



To: Mayor and City Council
From: Dylan Mulfinger
Subject: Budget Cut Act of 2025
Date: 06/23/2025

The City Council has worked on the budget cut process for two work sessions. Through those work sessions the city council has provided direction on some items before a formal vote will take place.

Code Enforcement Position

The city council has provided some direction on going to part time, but that has not been consistent. The current employee is not interested in part time work for the city. Should the City Administrator be directed, the following options could be completed.

Eliminate the position in calendar year 2026.

This will provide \$52,915 of savings to local options sales tax which will be used by the general fund. This will also result in savings from benefits, car, office, and other staff expenses.

Changing the position to half time would result in 1,040 hours. This would be 26 weeks. We would run the position starting in May and go until the 26 weeks was reached. The position would not have benefits. The position would have an office, car, computer, and all other items needed to perform the job.

Eliminating the position would lead to the city placing all code enforcement duties on the Building Inspector and Building Official. Code enforcement would go from a pro active approach to a responsive approach. Most of our cases would come from complaints with other cases be addressed as time allows. Some city council members are worried about the city taking a step back and losing progress on cleaning up the city. The City Administrator cannot provide certainty that this will happen. Code enforcement is often an annual issue as most of our cases are repeat offenders. We also need a stronger court system to truly be successful. There are a lot of factors which must be taken into consideration when it comes to cleaning up derelict properties in town. The code enforcement officer, while a large part, is still one part in that process. In the end, the city cannot afford the position even though it is needed.

With large changes in Community Development, the city will need to make changes to the operations as all the duties will not be covered with staff reduction of 50 percent. Any operation changes will be brought to the city council for a vote.

Road Funding

Significant support has been shown to not reduce road funding by \$50,000 to support the general fund. No ideas on how to replace the \$50,000 have been provided. This will reduce the cuts to \$340,000. If this is the final direction from the city council, the City Administrator will work within the new proposed cut number.

Oelwein Chamber and Economic Development (OCAD) Funding

The City Administrator presented a plan which used hotel motel tax to fund OCAD. This plan was flipped on its head with several city council members now requesting a decrease in the funding to OCAD. If the city council wants to provide less funding to OCAD, the City Administrator wants the city council to work with OCAD to ensure both understand the effects of the cut. The city council should meet with the OCAD board to understand where the funding goes and what it is used for annually. After this meeting the city



council can then determine the best path forward. The City Administrator does not recommend a decrease in funding as OCAD is an extension of the city offering numerous events, economic development planning, and community betterment programs.

Wild Crazy Budget Recommendations

The current budget cuts presented so far are ones that will not rock the boat and hopefully cause the least disruption to the city's core services. I believe before the city enters another budget season; the city should hold public meetings allowing residents to come forward with ideas. The city council should also meet with the City Administrator and city staff to talk about fresh, newfangled, and unconventional ideas. One reason it is hard to bring the wild ideas forward is that they usually result in a full council chamber with residents ready to throw tomatoes. If council is in favor of this idea the City Administrator will start to create a timeline on when each meeting will be held.



	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:
 - Police Patrol Position
 - Park and cemetery part time workers
 - Library funding
 - Code Enforcement officer
 - Community Development Administrator Assistant
 - City Hall reorganization
 - First in:
 - Police Patrol Position
 - Park and cemetery part time workers
 - Library funding
 - Code Enforcement officer
 - Community Development Administrator Assistant
 - City Hall reorganization Budget cut Narrative
- Police Patrol Position
 - The city will hold back on hiring a police officer position that 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 that 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 that 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 that 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 that 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 that 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 that 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 that 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 that even with all of these cuts made, the future is still bleak as the state of Iowa only wants to reduce property taxes.