



## **Agenda**

City Council Work Session Meeting  
Oelwein City Hall, 20 Second Avenue SW, Oelwein, Iowa  
6:30 PM

May 27, 2025  
Oelwein, Iowa

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**Mayor:** Brett DeVore

**Mayor Pro Tem:** Matt Weber

**Council Members:** Karen Seeders, Anthony Ricchio, Lynda Payne, Dave Lenz, Renee Cantrell

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### **Pledge of Allegiance**

#### **Discussions**

- [1.](#) Budget Discussion.
- [2.](#) Wellness Budget Discussion.
- [3.](#) Chapter 10 - Code Discussion

### **Adjournment**

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In compliance with the Americans with Disabilities Act, those requiring accommodation for Council meetings should notify the City Clerk's Office at least 24 hours prior to the meeting at 319-283-5440



To: Mayor and City Council  
 From: Dylan Mulfinger  
 Subject: Budget Cut Act of 2025  
 Date: 05/19/2025

	<b>Total Expenditure</b>	<b>Cut</b>	<b>Percent</b>
<b>Police</b>	\$ 1,347,326	\$ 60,000	4.45%
<b>Fire</b>	\$ 108,316	\$ 5,000	4.62%
<b>Inspection</b>	\$ 217,300	\$ 44,928	20.68%
<b>Inspection LOST</b>	\$ 78,750	\$ 57,928	73.56%
<b>Airport</b>	\$ 60,600	\$ -	0.00%
<b>Library</b>	\$ 351,774	\$ 30,000	8.53%
<b>Parks</b>	\$ 265,250	\$ 15,000	5.66%
<b>Campground</b>	\$ 23,600	\$ -	0.00%
<b>Rec</b>	\$ 30,000	\$ -	0.00%
<b>Pool</b>	\$ 131,800	\$ -	0.00%
<b>Cemetery</b>	\$ 90,750	\$ 15,000	16.53%
<b>General Admin</b>	\$ 333,200	\$ -	0.00%

Should the city council want to reduce the number of cuts, I have provided some information to show the direction of the general fund. FY2025 ends June 30, 2025.

<b>Cuts</b>	<b>FY2025 Year End</b>	<b>FY2026 Year End</b>	<b>FY2027 Year End</b>	<b>FY2028 Year End</b>
0	\$ 845,141	\$ 365,512	\$ (114,117)	\$ (593,746)
\$100,000	\$ 845,141	\$ 465,512	\$ 85,883	\$ (293,746)
\$200,000	\$ 845,141	\$ 565,512	\$ 285,883	\$ 6,254
\$390,000	\$ 845,141	\$ 755,512	\$ 665,883	\$ 576,254

Here is a general breakdown of the cuts:

General Fund Cuts	\$ 271,759
Local Option Sales Tax Economic Development	\$ 70,000
Franchise Fee	\$ 50,000
	\$ 391,759



In FY2025 staff already accomplished the following to respond to less revenue for city services:

- Did not fill a police patrol position
- Raised building permit fees
- Cut the Fixed Based Operator (FBO) position
- Raised cemetery fees
- Cut fire equipment line
- Cut library page position
- The pool concession has been more aggressive in sales

It is important to recognize what has been done, and what needs to be done. The first out first in rule allows for prioritized items to be brought back once funding becomes available.

First out:

1. Police Patrol Position
2. Park and cemetery part time workers
3. Library funding
4. Code Enforcement officer
5. Community Development Administrator Assistant
6. City Hall reorganization

First in:

1. Police Patrol Position
2. Park and cemetery part time workers
3. Library funding
4. Code Enforcement officer
5. Community Development Administrator Assistant
6. City Hall reorganization

Budget cut Narrative

- Police Patrol Position
  - The city will hold back on hiring a police officer position that was already authorized by the city council. The opening comes from a retirement of a police officer in 2024. This will place a strain on the department as current shifts are already tight, and the flexibility of the department will be strained. Having a full staff of officers allows the city to take on work at a reasonable level for all employees
    - Cut= \$60,000
    - Started in 2024
- Park and cemetery part time workers
  - The city will cut \$30,000 from Parks and Cemetery. This will result in fewer part time employees at each department. There is potential for parks to be mowed less, the cemetery to be mowed less, and maintenance on all of our facilities to be delayed. Each department will not be able to take on additional projects and will force the department



to prioritize maintenance over new services for the community. You cannot get as much mowing down with six employees when the city had eight. This will also affect the downtown and Depot Park.

