

## **City Administrator Report to Mayor & City Council**

*November 14, 2014, Edition No. 151*

### **WEEKLY UPDATE:**

1. Bi-State: Attached is the November Commission Packet. The NEXT Commission meeting scheduled for Wednesday, November 19, 2014.
2. CDBG: Here is an update on the CDBG program from Adam. A full update will be presented at the next In-Depth Session. Update - The grant period is 8-1-13 through 7-31-16. We have finalized a bank loan program to assist the property owners with funds for improvements. I am setting up times to meet with property owners to review 95% designs and get their commitment to the project in writing. We will submit design for SHPO review the end of November. We plan to go out to bid in January for spring construction. We will complete all of the utility and alley work first then on to the buildings, finishing up with the bio-retention cells. I am planning to have the grant closed out by the end of the year 2015. We will be updating council at December in-depth and discussing the parking lot and storm water improvements. We also just finished working out the details and process for low-doc loans from the three local banks for property owners in this project to help with stretching out or leveraging our grant dollars. Expect a press release to be issued very soon.
3. Leg Policy Committee: Please see the attached documents from the most recent Iowa League Legislative Policy Committee meeting.
4. Pearl 3: Staff continues to work with CIAT to define the details of a Vision Iowa CAT grant application. The grant is due January 15th and presently includes the trail, dog park, events tent, deep lakes beach, soccer parking lot and graded/seeded grass fields. It may be appropriate to add the Art Center envelop and HVAC improvements to the application to indicate higher, local financial support.
5. Austin: Just a quick reminder that I will be leaving Wednesday to attend the National League of Cities as a representative from the Iowa League. I will be available via cell and email. Randy will stand in for me Thursday night.
6. Colorado: Update from Randy Hill - Jim and I talked further about Colorado Street. We are looking at approximately \$140K in overruns. However, the City's portion of that is \$65K - \$70K primarily due to additional concrete and asphalt that was required. The balance belongs to MPW. I don't think that is too bad for a \$2.8 million project (about 2%). The \$65K includes approved change orders to date.

## MEETING ANNOUNCEMENT AND AGENDA BI-STATE REGIONAL COMMISSION

Wednesday, November 19, 2014, 3:30 p.m.  
Scott County Administration Building  
600 West Fourth Street  
Davenport, IA

FINANCIAL  
(green)

ACTION NEEDED  
(yellow)

INFORMATIONAL  
(white)

X  
  
X  
  
X  
  
X  
  
X

X  
  
X  
  
X  
  
X

X

1. Approval of the October 22, 2014 Minutes (See enclosed) – Larry Minard, Chair
2. Treasurer’s Report (See enclosed) – Marty O’Boyle, Treasurer
3. Finance and Personnel Committee/Financial Matters – Chuck Austin, Finance and Personnel Committee Chair
  - a. Bills (See enclosed)
  - b. Report on Progress on Commission’s FY 2015 Program Budget as of 10/31/2014 (See enclosed)
  - c. Contracts/Grants for Consideration – Denise Bulat, Executive Director

I. Hurt Norton & Associates, Inc.	Legislative Technical Services Support	Up to \$96,000	12/1/14-11/30/15
II. Quad City Health Initiative	Partnerships to Improve Community Health – Safe route to schools planning and web-based map and mobile application	\$123,874	12 months after grant execution

### III. Other Contracts/Grants

- X
4. Update on GIS Activities in the Region – Overview and Henry County – Lisa Miller; *Muscatine Area GIS Consortium (MAGIC)* – Mark Warren; *City of Moline/Rock Island County* – Todd Green; *Scott County* – Ray Weiser
  - X
  5. Economic Development Tools – Lisa Miller, Data/GIS Director
  6. Questions or Comments by Commissioners
  7. Other Business
  8. Adjournment

**NEXT MEETING: Wednesday, December 17, 2014 – 3:30 p.m.**  
Scott County Administration Building  
600 West Fourth Street  
Davenport, IA

**MINUTES OF THE  
BI-STATE REGIONAL COMMISSION**

Wednesday, October 22, 2014, 3:30 p.m.  
Rock Island County Board Room  
1504 Third Avenue  
Rock Island, Illinois

**MEMBERS PRESENT:** Minard – Chair, Conrad, Earnhardt, Furlong, Goodwin, Gordon, Heninger, Hillman, Lawrence, Liddell, Meeker, Newton-Butt, O’Boyle, Schloemer, Sherwin, Stoermer, Sunderbruch, Tank, Thodos, Volz, Wells

**MEMBERS ABSENT:** Anderson, Austin, Callaway-Thompson, Gallagher, Gluba, Holmes, Hopkins, Howard, Maranda, Pauley, Raes, Tossell, Washburn, Williams

**OTHERS PRESENT:** Cathie Rochau, Quad City International Airport; Ed Rivers, Scott County Health Department

**STAFF PRESENT:** Bulat, Grabowski, Moritz

Chair Minard called the meeting to order at 3:38 p.m.

1. **Approval of the September 24, 2014 Minutes and Ratify Actions Taken at September 24, 2014 Meeting.** Mr. Schloemer moved to approve the minutes of September 24, 2014 as presented. Mr. Furlong seconded the motion, and it passed unanimously. The actions taken at the September 24, 2014 were ratified by consensus.
2. **Treasurer’s Report.** Mayor O’Boyle presented the Treasurer’s Report for the month ending September 30, 2014, noting an ending total bank and book balance of \$668,469.37. Mayor O’Boyle moved the report be accepted as written and mailed. Ms. Earnhardt seconded the motion, and it passed unanimously.
3. **Finance and Personnel Committee.**
  - a. **Bills.** Ms. Hillman presented the bills totaling \$119,914.03, as listed on the following bills listing and addendum dated October 22, 2014:

**Bills List**

Bohnsack & Frommelt LLP, progress billing for year-end audit 2014	\$ 10,000.00
Hurt, Norton & Associates, September 2014 legislative technical service (cost reimbursed by participating member governments)	7,750.00
Place Dynamics, background analysis, asset mapping and rating system (cost reimbursed by HCEDP/Rural Accelerator Grant)	10,500.00
RK Dixon, network maintenance and copier charges	2,914.21
Thomas A. Skorepa, P.C., Administrative Hearing Officer services (cost reimbursed by MUNICES)	2,800.00

Addendum

Bancard Center, VISA charge card expenses related to 2 staff attending the Economic Development Administration Chicago Regional Conference; 5 Webinars hosted by the Association of Pedestrian & Bicycle Professionals; Iowa Association of Regional Councils meeting; Managers & Administrators meeting (cost reimbursed by participants); Quad Cities Riverfront Council meeting (cost reimbursed by participants); 1 staff attending the Midwest Energy International Symposium; 5 staff attending the Illinois Department of Transportation/Metropolitan Planning Organization Fall Planning conference; 2 staff attending the Iowa Association of Regional Councils conference; office supplies	3,877.34
City of East Moline, Municipal Code Enforcement System proceeds	5,873.69
Louisa Ewert, Treasurer	5,026.51
11/2014                    Rent          \$4,618.38	
11/2014                    Internet Access          88.00	
09/2014                    Supplies                140.13	
09/2014                    Cell Phone              180.00*	
*(Partial costs reimbursed by HCEDP/Rural Accelerator Grant)	
City of Moline, Municipal Code Enforcement System proceeds	3,233.60
City of Rock Island, Municipal Code Enforcement System proceeds	44,393.90
Strategic Development Group, Inc., Innovation Hub Research (reimbursed by EDA grant)	8,580.52
URS Corporation, Household Survey and Model Integration Project (reimbursed by Air Quality grants)	14,964.26

Ms. Hillman moved approval of the bills totaling \$119,914.03 as presented above.  
 Mr. Volz seconded the motion, and it passed unanimously.

- b. Report on Progress on Commission’s FY 2014-15 Program Budget as of September 30, 2014. Ms. Hillman explained the Program Budget Status Report was mailed in members' packets. The Commission is 25% through the fiscal year with 24.1% expended and within budget.
- c. Contracts/Grants for Consideration. Ms. Bulat presented the following contract over \$7,500 for the Commission to consider.
  - Contract with Missman, Inc. for Enterprise Zone legal description and survey beginning October 22, 2014 through December 31, 2014. Costs reimbursed by Illinois Quad City communities.

Mr. Furlong moved approval of the contract as presented above. Ms. Earnhardt seconded the motion, and it passed unanimously.

- 4. Quad City International Airport Update. Ms. Rochau reported that the Quad City International Airport completed major expansion projects in 2014. One of the airport’s most recent projects is completion of Phase II Runway rehabilitation project and the addition of guard lights, ALCMS, and markings.

The airport has created a general aviation customs facility that houses federal inspection services. In the future, the airport plans to handle international charter flights and accommodate larger planes with more passengers. Currently, airplanes coming from other countries have to make stops at other

airports to go through customs before coming to the Quad Cities. Customs agents would need to be brought in with the expansion of services.

Ms. Rochau said that another completed project includes a new rental car service facility that cleans and refuels all rental cars. Multiple rental car companies will be serviced through the new state-of-the-art facility. Additionally, Frontier Hospitality completed construction of a Holiday Inn Express next to the airport that, in addition to rooms, has capability to accommodate meetings and social functions.

According to Ms. Rochau, enplanements are similar to the prior year with 383,027. Besides the loss of Air Tran, another reason for the drop in enplanements is due to the fact that airlines are capping passenger numbers. The Quad City International Airport is expanding service to Washington, D.C. as it continues to serve 11 non-stop, direct destinations. The airport is ranked 118<sup>th</sup> out of 403 airports in the U.S.

