

CITY OF MUSCATINE  
REGULAR CITY COUNCIL MINUTES  
Council Chambers – 7:00 p.m. – March 6, 2014

Mayor Hopkins called the City Council meeting for Thursday, March 6, 2014, to order at 7:00 p.m. Councilmembers present were Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread.

The meeting began with the Pledge of Allegiance.

Mayor Hopkins swore in Firefighters Roy Patterson, Colin Suiter, and Nate Paxton.

Anna Masengard, Miss Scott County, stated her platform is Music in Education. She asked that City Council recognize the importance of music in education by adopting the proclamation claiming March 2014 as “Music in Education Month”.

#22789. Councilmember Natvig, seconded by Councilmember Spread, moved the Consent Agenda be approved as follows:

- Approval of February 18, 2014 Budget minutes and February 20, 2014 City Council minutes
- Tax Abatement applications approved under the 2013 Tax Abatement Program
- Approval of use of city property for Ss. Mary & Mathias Catholic School Annual Hustle on April 5, 2014 beginning at 9 a.m. following the same route used in past years
- Approval of use of airport property for “Mission at the Airport” on June 25, 2014 from 2 to 8 p.m.
- Filing of Communications A-G
- Approval of Bills for Approval in the amount of \$1,019,953.59

Vote – All ayes; motion carried.

**PUBLIC HEARING**

Mayor Hopkins stated a public hearing was being held concerning the proposed Amendment #1 to the City Budget for fiscal year 2013/2014.

There were no oral or written petitions for or against this proposed action.

#22790. Councilmember Shihadeh moved the public hearing be closed. Seconded by Councilmember Bynum. All ayes; motion carried.

**PUBLIC HEARING**

Mayor Hopkins stated a public hearing was being held concerning the proposed adoption of the City Budget and Certification of Taxes for fiscal year 2014/2015.

A power point presentation was given by Finance Director Nancy Lueck. She stated the proposed budget includes \$47,298,400 operating and capital expenditures and \$45,835,207 revenues with available fund balances and prior year bond proceeds used in 2014/2015. She stated that general property taxes (excluding TIF taxes) are \$12,541,759. She explained where the revenues come from as well as city expenditures by function. She then gave an overview of the city tax levy rates by type stating the \$15.67209 per \$1,000 has been maintained at approximately the same rate for the past five years.

City Administrator Gregg Mandsager then continued the power point presentation. Referencing the city's property tax rate, he explained how the city was able to maintain the tax rate at its current level. He stated property taxes are shared between the city, school district, and county.

City Administrator Mandsager then reviewed the General Fund highlights. He stated the budget projects an ending balance on June 30, 2015 of \$2,991,801 which is 16.8% of General Fund expenditures. He stated this is slightly higher than the minimum of 16.7% required by the city's recently updated General Fund balance policy. He stated that significant budget items and assumptions include the following:

- Funding for the Police and Fire pension contribution rate increase
- Cost of living increases for both union and non-union employees
- Small change in General Fund full-time equipment positions for 2014/2015 which is a .13 full-time reduction in library part-time staffing
- Increased insurance costs (\$51,600 over last year) mainly due to market factors rather than city experience
- Continued use of TIF funds to fund economic development administrative costs (\$112,500) as well as economic development efforts of the GMCCI (\$35,000)
- Continued subsidies to GMCCI, Senior Resources, and Humane Society at current levels
- Continue the CVB's application at 25% of actual prior year hotel/motel tax revenue
- Continue funding contributions to the Equipment Replacement Fund and Computer Replacement Fund equivalent to the needs for 2014/2015

City Administrator Mandsager stated the proposed budget is based on positioning the city to address economic challenges, maintaining existing levels of services to the community, and positioning the city to meet new challenges. He stated that in the event of significant revenue losses after the budget is adopted, the city has established the Utility Franchise Fee that can be changed by City Council action from the current 1% up to 5%. He stated there is no change included in the budget, but increasing those funds could be considered in the future if necessary.

City Administrator Mandsager stated the budget is one that finds a balance between the overall city property tax rate, maintains a sufficient level of General Fund balance, and provides departments with the resources and equipment needed to perform their department functions efficiently.

City Administrator Mandsager stated that the fiscal year 2013 budget included for the first time "assigned" funding for future year purchases. He stated these funding assignments included the allocations for the new fire engine, new financial software, and the annual allocations of \$40,000 set aside to fund the city's obligation to retain the two new COPS grant funded police officers for one year subsequent to the three-year grant period. He stated the fire engine and financial software were purchased in fiscal year 2013/2014. He stated the fiscal year 2015 budget includes only one funding assignment which is the final year of set-aside funding for the fourth year of the COPS grant obligation. The three-year period for the two COPS grant funded officers ends in February 2015.

City Administrator Mandsager then gave a brief overview of the Enterprise Funds. He stated that rate increases are budgeted for sewer, collection and drainage and golf fees. He stated fees are not budgeted to increase in other funds including transfer station, landfill, refuse collection, transit, ambulance, airport, and parking. He stated the Enterprise Funds have balanced budgets except for the Landfill Fund. He stated the budget continues to reflect the plan to substantially reduce or eliminate the deficit in this fund over the next two to three years.

