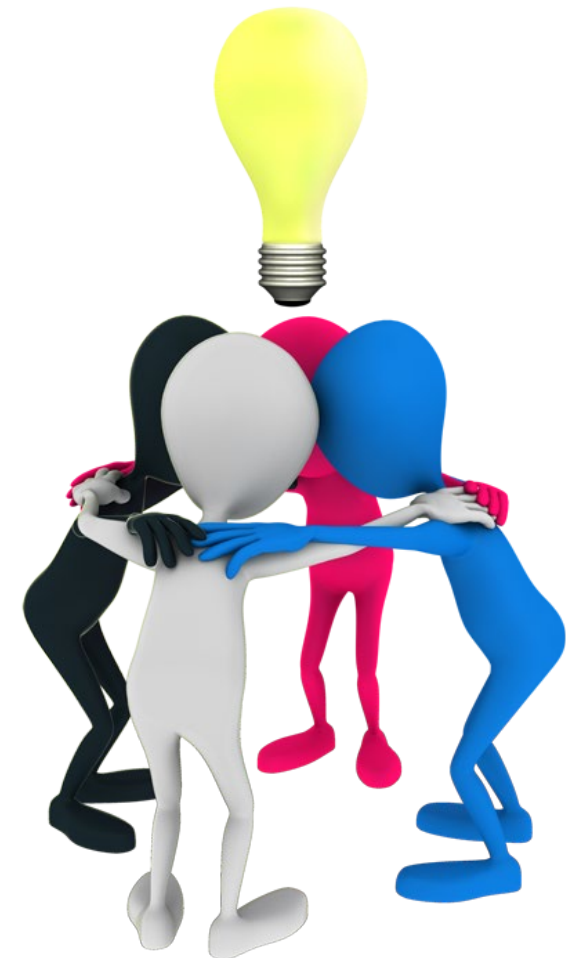
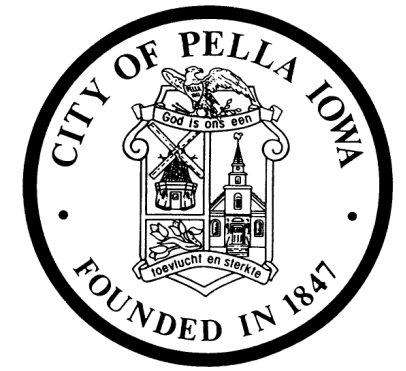
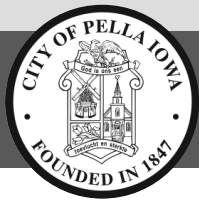


BUDGET WORK SESSION #1

FEBRUARY 23, 2022



Past City of Pella Initiatives



Notable accomplishments which have positioned for future success include:

- Infrastructure
 - Long-term power and water supply plans
 - Street network improvements
 - Wastewater Treatment Plant renovation
- Technology
 - GIG Community
 - 1,100 individual Pella Fiber customers

BANDWIDTH MATTERS!

Our modern homes require a huge amount of bandwidth—more than 100 Mbps! We're streaming video, gaming online, installing smart doorbells, and watching 4K TV, and all this requires more broadband than you may think. With Pella Fiber, everybody gets a gig! It's a 1 gigabit per second connection for upload and download, with no data limits. Our fiber optic technology has the fastest, most reliable connection around.



641-628-4173
connect@pellafiber.com



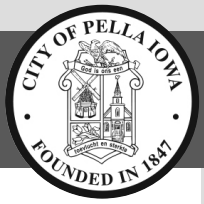
Past City of Pella Initiatives

Notable accomplishments which have positioned for future success include:

- Quality of Life: Kiwanis Park improvements
- Development
 - Prairie Ridge residential
 - Pella Smash Park
 - Pella Main Street Market
 - South Main
 - Lely North America

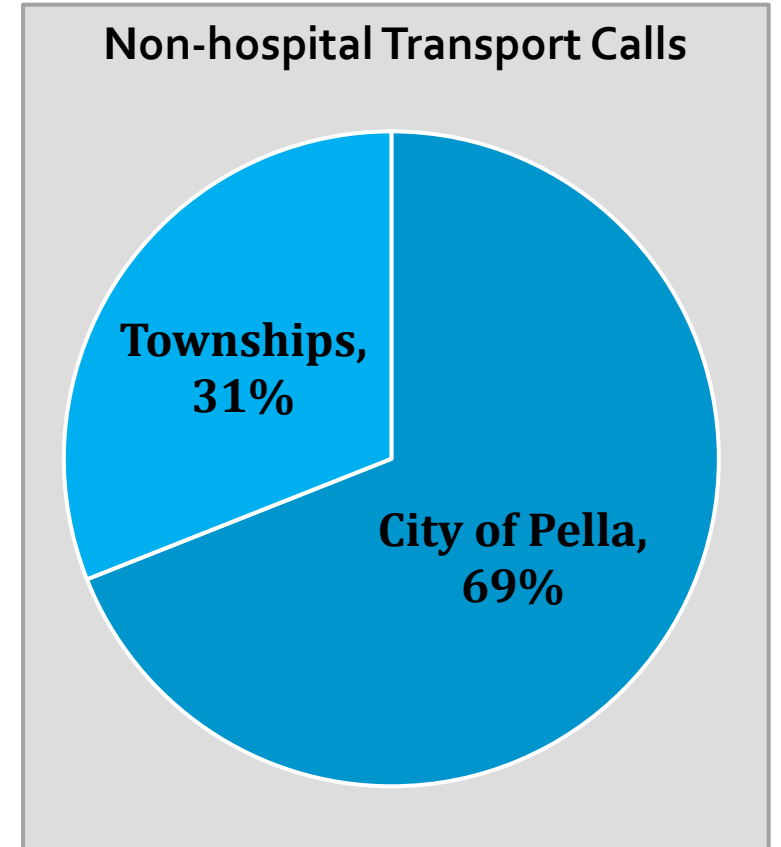
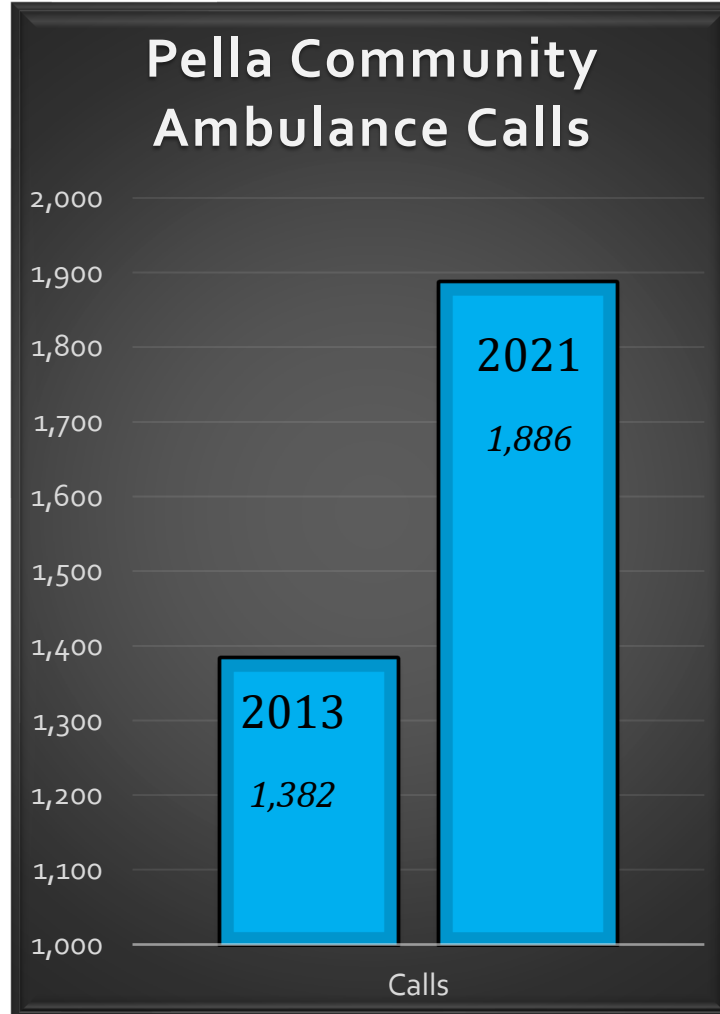


Key Issues for FY 22-23

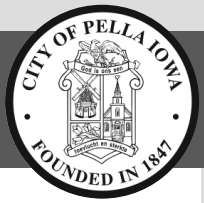


Pella Community Ambulance

- The organization is experiencing a financial hardship due to several factors:
 - Increasing call volume

