

2<sup>nd</sup> Floor Conf., City Hall      1-11-24  
Mason City, Iowa                7:00 P.M.

MINUTES  
COUNCIL WORKSESSION

The City Council of the City of Mason City, Iowa, met in Worksession pursuant to law and rules of said Council, in the 2<sup>nd</sup> Floor Conference Room of City Hall at 7:00 P.M., on January 11, 2024. The meeting was called to order by the Mayor and on roll being called, there were present, Mayor in the Chair Schickel and the following Council Members: Lee, Latham (via telephone at 7:06 p.m.), Adams, Symonds, Masson, Jaszewski. Absent: None.

PROJECTS IN EXECUTIVE SUMMARY:  
Administrator Burnett mentioned the constraints were increasing costs and legislature curveballs, but stressed the departments had done a fantastic job of navigating the budget and turned the meeting over to Finance Director Hinson.

Finance Director Hinson stated staff was hoping the bid prices would settle down, pointing out the CIP was of a similar scope to last year and about the same amount overall. He remarked on the bond issuance compared to last year, noting what was being presented tonight was within bounds, sustainable by the city while still getting things done. He referred to the projects contained within the Executive Summary, stating the plan was \$165 million, however one item had come in late and needed to be added. He highlighted funding and overviewed the State Revolving Loan Fund and mentioned the Sewer Fund was not in the best shape.

7:06 p.m. Latham joined.

Hinson stated Mason City was fortunate. The city was relying more on TIF, but using it on a limited basis, emphasizing 5% was low.

Adams asked about the ambulance collection rate with Bullinger responding that this month was a catch-up month and they were still in line with projections and Hinson pointing out they were putting less miles on the ambulances as well due to some changes.

Masson asked if GMT was worth it (collections) with Bullinger stating it was definitely worth it and they had just received a reduced rate for the next two years and hoped to then do it in-house.

Regarding Bike North Iowa/Destination Iowa Improvements, Lee asked how much has been spent to date with Hinson responding around \$2 million, adding the

grant was \$11.9 million and there would not be a problem spending that and Burnett noting the city was on track with the timelines. He pointed out the project with the most variables was the Prairie Land Connector and explained why.

Discussion followed regarding sidewalks on Illinois and the High School project.

Hinson discussed Hwy 122 West, advising the first payment would be in FY 29 which was fairly aggressive and stressed the importance of having a placeholder. He also stated the Mercy 122 Highway Reconstruction was coming along, adding the anticipated budget had been increased to \$6 million and with that change the bond year issuance would be 12 years to make it work.

Discussion followed regarding the letting date for the Mercy project (January 2025), the reason for the increase (inflation and the possibility of more utility work) and the DOT's share of the project (60% DOT/40% City).

Hinson talked about the US 65/South Federal Reconstruction, advising that was scheduled for this calendar year with 19<sup>th</sup> Street being done first. He also stated one of the projects not included was the 4<sup>th</sup> Street NE retaining wall, explaining it was the City's responsibility and needed to be done.

Discussion followed regarding the importance of the boiler replacement at the pool and the irrigation system at the Golf Course.

Hinson stated staff had increased Collection System Maintenance projections due to recent televising results and the higher number of level 5's (ranking 1 to 5 with 5 being the worst). In addition, he referred to the Nutrient Reduction Project at the plant which was now at \$27.75 million (up from the initial \$10 million) and stressed that would continue to trend upward. Also, he stated there was a late breaking project to be added and that was the 43<sup>rd</sup> Street SW Lift with Burnett stressing the city could not serve New Energy Blue without that.

Hinson stated the Water Fund was good and reiterated the Sewer Fund needed significant analysis in FY 25 and 26, stressing the City was extremely low on water and sewer rates for a city of our size, however, within that structure our base rates were moderate to above average and believed more emphasis should be placed on usage and less on base rate and Mason City would still be well below average across the board.

Discussion followed regarding why the

nutrient reduction was \$10 million originally and now at \$27 million with Burnett stating there would still be one more year of fluctuation.

Adams questioned who the biggest creator of what we were trying to reduce with Hinson stating it probably rated more towards industry.

Adams asked if more weight could be placed on commercial with Hinson stating that was possible.

Adams asked if the State Revolving Loan Fund was guaranteed with Hinson concurring, stressing it was not a significant loan for them.

The Mayor asked about automated Sanitation collection with Hinson stating staff was planning to hire a consultant to study this, look at all the routes, come up with a plan to implement and look for grant money, adding 2025 was the planning year with 2026 being the year to start ordering trucks and 2027 to being implementation.

Lee asked Hinson if he had done this process before with Hinson concurring, adding the residents had loved it and it was comparable from a cost standpoint.

Lee asked about current Sanitation employees with Hinson stating it would be done in careful way and by attrition, noting there would be less people in Sanitation because of automated collection and Burnett stressing the most important thing to communicate through the process was that no employees would be let go rather there would be enough movement to keep all employees in place.

Jaszewski asked if there was a reduction in injury claims as a result of automation with Hinson stating it was way safer and Burnett stating the number of fatalities in Sanitation had plummeted since automation and it saved on injuries as well.

Hinson referred back to Storm Water and Sewer, explaining the structure was inequitable and staff would be looking at that and Burnett stating staff was doing a lot of work on the rates and wanted to push equity into the structure because it currently was not equitable, and it would put more of the rate on industry which was not where it was at right now. He also asked the Council to have conversations now if they thought staff were off base regarding that.

Further discussion followed regarding the rollback.

Lee stated he wanted to keep the levy stable and asked for the rate increase information prior to the next meeting.

Adjourn: The Mayor adjourned the meeting at 8:30 P.M.

/s/Bill Schickel  
Bill Schickel, Mayor

ATTEST:  
/s/Aaron Burnett  
Aaron, Burnett, City Clerk

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