- Estimated Cut= \$30,000
  - Starting April of 2026
- Library funding
  - The city council will need to reduce the library department by \$30,000. This is to ensure the general fund will be balanced in FY2027. The city will need to make this cut and provide time for the library board to determine what moves they will make to absorb the cut. This could result in less services at the library. Once we take away all our public places, people will no longer be able to go anywhere.
    - Estimated cut \$30,000
    - Starting July 2026
- Community Development Administrator Assistant
  - With the reduction of Community Development, the city will not fill the administrative assistant position in Community Development. While the city was hoping to absorb this position over time, this position became open in April of 2025. All of these tasks are being divided up amongst staff. We will have some employees in Community Development take on tasks along with City Hall front office staff. All foot traffic will go through the front door of City Hall and Community Development will no longer have someone assisting for only Community Development matters. This places more tasks on City Hall and will reduce the availability to tackle City Clerk and City Administrator tasks or projects. This also places an additional workload on the existing Community Development employees.
    - Estimated Cut- \$44,928
    - Started April 2025
- Code Enforcement officer
  - The city will need to cut the code enforcement officer to create space in the general fund. This position was created by the city council in 2021. The City Administrator understood that Community Development was at a high level of staff, because staff were needed to address the critical job of improving housing in Oelwein. With the city finishing up the first round of rental inspections and moving onto the second round. New software and longer tenure of staff should allow for more time for the Building Official and Building Inspector. This will reduce the city's ability to address code enforcement. This cut is not supported by the department head or the Mayor.
    - An alternative would be to move this position to a part-time April-November. The position would cap out at 1040 hours.
    - Estimated Cut- \$52,915
    - Alternative cut- \$26,457
    - Starting December 1, 2025
- City Hall reorganization
  - This move will start with the retirement of the City Clerk/Treasurer. City Hall will be evaluated, and staffing levels will be studied.
    - Cut costs unknown
    - Starting July 2026



- New phone contract October 2025
  - The city will move away from RingCentral and work toward a new plan that costs less and uses more function on computers.
    - Cut unknown
    - Starting October 2025
- Lower cost internet Summer 2025
  - The City will sign up for fiber internet through Hawkeye Telephone for the police station and city hall.
    - Cut= \$2,000 annually
    - Starting in late fall of 2025
- Drop bigleaf contracts that prioritize bandwidth
  - With fiber internet, the city will no longer need bigleaf to prioritize bandwidth within the police station and city hall.
    - Cut= \$4,800
    - Starting in late fall of 2025
- Work to lower attorney fees
  - This is an ongoing project that the city will need to prioritize. Attorney fees have climbed up with the focus being on code enforcement and nuisance abatement. Since brining on Lynch Dallas, the city is nearing back-to-back years of \$100,000 attorney fees. This is much higher than any comparable city.
- Less mowing in the parks department with prairie plantings
  - The city will start placing prairie wherever prairie can be planted.
    - Cut unknown
    - Starting unknown
- No downtown hanging baskets
  - The city will no longer water the downtown hanging baskets. This will most likely result in the end of this program.
    - Cut 4 hours of staff time a day
    - Starting May of 2026
- Remove downtown streetscape
  - This will happen gradually as the downtown sidewalks are repaired. This will require less staff time, equipment, and supplies.
    - Cut unknown
    - Starting Summer of 2026
- Reduce city cell phones
  - The city has invested in voip which works on desktops and laptops. The city has also invested in radios. The need for cell phones is not as crucial as it once was for city staff. Any staff that needs to report to work must provide a cell phone or form of contact. Once the employee gets to work they can use the city phone or the radio. The city's voip allows for an app that forward calls to a cellphone and allows the cellphone to make calls through the app. Staff is still evaluating this cut as it may not be large enough of a cut to make a complete switchover.