In closing, Ms. Rochau informed Commissioners that the Quad City International Airport's website is mobile friendly, and there is free cell lot parking. Customer Care services are very well received and helpful to passengers.

5. Consideration of Resolutions for Annual Certification of the Bi-State Revolving Loan Fund (RLF) Plan and the Mercer-Muscatine Revolving Loan Fund (MMRLF) Plan. Ms. Moritz reported that since the inception of the Bi-State Revolving Loan Fund program in 1986, nearly \$9.4 million has been loaned to 102 businesses in Rock Island and Scott Counties. These loans have helped generate approximately \$134 million in total investments, accessing city and state public financing programs, financial institutions, and company equity. In addition, over 3,400 jobs have been created/retained in the two-county area. Ms. Moritz reviewed a new loan made for a manufacturing business expanding and in need of a fixed asset gap loan. Currently, there is approximately \$341,000 available to loan with the repayment loan pool growing by \$10,000 each month.

Ms. Moritz went on to report that since 2009 when the Mercer-Muscatine Revolving Loan Fund was created, there have been \$190,000 loaned to businesses. These loans have helped generate nearly \$1.3 in total investments. Ms. Moritz reviewed a new loan made for a service business expanding and in need of a fixed asset gap loan. Currently, there is \$350,000 available to loan for Mercer and Muscatine County businesses.

Mr. Tank moved to approve the resolutions for recertification of both the Bi-State and Mercer-Muscatine County Revolving Loan Fund Plans. Mayor Thodos seconded the motion, and it passed unanimously.

6. Questions or Comments by Commissioners. There were no questions or comments by Commissioners.
7. Other Business.
  - a. Mr. Rivers addressed the Commission about the recent outbreak of the Ebola virus in west Africa. He announced that there are no reported or suspected cases of Ebola in the Quad Cities. In fact, there is a very low likelihood of an incident in the area.

The Scott County Health Department (SCHD) has been working with community partners to refine response protocols should there be a suspected Ebola case. Drills have been performed with Genesis Health System, and arrangements have been made to secure personal protective

equipment and facilitate proper transportation of patients and treatment of waste materials. Should there be a suspected or actual case or risk of Ebola, SCHD would work with the Iowa Department of Health and the Centers for Disease Control and Prevention (CDC) for further guidance on quarantine, risk tracing, and treatment.

Rock Island County Health Department and Unity Point have been conducting similar activities in preparation for suspected cases. If the disease is confirmed in an individual, they will be transported to treatment facilities in Iowa City, Chicago, or Omaha.

Mr. Rivers explained that Ebola is a virus that was first found in fruit bats. The virus spread to humans through direct contact with the bats or by eating an animal that had been infected. The incubation time is 2-21 days and manifests as fever, joint pain, headache, and a sore throat. It is not airborne nor spread by water or food, but only by direct contact with blood or bodily fluids. In the seven cases of Ebola in the U.S., there was only one fatality. In comparison, more than 40,000 people die of influenza per year on average.

- b. Ms. Bulat informed Commissioners that she recently made presentations in Long Grove and has scheduled two more presentations in Geneseo and Cambridge.

8. Adjournment. The meeting adjourned at 4:32 p.m.

Respectfully submitted,



Larry Minard  
Chair

**BI-STATE REGIONAL COMMISSION  
TREASURER'S REPORT  
FOR THE MONTH ENDING OCTOBER 31, 2014**

	<u>Balance October 1</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Balance October 31</u>
<b>GENERAL SAVINGS ACCOUNT BANK &amp; BOOK BALANCE:</b>				
Balance – October 1, 2014	\$ 593,263.60			
Add Deposits		\$ 337,835.53		
Less Transfers			\$ 316,620.21	
Balance – October 31, 2014				\$ 614,478.92
<b>RLF SAVINGS ACCOUNT BANK &amp; BOOK BALANCE:</b>				
Balance – October 1, 2014	\$ 1,171.41			
Add Deposits		\$ 0.15		
Less Transfers			\$ 0.00	
Balance – October 31, 2014				\$ 1,171.56
<b>CHECKING ACCOUNT BANK AND BOOK BALANCE:</b>				
Balance – October 1, 2014	(\$ 31,467.56)			
Add Deposits		\$ 240,561.16		
Less Checks Written			\$ 264,328.32	
Balance – October 31, 2014				(\$ 55,234.72)
<b>PAYROLL ACCOUNT BANK &amp; BOOK BALANCE:</b>				
Balance – October 1, 2014	\$ 5,501.92			
Add Deposits		\$ 106,036.25		
Less Checks Written			\$ 106,138.39	
Balance – October 31, 2014				\$ 5,399.78
<b>INVESTMENT ACCOUNTS BANK &amp; BOOK BALANCE:</b>				
Balance – October 1, 2014	<u>\$ 100,000.00</u>			
State Bank of Orion 6/25/14 - 12/25/14 (.20%) Add Investments Made		<u>\$ 0.00</u>		
Less Investments Matured			<u>\$ 0.00</u>	
Balance – October 31, 2014				<u>\$ 100,000.00</u>
<b>TOTAL BANK &amp; BOOK BALANCE:</b>				
Balance – October 1, 2014	<u>\$ 668,469.37</u>			
Deposits in October		<u>\$ 684,433.09</u>		
Withdrawals in October			<u>\$ 687,086.92</u>	
Balance – October 31, 2014				<u>\$ 665,815.54</u>
<b><u>PASS THROUGH FUNDS</u></b>				
<b>BI-STATE RLF ACCOUNT:</b>				
Balance – October 1, 2014	<u>\$1,032,146.72</u>			
Add Deposits		<u>\$ 14,475.95</u>		
Less Withdrawals			<u>\$ 65.00</u>	
Balance – October 31, 2014				<u>\$1,046,557.67</u>
<b>MERCER-MUSCATINE RLF ACCOUNTS:</b>				
Balance – October 1, 2014	<u>\$ 45,489.61</u>			
Add Deposits		<u>\$ 2,665.68</u>		
Less Withdrawals			<u>\$ 30,005.00</u>	
Balance – October 31, 2014				<u>\$ 18,150.29</u>

**BILLS TO BE CONSIDERED FOR APPROVAL  
AT THE NOVEMBER 19, 2014  
BI-STATE REGIONAL COMMISSION MEETING**

Hurt, Norton & Associates, October 2014 legislative technical service (cost reimbursed by participating member governments)	\$ 7,750.00
Thomas A. Skorepa, P.C., Administrative Hearing Officer services (cost reimbursed by MUNICES)	<u>4,655.00</u>
<b>TOTAL</b>	<b><u>\$12,405.00</u></b>

Additional bills will be listed on the addendum which will be distributed at the meeting.

**BI-STATE REGIONAL COMMISSION  
FY 2014-15 Program Budget Status Report  
Through Month of October – 33.3% of Year**

<b>ADOPTED BUDGET:</b>	<b>\$2,137,763.00</b>	<b>EXPLANATION:</b>
<b>EXPENDED THROUGH OCTOBER:</b>	<b>\$690,037.81 (32.3%)</b>	
<b>STAFF LEVEL BUDGETED:</b>	<b>25.25 F.T.E.</b>	
<b>STAFF LEVEL MAINTAINED:</b>	<b>21.75 F.T.E.</b>	

**MEMBER GOVERNMENTS SERVED DIRECTLY AND ACTIVITIES DURING OCTOBER**

**ALEDO** – RLF Coord.; Transit Mobility/HSTP Planning; Website Support; Aerial Photo Coord. Asst.; Mercer Co. Events & Festivals Flyer Update Coord.

**ALPHA** – HCEDP Participation; Transit Mobility/HSTP Planning; Enterprise Zone.

**ANDALUSIA** – RICWMA Staffing; Riverfront Council; Website Support.

**ANDOVER** – HCEDP Participation; Transit Mobility/HSTP Planning; Enterprise Zone.

**ATKINSON** – HCEDP Participation; Transit Mobility/HSTP Planning; Website Support; Enterprise Zone.

**BETTENDORF** – Air Quality Asst.; Drug/Alcohol Testing Consort.; I-74 Bridge Coord.; IAQC Transit Planner Coord. & Transit Support; Joint Purchasing; QCICNet; Riverfront Council; RLF Loan Admin./Marketing; Scott Co. Housing Council; Solid Waste Coord.; Trail Coord. and Trail Counter Installation; Aerial Photo Coord. Asst.; REAP Plan Update.

**BLUE GRASS** – Reg. 9 Transp. Coord. & STP-TAP Solicitations/Inquiries; Solid Waste Coord.; Website Support; Aerial Photo Coord. Asst.; RDA/SCRA Grants Asst.

**BUFFALO** – Riverfront Council; Solid Waste Coord.; Trail Planning Asst.; Aerial Photo Coord. Asst.; Brochure Follow-up.

**CAMBRIDGE** – HCEDP Participation; Transit Mobility/HSTP Planning; Website Support; Enterprise Zone.

**CARBON CLIFF** – Joint Purchasing; RICWMA Staffing; Trail Planning; Aerial Photo Coord. Asst.; Flood damaged road inquiry.

