

Atlantic City Council met in a workshop session in the Council Chambers at City Hall with Mayor Garrett presiding. Council members present were Emily Kennedy (Ward 1), Jim Behrens (Ward 2), Mike McDermott (Ward 3), Shawn Sarsfield (Ward 4), Dana Halder (Ward 5), Gerald Brink (At-Large), and Elaine Otte (At-Large). Absent: None. Also present: Administrator John Lund, Clerk Laura McLean.

Motion by Sarsfield; second by McDermott to approve agenda. All ayes. Motion carried.

Council recited the Pledge of Allegiance.

Presentation, Discussion, and Review of Proposed Consolidated Property Tax Levy for FY 2026.

The current consolidated property tax levy for FY25 is \$17.25; with the anticipated budget for FY26, this would increase by 7.6% to \$18.15. \$2.2M that was not in the long-term capital improvement plan was added to the budget.

Alternatively, the Council has two options:

- 1) Terminating escrow to the two capital project funds for '26 and '28 could lower the levy to \$17.85 which would be a 5.8% increase by shifting money; changing the LOST streets fund;
- 2) Amortizing all the \$4.2M debt over 20 years would keep the debt payments steady for the entire period, taking on long-term higher interest payments in order to keep tax rates lower.

Lund had hoped the health insurance levy would go down because some new employees chose deferred compensation instead of health insurance but with the amount that costs are rising, it's a wash.

Lund will commission a new street inventory plan after 2028 improvements are finished. The City has done very little complete streets reconstruction, opting for overlays instead; so, Streets spending will rise in the future.

The Council's consensus was to direct Lund to implement the first option, raising the levy by 5.8%.

Local Option Sales Tax Fund (LOST) Budgets and Additional Projects for FY 2026.

Lund presented two main options for LOST distribution—Option A uses just a Revenue Fund and Option B uses a Revenue and a Sinking Fund. City council needs to choose between them; decisions about itemized expenditures can be made later.

The Council decided to allocate more funds to CADCO specifically for economic development.

Lund explained that the Road Use Tax has been stagnant for 5-8 years; the City will receive much less funding following the next census unless the population increases. This money can only be used for anything related to streets and driving.

Council consensus was to choose Option B for LOST distribution. Lund will update the figures before the 2/19 meeting. This will include a pure revenue bond for \$2.5M to go with the \$4.6M in debt, abating the debt service to lower the levy.

The Mayor recommended the Council consider including work on Bull Creek in the FY26 budget. She and several others will meet with a team of professors and students from Iowa State next week. This project was selected from the Mayors' Design Workshop to help train ISU students, who will provide analysis, data, and remediation plans at no cost to the City. They will also help to identify funding sources.

Halder raised the concern that the retention basin in front of AMS along 10th Street is too congested and won't work. McDermott thinks it's ok but said he will follow up.

Order to Enter Exempt Session Pursuant to Iowa Code Section 20.17(3) Providing for the Strategy Meetings of Public Employers for Collective Bargaining.

Motion by Behrens, second by Halder to enter exempt session at 6:16 pm. All ayes: motion passed.

Motion by Kennedy, second by Sarsfield to exit exempt session. All ayes: motion passed.

Motion by McDermott, second by Behrens to enter open session at 6:42 pm. All ayes: motion passed.

Other Business:

The Y will send out Comprehensive Planning surveys to their email membership list. CPC will hold town hall sessions at noon and 6 pm on February 26th at City Hall.

Behrens surfaced a concern from the Fire Department about people setting the yard waste pile on fire. The Fire Department will coordinate with Public Works to mitigate the hazard.

Sarsfield asked when the Council should hold more listening sessions.

Motion by McDermott; second by Sarsfield to adjourn at 6:48 pm. All ayes. Motion passed.

Grace N. Garrett, Mayor

ATTEST: _____
Laura McLean, City Clerk