- \$3,243.24 annual cut general fund
  - \$2,157.84 annual cut other funds
  - Starting November 2025
- Snow text alerts
  - This service has been underutilized by residents and the city. The city currently has 263 or four percent of the population signed up for the service. City hall has only used this for snow alerts and has not ventured into other notifications. The problem from the staff's perspective is that events don't happen enough for this app to be useful. Plus, when it comes to snow, the snow ordinance has been in effect for six years. The residents who get towed are not signed up for the service. I believe the process is now simple, if it snows, check the website and you will know if it is a snow emergency. The snow emergency is almost always called the night before as it is based on the anticipated amount of snow and not actual snow amounts.
    - Cut=\$2,544.10
    - Fall of 2025
- Back track on funding for the farmer's market
  - This funding was never officially approved because the City Administrator was working out the details with the farmer's market. The farmer's market still wants funding and was willing to work with the city on any funding amount. The city has no obligation to provide funding, but with the resurgence of the farmer's market, this was an investment the city wanted to make.
    - Cuts= \$5,000
    - Timeline= Current
- Move funding for the chamber to the hotel motel tax
  - The city would reduce the amount of available hotel motel funds from \$20,000 to \$10,000 each year with the chamber receiving \$10,000, of their \$50,000, from hotel motel funds. This would not include the payback clause should the chamber run a profit on their events. This frees up local option sales tax to be used for other general fund needs.
    - Cut= \$10,000
    - July 1, 2025
- Take junk house removal to 50,000 instead of 60,000
  - This cut is straightforward. The city would do less tear downs.
    - Cut \$10,000
    - July 1, 2025
- The housing tax abatement program will start to fall off each year eventually providing \$20,000
  - The city is slowly ending their five-year tax abatement plan. The new plan abates taxes but does not offer city reimbursement. The current reimbursement are paid for using the local options sales tax.
    - Cut \$10,000
    - Ongoing and will end in Spring of 2027
- End the reduced priced stickers for bulk items during the summer from local option sales tax



- The city would stop using local option sales tax to fund this program and use fees from the landfill fee. The Fayette County Solid Waste Commission returned a fees to the city as they were sitting on too much funding. We will buy down this funding each summer to help reduce the cost of large items stickers. Once the funding runs out, the city will stop this program.
  - Cut= \$5,000
  - Starting May 2025
- The tech spec payment ends in July of 2026 \$35,000
  - The city partnered with the school district on the tech spec building which created the Regional Tech Complex. The city entered an agreement to pay \$35,000 for 10 years. This payment ends in FY2026.
    - Cut= \$35,000
    - Starting July 1, 2026
- Police Loan Shift
  - Move the police station loan payment away from franchise fees to debt service as allowed each year
  - Free up franchise fee for supplementing public safety
    - This would be three transfers of \$100,000.
    - This money could also be used for library HVAC or pool floor
- Reduce road spending in Franchise Fees
  - Franchise fees can be used for public safety. Any time we offset the cost of public safety it allows the city to spend money on other general fund departments. While the city needs to maintain the streets, cuts are needed to ensure the city functions.
    - \$50,000 transfer from franchise to the general fund
    - The city already transfers \$30,000 for public safety from franchise fees

#### Large moves

- Vote on local option sales tax language to change to all government purposes
  - This is needed to allow for general fund operations to be charged to local option sales tax

The goals for these cuts was \$300,000. Completing all these cuts would result in \$391,759 savings to the general fund. It is important to know that even with all of these cuts made, the future is still bleak as the state of Iowa only wants to reduce property taxes.



To: Mayor and City Council  
From: Dylan Mulfinger  
Subject: Wellness Center Funding  
Date: 5/27/2025

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The City Administrator is seeking direction to allow the city and the school district to work together to work toward a smaller Wellness Center deficit. The goal is \$25,000 in FY2026. The city took on the true cost of the Wellness Center this year which now has an estimated loss of \$100,000. The City Administrator wants to make the following changes and have the city council provide approval on June 9.

Reduce staffed desk hours (-\$5,000)

- Reduce Administrative Costs (-\$50,000)
  - The Wellness Center will go from two full time employees to one
- Sales Tax (+\$10,000)
  - We will no longer include this in the price of membership
- Card Processing Fees (+\$10,000)
  - We will pass along credit card fees to the members
- New Weight Room
  - This should help attract members that did not want to use the shared weight room
- Rental Agreements with Community Partners
  - We will explore these options throughout FY2026
- Breakout the District's financial obligations
  - To help the community see the input from the school district we will work with the administration to show these costs

Should the city council vote in favor, the city and the school will work to make changes in June to prepare for the FY2026 year.



