June 4, 2019 Budget & Finance Committee - Minutes

The City of Adel’s Budget & Finance Committee met in the second-floor conference room of the Adel Public Library, 303 South 10th Street, Adel, Iowa, on June 4, 2019 at 6:30 p.m.

McAdon called the meeting to order at 6:35 p.m. Members present: Christensen, McAdon, and Ockerman. Others in attendance: Council member Miller, City Administrator Brown, PFM rep. Jon Burmeister, Ahlers & Cooney Attorney Nathan Overberg, and Cramer & Associates rep. Robert Cramer.

Ockerman motioned, seconded by Christensen, to approve the October 2, 2018 minutes. Motion carried unanimously.

Discussion began with an updated incentives proposal for the Southbridge Urban Renewal Area (URA). Cramer stated that he wants a “win-win” situation for the City. The increased TIF amounts for incentives and infrastructure is approximately $1.5 million. Cramer noted that this increase would be tied to development milestones in the URA and a separate agreement for the lift station. Cramer stated that more of the risk is on him to sell lots.

McAdon asked whether the TIF dollars could be spent outside the URA. Overberg noted that the only tie would be having both a development agreement and a lift station agreement or no agreement at all. The incentives are also in the form of a rebate, which is only payable if development begins generating tax dollars. Overberg stated that, while the maximum incentive would increase, Cramer must increase the development to increase his incentives.

Burmeister stated that, based on Cramer’s spreadsheet, the City could satisfy its TIF obligations in 13 years. This timeline would allow the City seven more years of TIF projects in the URA. Burmeister noted that, while the agreement is up to 75% rebate, Cramer is only requesting 62% in total. McAdon stated that this proposal will increase incentives but still leave the risk on Cramer. Ockerman stated the lift station will bring future valuations.

Christensen motioned, seconded by Ockerman, to recommend the updated Southbridge URA proposal to the council. Motion carried unanimously.

Discussion moved to the mayoral and council compensation rates. McAdon stated that Mayor Peters asked the committee to review these rates considering the City’s tremendous growth and activity. Brown reviewed the rates in the metro and suggested doubling the rates: from $2,000 to $4,000 per year for the mayor; and from $1,200 to $2,500 per year for each council member. The committee agreed that the rates should be per year and payable in December.

Ockerman motioned, seconded by Christensen, to recommend the updated mayoral and council compensation rates to the council. Motion carried unanimously.

Discussion moved to the proposed Home Base Iowa incentives. Ockerman stated that a residential building permit incentive would not go directly to the veteran. The committee agreed to remove this incentive.

Christensen motioned, seconded by Ockerman, to recommend Brown work with City Attorney Kristine Stone to prepare the necessary resolutions and ordinances for the Home Base Iowa incentives. Motion carried unanimously.

In other business, the committee set its next meeting for Tuesday, July 2 at 6:30 p.m. The main focus of that meeting will be to review the FY18-19 Budget with department heads. The committee also asked Brown to bring a sample monthly line-item budget report for the departments that could be included in the council packets.

With no other business, the meeting was adjourned at approximately 7:50 p.m.

Respectfully submitted, Anthony Brown, City Administrator