

STRATEGIC PLAN



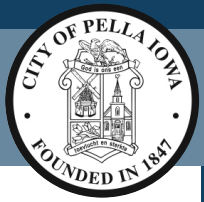
BUSINESS

IDEA

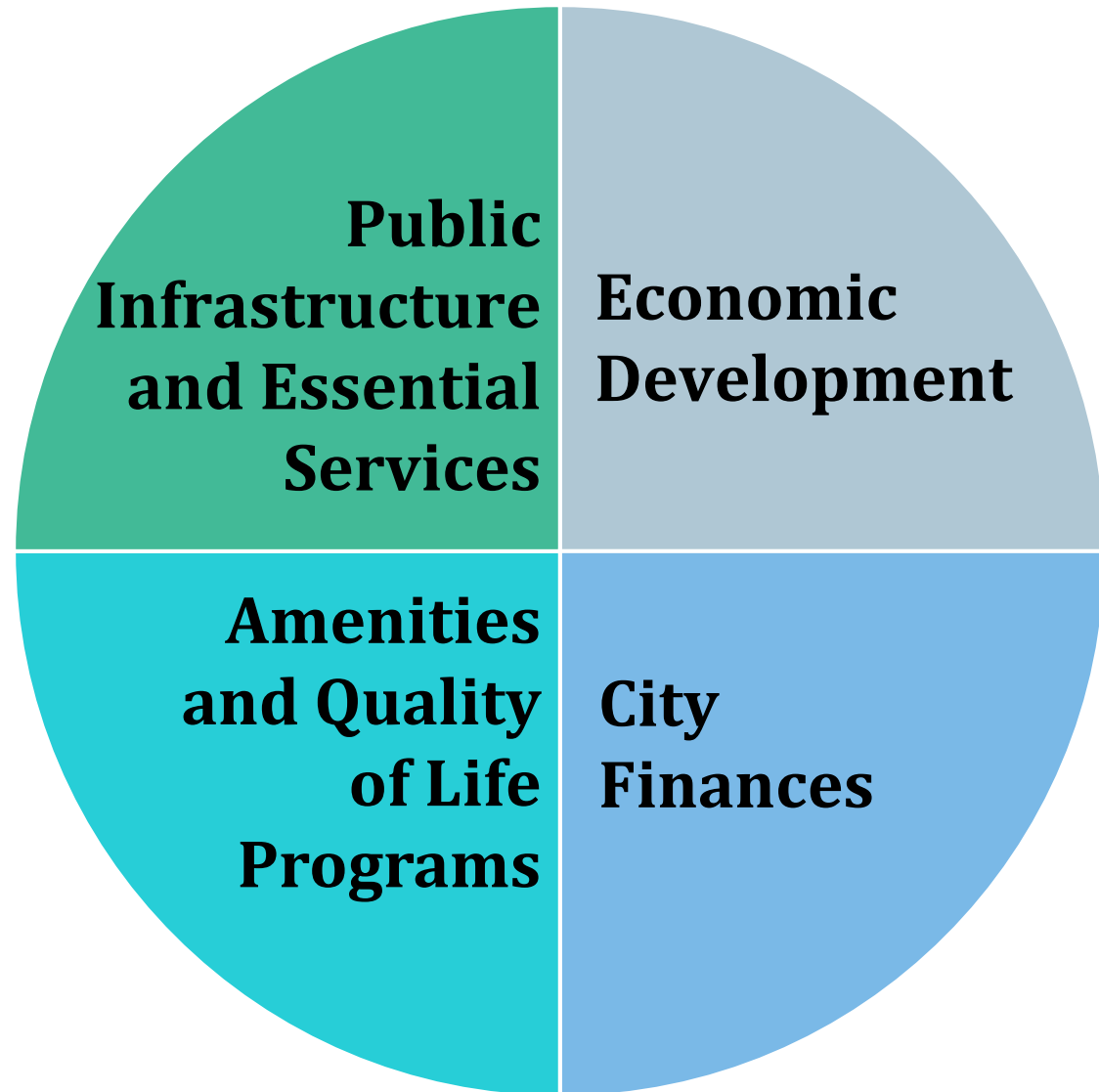
RISK
PROFIT

solution

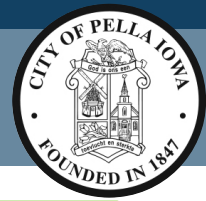
Strategic Priority Overview



A successful plan will
require a balanced
approach



Essential Services/Public Infrastructure **STRENGTHS**



Long-Term Water Plan (through 2037) \$15M