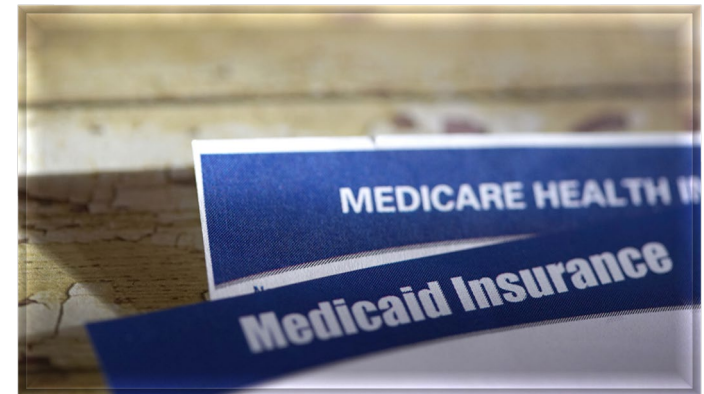


Key Issues for FY 22-23



Pella Community Ambulance

- The organization is experiencing a financial hardship due to several factors:
 - Increasing call volume
 - Larger percentage of Medicaid/Medicare patients which generates a lower reimbursement rate vs. privately insured patients
 - Non-profit entities are not eligible for some state grant reimbursement to help offset the lower Medicaid/Medicare reimbursement rates
 - Decreasing volunteer/part-time labor pool resulting in the need to hire full-time staff



Key Issues for FY 22-23



- The ambulance has approximately a \$300,000 annual operating deficit and will need to replace two ambulances in the next five years (approx. \$200,000/ambulance)
- The FY 22-23 budget includes \$300,000 as a contingency for the Pella Ambulance



Key Issues for FY 22-23



COVID-19 Pandemic

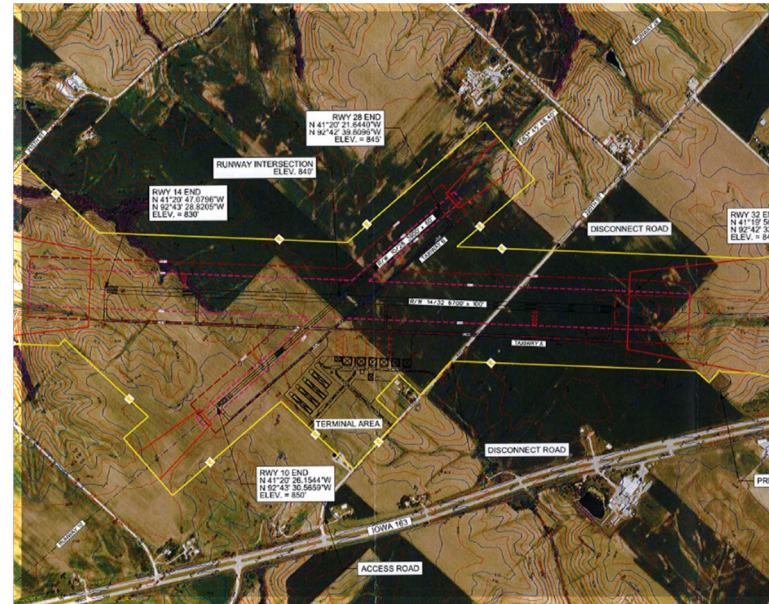
- Supply chain issues
- Escalation in project costs
- Staffing issues



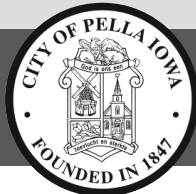
Key Issues for FY 22-23



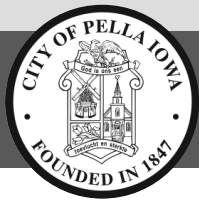
- The Capital Improvement Program contains \$3.3 million for the regional airport
- \$2.4 million of improvements to the Pella Municipal Airport may need to be undertaken if the regional airport does not proceed in FY 23



Long-term Facility Plan



Fiscal Year 22-23 Budget Overview



- Maintains the property tax rate at \$10.20 per \$1,000 of taxable valuations for the 21st consecutive year
- Pella continues to have one of the lowest tax rates in the state for mid-sized cities and is in the lowest one-third of all City tax rates across the state

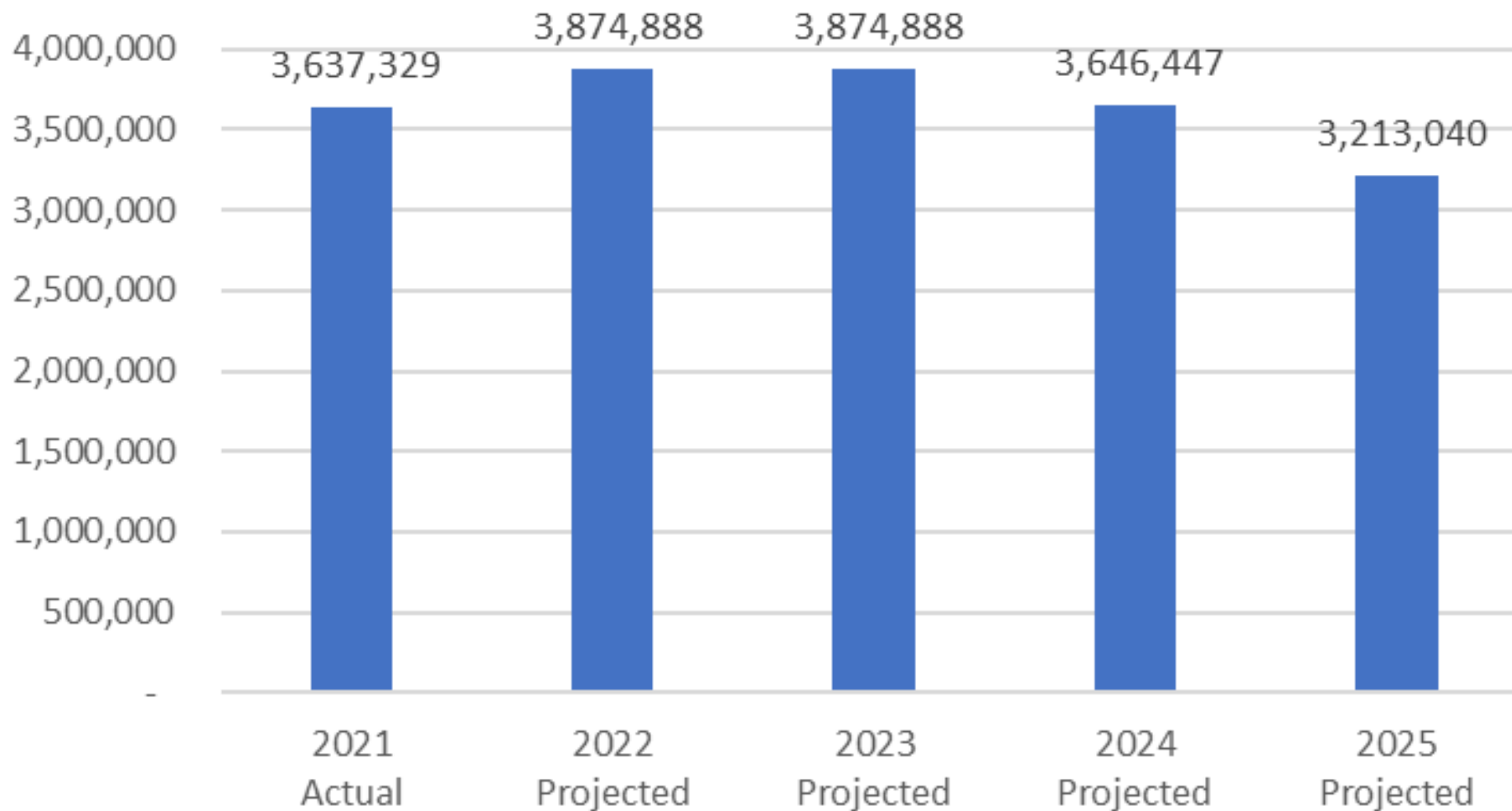
Five Year Comparison of Tax Rates for Comparable Sized Cities

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	% Change Since FY 18-19
Creston	14.13	14.13	14.24	14.24	0.80%
Grinnell	14.83	14.83	14.83	14.70	-0.88%
Indianola	12.70	13.28	13.63	13.63	7.31%
Keokuk	17.34	17.34	17.70	18.55	6.97%
Knoxville	18.75	18.37	18.56	18.41	-1.81%
Nevada	14.62	14.62	14.62	14.62	0.00%
Newton	17.14	17.14	17.14	17.14	0.00%
Oskaloosa	13.78	13.97	14.18	14.30	3.80%
Spencer	12.00	12.00	12.54	12.54	4.47%
Waverly	14.45	14.37	15.69	16.33	13.03%
Windsor Heights	16.58	16.52	14.48	14.48	-12.69%
Pella	10.20	10.20	10.20	10.20	0.00%