**COAL VALLEY** – Joint Purchasing; MUNICES Coord.; RICWMA Staffing; Aerial Photo Coord. Asst.; Floodplain.

**COLONA** – Joint Purchasing; Floodplain; Enterprise Zone; Annexation inquiry.

**CORDOVA** – RICWMA Staffing; Riverfront Council & Riverfront Planning; Website Support; Boat Access Grant Asst.

**DAVENPORT** – Air Quality Asst.; IAQC Transit Planner Coord.; Joint Purchasing; QCICNet; Riverfront Cncl; RiverVision; RLF Loan Admin.; Scott Co. Housing Cncl; Solid Waste Coord.; Transit Funding & NTD Asst.; Dav. Schools Haz. Mit. Plan; IMCP/EDA Grant w/ QC Chamber, Aerial Photo Coord. Asst.; Trail Counter Installation; REAP Plan Update.

**EAST MOLINE** – Air Quality Asst.; E9-1-1 Coord.; IL QC Intergov. Comm.; Joint Purchasing; MUNICES Coord.; QCICNet; RICWMA Staffing; Riverfront Council; RLF Admin.; RMS Coord.; Interoperability Project; Trail Planning; Consol. Dispatch Study Asst.; Floodplain; Aerial Photo Coord. Asst.; TAP Projects Rankings.

**ELDRIDGE** – Drug & Alcohol Consort.; Solid Waste Coord.; Website Support; Aerial Photo Coord. Asst.; Strategic Trails Planning.

**GALVA** – Broadband Coord.; HCEDP Participation; Transit Mobility/HSTP Planning.

**GENESEO** – HCEDP Participation; Website Support; Transit Mobility/HSTP Planning.

**HAMPTON** – MUNICES Coord.; RICWMA Staffing; Riverfront Council; Website Support.

**HENRY COUNTY** – HCEDP Participation & Graphics Asst.; Joint Purchasing; Transit Mobility/HSTP Planning; Trail Coord.; Legislative Priorities Asst.; Comprehensive Plan; EDA/USDA Grant; Aerial Photo Coord. Asst.; Floodplain Coord. Efforts; Enterprise Zone; Econ. Dev. Impact Study Req.

**HILLSDALE** – Transit Mobility/HSTP Planning; Floodplain.

**KEWANEE** – Transit Mobility/HSTP Planning.

**LECLAIRE** – Joint Purchasing; Riverfront Council; Solid Waste Coord.; Trail Planning; Aerial Photo Coord. Asst.

**LONG GROVE** – Reg. 9 Trans. Coord. and STP-TAP Solicitations; Solid Waste Coord.; Website Support; Aerial Photo Coord. Asst.

**MCCAUSLAND** – Reg. 9 Trans. Coord. and STP-TAP Solicitations; Solid Waste Coord.

**MILAN** – E9-1-1 Coord.; IL QC Intergov. Comm.; Joint Purchasing; MUNICES Coord.; QCICNet; RICWMA Staffing; RLF Admin.; RMS Coord.; Interoperability Project; Cons. Dispatch Study Asst.; Aerial Photo Coord. Asst.; Fact Sheet update inquiry

**MOLINE** – Air Quality Asst.; E9-1-1 Coord.; Joint Purchasing; I-74 Bridge Coord.; IL QC Intergov. Comm.; MUNICES Coord.; QCICNet; RICWMA Staffing; Riverfront Cncl; RLF Adm.; RMS Coord.; Trails Coord.; Interop. Proj.; Rail Coord.; Cons. Disp. Study Asst.; Aerial Photo Coord. Asst.

**MUSCATINE CITY** – Air Quality Asst.; Joint Purchasing; Reg. 9 Transportation Coord. and STP-TAP Solicitations; RLF Coord.; Solid Waste Coord.; Trail Planning and Trail Counting; Aerial Photo Coord. Asst.; Fact Sheet Update; Sidewalk Policy; Walkability Assessment Session; MuscaBus Graphics Asst.; CVB data assistance.

**MUSCATINE COUNTY** – Air Quality Asst.; Joint Purchasing; Reg. 9 Coord and STP-TAP Solicitations; Solid Waste Coord.; Trails Planning/ADT Coordination; Transit Mobility Coord.; Website Support; Hazard Mitigation Plan; EDA RLF Coord.; Comprehensive Plan; Aerial Photo Coord. Asst.

**NEW BOSTON** – Transit Mobility Coord./HSTP Planning; Website Support; OSLAD Grant App Follow-up; Mercer Co. Events & Festivals Flyer Update Coord.

**OAK GROVE** – E9-1-1 Coord.

**ORION** – HCEDP Participation; Website Support; Transit Mobility/HSTP Planning; Enterprise Zone.

**PORT BYRON** – RICWMA Staffing; Riverfront Council; Zoning Ordinance Update; TAP Projects Rankings.

**PRINCETON** – Riverfront Council; Solid Waste Coord.; Trail Planning; Aerial Photo Coord. Asst.

**RAPIDS CITY** – RICWMA Staffing; Riverfront Council.

**RIVERDALE** – Riverfront Council; Solid Waste Coord.; Trail Coord.; Website Support.

**ROCK ISLAND CITY** – Air Quality Asst.; E9-1-1 Coord.; IL QC Intergov. Comm.; Joint Purchasing; MUNICES Coord.; QCICNet; Riverfront Cncl.; RiverVision; RICWMA Stfg.; RLF Loan Admin.; RMS Coord.; Interop. Proj.; Consol. Dispatch Study App.; Aerial Photo Coord. Asst.; Trail Counting; Enterprise Zone; EDP Grant Asst.

**ROCK ISLAND COUNTY** – Air Quality Asst.; E9-1-1 Coord.; IL QC Intergov. Comm.; Joint Purchasing; LEPC Committee; MUNICES Coord.; QCICNet; RICWMA Stfg & Website Support; RMS Coord.; Trail Coord.; Transit Mobility/HSTP Planning; Passenger Rail; Floodplain Coord. Efforts; Hazard Mitigation Planning Coord.; QC Health Initiative; Highway Safety Planning.

**SCOTT COUNTY** – Financial Management – Scott Co. KIDS and Scott Co. Hsg. Cncl.; Air Quality Coord.; I-74 Bridge Coord.; Joint Purchasing; QCICNet, Reg. 9 Transportation; RLF Admin.; Solid Waste Coord.; Trail Planning/ADT Coordination; REAP Plan Update; Transit Mobility/HSTP Planning; Interop. Project; Aerial Photo Coord. Asst.; QC Health Initiative; FEMA Safe Room Grant Asst.

**SHERRARD** – Joint Purchasing; Transit Mobility/HSTP Planning; Website Support; Mercer Co. Events & Festivals Flyer Update Coord.

**SILVIS** – E9-1-1 Coord.; IL Intergov. Comm. Coord.; Joint Purchasing; MUNICES Coord.; QCICNet; RICWMA Stfg.; RMS Coord.; Trail Planning; Aerial Photo Coord. Asst.; Mapping Asst.

**VIOLA** – Transit Mobility/HSTP Planning; CDAP Grant Asst.; Mercer Co. Events & Festivals Flyer Update Coord.

**WALCOTT** – Reg. 9 Transportation and STP-TAP Solicitations; RLF Admin; Solid Waste Coord.; Trail Coord.; Aerial Photo Coord. Asst.

**WEST LIBERTY** – Air Qual. Coord.; Reg. 9 Transp. and STP-TAP Solicitations; Solid Waste Coord.; Musc. Co. Haz Mit Plan; Fact Sheet Development; MMRLF business loan documents; Annex. InfoCDBG Inquiry and Assistance.

**WILTON** – Air Quality Coord.; Reg. 9 Transp. & STP-TAP Solicitations; Solid Waste Coord.; Muscatine Co. Haz Mit Plan; Fact Sheet Develop; MMRLF Marketing Asst.

**WINDSOR** – Transit Mobility/HSTP Planning; CDAP Grant Asst.; Mercer Co. Events & Festivals Flyer Update Coord.

**WOODHULL** – HCEDP Asst.; Transit Mobility/HSTP Planning; Enterprise Zone.

## **Bi-State Report – October**

**COMMUNITY/ECONOMIC DEVELOPMENT:** Attended Henry County Economic Development Partnership (HCEDP) meetings. Continued administration of Economic Development Administration/United States Department of Agriculture Rural Jobs and Innovation Challenge Grant Program on behalf of multiple member governments in Henry, Mercer, and Rock Island Counties. Attended IA RELAT meetings. Attended Community Development Block Grant (CDBG) Training. Attended Iowa Regional Council and Illinois Regional Council meetings. Assisted members with legislative priorities. Published the *Bi-State Region Comprehensive Economic Development Strategy (CEDS) 2014 Progress Report*. Met with Mercer and Muscatine Counties' economic development officials to discuss development efforts and strategies. Held 2014-15 APA audio-conference webinar on planning issues for planning and zoning officials. Attended Upper Midwest APA Conference.

**Data Center:** Staff responded to approximately 17 data and map requests in October 2014 including 9 from local governments, 3 from businesses, 2 from non-profits, 1 from an academic institution, 1 from the media, and 1 from another organization. The data section of the Bi-State website had 54 page views. The data warehouse site ([www.greaterqcregion.org](http://www.greaterqcregion.org)) had 336 visits and 470 page views. Staff continued work on the *2045 Quad Cities Long Range Transportation Plan*. Assisted with Illinois Enterprise Zone data.

**Graphics/GIS/Mapping:** 2014 Aerial Photo Flyover Coordination; *2040 Region 9 Long Range Transportation Plan* and *2045 Quad Cities Long Range Transportation Plan* coordination, data and mapping; Bi-State Region Freight Study GIS Data Req. Assistance; Transit System Route Map Update; QC Street Map (Folded & Wall Versions) Update; Urban Travel Model Data and GIS Assistance; Update/Maintain GIS Data for Street Centerlines, Traffic Counts, MPA Boundary, Federal Functional Class Routes, Urban Areas, Corporate Limits, Landmarks, Rail, Trails, and other layers.