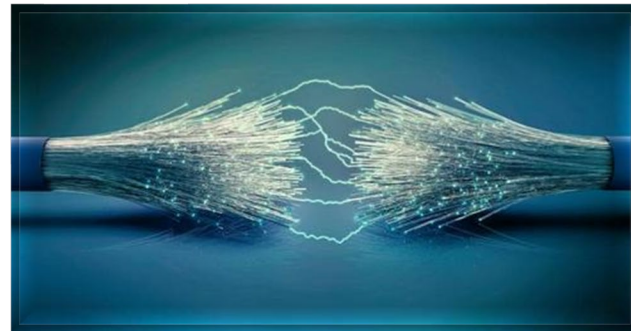


Power Supply Plan (through 2057) \$17M



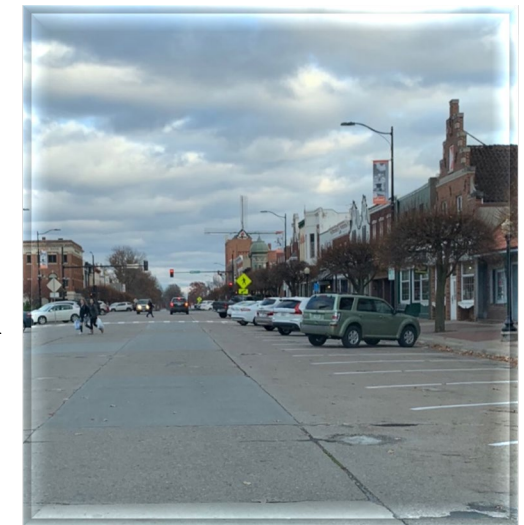
Telecom \$19M

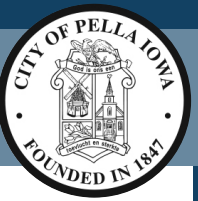
- 78 miles of fiber optic lines
- High-speed internet for any home or business



Streets

- 143 lane miles
- 2019 IDOT inspection:
 - 58% excellent condition
 - 32% good condition
 - 10% poor condition

