



To: Mayor and City Council
From: Dylan Mulfinger
Subject: Budget Cut Act of 2025
Date: 9/22/2025

The city council discussed thoroughly the budget reductions for FY2026-FY2027. After several work sessions and meetings with stakeholders, the city council will vote on the budget cuts on October 13, 2025. This vote will help guide the city administrator and staff in preparing the FY2027 budget. Some of the anticipated budget cuts are already happening while some will be implemented July 1, 2026.

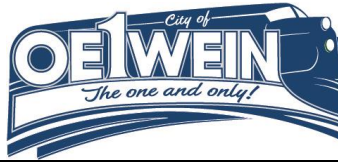
The city council is voting on the following major budget decisions:

- Retaining the code enforcement position
- Retaining road funding when available from local option sales tax and franchise fee
- Removing the Administrative Assistant position from Community Development
- Removing a Police Patrol Position
- Removing one cemetery and one park part time employee
- Eliminating \$30,000 from the library funding

The city council will vote on the following minor budget decisions:

- New phones, started September 2025
- Lower cost internet
- Drop big leaf in buildings and get fiber
- Work to lower attorney fees
- Less mowing with prairie plantings
- No downtown hanging baskets
- Remove downtown street scape when applicable
- Reduce city cell phones
- Cancel snow text alerts
- End funding for the farmer's market
- Reduce junk house removal to \$50,000 from \$60,000
- Move bulk sticker item cost to landfill fund

The cuts do fall short by \$100,000 which will require the city to revisit the cuts next year instead of in three years. The city administrator will continue to monitor revenues and expenditures to assure the city is in a financial position which ensures all services are provided to the public. With the state of Iowa still working to reduce property taxes, the city must continue to be diligent with spending and monitoring revenues. The city has consistently provided a balanced budget to the state of Iowa and will continue to do so regardless of the circumstances.



	Total Expenditure	Cut	Percent
Police	\$ 1,347,326	\$ 60,000	4.45%
Fire	\$ 108,316	\$ 5,000	4.62%
Inspection	\$ 217,300	\$ 44,928	20.68%
Inspection LOST	\$ 78,750	\$ 57,928	73.56%
Airport	\$ 60,600	\$ -	0.00%
Library	\$ 351,774	\$ 30,000	8.53%
Parks	\$ 265,250	\$ 15,000	5.66%
Campground	\$ 23,600	\$ -	0.00%
Rec	\$ 30,000	\$ -	0.00%
Pool	\$ 131,800	\$ -	0.00%
Cemetery	\$ 90,750	\$ 15,000	16.53%
General Admin	\$ 333,200	\$ -	0.00%

Should the city council want to reduce the number of cuts, I have provided some information to show the direction of the general fund. FY2025 ends June 30, 2025.

Cuts	FY2025 Year End	FY2026 Year End	FY2027 Year End	FY2028 Year End
0	\$ 845,141	\$ 365,512	\$ (114,117)	\$ (593,746)
\$100,000	\$ 845,141	\$ 465,512	\$ 85,883	\$ (293,746)
\$200,000	\$ 845,141	\$ 565,512	\$ 285,883	\$ 6,254
\$390,000	\$ 845,141	\$ 755,512	\$ 665,883	\$ 576,254

Here is a general breakdown of the cuts:

General Fund Cuts	\$ 271,759
Local Option Sales Tax Economic Development	\$ 70,000
Franchise Fee	\$ 50,000
	\$ 391,759



In FY2025 staff already accomplished the following to respond to less revenue for city services:

- Did not fill a police patrol position
- Raised building permit fees
- Cut the Fixed Based Operator (FBO) position
- Raised cemetery fees
- Cut fire equipment line
- Cut library page position
- The pool concession has been more aggressive in sales

It is important to recognize what has been done, and what needs to be done. The first out first in rule allows for prioritized items to be brought back once funding becomes available.

