rock site leveling/renovations	10,000.00	hm	use FY26 anticipated revenue	would do in the winter of 2025												
Knott's Landing concrete	6,000.00	hm	use FY26 anticipated revenue													
Overlay 3rd Ward Tennis court/turf overlay, soccer field, whiffleball, kickball, soccer goals built in	60,000.00	bd														
	157,500.00															
Impact to Fund	(9,000.00)															
Fund Balance at end of FY	10,951.71															

PARKS RIVERS EDGE - 441																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST																
Transfer from H/M	60,000.00		Correct negative balance													
Bond Proceeds																
Grants																
FF from Main CIP	-															
	60,000.00															
anticipated out																
	-															
	-															
Impact to Fund	60,000.00															
Fund Balance at end of FY	1,316.81															
PARKS FCC - 443																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST																
Transfer from H/M																
Bond Proceeds																
Grants																
FF from Main CIP																
	-															
anticipated out																
Weight room equipment	10,000.00	ip														
FCC front entry remodeled	20,000.00	ip														
Repurpose fitness closet/add to weight room	12,000.00	ip														
	42,000.00															
Impact to Fund	(42,000.00)															
Fund Balance at end of FY	108,685.37															

PARKS POOL - 444																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST																
Transfer from H/M																
Bond Proceeds																
Grants																
FF from Main CIP																
	-															
anticipated out																
	-															
	-															
Impact to Fund	-															
Fund Balance at end of FY	74,854.74															
PARKS COMPLEX - 446																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST																
Transfer from H/M	15,500.00															
Bond Proceeds																
Grants/IPAIT	-															
FF from Main CIP	-															
	15,500.00															
anticipated out																
Sliding door replacement add 2 12x16 garage doors to W & N	12,000.00	hm	hm fund balance													
Water hydrant for Fields 3 & 5	3,500.00	hm	hm fund balance													
	-															
	-															
	15,500.00															
Impact to Fund	-															
Fund Balance at end of FY	12,065.51															

CITY HALL																
anticipated in																
Transfer from MAIN CIP CASH LINE																
Transfer from LOST																
Bond Proceeds	200,000.00															
Grants																
FF from Main CIP	-															
	200,000.00															
anticipated out																
Building Maintenance 6750	\$ 3,500.00	ip														
Furniture Replacement 6750	\$ 5,500.00	ip														
Property acquisition/parking expansion 6750	\$ 200,000.00	bd														
I.T. projects 6727	\$ 2,000.00	ip														
	-															
	-															
	211,000.00															
Impact to Fund	(11,000.00)															
Fund Balance at end of FY	56,350.94															
WATER																
anticipated in																
Regular Revenue	1,204,000.00															
Transfer in from TIF	48,846.00															
	1,252,846.00															
anticipated out																
Regular Operating Expenses	-															
Transfer to Debt Service	92,855.00															
CIP Expenses																
Vehicle replacement 6710 split with 815	15,000.00	ge														
Mini Excavator 6727 split with 816	40,000.00	ge														
Water Tower Maint Program 6727	265,000.00	ge														
Fire Hydrant Replacements	20,000.00	ge														
Inserta Valves	20,000.00	ge														
Water Valve Replacements	50,000.00	ge														
New infrastructure regular & 8th Ave NE	400,000.00	ge														
	902,855.00															
Impact to Fund	349,991.00															
Fund Balance at end of FY	839,808.39															
SEWER - 815, 816																
anticipated in																
Regular Revenue	2,352,810.00															
Transfer in from TIF	48,846.00															
	2,401,656.00															
anticipated out																
Regular Operating Expenses	-															
Transfer to Debt Service	345,041.00															
CIP Expenses																
815 6727 - Vehicle replace split with 810	30,000.00	ge														
816 6727 - Camera equip	20,000.00	ge														
816 6727 - manhole repairs	30,000.00	ge														
816 6727 - Mini Excavator split with 810	40,000.00	ge														
	465,041.00															
Impact to Fund	1,936,615.00															
Fund Balance at end of FY	6,677,066.28															





## CITY COUNCIL WORK SESSION MEMORANDUM

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**TO:** City Council

**FROM:** Matthew R. Schmitz, MPA - City Manager

**DATE OF MEETING:** January 6, 2025

**ITEM TITLE:** Budget General Discussion

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### **DISCUSSION:**

Staff would like to have a general high-level discussion about the FY2026 budget and how we may be able to fund projects, etc.

### **RECOMMENDATION:**

Staff recommends discussion of this topic. No action is needed at this meeting, as any decision items needed would be brought forward to a City Council meeting for approval.