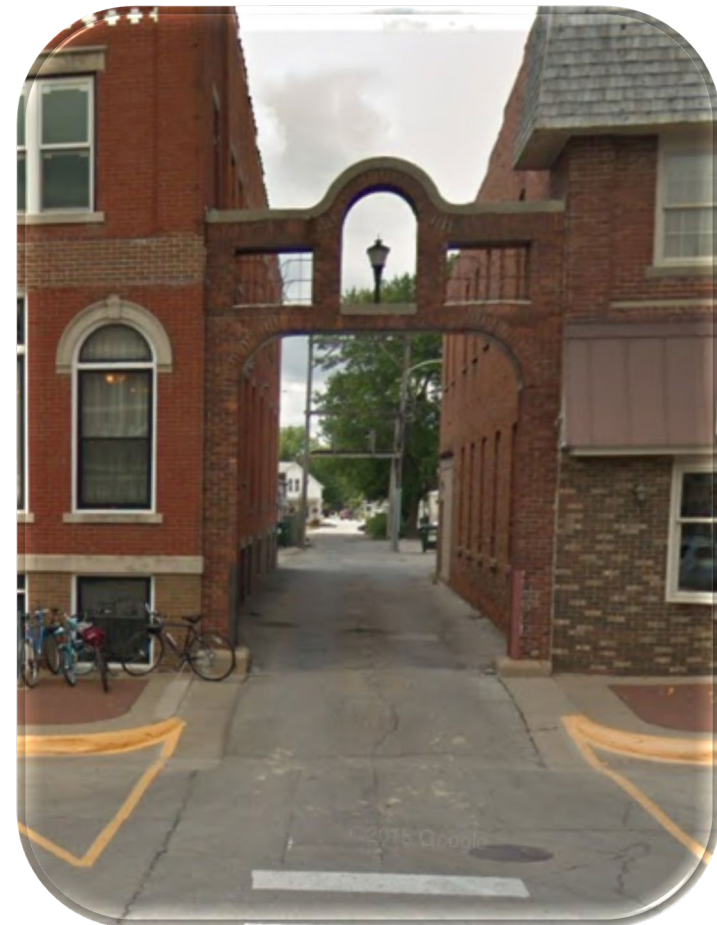




Pella Community Ambulance

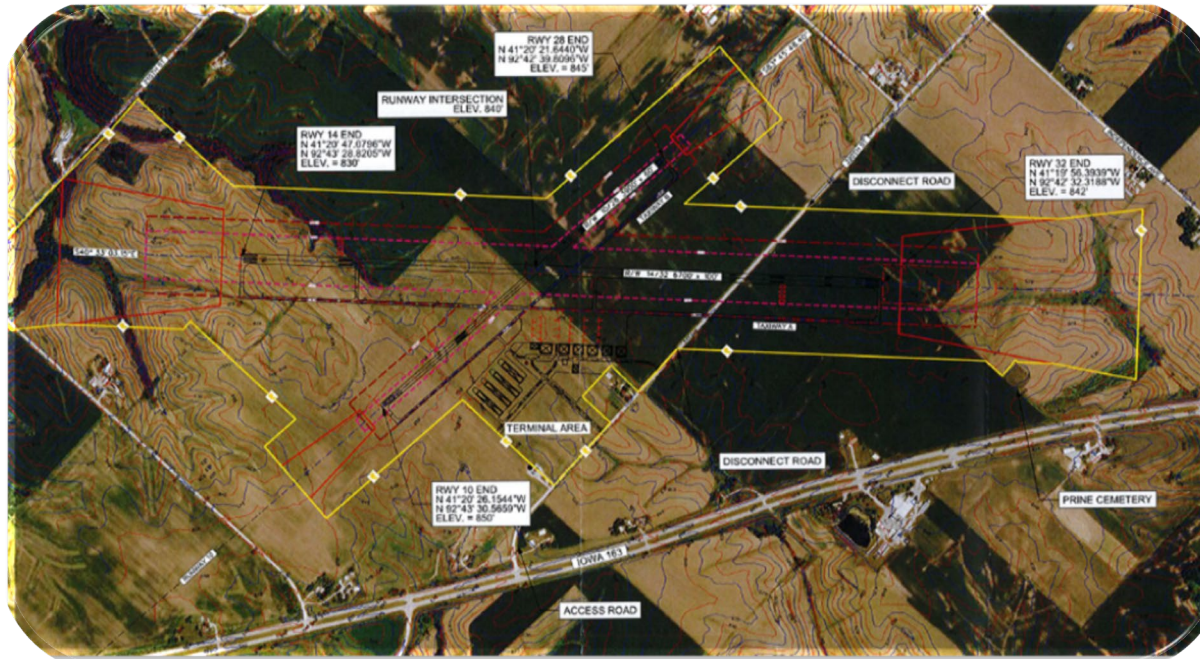


Downtown Infrastructure



Regional Airport

- Supported by the FAA and IDOT
- \$30 million project
- City of Pella share anticipated at \$4 million



Pella Municipal Airport

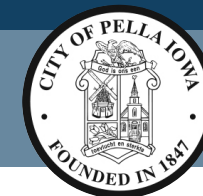
- Requested approx. \$2.0 million in capital improvements