City Administrator Mandsager reviewed the Capital Projects Summary. He stated that in addition to the operating budget, the fiscal year 2014/2015 budget includes a total of \$8,430,700 for capital projects which include the following:

- \$4,047,000 for street-related projects
- \$50,000 to begin a new sidewalks program
- \$1,673,000 for sewer-related projects
- \$780,000 for the Hauled Waste Dump Site at the Water Pollution Control Plant
- \$683,400 for the Musser to Wiggins Road Trail
- \$541,300 for airport improvements
- \$400,000 for the CDBG Downtown Revitalization Project
- \$221,000 for ambulance equipment
- \$35,000 for library building improvements

City Administrator Mandsager stated these projects will be funded from grants, local option sales tax, sewer reserve funds, and general obligation bond proceeds.

City Administrator Mandsager, speaking in reference to fiscal year 2015 and beyond, reviewed the city's financial consultant's projection for annual changes in taxable valuations for future years based on growth assumptions and the state's projections for changes in the residential rollback each year. He stated the average annual increase in taxable valuation over the past 10 years was 2.5% and the projected average annual increase over the next 10 years is .39%. He stated that future assumptions include the state maintaining the backfill for the commercial and industrial property rollbacks.

City Administrator Mandsager ended his presentation by stating that Police and Fire pensions will continue to be significant costs to the city, the IDOT or legislative rules may impact future Automatic Traffic Enforcement revenues, \$600,000 would be equivalent to \$.76/\$1,000 of valuation in property taxes, Utility Franchise Fees could be increased from the current 1% to 5%, and Tax Increment Financing (TIF) changes also continue to be discussed by the state legislature.

City Administrator Mandsager thanked City Council and staff, especially Nancy Lueck, for working to put an excellent budget together once again. He stated he feels this budget maintains the city's services and puts us in a strong position to move forward.

There were no oral or written petitions for or against the proposed budget.

#22791. Councilmember Shihadeh moved the public hearing be closed. Seconded by Councilmember Natvig. All ayes; motion carried.

#22792. Councilmember Phillips moved the resolution be adopted approving Amendment #1 to the 2013/2014 city budget. Seconded by Councilmember Spread. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#22793. Councilmember Bynum moved to adopt the resolution adopting the budget and certification of taxes for fiscal year 2014/2015. Seconded by Councilmember Phillips. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#22794. Councilmember Spread moved to adopt the resolution adopting and approving tax compliance procedures relating to tax-exempt bonds. Seconded by Councilmember Rehwaldt. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#22795. Councilmember Natvig moved the resolution be adopted authorizing changes to the Section 8 Administrative Plan. Seconded by Councilmember Fitzgerald. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#22796. Councilmember Phillips moved the resolution be adopted setting a public hearing for a west cellular tower lease extension at Greenwood Cemetery for Thursday, March 20, 2014, at 7:00 p.m. in the City Hall Council Chambers. Seconded by Councilmember Spread. All ayes: Councilmembers Rehwaldt, Natvig, Shihadeh, Bynum, Phillips, and Spread. Motion carried.

#22797. Councilmember Bynum moved to approve the request from the Fire Department for an issuance of a purchase order to Foster Coach in the amount of \$70,928 for the Ambulance Refurbishment Project. Seconded by Councilmember Shihadeh. All ayes; motion carried.

#22798. Councilmember Fitzgerald moved to approve the Outdoor Dining on Public Right-of-Way Pilot Program. Seconded by Councilmember Natvig.

Councilmember Bynum stated the picture shows a portion of the dining area on the street and asked if that was correct.

City Administrator Mandsager answered yes. He stated that as part of the pilot program, right-of-way dining will be on a raised platform to ensure adequate safety of the diners.

Councilmember Bynum asked how many platforms there will be.

City Administrator Mandsager stated there is only one for this pilot program.

City Planner Andrew Fangman stated the platform will take up two spaces on Iowa Avenue. He stated it is anticipated there will be more right-of-way platforms in the future if the pilot program is a success.

Councilmember Shihadeh asked if the meters would be taken out, and City Administrator Mandsager stated that was discussion is not related to this particular program.

Councilmember Natvig asked what city was shown in the picture, and Mr. Fangman stated he thought it was West Palm Beach, Florida.

City Administrator Mandsager stated there is a of right-of-way platform currently in use in downtown Iowa City.

Mr. Fangman passed around pictures showing right-of-way dining in Cedar Rapids and Iowa City.

Councilmember Phillips asked how the city will account for losing two parking places and the cost of the structures.

City Administrator Mandsager reminded City Council that this is only a pilot program.

Vote – All ayes; motion carried.

#22799. Councilmember Natvig moved to declare city vehicles and equipment as surplus. Seconded by Councilmember Shihadeh. All ayes; motion carried.

#22800. Councilmember Spread moved to approve the establishment of “No Parking In Alley” between E. 8<sup>th</sup>/E. 9<sup>th</sup> streets off Sycamore Street. Seconded by Councilmember Shihadeh. All ayes; motion carried.

Under comments, Councilmember Rehwaldt stated he feels the Mayor and City Council should write personal thank you notes to Public Works Director Randy Hill’s staff for their work this winter season.

Councilmember Spread thanked staff for their hard work on this year’s budget.

City Administrator Mandsager stated that Howard Anderson, the custodian for city hall, was retiring on Friday, March 7, 2014. He stated Howard was responsible for redoing much of the woodwork in city hall. He stated he is looking forward to the work continuing with the new staff member.

Mayor Hopkins thanked Councilmember Fitzgerald for acting as Mayor Pro Tem while he was on vacation.

#22801. Councilmember Shihadeh moved the meeting be adjourned at 7:41 p.m. Seconded by Councilmember Fitzgerald. All ayes; motion carried.

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DeWayne Hopkins, Mayor

ATTEST:

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Gregg Mandsager, City Administrator