Average without Pella 15.12 15.14 15.24 15.36 1.91%

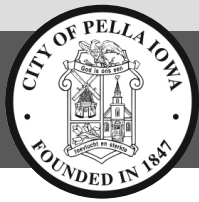


General Fund



Minimum fund balance \$3.2 million

Fiscal Year 22-23 Budget Overview

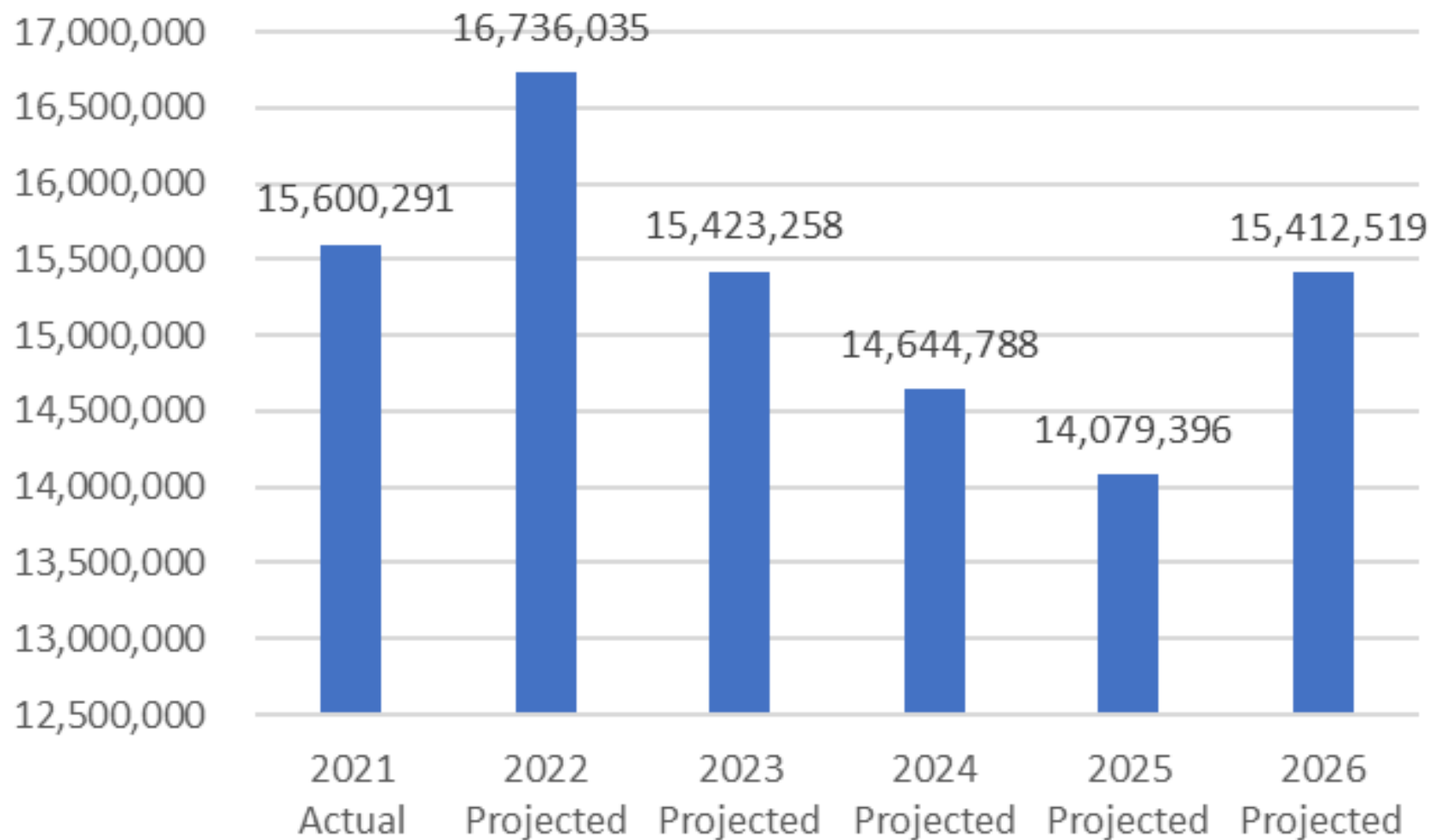


- Maintains electric rates
- The latest rate comparison information for the electric utility is from calendar year 2020
- While the city continues to make significant capital investments, the city's rate competitiveness has improved
- The City of Pella ranks 37th out of 181 (top 21%) of all power providers in the State of Iowa in rate competitiveness

Average Revenue per kWh, 2020 United States and Iowa	
	All Sectors Rev/kWh
<u>Iowa Publicly Owned</u>	8.1
Pella City of	9.3
Waverly	10.7
Indianola	11.7
City of Mt. Pleasant	12.5
<u>Iowa Investor-Owned</u>	8.9
Interstate Power and Light Co	11.4
MidAmerican Energy Co	7.2
<u>Iowa Cooperative</u>	9.9
Pella Cooperative Elec Assn	12.2
Chariton Valley Elec Coop, Inc	12.1
East Central Iowa Rural Elec Coop	10.4

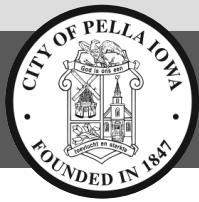


Electric Fund



Minimum fund balance \$10.0 million

Fiscal Year 22-23 Budget Overview



- Water and wastewater rates remain the same

Water Rate Comparison - In City Limits

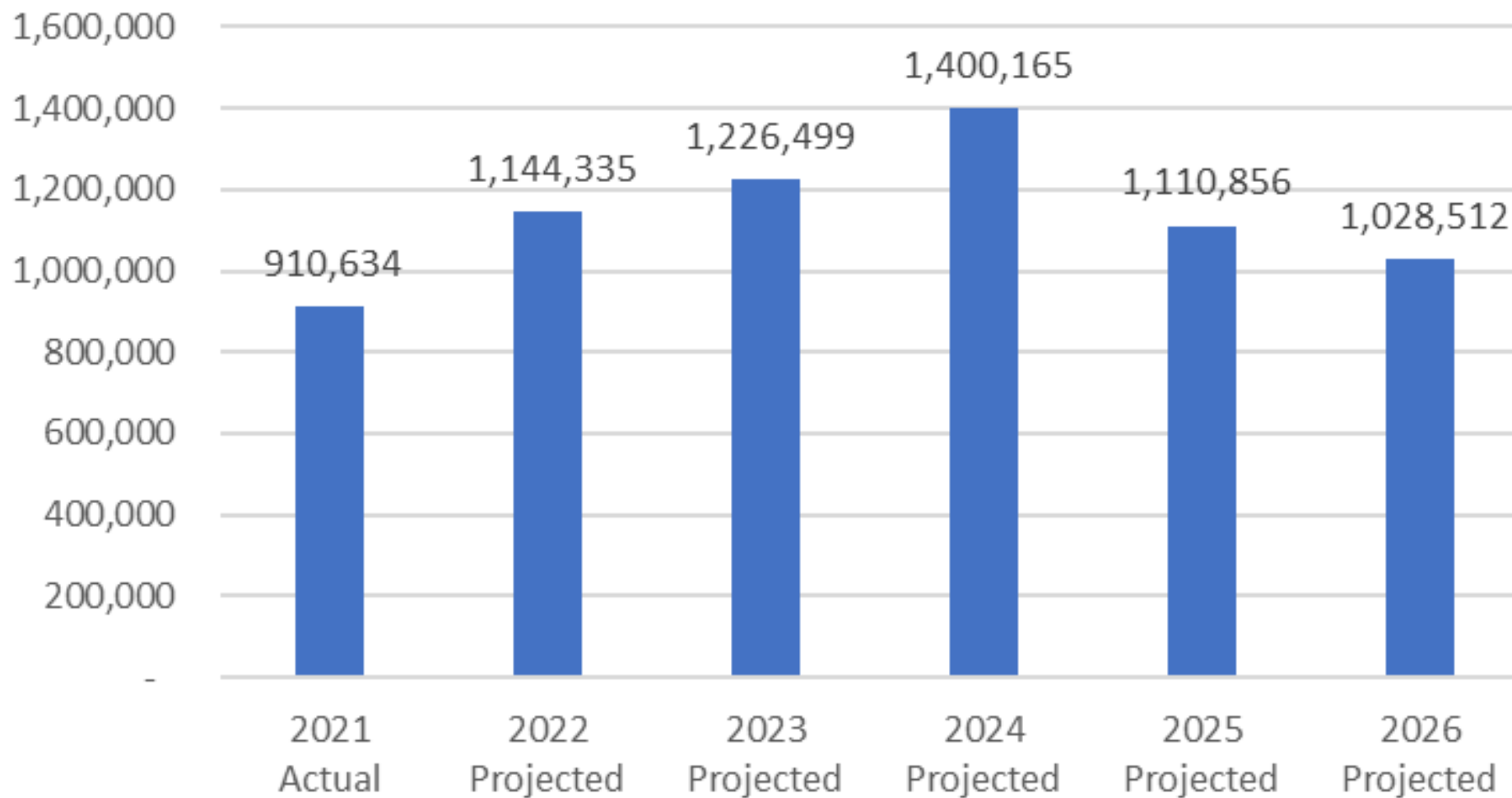
		7,000 Gallon	35,000 Gallons	100,000 Gallons
	Minimum	Residential	Commercial	Industrial
Knoxville	\$ 9.70	\$ 33.95	\$ 169.75	\$ 485.00
Oskaloosa	\$ 15.84	\$ 74.11	\$ 370.56	\$ 1,058.75
Pella (Current)	\$ 19.97	\$ 53.71	\$ 188.65	\$ 501.92