Economic Development *STRENGTHS*

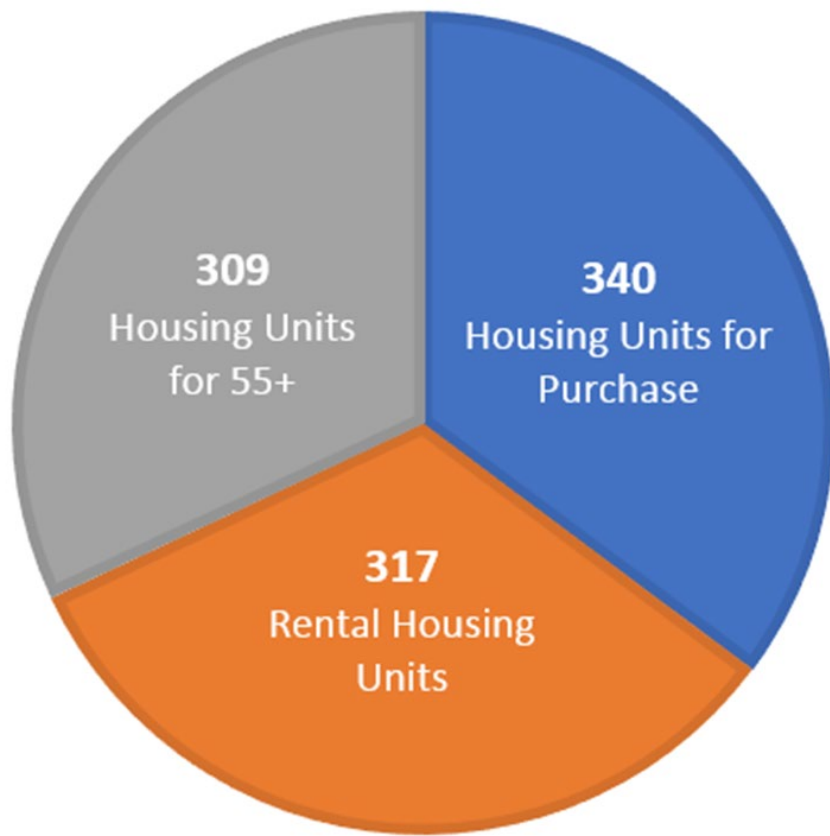


Economic Development **CHALLENGES**



- Static population growth

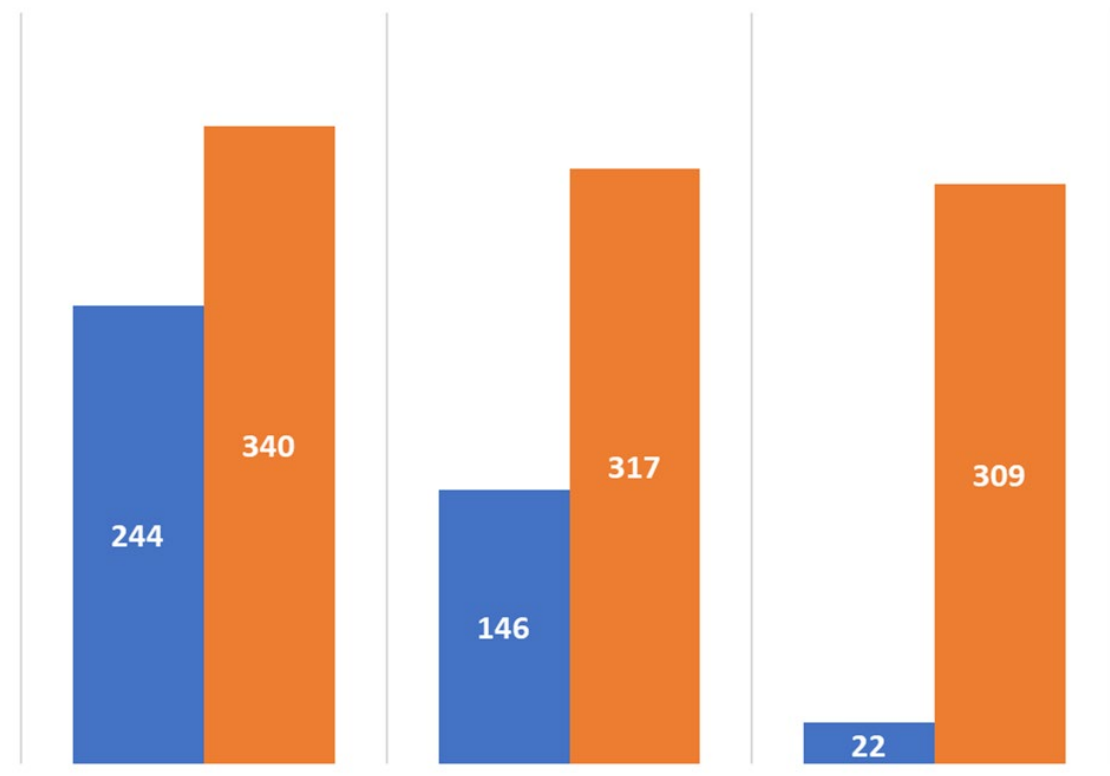
HOUSING NEEDS BY TYPE



966 Total Housing Units Needed

HOUSING NEEDS BY TYPE

Units Evaluated by City Total Housing Needs

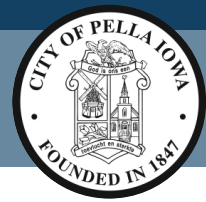


412 housing units evaluated by the City of Pella (roughly 43% of the 966 housing units needed)

Amenities *STRENGTHS*



Amenities **CHALLENGES**



Finances *STRENGTHS*

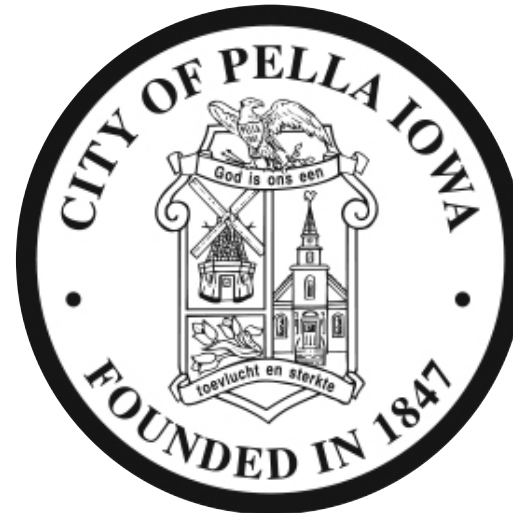


- AA3 bond rating is one of the best in the state for a rural community
- Property tax rate is one of the lowest in the state
- Utility rates are competitive
- Available GO debt capacity on June 30, 2021, was 10% of our legal limit
- Available debt capacity \$45 million



Finances **CHALLENGES**

- Significant project requests
- Requests will likely require funding prioritization



Financial Scenario *Base Case*



Question:

What can we build without raising taxes?

Answer:

It entirely depends on the amount of funds secured by outside sources