**www.bistateonline.org.** Total pages viewed for October 2014 was 3,028 and top pages viewed included: Home Page (1,143); Search Feature (191); Our Staff (118); Documents (87); Who We Are (69); Joint Purchasing Council (67); Comprehensive Economic Development Strategy (CEDS) (65); QC Metro Long Range Transportation Plan (53); Contact Us (49); and Careers (48).

**ENVIRONMENTAL, RECREATION, RIVERFRONT SERVICES:** Responded to inquiries & assisted with trail/recreation project funding assistance/grants. Served Rock Island County Waste Management Agency (RICWMA) with coordination of meetings, oversight, and management of waste disposal and recycling programs, reporting, and overall agency administration. Responded to RICWMA telephone inquiries from general public & media concerning solid waste and recycling issues. Continued coordination of issues related to Bi-State Region Clean Air Partnership and strategies for emission reduction. Implementing "Make Air Quality Visible" strategic plan update with development of promotional materials. Continued multi-jurisdictional hazard mitigation planning. Attended River Action meetings. Attended planning meetings for Upper Mississippi River conference. Organized bi-monthly meeting of Quad City Riverfront Council. Attended Upper Mississippi River Conference.

**INTERGOVERNMENTAL FORUMS AND REGIONAL SERVICES:** Continued assistance to the Joint Purchasing Council (JPC). Worked on the following bids: Water Treatment Chemicals; Turf Chemical, Signs and Posts; Janitorial Supplies/Canliners/Food Services; and Winter Paper. Staffed Quad Cities Area intergovernmental forums and meetings of area recreation directors, managers and administrators, and chief elected officials. Continued coordination and planning for the awarded Department of Justice interoperability grant. Assisted with Rock Island Arsenal issues.

**REVOLVING LOAN FUND (RLF): Administered Bi-State RLF Program:** Prepared meeting cancellation notice and financial summary report. Provided information to potential applicants. Met with company and bank seeking application information. Continued receiving job creation information from active companies. Presented information to Commission to recertify plan. Prepared EDA RLF Semi-Annual Reports. Met with Scott County company to finalize documents for loan closing. **Administered Mercer/Muscatine RLF Program (MMRLF):** Closed on West Liberty loan. Provided information to potential applicants. Worked with Aledo, Muscatine City and County, West Liberty, and Wilton to identify potential projects for gap financing. Presented information to Commission to recertify plan. Prepared EDA RLF Semi-Annual Reports.

**TRANSPORTATION PLANNING, PROGRAMMING AND PROJECT DEVELOPMENT:** Attended related meetings, presented information, and continued staff coordination of river crossing issues. Provided information on Mississippi/Rock Rivers bridge restrictions. Wrapped up consultant team work on travel model enhancements project. Worked on *2045 Quad Cities Long Range Transportation Plan* travel model development, public input survey, and TAZ level projections. Served traffic analysis and trail counting requests. Initiated travel time survey. Held joint interdisciplinary traffic safety meeting. Prepared monthly reports of federal transportation programs and coordinated related funding/reporting. Monitored air quality emission issues and exceedances. Held air quality task force meeting. Continued "Make Air Quality Visible" strategic plan implementation and submitted ICAAP grant for congestions reduction efforts. Worked on connections of American Discovery Trail (ADT)/Grand Illinois Trail and Mississippi River Trail, and attended related meetings, as well as other trail planning and grant assistance. Coordinated Bi-State Drug and Alcohol Testing Consortium and continued random testing program. Monitored MPO and Iowa Region 9 FY15 Transportation Planning Work Programs. Monitored FFY15-18 TIPs including facilitating TIP revisions, and maintenance of data entry in Iowa TPMS as part of transportation improvement programming. Administered IAQC and Illinois Region 2 transit coordinator positions. Reviewed transit funding balances. Monitored status of implementation of passenger rail service to Chicago. Participated in transportation webinars, workshops, or conferences on various topics.



Legislative Policy Committee  
November 5, 2014  
10 a.m. – 2 p.m.  
500 S.W. 7th Street  
Suite 101  
Des Moines, IA 50309

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**Fall 2014 AGENDA**

**10:00 a.m. – 10:10 a.m. Welcome and Introductions**

**10:10 a.m. – 10:40 a.m. Election Results / League Legislative Update**  
*ILOC Legislative Team*

**10:40 a.m. – 11:10 a.m. Nuisance/Keep Iowa Beautiful**  
*Megan Hess Jones – Iowa House of Representatives, Keep Iowa Beautiful*  
*Gerry Schnepf – Keep Iowa Beautiful*

**11:10 a.m. – 11:40 a.m. Transportation**  
*Dave Scott – Iowa Good Roads Association*

**11:40 a.m. – 12:10 p.m. Economic Development**  
*John Stineman – Iowa Chamber Alliance*  
*Brad Epperly – Iowa Chamber Alliance*

**12:10 p.m. – 12:35 p.m. Working Lunch: Pensions**  
*Gretchen Tegeler – Central Iowa Tax Payers Association*

**12:35 p.m. – 1:00 p.m. Lunch Cont. / Open Forum / Break**

**1:00 p.m. – 1:35 p.m. Local Government**  
*David Adelman – Metro Coalition*  
*Larry Murphy – Urban County Coalition*  
*Gary Grant – Urban County Coalition*  
*Jamie Cashman – Iowa State Association of Counties*

**1:35 p.m. – 2:00 p.m. Discussion & Develop priorities for consideration at next LPC meeting**



**Legislative Policy Committee  
2014 Members**

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**Warren Woods**, Mayor, Creston

**Chad Bird**, City Manager, Decorah

**Aaron Burnett**, City Administrator, Humboldt

**Coleen Chipman**, Council Member, North Liberty

**Kim Downs**, City Administrator, Hiawatha

**Jim Erb**, Mayor, Charles City

**Jeff Fiegenschuh**, City Administrator, Windsor Heights

**Terry Gibson**, Council Member, Dallas Center

**Kris Gulick**, Council Member, Cedar Rapids

**Michael Hansen**, Mayor, Newton

**Eric Hanson**, City Manager, Indianola

**Joseph Helfenberger**, City Administrator, Ottumwa

**Dena Himes**, Mayor, Monticello

**Douglas Herman**, City Administrator, Monticello

**David Jones**, Mayor, Atlantic

**Joleen Killeen**, Mayor, Churdan

**Bob Kindred**, Assistant City Manager, Ames

**Carrie Kirchhoff**, City Clerk, Lewis and Grant

**Andy Lent**, City Administrator, Carlisle

**Gregg Mandsager**, City Administrator, Muscatine

**Sandra McGrath**, Mayor, Eagle Grove

**Linda Meier**, Council Member, Sumner

**Amy Moore**, Council Member, Maquoketa

**Beryl O'Connor**, Mayor, Lisbon

**Sherry Parrott**, Council Member, Afton

**Tim Pitt**, Council Member, Knoxville

**Michael Schrock**, City Manager, Oskaloosa

**Adam Schweers**, Mayor, Carroll

**Pam Thiele**, Mayor, Dysart

**Emmanuel Toribio**, City Administrator, Prairie City

**Kevin Trevislyan**, Council Member, West Des Moines

**Matt Walsh**, Mayor, Council Bluffs

**Randy Wetmore**, City Administrator, Marshalltown

**Justin Yarosevich**, Assistant City Manager, Storm Lake

**Jeff Lester**, City Attorney, Des Moines

**Teri Goodman**, Assistant City Manager, Dubuque

**David Jones**, City Manager, Ankeny



**Legislative Policy Committee**  
November 5<sup>th</sup>, 2014

**IOWA LEAGUE of CITIES**

Iowa League of Cities  
500 SW 7<sup>th</sup> St., Suite 101  
Des Moines, IA 50309




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- 10:40 a.m. – 11:10 a.m. Nuisance and Abandoned Properties - Keep Iowa Beautiful
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- 1:00 p.m. – 1:35 p.m. Local Government
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**WELCOME AND INTRODUCTIONS**




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### League Legislative Team: Who

- **Dustin Miller**, Director of Government Affairs
- **Robert Palmer**, Government Affairs Manager
- **Erin Mullenix**, Research & Fiscal Analyst
- **Alan Kemp**, Executive Director
- **Terry Timmins**, General Counsel
- **Bruce Bergman**, General Counsel




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### Legislative Policy Committee

- **Warren Woods**, Mayor, Creston
- **Chad Blind**, City Manager, Decora
- **Aaron Burnett**, City Administrator, Humboldt
- **Coleen Chipman**, Council Member, North Liberty
- **Kim Downs**, City Administrator, Hiawatha
- **Jim Erb**, Mayor, Charles City
- **Jeff Fiegenschuh**, City Administrator, Windsor Heights
- **Terry Gibson**, Council Member, Dallas Center
- **Kris Gulick**, Council Member, Cedar Rapids
- **Michael Hansen**, Mayor, Newton
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- **Linda Meier**, Council Member, Sumner
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- **Beryl O'Connor**, Mayor, Lisbon
- **Sherry Parrott**, Council Member, Afton
- **Tim Pitt**, Council Member, Knoxville
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- **Adam Schweers**, Mayor, Carroll
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- **Kevin Trevillyan**, Council Member, West Des Moines
- **Matt Walsh**, Mayor, Council Bluffs
- **Randy Wetmore**, City Administrator, Marshalltown
- **Justin Yarosevich**, Assistant City Manager, Storm Lake
- **Jeff Lester**, City Attorney, Des Moines
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- **David Jones**, City Manager, Ankeny