Wastewater Rate Comparison - In City Limits

		7,000 Gallon	35,000 Gallons	100,000 Gallons
	Minimum	Residential	Commercial	Industrial
Knoxville	\$ 22.89	\$ 72.24	\$ 269.64	\$ 727.89
Oskaloosa	\$ 23.60	\$ 115.59	\$ 483.53	\$ 1,337.68
Pella (Current)	\$ 21.42	\$ 58.94	\$ 209.02	\$ 557.42



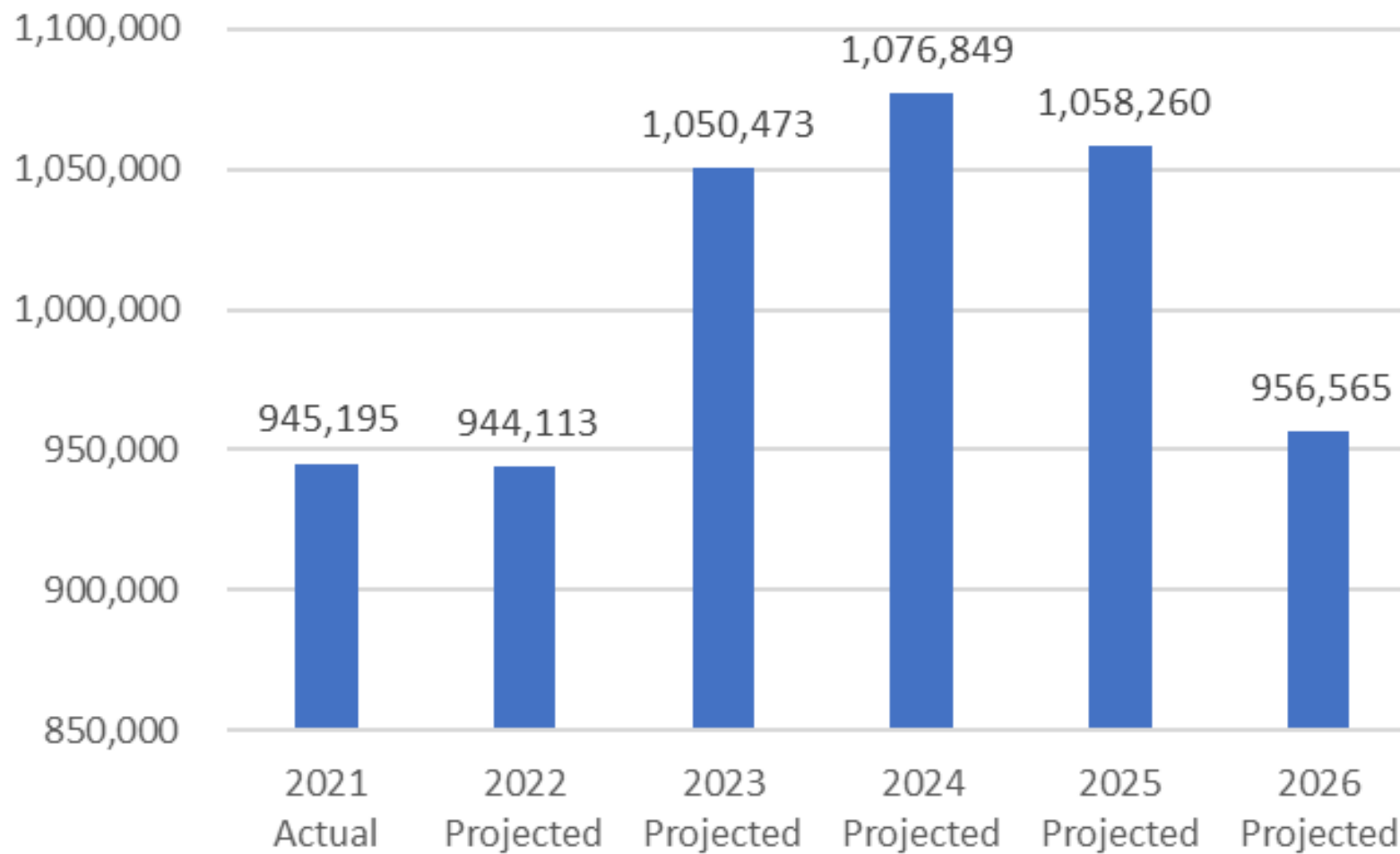
Water Fund



Minimum fund balance \$1.0 million



Wastewater Fund

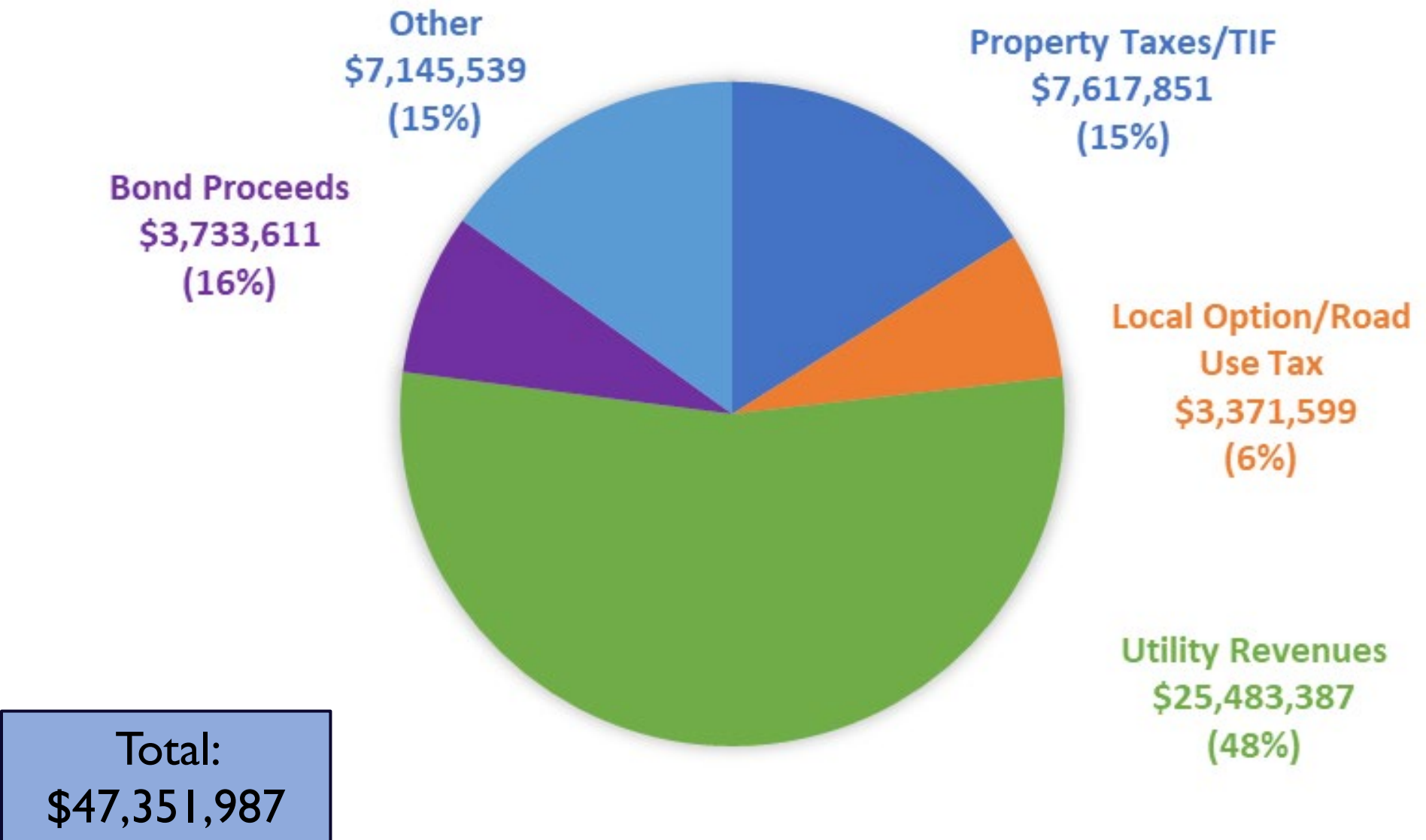


Minimum fund balance \$1.0 million

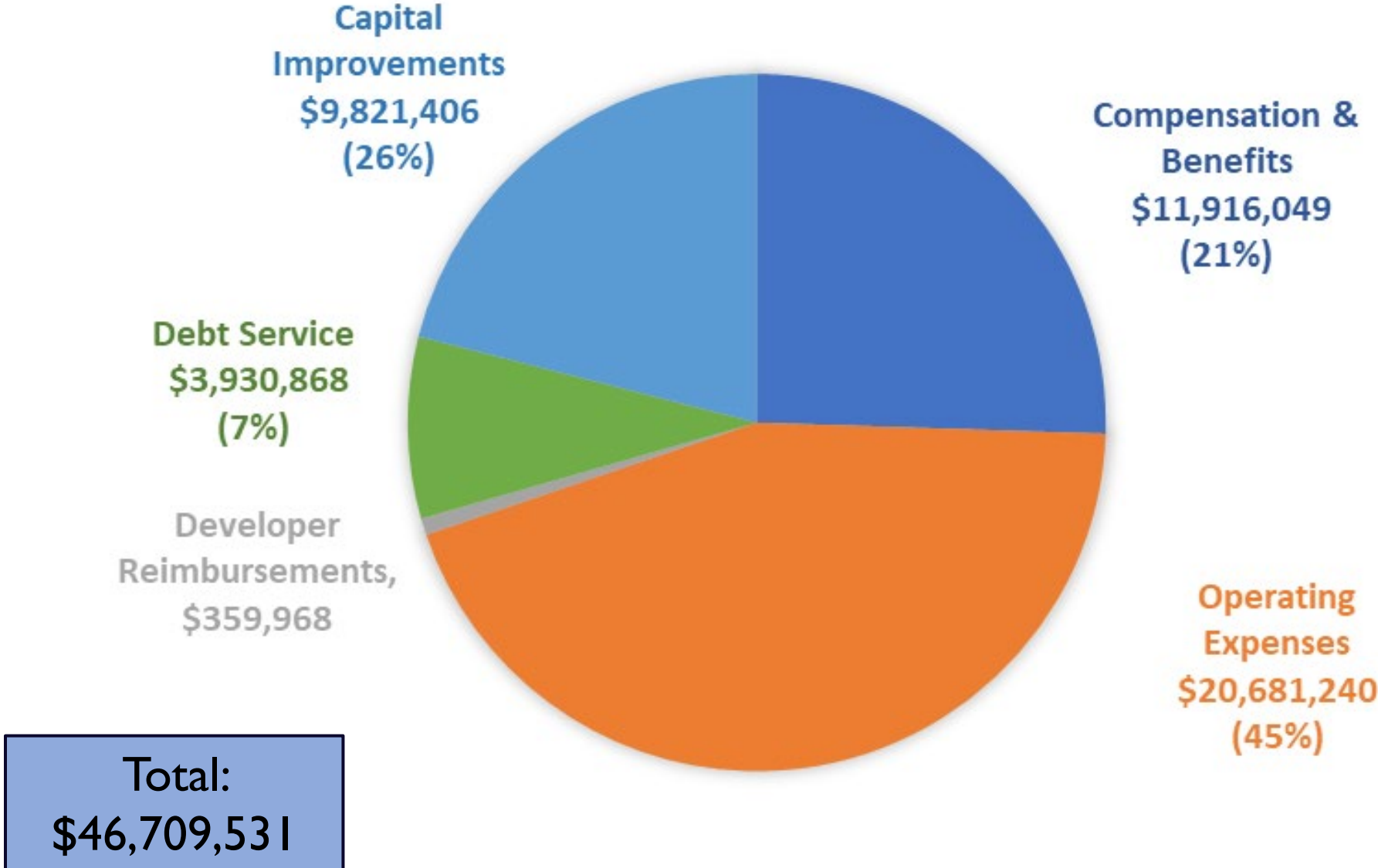
CITY OF PELLA
SUMMARY OF FY 22-23 BUDGET

	FY 22-23 BUDGET	FY 21-22 BUDGET	INCREASE (DECREASE)	% INCREASE (DECREASE)
REVENUE				
Property Taxes	\$ 6,464,563	\$ 6,318,426	\$ 146,137	2.31%
TIF Revenues	1,153,288	834,838	318,450	38.15%
Local Option Taxes	2,023,949	1,975,521	48,428	2.45%