Property Tax Rate *Considerations*

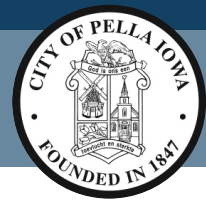


Important items to consider as it applies to the city's property tax rate:

- Growth in tax base
- Operational costs
- Capital costs



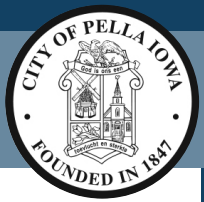
Revenue Sources *Facility Enhancements*



- Cash on hand
- New local option sales and services tax



Estimated Cash Contribution



Cash on hand <i>as of June 30, 2021</i>	\$28,600,000
Bond reserve/restricted funds	(5,300,000)
Operating reserves	(13,000,000)
Reserved for capital projects	<u>(3,500,000)</u>
Surplus cash <i>as of June 30, 2021</i>	<u>\$6,800,000</u>
Estimated contribution	\$5 to \$7 million



Local Option Sales and Services Tax



January 1, 2012 to December 31, 2023

Estimated Sources and Uses

Projected Revenue

Sales Tax Revenue	\$14,600,000
Marion Co. Redistribution	<u>3,600,000</u>

Total Estimated Revenue **\$18,200,000**

Estimated Expenditures

Indoor pool	\$3,700,000
Sports Park	3,450,000
Quality of life projects	2,000,000
Street projects	4,900,000
Property tax relief	<u>4,150,000</u>