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Dustin Miller – Director of Government Affairs  
 Robert Palmer – Government Affairs Manager

### LEGISLATIVE OVERVIEW




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## Election Results

- Highest number of Absentee voters voting in a mid-term in Iowa History
- Status Quo in Iowa
- Similar to Other Mid-term Elections



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## Federal Level

- United States Senate
  - Braley 43.7%
  - Ernst 52.2%
- House District 001
  - Rod Blum 51.2%
  - Pat Murphy 48.7%
- House District 002
  - Marianne Miller-Meeks 47.5%
  - Dave Loebsack 52.4%
- House District 003
  - Staci Appel 42.2%
  - David Young 52.8%
- House District 004
  - Steve King 61.7%
  - Jim Mowrer 38.2%



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## Governor

- Terry Branstad 59%
- Jack Hatch 37.2%



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**Iowa Senate**

- **2013-2014:** 26 D's & 24 R's
  - Democrats went into the election defending six Iowa Senate seats they already held
  - Republicans needed to win at least 2 of those and defend current seats
- Key Races
  - Senate District 5: Kraayenbrink defeats Beall
  - Senate District 15: Allen defeats Bruntz
  - Senate District 39: Kinney defeats Moore
  - Senate District 41: Chelgren defeats Siegel
- Democrats keep majority in the Senate
  - 26 Democrats, 24 Republicans

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**Iowa House of Representatives**

- **2013-2014:** 53 R's & 47 D's
- Key Races
  - HD 15 (Open): McConkey defeats Blue
  - HD 30: Nunn defeats Riding(i)
  - HD 51: Byrnes(i) defeats Hubka
  - HD 55 (Open):
    - Branhagen defeats Edwards
  - HD 91 (Open): Carlson defeats Dabeet
  - HD 95: Stanerson(i) defeats Keast
  - HD 97 (Open): Mommsen defeats Saxon
- **2015-2016:** Republicans keep majority in the House
  - 57 Republicans, 43 Democrats

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**Other State Races**

-  Secretary of State
  - Pate v. Anderson
-  State Auditor
  - Mosiman v. Neiderbach
-  State Treasurer
  - Clovis v. Fitzgerald
-  Attorney General
  - Gregg v. Miller
-  Secretary of Agriculture
  - Northey v. Taha

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## 2015 Legislative Session

- Starts January 12, 2015
- Sign up for Leg Link
- Important dates:
  - MFPRSI City Summit – December 2, 2014
  - Legislative Day / Econ Dev Seminar – February 24, 2015
  - Water Day – March 2, 2015
- Get to know your legislators!
- Monday conference calls during session

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## 2015 LEGISLATIVE PRIORITIES

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## Political Landscape

- What does this mean for the League?
  - Status Quo
  - Slim margins in both chambers makes compromise a must to pass legislation
    - Big changes harder to accomplish
    - Stopping detrimental legislation is easier
- Legislative Preview:
  - Likely Long Session
    - Revenues down
    - Non Election Year
  - Pro-Active: Proposing legislation
    - Nuisance
    - Handicap Parking
    - Parking Tickets
  - Anticipate transportation funding being a big deal
  - Continue to be protective of TIF and working closely with other TIF supporters




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**2015 Priorities: Local Budget Issues and Decision-Making**

**Overview Statement:** Our citizens need and expect cities to provide safe communities and quality infrastructure, in addition to other valued services. City budgets are put under pressure to maintain or increase services and comply with increasing regulations and mandates with fewer resources. These pressures placed on city budgets can make difficult decisions that result in lessening the amount of services provided or increasing costs to residents. Cities cannot have an impact on those cost-drivers outside of their control and need additional resources and the ability to make decisions at the local level.

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**2015 Priorities: Local Budget Issues and Decision-Making**

**Local Decision-Making**

- Administrative Fee for Parking Tickets
- Handicapped Parking
- IPIB Legislative Agenda
- Uniform Cell Tower Siting
- Residential Occupancy Restriction

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**2015 Priorities: Local Budget Issues and Decision-Making**

**City Finances and Property Tax Backfill:** Diversify funding options for cities and continue to ensure the commercial and industrial property tax backfill.

- Alternative Funding
  - Local Option Sales Tax
  - Tobacco Licensing Fees
  - County Mandates Bill
- Commercial and Industrial Backfill
- SF295 Implementation
  - Multi-Residential Rulemaking

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**2015 Priorities: Local Budget Issues and Decision-Making**

**Transportation Funding:** Increase funding and resources for road and bridge infrastructure.

- Urban versus Rural
- Transportation Series and Factsheet
- Op-Ed
- Transportation Day

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**2015 Priorities: Local Budget Issues and Decision-Making**

**Pensions:** Pursue systemic changes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI) and also ensure fairness for Iowa Public Employees Retirement System (IPERS) through long term sustainability while controlling costs to cities.

- MFPRSI
  - State Contribution
  - 411 Summit
- IPERS

**Environmental Regulation:** Provide funding for and supportive policies related to water and wastewater infrastructure development to meet demands of increased environmental regulation. Assess the need for additional resources or policies to address the impacts caused by weather and other natural events.

- Nutrient Reduction Strategy
- Infrastructure Resources

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**2015 Priorities: Local Budget Issues and Decision-Making**

**Public Safety:** Ensure cities have the tools to adequately provide and fund public safety services for our citizens.

- EMS as an Essential Service
- Increase to Township Levy
- Certification / Mutual Aid

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**2015 Priorities: Economic Development & Community Vitality**

**Overview Statement:** Cities are drivers and partners for economic development projects and provide services that make attractive communities. They need a supportive environment to continue to attract economic development and to provide the types of opportunities that make appealing places to live.

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**2015 Priorities: Economic Development & Community Vitality**

**Local Economic Development Programs and Policies:** Increase funding levels for economic development programs and preserve economic development policies, including tax increment financing, as flexible tools for economic growth.

- Tax Increment Finance
- Broadband
- Economic Development Workshop/Legislative Day

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**2015 Priorities: Economic Development & Community Vitality**

**Community Growth:** Expand resources and provide supportive policies for community development to provide for locally-supported initiatives.

- Abandoned Nuisance Properties
- Increasing Reserve for Demolition
- Placing Reserve on County Mutuals

**Workforce Development:** Provide programs and policies that further develop the skills and knowledge of our workforce to attract economic development.

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**Other Groups Issues**

- Consumables
- IPIB Legislative Agenda
- Sales Tax on Water
- Dog Breed Ban
- Franchise Fees
- Fireworks
- Minimum Insurance Requirement for Uber, Air B&B, etc

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**Proactive Research and Analysis**

- Transportation
  - Cityscape series
  - Transportation Report
  - Op-ed Template
- Economic Development
  - TIF Report Update
  - Property tax tracking project
  - Multi-residential rules summary
  - Fiscal Conditions Report
- Pensions
  - Current MFPRSI trends and changes
    - (Actuarial method, assumptions and mortality tables)

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Representative Megan Jones – Iowa House of Representatives  
 Gerry Schnepf – Keep Iowa Beautiful

**ABANDONED PUBLIC BUILDINGS AND NUISANCE PROPERTIES**

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**2015 Priorities: Economic Development & Community Vitality**

**Community Growth:** Expand resources and provide supportive policies for community development to provide for locally-supported initiatives.

- Abandoned Nuisance Properties
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- Placing Reserve on County Mutuals

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Dave Scott - Good Roads Association

**TRANSPORTATION**

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**2015 Priorities: Local Budget Issues and Decision-Making**

**Transportation Funding:** Increase funding and resources for road and bridge infrastructure.

- Urban versus Rural
- Transportation Series and Factsheet
- Op-Ed
- Transportation Day

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John Stineman - Iowa Chamber Alliance  
 Brad Epperly - Iowa Chamber Alliance

**ECONOMIC DEVELOPMENT**

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**2015 Priorities: Economic Development & Community Vitality**

**Local Economic Development Programs and Policies:** Increase funding levels for economic development programs and preserve economic development policies, including tax increment financing, as flexible tools for economic growth.

- Tax Increment Finance
- Broadband
- Economic Development Workshop/Legislative Day

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Gretchen Tegeler

**PENSIONS**

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**2015 Priorities: Local Budget Issues and Decision-Making**

**Pensions:** Pursue systemic changes to the Municipal Fire and Police Retirement System of Iowa (MFPRSI) and also ensure fairness for Iowa Public Employees Retirement System (IPERS) through long term sustainability while controlling costs to cities.

