



TENTATIVE AGENDA
OTTUMWA CITY COUNCIL

SPECIAL WORK SESSION NO. 36
Room 8B – Depot Conference Room

November 12, 2024
5:30 O’Clock P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL: Council Member Hoffman, McAntire, Caviness, Reid, Galloway.
Council Member Galloway Acting as Mayor Pro Tem

APPROVAL OF AGENDA

1. Fiscal Year 2026 City Council Budget Goals Discussion.

All items on this agenda are subject to discussion and/or action.

ADJOURN

***** It is the goal of the City of Ottumwa that all City Council public meetings are accessible to people with disabilities. If you need assistance in participating in City Council meetings due to a disability as defined under the ADA, please call the City Clerk’s Office at (641) 683-0621 at least one (1) business day prior to the scheduled meeting to request an accommodation. *****



[CITY OF]
OTTUMWA

TO: Mayor and Council
CC: Department Heads
DATE: November 7, 2024
RE: Budget Work Session

It has been difficult over the last few years to create a budget that is balanced and meets the needs of our city. FY 26 will continue this trend. This not because expenditures are out of line, but rather that revenues continue to fall behind expenditures. The adjusted rollback has provided a 1% increase in values, however, any other change will not be known until December or January. We will need to budget to the average increase of 1.75%. The General Fund will receive additional LOSST but only half a year as the new distribution is not effective until January 2026.

We will also need continue to move towards the Consolidated General Fund Levy (CGFL). At last year's budget presentation, I recommended reducing the CGFL in FY 26 and FY 27 amounts necessary so the final reduction for FY 29 would be less of a sudden impact. This will result in an approximate \$0.18 reduction in the levy for FY26, assuming we are not forced into a larger reduction due to the growth percentage. Council could maintain the levy or have a smaller reduction. The full effect of the reduction will not be known until valuations are released.

No new debt is planned for FY 26 and the debt levy should remain constant. The CIP is helping to manage debt to meet our capital needs while not imposing large fluctuations in the levy. FY 27 will have additional debt issued as part of the CIP, but there will be capacity in the levy with some obligations rolling off.

As part of the CIP process, future revenues and expenditures for the Road Use Tax Fund were estimated. It is apparent that RUT funds from the State of Iowa are insufficient to meet capital and operational expenditures. This is a trend that has been occurring over several years and past budget practices of hoarding RUT funds and instability in the finance director position masked the trend. Benefits can be levied for personnel paid out of the RUT Fund. We currently do not levy for those costs.

Due to the anticipated revenues as noted above, departments have initially been instructed to hold the line as much as possible on their budget requests. Your priorities and goals for the FY 26 budget should take this information into consideration. Based on your direction, staff will tailor their requests to build a budget that reflects your wishes.

Cole S. O'Donnell, Finance Director
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odonnellc@ottumwa.us



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O T T U M W A

FAX COVER SHEET

City of Ottumwa

DATE: 11/8/2024 TIME: 8:00 AM NO. OF PAGES 23
(Including Cover Sheet)

TO: News Media CO: _____

FAX NO: _____

FROM: Christina Reinhard

FAX NO: 641-683-0613 PHONE NO: 641-683-0620

MEMO: Tentative Agenda for the Special City Council Work Session #36 to be held on 11/12/2024 at 5:30 P.M. in Room 8B – 2nd Floor Depot Conference Room, 210 West Main Street.
