MEETING MINUTES
The City of Polk City
Work Session
4:30 p.m., Wednesday, January 28, 2026
City Hall Council Chambers

A Council Work Session was held on January 28, 2026, at 4:30 p.m. at the City Hall Council Chambers in Polk City, Iowa. Mayor Karsjen and City Council Members Dave Dvorak, Rob Sarchet, Jeff Savage, James Hill, and Nick Otis were present.

Minutes

The City Manager, Chelsea Huisman, opened the session by thanking the Council and staff, noting that development of the proposed FY2027 budget had been underway for several months. She emphasized the importance of the Council's fiscal oversight and encouraged questions and feedback throughout the session.

Huisman reviewed the Fiscal Year 2027 budget schedule, explaining that departmental budget worksheets were distributed in late November and early December, with submissions due December 17. Internal meetings with department heads were held between January 7 and 14. She noted that a second budget work session, tentatively scheduled for February 9, may be held if revisions are needed. She reviewed statutory requirements for setting a public hearing on the proposed property tax levy at the February 23 Council meeting, publication of notice by March 13, the required levy hearing on March 23, and final budget adoption scheduled for April 13.

Huisman presented highlights of the proposed FY27 budget, noting that regular taxable valuations increased by 2.65% and debt service valuations increased by 6.78%. She recommended maintaining the total levy rate at $11.00 per $1,000 of taxable valuation, citing state-level uncertainty regarding property tax reform and the city's need to sustain service levels amid continued growth. She stated that she could neither recommend lowering the levy due to potential state-mandated changes nor increasing it because the city's needs could be met through strategic planning. She emphasized the city's strong reserves and summarized key figures: anticipated revenues just above $19 million, total expenditures of approximately $21.8 million due mainly to multi-year capital projects, an operating budget of $13.6 million, and a general fund surplus projected at roughly $42,000.

In reviewing capital projects, Huisman began with the North Trunk Sewer Project, which remains a Council priority for FY27. The project's total estimated cost is $3.8 million, with $1.8 million budgeted for FY27 and the remainder anticipated in FY28. She recommended issuing an RFP for engineering services in the spring, noting that this process adds several months but would not result in spending until FY27. The Council discussed prioritization relative to the Northeast Trunk Sewer, easement and acquisition needs, development staging impacts, and overall project sequencing. Consensus was to keep the project in the FY27 budget and continue discussions regarding timing and design.

Huisman reviewed the consolidated Polk City Corridor Studies, which combine several previously planned studies into a single contract awarded in December 2025 totaling $109,900. Costs will be split between FY26 and FY27, and amendments to both the FY26 operating budget and the CIP will be required. She then discussed the former City Hall remodel project. Approximately $100,000 has already been spent in

FY26, and the FY27 budget includes $150,000 to continue project work. While earlier conversations included potential demolition of building additions, the final direction remains undecided; therefore, the budget maintains funding as a placeholder aligned with the CIP.

Huisman next reviewed the Annual Street Repair Project, recommending an increase from $250,000 to $400,000 for FY27. Public Works estimated over $4.41 million in total needed repairs across all street condition categories, plus an additional $240,000 in trail repairs. Discussion followed regarding long-term funding needs, annual deterioration, inflation, seasonal conditions, and the necessity of planning for major future corridor reconstruction projects. Council requested additional analysis for a later work session to better understand long-term street repair requirements and options.

The Police Station and Library schematic design funding of $60,000 remains included in FY27. The Council discussed whether schematic design should include a potential recreation facility and whether alternative sites – including those with future commercial development potential – should be evaluated. While the initial CIP placed the project on the current city-owned site, Council members indicated interest in exploring other locations before formally initiating design. Funding remains in the FY27 budget while future work sessions address location and scope.

Huisman also summarized ongoing capital projects extending into FY27, including the Polk City Junction Trail and Trailhead, the Sump Pump Collector Project, the Northside Drive Roundabout and trail segment, and Phase 1 of the Regional Park. She then outlined other budget priorities such as $20,000 for regional economic development membership, a $5,000 Polk City Chamber community sponsorship, funding for the Four Seasons Festival, and associated part-time staffing. She proposed completing a Master Arts Plan with an estimated cost of $25,000, noting that Bravo's grant program could fund up to 60%. She also reviewed the proposal to replace physical servers at City Hall, Police, and Fire with cloud-based systems at a total cost of $39,500 over two fiscal years, resulting in reduced maintenance expenses. Capital equipment funding for FY27 includes $37,500 for the Police Department, $165,000 for the Fire Department, and $185,000 for the Public Works Department.

Department head presentations followed. Police Chief Siepker reviewed his department's operating and capital needs, including increased training costs tied to certification requirements, rising facility maintenance needs, equipment replacements such as handguns, reduced leased vehicle costs, implementation of Lexipol policy management software, and increased dispatch cost-sharing obligations. He identified remaining capital needs, including completion of the server migration.

Fire Chief Hogrefe, attending remotely, reviewed her department's staffing and equipment needs, emphasizing the benefits of adding a full-time firefighter/paramedic and the importance of maintaining sufficient staffing to ensure fire engine and ambulance availability. She cited periods during which engines or ambulances were taken out of service due to staffing shortages and highlighted increased call volume. She also presented capital needs, including replacement of the 21-year-old rescue boat and expiring bunker gear.

Building Inspector Olson reported stable operations with a projected $50,000 increase in permit revenue due to continued residential growth and anticipated commercial activity. He noted the addition of minor vehicle and inspection costs, including use of Safe Building for overflow and commercial plan review, with most costs passed through to permit applicants. He highlighted significant year-over-year permit growth and cautioned that sustained workload increases could affect future ISO ratings.

Parks & Rec Director Thraen outlined operational increases driven by Regional Park Phase 1, including mowing and turf-establishment costs, additional maintenance of surrounding undeveloped acreage, and dual-source irrigation needs. He noted that expanded programming capacity from the new Recreation Coordinator will offset costs through the department's cost-recovery model and identified future opportunities tied to new park and trail amenities.

Library Director Noack summarized her department's operating needs, emphasizing rising material costs—especially for eBooks, audiobooks, and newly required shipping fees—alongside significant community use of both physical and digital collections. She highlighted the library's extensive programming, high participation levels, and substantial economic value returned to residents through materials and services.

Public Works Director Schulte reported stable operating budgets across streets, water, sewer, and stormwater, noting no major line-item increases. He identified capital needs including a new loader/backhoe to reduce rental reliance, a replacement batwing mower for ditch and easement mowing, and a skid-loader broom. He stated that while most mowing is contracted, specialized in-house equipment remains necessary for hard-to-reach areas, ditches and nuisance abatement.

City Manager Huisman briefly reviewed the remaining budget areas, noting that garbage and recycling services—contracted through Metro Waste Authority—total $496,000 for FY27, while the administration and general government budget, which covers City Hall operations, City Council and Mayor functions, legal services, audits, and elections, totals $567,000. Council member Rob Sarchett also relayed an update from Metro Waste Authority regarding legislative monitoring efforts and their increased use of lobbying resources and mentioned the availability of upcoming landfill tours.

Adjournment
Motion was made by Otis and seconded by Hill to Adjourn at 7:44 p.m.
Motion carried Unanimously.

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Steve Karsjen, Mayor

Attest

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Susan Lawton, City Clerk