

JOHNSTON CITY COUNCIL  
Work Session No. 17-04 - Minutes  
Johnston City Hall, 6221 Merle Hay Road  
Monday, February 6, 2017  
6:00 p.m.

1. **CALL TO ORDER**

Mayor Dierenfeld called the meeting to order at 6:02 p.m.

2. **ROLL CALL**

Present: Clabaugh, Brown, Cope, Lindeman, Temple

Agenda Items 3 and 4 were switched due to the length of discussion of both items and audience members present to discuss the Amega TIF request.

3. **AMEGA DOORS TIF REQUEST**

City Administrator Jim Sanders introduced the item. Amega Doors Garage Doors and Openers approached the City about the potential for TIF incentives to relocate to the City of Johnston from the City of Des Moines. Amega is being displaced due to selling the land for the expansion of a Qwik Trip, which is located right next door and desiring to expand with their new C-Store and fuel station design concept.

Amega representatives have examined other relocation areas around the Metro area and have settled on an area off of Beaver Drive (55<sup>th</sup> and Beaver), which is currently owned by a seller willing to sell the property to Amega. The plan of Amega would be to construct an approximate 12,500 square foot building. Current assessment of the property is just over \$760 (Agriculture). The projected assessed value as proposed with improvements made by Amega would be approximately \$1.1M, which would result in approx. \$45,000 in consolidated tax increment. Amega's project qualifies and staff recommend a forgivable loan, which is similar to other like projects. If Council is supportive, staff will direct development attorney to draft legal instruments and bring it back to Council for consideration.

4. **BUDGET DISCUSSION**

Sanders introduced the item: At the last budget work session on January 30<sup>th</sup>, Staff was directed to come back with an option leaving the tax rate at its current level of \$11.40 / 1000, and bring the reserve in line with policy of 25%. Staff thoroughly examined options and alternatives and have provided a balanced budget along the lines of what we were directed to at the last meeting. However, the one area staff have not been able to bring in line while maintaining the first priorities of the tax rate and reserve, is the increase in revenues at no more than 5%. It is at 5.49%.

Sanders stated that we hope to have an agreement and unified direction so Teresa (Finance Director Rotschafer) can plug in the numbers at the Council meeting immediately following and meet the requisite timeline. However, we would have a week approximately if necessary to convene a special meeting. Sanders added that the proposed budget has some decision packages, but that two were taken out completely following the January 30<sup>th</sup> budget meeting. Due to the property tax rollback, the effect of someone with a \$200,000 home is an approximate increase of \$29 even though the tax rate remains identical to last year.

Councilmember Cope stated that staff went over and above with the examination and adjustments, and trying to find ways to meet Council objectives; also, good job of adding staff in a broad based fashion. Cope's main concern is that we need more areas of restraint. Council has added all staff requested and those HR costs add up over time. He stated that he is nervous about how to manage those HR related costs. Rotschafer stated that increasingly over the last several years there is a significant vetting process before the decision packages, including staff additions, are brought to the Council. It is only after the City Administrator and HR Director are convinced through supporting documents that a staff addition is absolutely necessary that it is brought to the Council. The requests that reach Council are the bare

minimum to ensure the maximum efficiency and effectiveness of services are delivered per the Council desire in the most cost-effective manner.

Mayor Dierenfeld asked several questions related to clarification on revenues and expenditures. The Mayor also voiced some concerns with the tax increase although the tax rate is remaining the same. After some discussion it was concluded that the City budget as presented for this work session would be authorized to move forward with the required public hearing as scheduled to be set at the Council meeting later on this same night.

The meeting adjourned at 7:03 p.m.

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Paula S. Dierenfeld, Mayor

ATTEST:

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Cyndee D. Rhames, City Clerk