- MFPRSI
  - State Contribution
  - 411 Summit
- IPERS



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**LUNCH / DISCUSSION / BREAK**



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Jamie Cashman & Lucas Beenken – ISAC  
David Adelman – Metropolitan Coalition  
Larry Murphy – Urban County Coalition

**LOCAL GOVERNMENTS**



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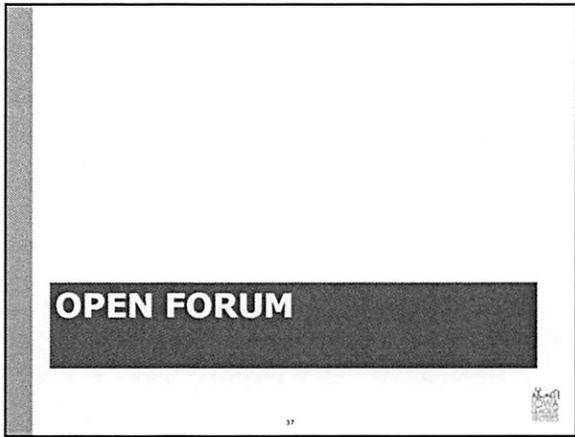
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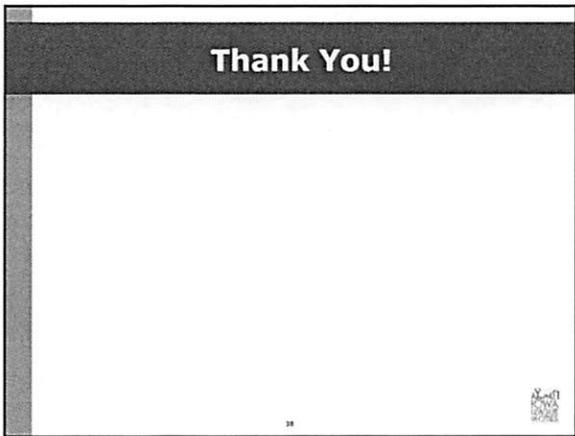
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## [Draft] Transportation Infrastructure Funding Op-ed

Local governments recognize that local transportation systems carry great importance not only for public safety and quality of life, but also for mobility, commerce, community vitality and economic development. The transportation system is in demand 24 hours a day, regardless of its road and bridge conditions or other factors. When existing funding sources are inadequate to address failing or deteriorating infrastructure needs, local governments are faced with aging and limited infrastructure as well as safety concerns. They may have to bond to pay for critical infrastructure improvements, which can increase the local taxpayer burden. While the importance of maintaining quality and safe transportation systems is obvious, there is an overarching imbalance in securing necessary funding to support ever-critical local transportation infrastructure, and thus Iowa's economic system.

In fact, in 2012 the Iowa Department of Transportation (Iowa DOT) noted an approximately \$215 million annual shortfall in classified critical infrastructure, and an annual shortfall total of \$1.6 billion. This would be the minimum funding the agency feels necessary to simply maintain the condition of existing infrastructure in Iowa. In its 2011 Road Use Tax Fund (RUTF) Study provided to the Iowa Legislature, Iowa DOT wrote that although Iowa is fortunate to have an extensive public roadway system, "it is also a tremendous challenge for the state, cities, and counties to maintain and improve this system given flattening revenue, lost buying power, changing demands on the system, severe weather, and an aging system."

In the city of \_\_\_\_\_, [add/write local impact].

Across the US, Iowa and [city] are not alone in their transportation infrastructure shortfall, though some transportation infrastructure categories in Iowa fall in the upper ranks of needing improvement nationwide. Without a doubt, Iowa municipalities need additional funds to address and improve the transportation infrastructure and road conditions across the state. In fact, in their May 2014 report, the following statistics were compiled by TRIP, a nonprofit transportation research group:

- 42 percent of Iowa's major locally and state-maintained roads and highways are either in poor or mediocre condition.
  - 12 percent of Iowa's major roads are in poor condition.
  - If available, [add local/city conditions, if applicable, if helpful – and see bridge list].
- 38 percent of Iowa's major urban highways are congested, which contributes to both wasted time and fuel. Vehicle travel has increased over time, outpacing population growth rates. Economic development has also increased, and the increase in movement of goods has put additional strain on existing transportation systems.
- 27 percent of Iowa bridges are in need of repair, improvement, or replacement; twenty-two percent of Iowa bridges are structurally deficient, and five percent are functionally obsolete.

Nationally, Iowa's rural bridge conditions by percentage deficient rank among the worst in the country. (A bridge is considered structurally deficient if there is significant deterioration of the bridge deck, supports, or other major components. A functionally obsolete bridge is one that was built to standards that are not used today).

- Roadway conditions are a significant factor in approximately one-third of traffic fatalities. Iowa's traffic fatality rate is higher than the national average; roadway improvements can save lives.

Nationally, the National Surface Transportation Policy and Revenue Study Commission recommended spending between \$225 billion and \$340 billion annually for the next 50 years to help maintain and enhance the system nationwide. The same study noted that the U.S. spends less than \$90 billion annually.

Who is helped by addressing these transportation issues? Transportation improvements would go a long way to reducing associated costs and supporting economic development to multiple stakeholders including: state and local government costs to improve roadways and correspondingly their citizens and taxpayers, vehicle owners and passengers, public transit providers, and environmental pollution and associated costs. In fact, the Federal Highway Administration estimates that each dollar spent on road, highway and bridge improvement results in an average benefit of \$5.20 in the form of reduced vehicle and road maintenance costs, reduced delays, reduced fuel consumption, improved safety, and reduced emissions as a result of improved traffic flow. Additionally, economic vitality and sustainable job growth must be considered; businesses in Iowa enjoy enhanced competitiveness due to logistics and proximity to roads, rail, and bridges that support freight movement and attract economic development.

The city of \_\_\_\_\_ strongly urges local decision-makers to address necessary increases in funding to Iowa's transportation infrastructure and to prevent further deterioration of the transportation system in Iowa.

## What Cities Should Know About Public Pensions in Iowa

November 2014

**TAXPAYERS  
ASSOCIATION**  
■ of Central Iowa ■

[www.taxpayersci.org](http://www.taxpayersci.org)

“Local and state financial problems are accelerating, in large part because public entities promised pensions they couldn’t afford. Citizens and public officials typically under-appreciated the gigantic financial tapeworm that was born when *promises were made that conflicted with a willingness to fund them.*”

Warren Buffett in “Letter to Shareholders,”  
2013 Berkshire-Hathaway Annual Report  
(February 28, 2014)

### Iowa's Defined Benefit Public Pension Plans FY 2013

	Member Groups	Number of Members	Assets (\$ Billions)	Max. % Avg. High Salary	Min. Age Eligible for Max. Benefit
IPERS Regular Members	Cities, counties, schools	342,000	\$24.8	65%	Age 62
Police & Fire*	49 largest cities	3,862	\$1.9	82%	Age 55
State Troopers*	State troopers	1,200	\$0.33	88%	Age 55
Judges	Judges	386	\$0.13		

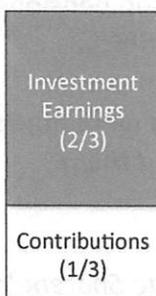
\* Members in these plans do not contribute to nor receive social security from their public employment.

11/4/14

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TAXPAYERS ASSOCIATION

### How Are Defined Benefit Plans Funded?



*If investment returns fall, contributions must go up.*

*If contributions are insufficient, there is pressure on earnings.*

Much hinges on the choice of assumptions and methods. Iowa plans assume a long-term annual rate of return of 7.5%\*

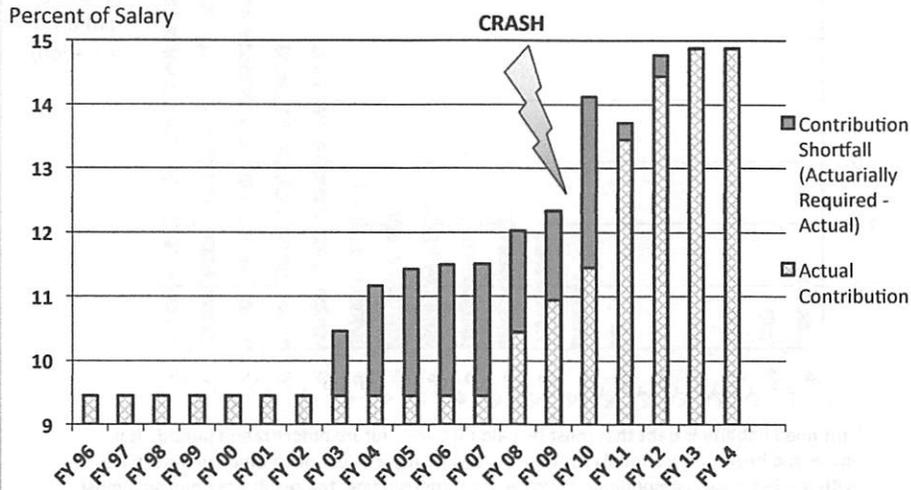
\* Peace Officers Retirement Plan assumes 8%.

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TAXPAYERS ASSOCIATION

### IPERS Contributions Were Not Keeping Up With Actuarial Requirements Even Before the 2008 Market Crash

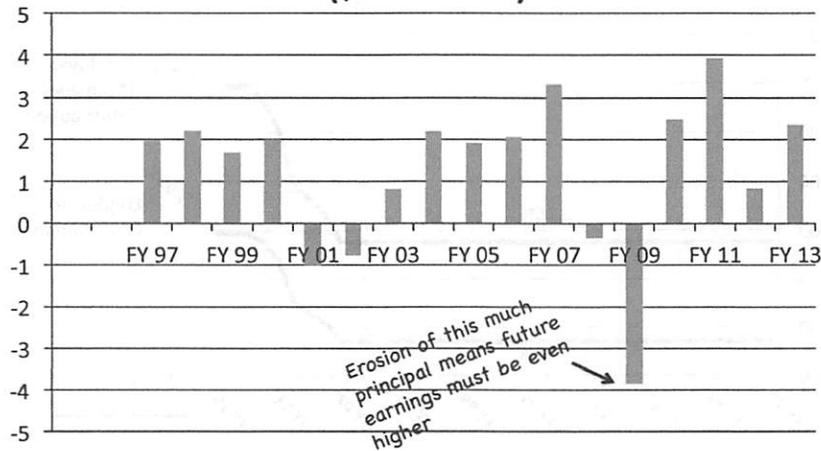


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### IPERS Net Investment Income/Loss (\$ in Billions)