Road Use Tax Funds	1,347,650	1,340,000	7,650	0.57%
Utility Revenue	25,483,387	23,536,038	1,947,349	8.27%
Bond Proceeds	3,733,611	1,847,111	1,886,500	102.13%
Other	7,145,539	6,608,714	536,825	8.12%
TOTAL REVENUE	\$ 47,351,987	\$ 42,460,648	\$ 4,891,339	11.52%
EXPENSES				
Compensation & Benefits	11,916,049	11,309,569	606,480	5.36%
Operating Expenses	20,681,240	19,982,820	698,420	3.50%
Developer Reimbursements	359,968	27,481	332,487	1209.88%
Debt Service	3,930,868	3,556,483	374,385	10.53%
Capital Improvements	9,821,406	6,147,827	3,673,579	59.75%
TOTAL EXPENSES	\$ 46,709,531	\$ 41,024,180	\$ 5,685,351	13.86%
INCREASE (DECREASE) IN RESERVES	\$ 642,456	\$ 1,436,468	\$ (794,012)	N/A

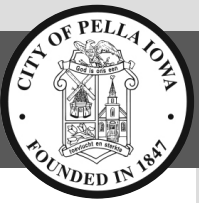
Fiscal Year 22-23 Revenue Highlights



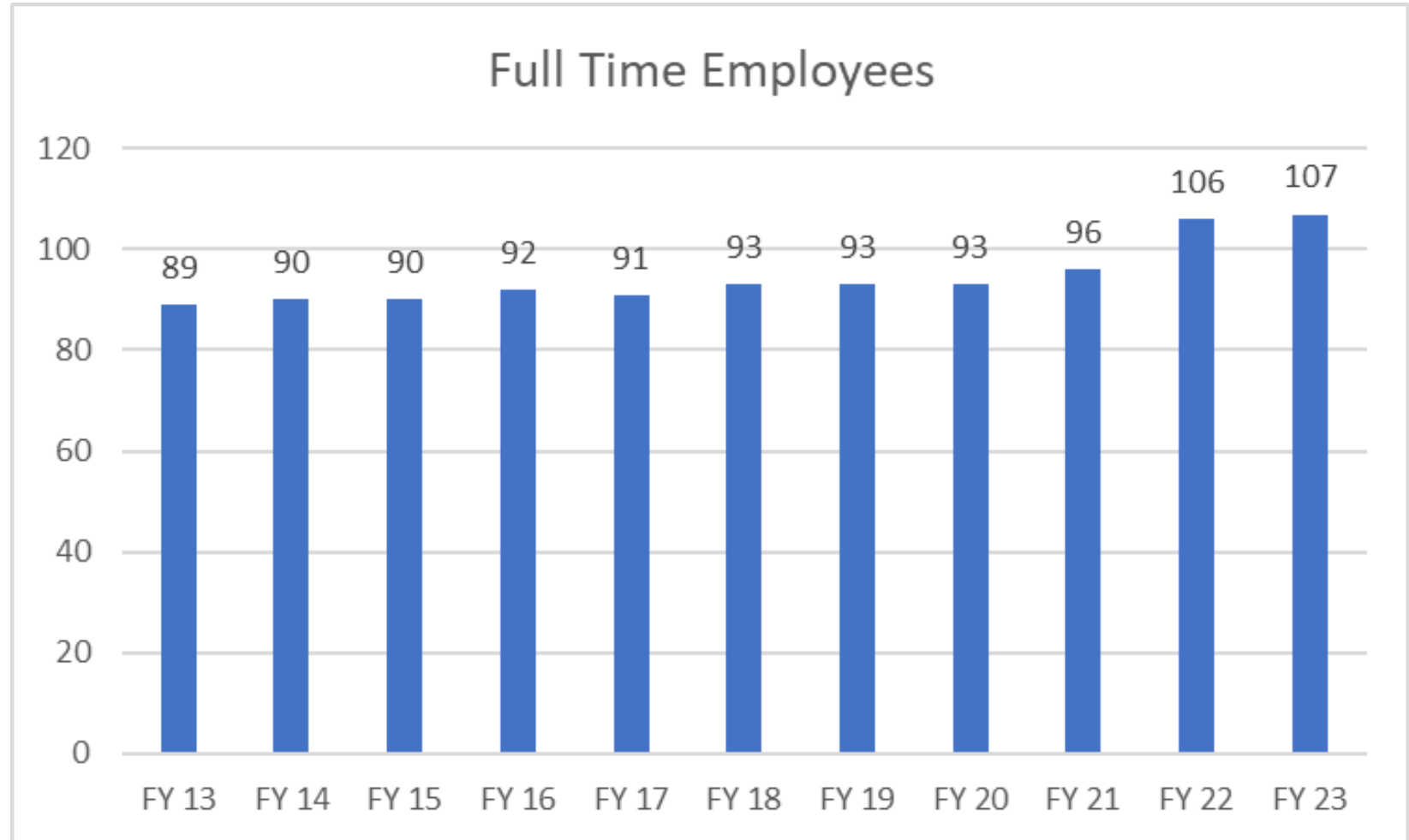
Fiscal Year 22-23 Expenditure Highlights