First out:

1. Police Patrol Position
2. Park and cemetery part time workers
3. Library funding
4. Code Enforcement officer
5. Community Development Administrative Assistant
6. City Hall reorganization

First in:

1. Police Patrol Position
2. Park and cemetery part time workers
3. Library funding
4. Code Enforcement officer
5. Community Development Administrator Assistant
6. City Hall reorganization

Budget cut Narrative

- Police Patrol Position
 - The city will hold back on hiring a police officer position which was already authorized by the city council. The opening comes from a retirement of a police officer in 2024. This will place a strain on the department as current shifts are already tight, and the flexibility of the department will be strained. Having a full staff of officers allows the city to take on work at a reasonable level for all employees
 - Cut= \$60,000
 - Started in 2024
- Park and cemetery part time workers
 - The city will cut \$30,000 from Parks and Cemetery. This will result in fewer part time employees at each department. There is potential for parks to be mowed less, the cemetery to be mowed less, and maintenance on all of our facilities to be delayed. Each department will not be able to take on additional projects and will force the department



to prioritize maintenance over new services for the community. You cannot get as much mowing down with six employees when the city had eight. This will also affect the downtown and Depot Park.

- Estimated Cut= \$30,000
 - Starting April of 2026
- Library funding
 - The city council will need to reduce the library department by \$30,000. This is to ensure the general fund will be balanced in FY2027. The city will need to make this cut and provide time for the library board to determine what moves they will make to absorb the cut. This could result in less services at the library. Once we take away all our public places, people will no longer be able to go anywhere.
 - Estimated cut \$30,000
 - Starting July 2026
- Community Development Administrator Assistant
 - With the reduction of Community Development, the city will not fill the administrative assistant position in Community Development. While the city was hoping to absorb this position over time, this position became open in April of 2025. All of these tasks are being divided up amongst staff. We will have some employees in Community Development take on tasks along with City Hall front office staff. All foot traffic will go through the front door of City Hall and Community Development will no longer have someone assisting for only Community Development matters. This places more tasks on City Hall and will reduce the availability to tackle City Clerk and City Administrator tasks or projects. This also places an additional workload on the existing Community Development employees.
 - Estimated Cut- \$44,928
 - Started April 2025
- Code Enforcement officer
 - The city will need to cut the code enforcement officer to create space in the general fund. This position was created by the city council in 2021. The City Administrator understood Community Development was at a high level of staff, because staff were needed to address the critical job of improving housing in Oelwein. With the city finishing up the first round of rental inspections and moving onto the second round. New software and longer tenure of staff should allow for more time for the Building Official and Building Inspector. This will reduce the city's ability to address code enforcement. This cut is not supported by the department head or the Mayor.
 - An alternative would be to move this position to a part-time April-November. The position would cap out at 1040 hours.
 - Estimated Cut- \$52,915
 - Alternative cut- \$26,457
 - Starting December 1, 2025
- City Hall reorganization
 - This move will start with the retirement of the City Clerk/Treasurer. City Hall will be evaluated, and staffing levels will be studied.
 - Cut costs unknown
 - Starting July 2026



- New phone contract October 2025
 - The city will move away from RingCentral and work toward a new plan which costs less and uses more function on computers.
 - Cut unknown
 - Starting October 2025
- Lower cost internet Summer 2025
 - The City will sign up for fiber internet through Hawkeye Telephone for the police station and city hall.
 - Cut= \$2,000 annually
 - Starting in late fall of 2025
- Drop bigleaf contracts which prioritize bandwidth
 - With fiber internet, the city will no longer need bigleaf to prioritize bandwidth within the police station and city hall.
 - Cut= \$4,800
 - Starting in late fall of 2025
- Work to lower attorney fees
 - This is an ongoing project the city will need to prioritize. Attorney fees have climbed up with the focus being on code enforcement and nuisance abatement. Since brining on Lynch Dallas, the city is nearing back-to-back years of \$100,000 attorney fees. This is much higher than any comparable city.
- Less mowing in the parks department with prairie plantings
 - The city will start placing prairie wherever prairie can be planted.
 - Cut unknown
 - Starting unknown
- No downtown hanging baskets
 - The city will no longer water the downtown hanging baskets. This will most likely result in the end of this program.
 - Cut 4 hours of staff time a day
 - Starting May of 2026
- Remove downtown streetscape
 - This will happen gradually as the downtown sidewalks are repaired. This will require less staff time, equipment, and supplies.
 - Cut unknown
 - Starting Summer of 2026
- Reduce city cell phones
 - The city has invested in VoIP which works on desktops and laptops. The city has also invested in radios. The need for cell phones is not as crucial as it once was for city staff. Any staff who needs to report to work must provide a cell phone or form of contact. Once the employee gets to work, they can use the city phone or the radio. The city's VoIP allows for an app which forward calls to a cellphone and allows the cellphone to make calls through the app. Staff is still evaluating this cut as it may not be large enough of a cut to make a complete switchover.



