**UNAPPROVED MINUTES**

**Budget Committee Workshop**

**Earlham City Council**

**January 25, 2023**

The Budget Committee of the Earlham City Council met on Wednesday, January 25, 2023, at Earlham City Hall, Chairperson Baskin was not present, so meeting was called to order by Mudge at 7:00 p.m., and the following answered roll: Mudge, Nelsen. Also present: Mayor Lillie, Clerk Hibbs, Council Members Fredericksen and Swalla.

1. Approval of Agenda

**Motion by Nelsen, second by Mudge, to approve agenda.**

**Roll: Ayes – unanimous. Motion approved.**

1. Discussion on department expense requests for FY23-24.

Hibbs went over the budget request presented at the last meeting by department heads, highlighting line items which increased.

* Police budget going up because of third officer.
* At previous meeting, Chief Boyle stated the new fire building is being put on hold for now. New fire truck will probably be in FY25 budget. The Fire Association will do what they can to pay for renovations to 142 S Chestnut to house a truck.
* Hibbs stated that after the water tower and lagoon upgrade, City will have $1.4 million left in debt capacity.
* New Street lights downtown. Hopefully, city will receive a grant from MidAmerican Energy.
* Property, liability, auto, etc. insurance.
* Street tree removal (non-ash)
* City cost for water for resale increasing
* Community Building restroom updates. Board will apply for grant. We will not budget for this, but instead will do budget amendment if grant does come through.

1. Discussion on revenues for FY23-24

Changes in revenue includes the following:

* Garbage going up due to rate increase
* Valuation went up slightly, so revenue from taxes increased.
* Road Use Tax is based on population. Our population went down on last census, so RUT money from the state is going DOWN.
* From State estimates, it appears LOST money will go down.
* Water and Sewer rates are going up, so revenue goes up.
* Community Building revenue will go up due to rate increase.

Hibbs explained bill being introduced in legislature, SSB1056, will decrease the residential roll back from 56.49% to 54.65%. This would affect the FY24 budget. We will go ahead and plan budget as is and wait to see what happens.

1. Explanation of FY23-24 Max Levy

Hibbs explained the Max Levy Public Hearing will be at the next council meeting, February 13th. Amount of change is 4.35%. This levy rate includes everything except Debt Service. Discussion on Certification of Levy page that gets sent in with budget. FY23 levy rate was 13.91. If everything we can levy for is levied, the rate will be 15.742. Hibbs explained that the levy rate can be adjusted by paying for more out of the General fund instead of the levy. Mayor stated that at last year’s meetings, we thought levy would increase about one dollar. Hibbs will make the FY24 levy rate approximately 14.91%. Council agreed with this.

1. Other

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1. Adjourn

**Motion by Nelson, second by Mudge, to adjourn.**

**Roll: Ayes – unanimous. Motion passes.**

Being there was no further business, meeting adjourned at 8:32 p.m.

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Jeff Lillie, Mayor

Attest: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mary Sue Hibbs, Clerk/Treasurer