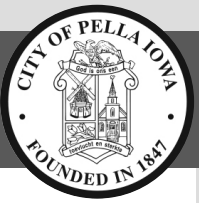
Fiscal Year 22-23 *Personnel Highlights*



- The budget increases the full-time workforce to 107 employees by adding a position to the Community Services Department to accommodate maintenance required to support city facilities

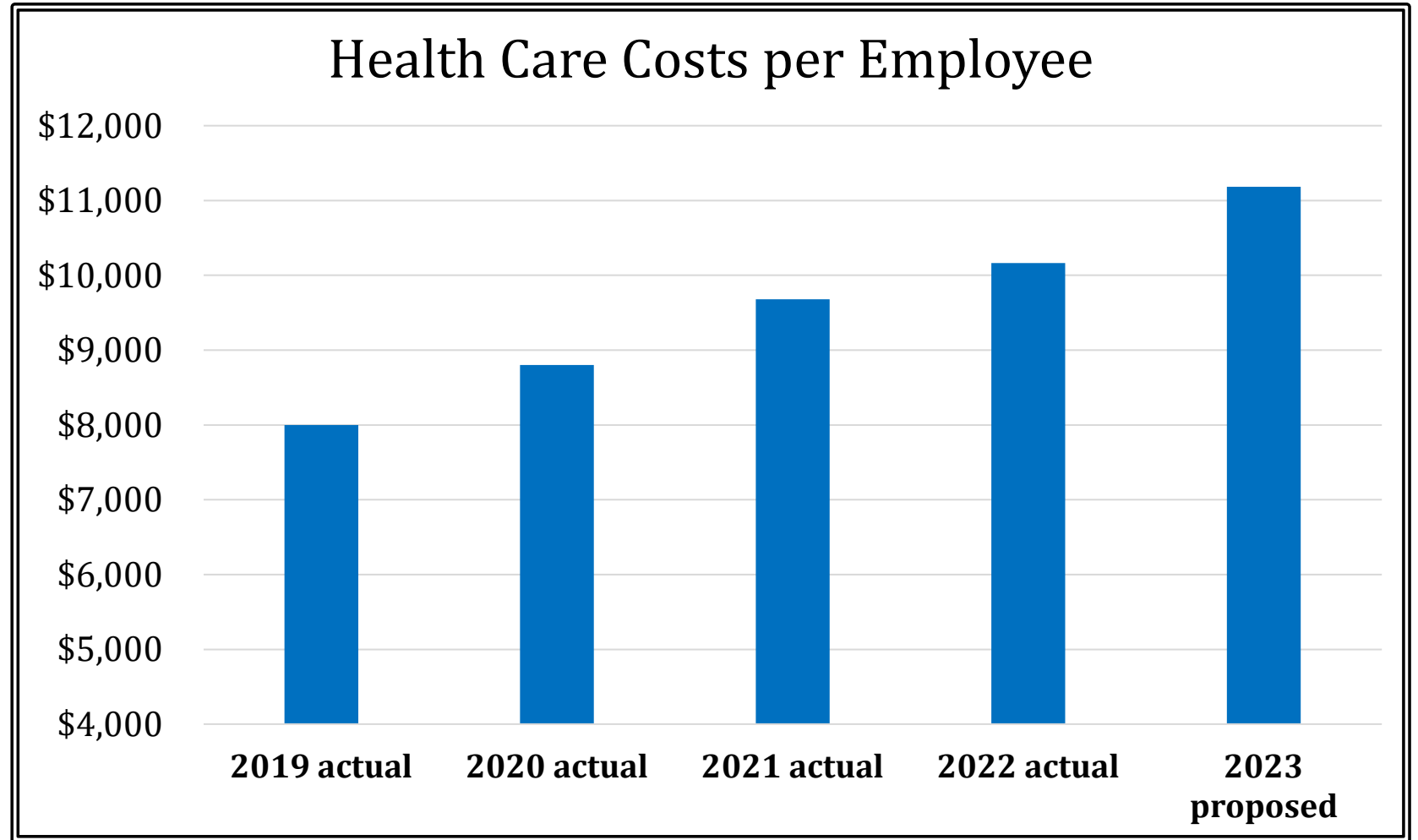


Fiscal Year 22-23 *Personnel Highlights*



The budget includes:

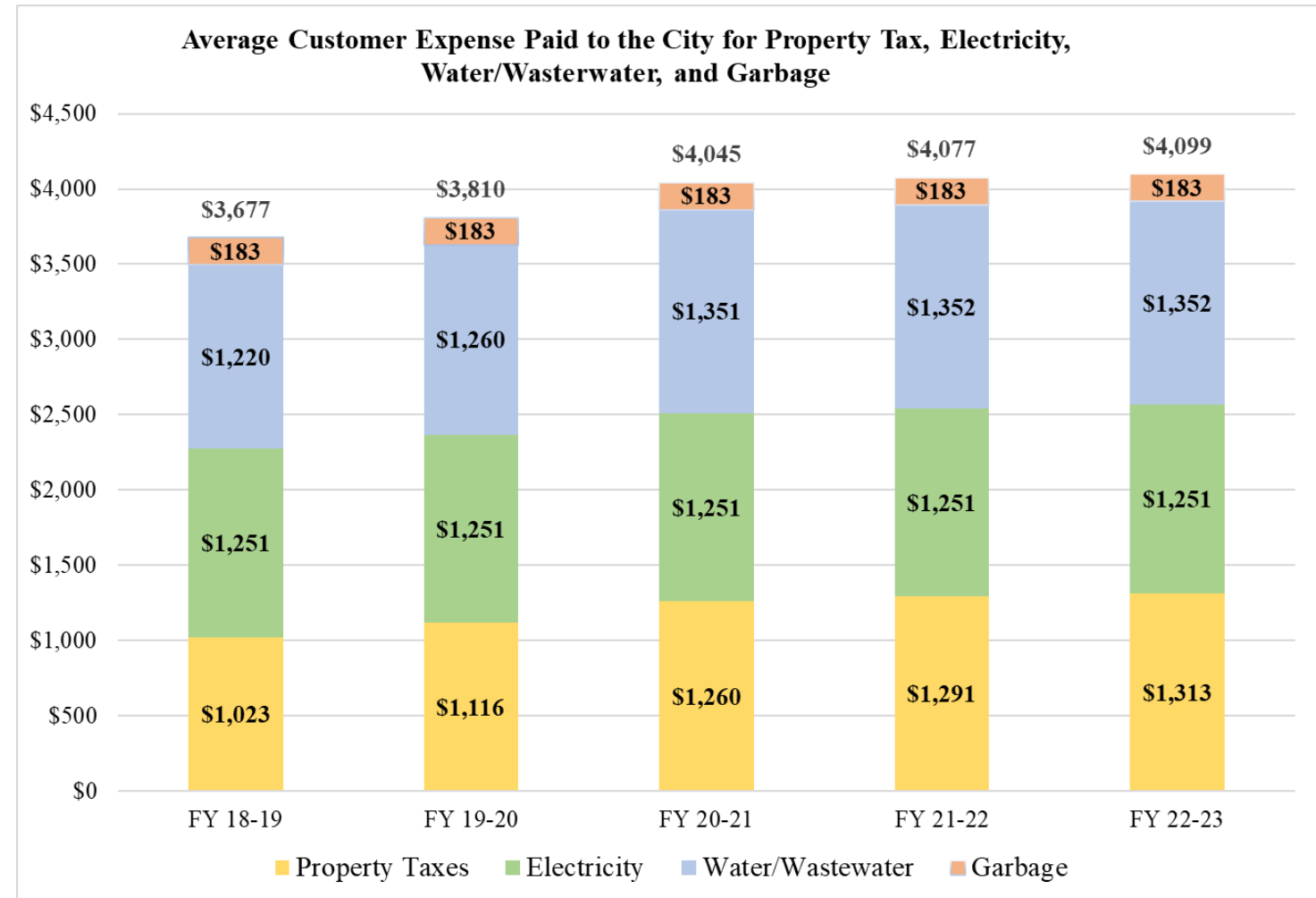
- \$209,000 for cost-of-living adjustments (2.5%)
- \$102,000 for step/merit increases
- \$119,000 for health care cost increase