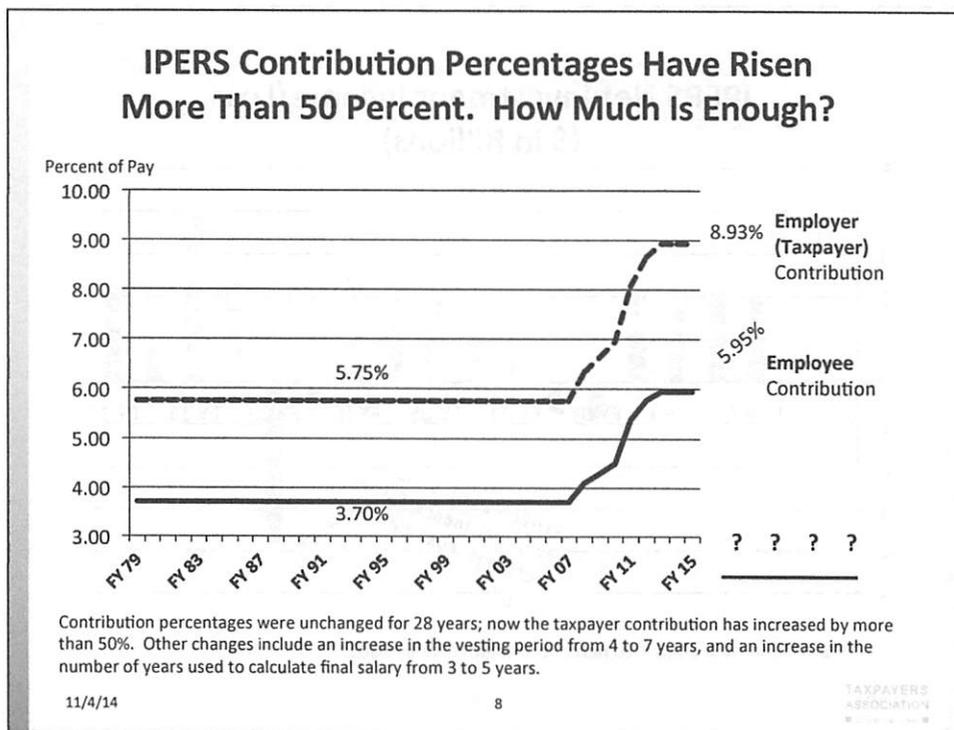
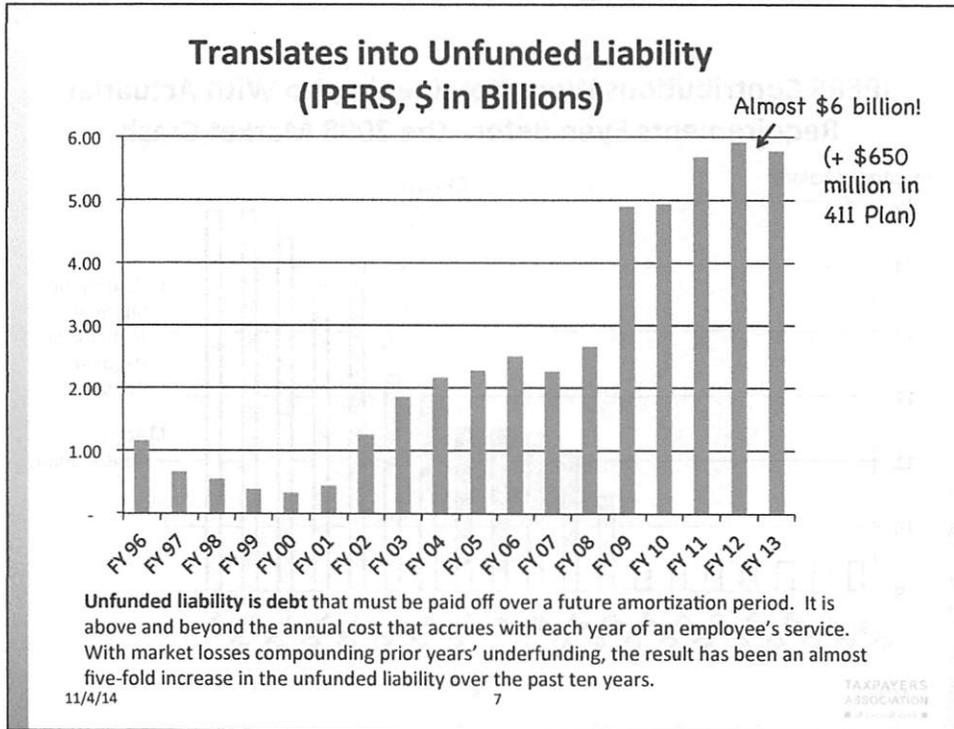


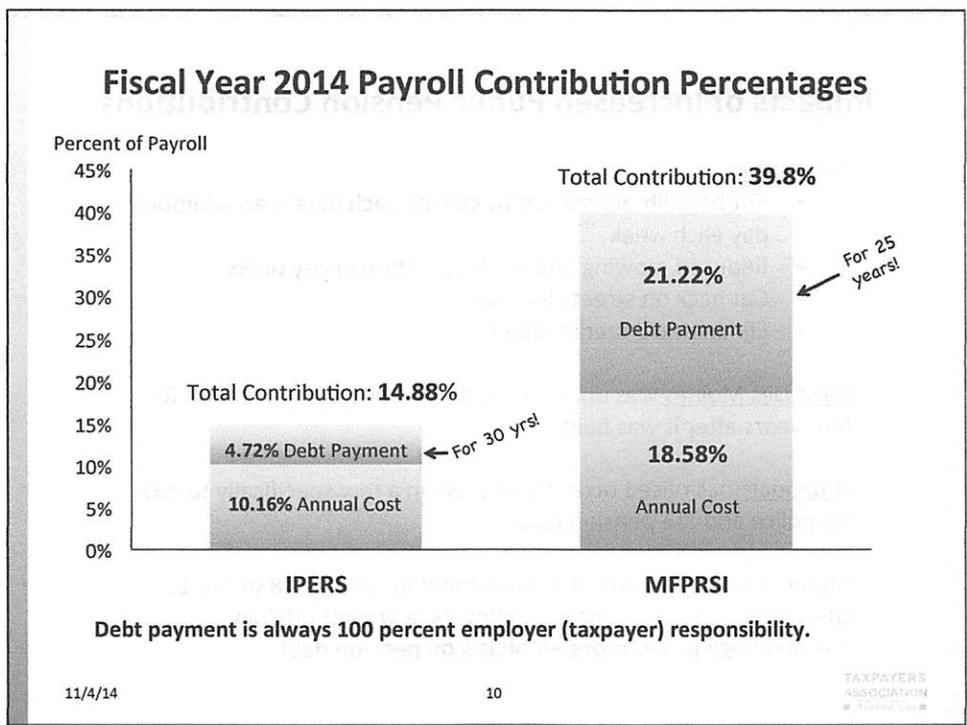
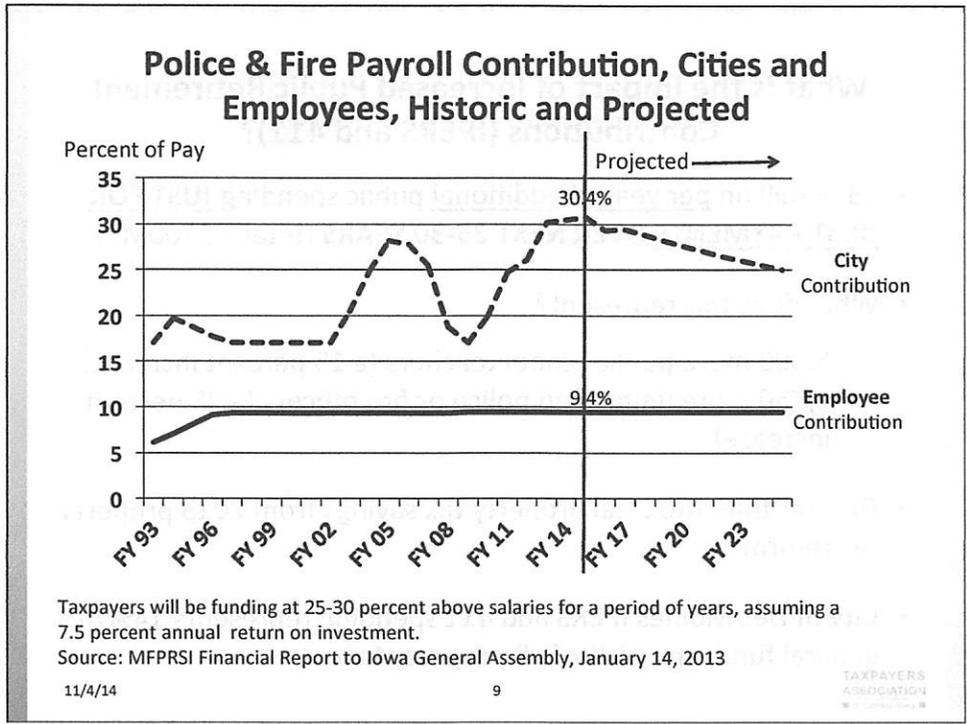
IPERS' funds lost almost 20 percent of their value by 2009.