- \$3,243.24 annual cut general fund
 - \$2,157.84 annual cut other funds
 - Starting November 2025
- Snow text alerts
 - This service has been underutilized by residents and the city. The city currently has 263 or four percent of the population signed up for the service. City hall has only used this for snow alerts and has not ventured into other notifications. The problem from the staff's perspective is events don't happen enough for this app to be useful. Plus, when it comes to snow, the snow ordinance has been in effect for six years. The residents who get towed are not signed up for the service. I believe the process is now simple, if it snows, check the website and you will know if it is a snow emergency. The snow emergency is almost always called the night before as it is based on the anticipated amount of snow and not actual snow amounts.
 - Cut=\$2,544.10
 - Fall of 2025
- Back track on funding for the farmer's market
 - This funding was never officially approved because the City Administrator was working out the details with the farmer's market. The farmer's market still wants funding and was willing to work with the city on any funding amount. The city has no obligation to provide funding, but with the resurgence of the farmer's market, this was an investment the city wanted to make.
 - Cuts= \$5,000
 - Timeline= Current
- Move funding for the chamber to the hotel motel tax
 - The city would reduce the amount of available hotel motel funds from \$20,000 to \$10,000 each year with the chamber receiving \$10,000, of their \$50,000, from hotel motel funds. This would not include the payback clause should the chamber run a profit on their events. This frees up local option sales tax to be used for other general fund needs.
 - Cut= \$10,000
 - July 1, 2025
- Take junk house removal to 50,000 instead of 60,000
 - This cut is straightforward. The city would do less tear downs.
 - Cut \$10,000
 - July 1, 2025
- The housing tax abatement program will start to fall off each year eventually providing \$20,000
 - The city is slowly ending their five-year tax abatement plan. The new plan abates taxes but does not offer city reimbursement. The current reimbursement are paid for using the local options sales tax.
 - Cut \$10,000
 - Ongoing and will end in Spring of 2027
- End the reduced priced stickers for bulk items during the summer from local option sales tax



- The city would stop using local option sales tax to fund this program and use fees from the landfill fee. The Fayette County Solid Waste Commission returned a fees to the city as they were sitting on too much funding. We will buy down this funding each summer to help reduce the cost of large items stickers. Once the funding runs out, the city will stop this program.
 - Cut= \$5,000
 - Starting May 2025
- The tech spec payment ends in July of 2026 \$35,000
 - The city partnered with the school district on the tech spec building which created the Regional Tech Complex. The city entered an agreement to pay \$35,000 for 10 years. This payment ends in FY2026.
 - Cut= \$35,000
 - Starting July 1, 2026
- Police Loan Shift
 - Move the police station loan payment away from franchise fees to debt service as allowed each year
 - Free up franchise fee for supplementing public safety
 - This would be three transfers of \$100,000.
 - This money could also be used for library HVAC or pool floor
- Reduce road spending in Franchise Fees
 - Franchise fees can be used for public safety. Any time we offset the cost of public safety it allows the city to spend money on other general fund departments. While the city needs to maintain the streets, cuts are needed to ensure the city functions.
 - \$50,000 transfer from franchise to the general fund
 - The city already transfers \$30,000 for public safety from franchise fees

Large moves

- Vote on local option sales tax language to change to all government purposes
 - This is needed to allow for general fund operations to be charged to local option sales tax

The goals for these cuts was \$300,000. Completing all these cuts would result in \$391,759 savings to the general fund. It is important to know even with all of these cuts made, the future is still bleak as the state of Iowa only wants to reduce property taxes.