## Chapter 10 INDUSTRIAL PROPERTY TAX EXEMPTION

### Sec. 10-1. Purpose.

The purpose of this chapter is to provide for and authorize partial property tax exemptions for industrial properties upon which improvements have been made.

(Ord. No. 672, section 1, 6-8-81.)

### Sec. 10-2. Definitions.

For use in this chapter the following terms are defined as follows:

*New construction* as referred to herein means new buildings and structures and includes new buildings and structure which are constructed as additions to existing buildings and structures.

*New machinery and equipment* means the exemption shall also apply to new machinery and equipment assessed as real estate pursuant to section 427A.1, subsection (1), paragraph (e) of the Code of Iowa, unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status.

*Reconstruction* means new construction does not include reconstruction of an existing building or structure which does not constitute complete replacement of an existing building or structure or refitting of an existing building or structure, unless the reconstruction of an existing building or structure is required due to economic obsolescent and the reconstruction is necessary to implement recognized industry standards for the manufacturing and processing of specific products, and the reconstruction is required for the owner of the building or structure to continue to competitively manufacture or process those products, which determination shall receive prior approval from the city council of the city upon the recommendation of the Iowa Development Commission.

(Ord. No. 672, section 1, 6-8-81.)

### Sec. 10-3. Partial exemption.

This chapter does hereby provide for a partial exemption from property taxation of the actual value added to industrial real estate by the construction of industrial real estate and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to section 427A.1, subsection (1), paragraph (3) of the Code of Iowa.

(Ord. No. 672, section 1, 6-8-81.)

### Sec. 10-4. Amount of exemption.

The actual value added to industrial real estate for the reasons specified in this chapter is eligible to receive a partial exemption from taxation for a period of five years. "Actual value added" as used in this chapter means the actual value added as of the first year for which the exemption is received, except that the actual value added by improvements to machinery and equipment means the actual value as determined by the assessor as of January

first of each year for which the exemption is received. The amount of actual value added which is eligible to be exempt from taxation shall be as follows:

1. For the first year, 75 percent;
2. For the second year, 60 percent;
3. For the third year, 45 percent;
4. For the fourth year, 30 percent;
5. For the fifth year, 15 percent.

However, the granting of the exemption under this section for new construction constituting complete replace of an existing building or structure shall not result in the assessed value of the industrial real estate being reduced below the assessed value of the industrial real estate before the start of new construction added.

(Ord. No. 672, section 1, 6-8-81.)

### **Sec. 10-5. Duration.**

The partial exemption shall be available until such time as this chapter is repealed by the city council of the city.

(Ord. No. 672, section 1, 6-8-81.)

### **Sec. 10-6. Applications and proposals.**

1. An application shall be filed for each project resulting in actual value added for which an exemption is claimed. The application for exemption shall be filed by the owner of the property with the local assessor by February first of the assessment year in which the value added is first assessed for taxation. Applications for exemption shall be made on forms prescribed by the director of revenue and shall contain information pertaining to the nature of the improvement, cost or other information deemed necessary by the director of revenue.
2. A person may submit a written proposal to the city council of the city to receive prior approval for eligibility for a tax exemption on new construction. The city council, by ordinance, may give its prior approval of a tax exemption for new construction if the new construction is in conformance with the zoning plans for the city. The prior approval shall also be subject to the hearing requirements of this chapter. Such prior approval shall not entitle the owner to exemption from taxation until the new construction has been completed and found to be qualified real estate. However, if the tax exemption for new construction is not approved, the person may submit an amended proposal to the city council to approve or reject.

(Ord. No. 672, section 1, 6-8-81.)

### **Sec. 10-7. Repeal.**

When the exemption granted by this chapter ceases to be a benefit to this city, the city council may repeal this chapter.

(Ord. No. 672, section 1, 6-8-81.)

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**Sec. 10-8. Limitation on tax exemption.**

A property tax exemption under this chapter shall not be granted if the property for which the exemption is claimed has received any other property tax exemption authorized by law.

(Ord. No. 672, section 1, 6-8-81.)

**Sec. 10-9. Enactment.**

This chapter may be enacted not less than 30 days after holding a public hearing in accordance with section 362.3 of the 1981 Code of Iowa.

(Ord. No. 672, section 1, 6-8-81.)