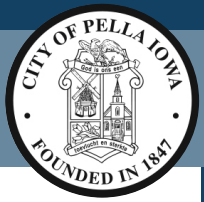
Total Expenditures **\$18,200,000**



50%

50%

Estimated City Contributions



Cash contribution

\$5 to \$7 million

New local option sales tax bond

\$15 to \$18 million

Range of city contribution

\$20 to 25 million



Outside Funding Needed

Indoor Recreation Center

\$30 to \$50 million

Community Center/Performing Arts

\$6 to \$22 million

Total estimated costs

\$36 to \$72 million

Estimated city contributions

\$20 to \$25 million

Non-City funding needed

\$11 to \$52 million



Estimated Property Tax Impacts



- For every \$10 million in debt issued above the city's financial contribution, the estimated annual property tax increase on a \$200,000 home is \$106
- For every \$100,000 in operating deficits for new facilities, the estimated annual property tax increase on a \$200,000 home is \$18



DEPARTMENT PRIORITIES



Law Enforcement Accreditation and CALEA



The gold standard- a best practices approach

11 out of 177 agencies in Iowa are accredited.

Legally defensible

Professional standards

Meet community expectations/ Transparency

180 Standards (Proofs) each year

This process is an annual repeating cycle

Three years for initial accreditation award in 2024

Four years for re-accreditation in 2028

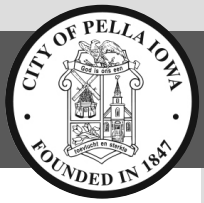
- Initial preparation and revision costs generally apply to physical improvements. These projects are completed, or already funded.
 - Jail/ structure renovation
 - Communications security
 - Facility controlled access and security
 - Firing range renovations
- Moving forward, predictable costs
 - Annual budgeted CALEA costs- \$4,700 to \$5,500
 - Training
 - Office of Professional Standards
 - Evidence tracking and security
 - Policy development is continuous
 - Recruiting and hiring

Spaces & Places IRL & online

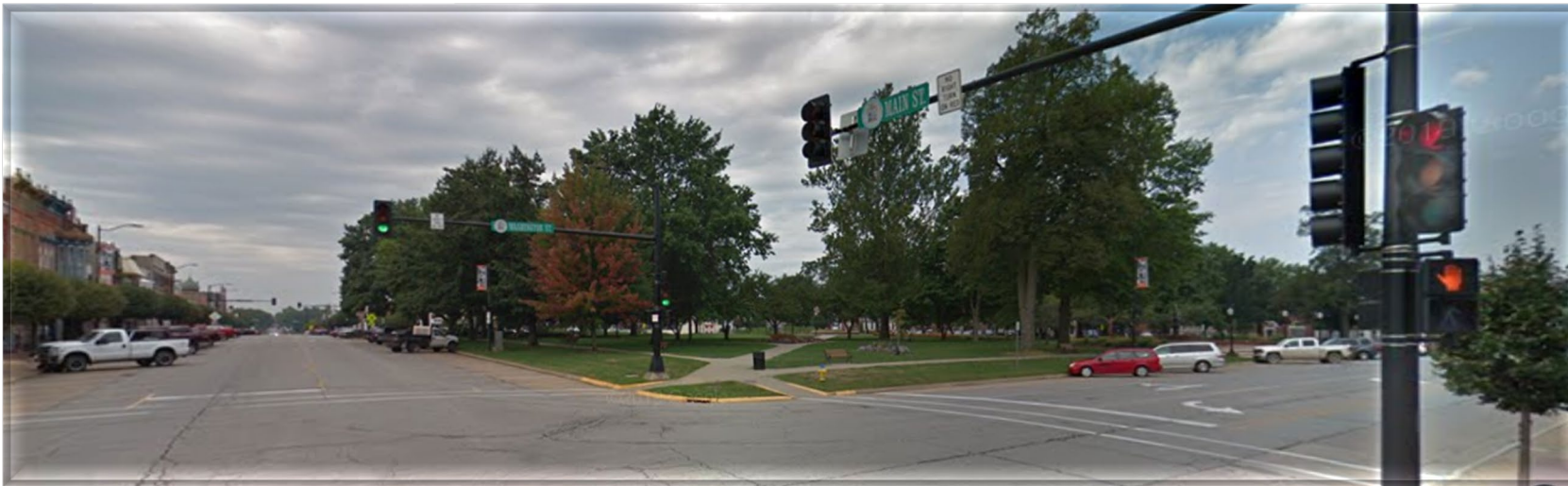
- The primary broad initiative that has been identified by the Library Board is broadly the use of spaces and places
- This service response will address the design and use of the Library building, as well as our online presence and electronic resources, and our presence in the community through outreach programs and new and ongoing partnerships