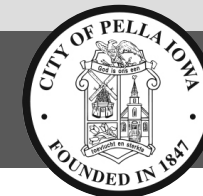
Fiscal Year 22-23 Cost for the Average Resident



- Overall, the typical resident is expected to see a \$22 annual increase in taxes/fees
- This increase is a result of the property assessment process for residential property, which was partially offset by a decrease in the residential rollback
- This increase results in an increase of payments to the city for all taxes/services in the amount of \$1.83 per month for the average resident



Fiscal Year 22-23 *Key Points for Council Consideration*



After the work sessions, Council approval of the following will be requested:

- Proposed property tax rate
- Maintain utility rates
- Additional staff:
 - Community Services Department:
one full-time maintenance staff
 - Police Department:
one part-time communication specialist
- Departmental operating budgets
- Departmental capital improvement plans



Fire Department

FIRE	Actual FY 19-20	Actual FY 20-21	Budget FY 21-22	Request FY 22-23	% Inc (Dec) of FY 22-23 over FY 21-22
Revenues	\$4,625	\$3,678	\$5,000	\$5,000	0.00%
Expenses	\$86,577	\$87,240	\$102,079	\$105,080	2.94%
Net General Fund Budget	(\$81,952)	(\$83,562)	(\$97,079)	(\$100,080)	3.09%



Fire Department CIP

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Fire								
FD Portable Radios	Fire 2023-02	2				32,000		32,000
Building Maintenance	Fire-2022-01	2	7,500	7,500	7,500	7,500	7,500	37,500
Replace Bunker Gear (Annual)	Fire-2022-02	1	12,300					12,300
Fire Truck	Fire-2022-03	1	698,000					698,000
Department Bunker Gear Replacement	Fire-2023-01	1			126,000			126,000
Fire Total			717,800	7,500	133,500	39,500	7,500	905,800



Library

LIBRARY	Actual FY 19-20	Actual FY 20-21	Budget FY 21-22	Request FY 22-23	% Inc (Dec) of FY 22-23 over FY 21-22
Revenues	\$78,547	\$77,839	\$59,500	\$59,500	0.00%
Expenses	\$660,517	\$698,096	\$760,607	\$788,530	3.67%
Net General Fund Budget	(\$581,970)	(\$620,257)	(\$701,107)	(\$729,030)	3.98%



Library CIP

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Library								
Chair Replacement	LIB-2022-01	5			25,000			25,000
Technology Updates	LIB-2022-02	1	5,400	5,400	5,400	5,400		21,600
Outside Lights	LIB-2022-05	2	8,000					8,000
Hertage Room Conversion	LIB-2022-06	3			15,000			15,000
24-Hour Library Kiosk	LIB-2022-07	3				100,000		100,000
Bathroom Conversion	LIB-2022-08	4				15,000		15,000
Acoustic Treatment	LIB-2022-09	2		25,000				25,000
Indoor Lights	LIB-2022-10	3		12,500				12,500
HVAC Condenser	LIB-2023-02	2					175,000	175,000
Library Total			13,400	42,900	45,400	120,400	175,000	397,100



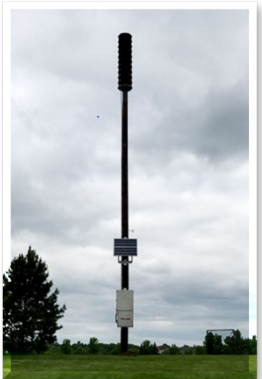
Police Department

POLICE	Actual FY 19-20	Actual FY 20-21	Budget FY 21-22	Request FY 22-23	% Inc (Dec) of FY 22-23 over FY 21-22
Revenues	\$89,071	\$102,774	\$92,010	\$93,605	1.73%
Expenses	\$2,456,804	\$2,688,425	\$2,954,503	\$3,086,725	4.48%
Net General Fund Budget	(\$2,367,733)	(\$2,585,651)	(\$2,862,493)	(\$2,993,120)	4.56%



Police CIP

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Police								
Police Vehicles	POL-2022-01	1	73,506	74,976	76,476	78,770	79,565	383,293
Community Protection Sirens	POL-2022-02	2	8,000	8,000	9,000	9,000	9,000	43,000
Firearm Transition	POL-2022-04	2		24,385				24,385
Source Transer Switch	POL-2022-06	4		91,080				91,080
Central Iowa Regional Tactical Team (CIRTT)	POL-2022-08	1	7,480	7,480	7,480	10,480	7,480	40,400
Electronic Control Devices	POL-2022-09	1	2,500	10,288	10,288	10,288	10,288	43,652
PD Computers/Laptops	POL-2022-13	2	7,752					7,752
License Plate Reader	POL-2023-01	4		15,551				15,551
Building Maintenance	POL-2023-02	4	6,700	10,000				16,700
Evidence Storage Lockers	POL-2023-03	1	1,756					1,756
Police Total			107,694	241,760	103,244	108,538	106,333	667,569



Public Works – Water

WATER	Actual FY 19-20	Actual FY 20-21	Budget FY 21-22	Request FY 22-23	% Inc (Dec) of FY 22-23 over FY 21-22
Revenues	\$2,579,870	\$2,894,696	\$2,755,396	\$2,862,226	3.88%
Expenses	\$1,443,823	\$1,592,143	\$1,543,614	\$1,617,625	4.79%
Net Water Fund Budget	\$1,136,047	\$1,302,553	\$1,211,782	\$1,244,601	2.71%



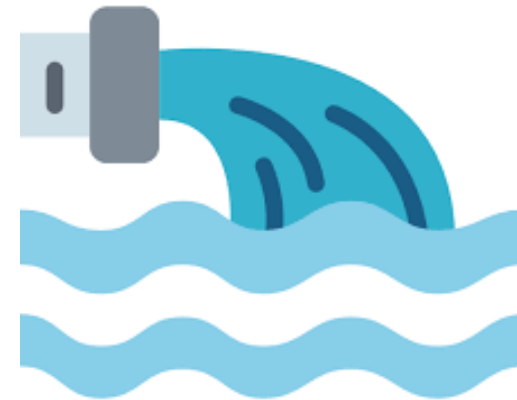
Water CIP



Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Public Works: Water								
Distribution Maintenance	WA-2022-01	1	51,000	51,000	51,000	51,000	51,000	255,000
Pickup Trucks	WA-2022-02	2		18,000		20,000		38,000
Water Tower Inspections (3 year)	WA-2022-03	1		10,000			10,000	20,000
SCADA Upgrades	WA-2022-04	1	17,000				15,000	32,000
Water Meter Replacement	WA-2022-05	1	30,000	30,000	30,000	30,000	30,000	150,000
R.O Membrane Cleaning	WA-2022-07	1	17,000				32,000	49,000
R.O. Membrane Replacement	WA-2022-08	1					298,000	298,000
Utility Trailer	WA-2022-09	2	6,000					6,000
Jordan Well Inspection and Rehab	WA-2022-10	5			150,000	75,000		225,000
High Service Pump Maintenance	WA-2022-11	1	15,000		15,000		15,000	45,000
Lime Lagoon Removal	WA-2022-12	1			320,000			320,000
1 Ton Flatbed Truck	WA-2022-13	2	25,000					25,000
Advanced Metering Infrastructure (AMI)	WA-2022-14	3			388,072			388,072
Valves and Metering-Filter bank	WA-2022-16	1				80,000		80,000
Demo Howell Station	WA-2023-01	1	15,000					15,000
Jordan Well and Plant Water Meters	WA-2023-02	1	31,000					31,000
Water Tower Painting	WA-2023-03	5					675,000	675,000
South Tower Vent	WA-2023-04	1	9,500					9,500
Lely Water Main	WA-2023-05	3	56,000	560,000				616,000
Public Works: Water Total			272,500	669,000	954,072	256,000	1,126,000	3,277,572

Public Works – Wastewater

WASTEWATER	Actual FY 19-20	Actual FY 20-21	Budget FY 21-22	Request FY 22-23	% Inc (Dec) of FY 22-23 over FY 21-22
Revenues	\$2,359,831	\$2,553,460	\$2,753,398	\$2,569,119	-6.69%
Expenses	\$1,428,979	\$1,488,583	\$1,532,319	\$1,587,884	3.63%
Net Wastewater Fund Budget	\$930,852	\$1,064,877	\$1,221,079	\$981,235	-19.64%