## CITY COUNCIL WORK SESSION MEMORANDUM

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**TO:** City Council

**FROM:** Matthew R. Schmitz, MPA - City Manager

**DATE OF MEETING:** January 6, 2025

**ITEM TITLE:** ILPT Annual Billing Agreement

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### **DISCUSSION:**

We have received the updated annual billing agreement from Independence Light & Power. The cost is split between the Water and Sewer departments. The attached agreement shows the proposed changes. At this time, Staff does not have any concerns about this revised agreement.

### **RECOMMENDATION:**

Staff recommends discussion of this topic. No action is needed at this meeting, as any decision items needed would be brought forward to a City Council meeting for approval.

## **AGREEMENT FOR BILLING SERVICES AND WATER METER READING**

**THIS AGREEMENT** made and entered into this 13<sup>th</sup> day of January 2025 by and between the City of Independence, Iowa, a Municipal Corporation, Party of the First Part, hereinafter called the "City", and Independence Light & Power, Telecommunications, a Municipal Utility, Party of the Second Part, hereinafter called "ILP,T".

**WITNESSETH:**

**WHEREAS** the City and ILP, T have combined City municipal and ILP, T billing for utilities; and

**WHEREAS** the City municipal utilities billing is for water, sewer, garbage, storm water utility, and environmental fees; and

**WHEREAS** the ILP,T utilities billing is for electric and telecommunications, including internet, cable television, and telephone; and

**WHEREAS** ILP,T handles for the City all billing, payments, taking all calls, responding to complaints, scheduling appointments, processing water meter readings, creating meter maintenance orders, maintaining customer records, maintaining the billing system, collections, disconnect orders and reconnect orders, generation of reports, collect all revenues, disbursements to the appropriate City funds, and performs all banking functions relating to water, sewer, garbage, storm water utility, and environmental; and

**WHEREAS** the combination of utility billings into a centralized location and operation provides economic benefits to both entities, as well as, to the citizens of Independence, Iowa; and

**WHEREAS** the City has recently begun to roll out AMI water meters and has made plans to complete the conversion of all its water meters to the AMI technology; and

**WHEREAS** ILP,T has completed the installation of AMI electric meters and has completed a conversion of its billing system over to NorthStar; and

**WHEREAS** ILP,T will begin to utilize, through its membership in WPPI Energy, the Meter Data Management platform for; collecting, storing, and validating interval meter data, as well as providing future technology improvements such as Outage Notification, Outage management, Demand response, Electric Rate Design, and Customer access to interval electric and water data via online portal (MyMeter); and

**NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS** contained herein to be kept and performed by each of the parties hereto, it is mutually agreed as follows:

1. That all billing for City municipal utilities and services, and ILP,T utilities and services shall be centralized and located at the ILP,T office at 700 7<sup>th</sup> Street NE, Independence, Iowa.
2. All complaints regarding City municipal utilities shall first be attempted to be resolved by ILP, T. If the complaint cannot be resolved, said complaint will then be forwarded to the City Manager.
3. ILP, T shall be responsible for receipt of all payments and/or City municipal utility deposits and any such payments or City municipal utility deposits received shall be deposited daily to the appropriate City accounts as currently exist.

4. The City Water Department shall receive its share of all penalties which are assessed and received by ILP, T for late payment charges.
5. ILP,T agrees to abide by all regulations of the State and Federal Commerce Commission or any regulatory agencies supervising or promulgating rules concerning City municipal utilities, ILP, T and/or utility billings in general.
6. ILP,T shall assume and be responsible for all expenses involved in the billing process, including but not limited to, postage, forms, etc. The City's payment to ILP, T shall be reviewed on an annual basis, not later than January 31 of each year, with any revision in the annual payment to be effective July of the year in question. The City and ILP, T further agree to meet each year concerning other provisions of this agreement.
7. The City shall pay to ILP, T beginning July 1, 2025, the sum of \$74,366.01 annually for such services provided by ILP, T as are necessary for the City municipal utility billings.
8. In addition to the \$74,366.01 for billing service. ILP,T will track and record, on the City Electric and Labor Report, all work (in-kind) completed by ILP,T staff for the purpose of collecting meter reads on water meters that are not yet converted to AMI and or are having communication issues with the AMI Network.

The conditions and covenants of this Agreement shall inure to the benefit and be binding upon the successors, assigns, or transferee of either party hereto.

This Agreement is subject to the approval of the City Council of the City of Independence, Iowa, and of the Independence Light & Power, Telecommunications Board of Trustees.

This Agreement shall take effect upon the date first written above and shall remain in effect for an initial term that ends at midnight June 30, 2026, and thereafter until terminated by notice as provided in this section. This contract may be terminated by either party upon one (1) year prior written notice, sent by registered mail, to the other party effective at the end of the initial term, or any time thereafter.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized officers, as of the date and year first above written.

Independence Light & Power, Telecommunications

City of Independence

By: Lance Fricke

By: Matthew R. Schmitz

\_\_\_\_\_  
Chair of Utility of Board of Trustees

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City Manager