2022-2023 *Public Works – Streets*



- 143 lane miles of public streets
- Goal: reconstruct 3,700 to 7,400 LF annually
 - \$2.4 to \$4.8 million for total reconstruction (\$650/LF)
 - Asphalt overlays extend usable life by 15 years (\$75-\$100/LF)
- Traffic signals at four CBD intersections nearing end of life (\$1.4 million)



Undersized/Old Existing Pipe

- This list is 17% of our entire distribution system
- \$315,692/year if we replace the 4" in house
- \$657,692/year if we contract 4" replacement

	LF	Cost (in-house)	Cost (contract)
4" or smaller	58,000	\$3,480,000	\$7,250,000
6"	5,400	\$324,000	\$675,000
8" (old)	5,000	<u>\$300,000</u>	<u>\$625,000</u>
		<u>\$4,104,000</u>	<u>\$8,550,000</u>

Request for increased fireflows

Lead Services

- IDNR & EPA will require inventorying of existing private lead services and implement a plan to replace them
- Some communities may subsidize costs

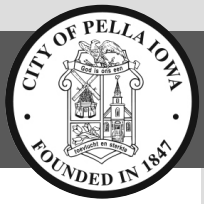


Potential treatment standard mandates

- New NPDES permit requirements
- IDNR nutrient reduction
 - \$5.6 million; 2031 required deadline for full compliance
- Inflow & Infiltration (I&I) IDNR mandate
 - Need to construct secondary storm and storm sewers in a lot of neighborhoods
 - City cost: \$10,000 to \$20,000 per block
 - Private cost: \$2,500 to \$6,500 per home



2022-2023 *Community Services*



Memorial Building

- 2021 engineering evaluation identified exterior repairs, roofing and soffit, chimney and other structural repairs needed to maintain the integrity of the structure.

Pella Aquatic Center

- Commercial robotic pool vacuum to increase cleanliness of the indoor/outdoor pool basins and reduce labor hours.
- The indoor pool basin will need to be renovated if a new indoor facility is not constructed in the next 2 to 3 years.

Parks Department and Golf & Athletic Fields - 473 acres of parks/rec grounds and 10 facilities

Parks Department - 1 FTE General Laborer Position

- The increase in facilities and amenities over the past few years is driving the need for an additional FT position.
- Wonder Spelen project added an estimated 797 annual labor hours for park and facility maintenance.
- Proposed Southside Beautification project will add another 1,680 hours annually.

Golf and Athletic Fields - 1 FTE Equipment Technician

- Maintenance of over 45 vehicles and large equipment, dozens of smaller equipment and 3 large scale irrigation systems.
- The size of the fleet and the extensive irrigation systems require dedicated personnel to manage and proactively service.

Pella Soccer Complex

- If the intent is to continue to utilize the Pella Soccer Complex, the irrigation system will need to be replaced.

2022-2023 *Planning & Zoning*



- Idaho Drive annexation
- Adopt the current version of the Uniform Building Code
- Update the Building Department and Planning Department fees/forms
- Overhaul the following City Code sections:
 - Subdivisions
 - Definitions of Terms
 - Signs
 - Supplemental Site Development
 - Accessory Buildings

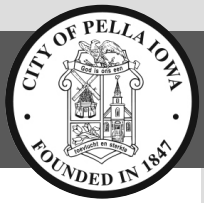


Advanced Metering Infrastructure (AMI)

- AMI uses Pella Fiber to provide detailed data
- Customers access data from a web portal
- Outage management program
- Missouri River Energy Services will be adopting time of use metering on January 1, 2023



2022-2023 Telecommunications



- Installation of customers
- Complete fiber optic ring



2022-2023 *Finance*



- Time-of-use billing system implementation
- National Information Solutions Cooperative