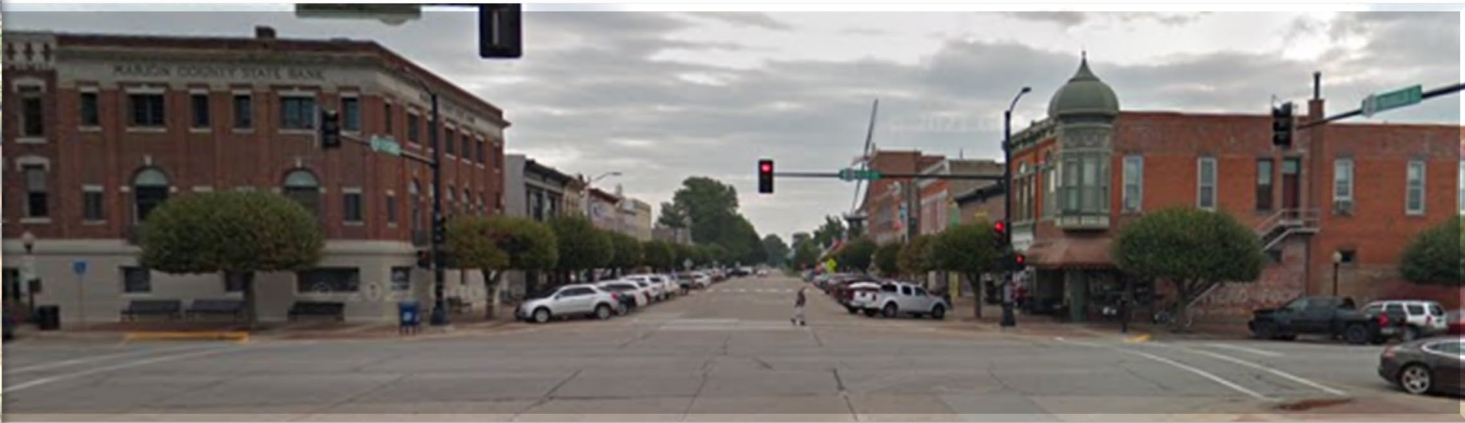


Wastewater CIP

Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Public Works: Wastewater								
SCADA Upgrade	WW-2022-01	2	15,000			25,000		40,000
UV Lamp Purchase	WW-2022-02	2	10,000		10,000		10,000	30,000
Pickup Truck Purchase	WW-2022-03	3		18,000		20,000		38,000
Manhole Rehab	WW-2022-04	1		30,000		30,000		60,000
Residential Local Street Imp/Sanitary Sewer	WW-2022-05	1	25,000	25,000	25,000	25,000	25,000	125,000
Lift Station #2 Motor Upgrade	WW-2022-06	4			80,000			80,000
Utility Trailer	WW-2022-08	1	6,000					6,000
Sewer Lining Project	WW-2022-09	1		154,820		145,500		300,320
1 Ton Flatbed Truck Purchase	WW-2022-10	2	25,000					25,000
Digester Cleaning	WW-2022-11	4			100,000			100,000
Advanced Metering Infrastructure (AMI)	WW-2022-14	3			388,072			388,072
Mobile Device for Collection/Distribution	WW-2023-01	1	6,000					6,000
Retube Boilers	WW-2023-02	1	35,000					35,000
Telescopic Boom Crane Purchase	WW-2023-03	1	6,500					6,500
Jet-Vac Truck Replacement	WW-2023-04	1					400,000	400,000
Public Works: Wastewater Total			128,500	227,820	603,072	245,500	435,000	1,639,892

Public Works – Streets & Airport

PW-NON WA/WW	Actual FY 19-20	Actual FY 20-21	Budget FY 21-22	Request FY 22-23	% Inc (Dec) of FY 22-23 over FY 21-22
Revenues	\$1,396,046	\$1,615,976	\$1,360,399	\$1,368,170	0.57%
Expenses	\$1,228,992	\$1,311,713	\$1,364,875	\$1,401,658	2.69%
Net General Fund Budget	\$167,054	\$304,263	(\$4,476)	(\$33,488)	648.17%



Department

Category	2023	2024	2025	2026	2027	Total
Public Works: Streets						
<u>Buildings</u>						
Cold Storage Building	PW-2022-15	100,000				100,000
Shop Facility Garage Doors	PW-2023-01	10,000	10,000		10,000	30,000
<i>Sub-Total</i>		110,000	10,000		10,000	130,000
<u>Central Business District Reconstruction</u>						
Old City Hall Alley	PW-2022-09	502,800				502,800
Central Business District Maint.	PW-2022-10	12,300	12,300	12,300	12,300	61,500
<i>Sub-Total</i>		515,100	12,300	12,300	12,300	564,300
<u>Equipment</u>						
Street Sweeper	PW-2022-17		250,000			250,000
Dump Truck Replacement	PW-2022-19			200,000		200,000
<i>Sub-Total</i>			250,000	200,000		450,000
<u>Residential Streets - Asphalt Overlay</u>						
University (Main to Central)	PW-2023-16		30,000	300,000		330,000
E. 3rd (Independence to Franklin)	PW-2023-17		30,000	300,000		330,000
240th (Vermeer Road North)	PW-2023-18		9,775	97,750		107,525
<i>Sub-Total</i>			69,775	697,750		767,525

Streets CIP (2 of 3)

Department		2023	2024	2025	2026	2027	Total
Category							
<u>Residential Streets - Reconstruction</u>							
E. 3rd (Oskaloosa to Peace)	PW-2022-01	489,500					489,500
Independence (Hazel to Farmer)	PW-2022-04	19,950	272,745				292,695
Union (E. 3rd to Morniningside)	PW-2022-06	9,188	260,000				269,188
University/8th Street	PW-2022-16	915,500					915,500
250th (Vermeer Road North)	PW-2022-20	527,250					527,250
Prairie (Truman to South)	PW-2023-04	985,800					985,800
Monroe (Oakwood to W. 3rd)	PW-2023-05	297,200					297,200
University (Main to E. 1st)	PW-2023-08				37,950	253,000	290,950
Boone (Lincoln to Jefferson)	PW-2023-09					56,295	56,295
Hazel (University to Peace)	PW-2023-12				47,438	316,250	363,688
Birch (Monroe to Spruce)	PW-2023-13				23,719	158,125	181,844
Orchard (Monroe to Spruce)	PW-2023-14				23,719	158,125	181,844
Woodlawn (Orchard to Cedar)	PW-2023-15					56,925	56,925
Sub-Total		3,244,388	532,745		132,826	998,720	4,908,679
<u>Street Construction - Major</u>							
Federal Aid Project	PW-2022-13		125,000	1,650,000			1,775,000
West Washington - Turn Lane	PW-2023-06	111,650					111,650
Washington/Fifield Road Traffic Signals	PW-2023-07		355,755				355,755
Sub-Total		111,650	480,755	1,650,000			2,242,405

Streets CIP (3 of 3)

Department		2023	2024	2025	2026	2027	Total
Category							
<u>Street Maintenance</u>							
Street Tree Removal	PW-2022-14	8,000	8,000	8,000	8,000	8,000	40,000
<i>Sub-Total</i>		8,000	8,000	8,000	8,000	8,000	40,000
<u>Trails/Sidewalks</u>							
Sidewalk and Bicycle Trail Repair & Maint.	PW-2022-11	5,000	5,000	5,000	5,000	5,000	25,000
<i>Sub-Total</i>		5,000	5,000	5,000	5,000	5,000	25,000
<u>Vehicles</u>							
Pick-up Truck Replacement	PW-2023-02		36,000				36,000
1-Ton Flatbed Truck	PW-2023-03					45,000	45,000
<i>Sub-Total</i>			36,000			45,000	81,000
Department Total:		3,994,138	1,144,575	2,633,050	358,126	1,079,020	9,208,909
GRAND TOTAL		3,994,138	1,144,575	2,633,050	358,126	1,079,020	9,208,909



Airport CIP

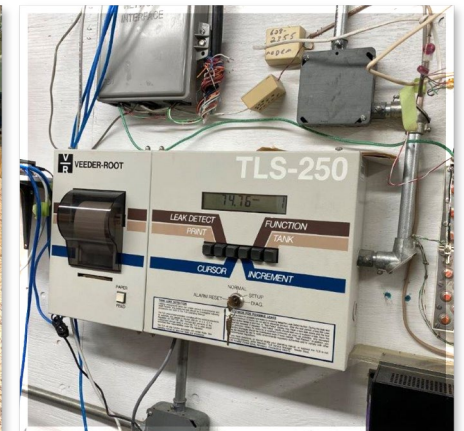
Department	Project #	Priority	2023	2024	2025	2026	2027	Total
Public Works: Airport								
Access Road Upgrade	22-Air-002	3	145,400					145,400
SCRAA	22-Air-003	1		51,000	213,500	249,100	2,792,000	3,305,600
Apron and Ramp Expansion	23-Air-001	1	1,496,000					1,496,000
Fuel Tank Monitoring System	23-Air-002	1	30,000					30,000
Terminal Building Repair	23-Air-003	1	14,478					14,478
New Hangar Building	23-Air-004	1	800,000					800,000
Public Works: Airport Total			2,485,878	51,000	213,500	249,100	2,792,000	5,791,478



PEORIA MUNICIPAL AIRPORT (DMA)

PAVE ACCESS ROAD PROJECT

DATE: 24 NOV 2021
 DRAWN BY: CASH/ST/1



QUESTIONS?