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TAXPAYERS ASSOCIATION





## What is the Impact of Increased Public Retirement Contributions (IPERS and 411)?

- \$375 million per year of additional public spending **JUST FOR DEBT PAYMENTS OVER NEXT 25-30 YEARS** (total = \$700M+)
- What does this represent?
  - 5,000 more public school teachers (a 15 percent increase)
  - 3,750 more uniformed police or fire officers (a 25 percent increase)
- Greater than the total property tax savings from 2013 property tax reform
- City of Des Moines IPERS and 411 spending represents 14% of general fund, and **19% of all property taxes**

11/4/14

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TAXPAYERS  
ASSOCIATION

## Impacts of Increased Public Pension Contributions

### Des Moines

- Cut back library service by closing each library an additional day each week
- Reduced mowing and trash collection in city parks
- Cut back on street cleaning
- Eliminated a medic squad

West Des Moines was unable to staff a newly built fire station for four years after it was built

Urbandale has raised taxes three years in a row specifically to pay for police and fire pension costs

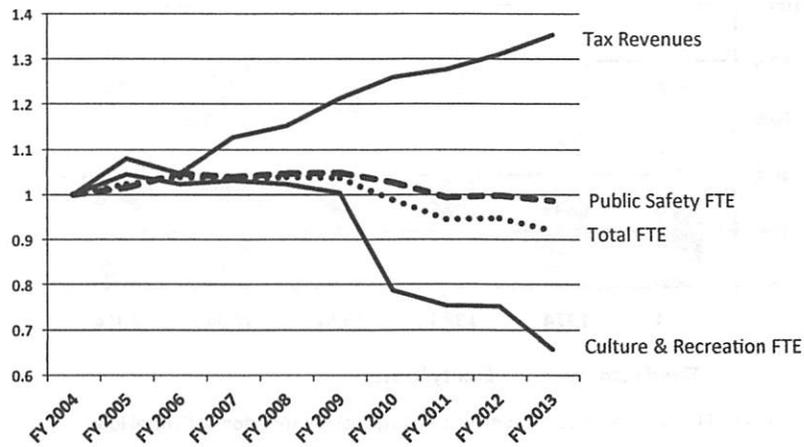
Moody's made a downward adjustment in rating on 8 of the 12 cities it has reviewed since adopting its new methodology. Methodology places more emphasis on pension debt.

11/4/14

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TAXPAYERS  
ASSOCIATION

### As Tax Revenues Have Increased, Staffing Has Declined City of Des Moines Indexed, 2004 = 1



11/4/14

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TAXPAYERS ASSOCIATION

### All Estimates are Based on Certain Methods and Assumptions That Tend to Understate the Debt

	IPERS	MFPRSI	Moody's	Society of Actuaries
Amortization Period	30 years, open (to close in 2015)	25 years, now closed	20 years, closed	15-20 years, closed
Discount Rate	7.5%	7.5%	5.6%	6.4% (+ or - 3%)
Mortality Tables	RP 2000	1/3 1971; 2/3 1994	RP 2000	New tables

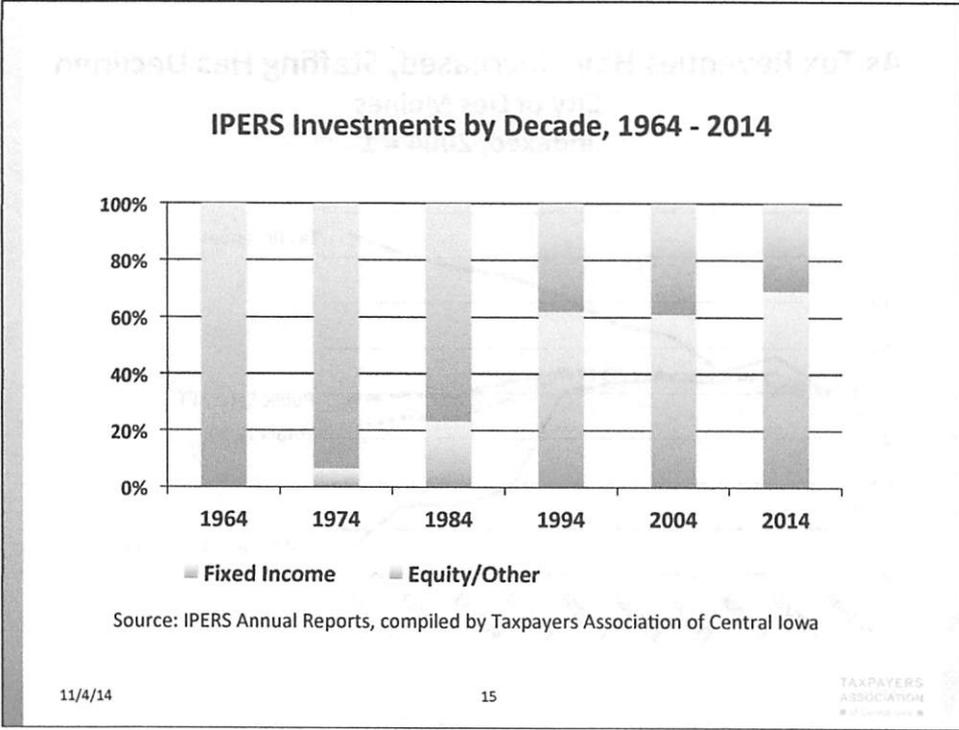
Moody's analysis suggests that IPERS' unfunded liability is **more than twice what is currently reported**. Assumptions and methods result in understatement of liabilities.

Moody's has downgraded 8 of the 12 Iowa cities it has reviewed using the new methodology which calculates pension liability using its own methods & assumptions.

11/4/14

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### When Times Are Good, Benefits are Enhanced (Example is for the Municipal Police and Fire Retirement System of Iowa)

Year	Prior Year Funded Status	Max. Benefit Percentage
1995	94%	65%
1998*	106%	72%
2000	107%	82%
2006	92%	DROP Program added
2009	99%	Cancer Presumption

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## Summary of Issues With Defined Benefit Plans in the Public Sector

- Plans tend to be underfunded when there are budgetary pressures – it’s too easy for politicians to defer action.
- Benefits are enhanced when plans appear to be fully funded – but using a “surplus” in one year means it cannot cover the inevitable shortfall in another year, rendering the concept of a long-term rate of return meaningless. Politicians are most unable to resist lobbying by police and fire employees.
- Significant debt can roll up quickly and automatically -- without explicit decision making.
- We are using debt to cover operating costs, not to pay for long-lived assets
- Intergenerational fairness – people (current and future generations) are paying for debt they didn’t incur.

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## Summary of Issues With Defined Benefit Plans in the Public Sector (cont’d)

- Paying for the current debt is already compromising public services.
- Plan investment portfolios contain significantly more risk than they did in the past, therefore increasing volatility in contribution requirements can be expected.
- The debt is likely to be much more – probably twice as much -- than what is presented. **It is likely to be as much as all other public debt in Iowa.**
- **There is no upper limit on debt we might incur in the future, with attendant employee, taxpayer and public service impacts.**

Is this what we really want?

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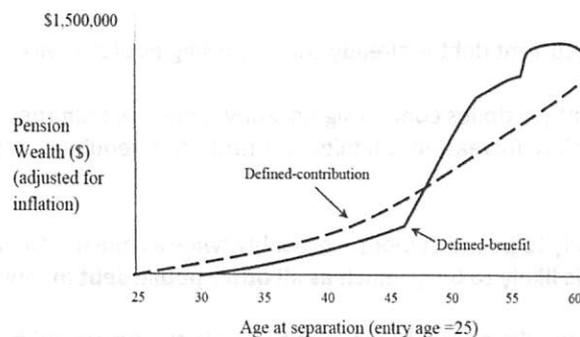
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### Implications

- Increasing employee contributions in the MFPRSI plan by 1 percentage each year for 3-4 years would achieve a 60%/40% employer/employee split similar to IPERS; use of longer period (5 years vs. 3) to determine average high salary would also be comparable to IPERS.
- Other states and cities are adopting alternative plan designs – “best practice defined contribution plans” (**NOT** 401k’s) – for new employees that capture the best features of defined benefit plans while containing the financial risk. Examples are Michigan, Utah, Rhode Island, Georgia, Tennessee and Kansas. Several have moved proactively and at least one was led by employees themselves.
- Iowa should take a fresh look at what’s type of public retirement plan is most appropriate for the next 50 years.

### Defined Benefit Plans are Not the Best Type of Plan For Most Employees

Figure 2: Hypothetical Pension Wealth Under Different Plans, in Dollars<sup>35</sup>



Source: Authors' calculation. Adapted from Costrell, R. & Podgursky, M. (2009, April) *Education Finance and Policy* 4:2 pp. 175-211.

Brown Center on Education Policy at Brookings Institution, "Improving Public Pensions: Balancing Competing Priorities" by Patten Priestley Maher, Matthew M. Chingos, and Grover J. "Russ" Whitehurst, p. 17.

## \$2.5 million:

- Broadening and expansion of the Keep Iowa Beautiful grant program for communities of 10,000 and under in Iowa and for rural enhancement projects such as the funding for Iowa Code Chapter 350.12 – Iowa’s County Beautification Program for county conservation Boards. That program remains unfunded.

Currently the community enhancement grant program is limited to \$5,000 for communities of 5,000 and under in size. Over the four years \$320,000 has been provided and the total dollar figure requested has been nearly a million dollars (\$908,038) and the total project costs of nearly \$2.9 million. With an increased level of funding - interest in the program will accelerate to significant levels. Size of grants will be increased from \$5,000 up to \$50,000. Community size would be increased to 10,000 and under and would include counties of 10,000 and under. A special smaller grant program will be developed to challenge local community foundations to grow their endowments by supporting initial staffing for up to two years - \$5,000 annual limit for two years. In addition a legal assistance fund with small grants of up to \$5,000 can be provided (require matching pro bono legal assistance) to deal with public nuisances.

## \$3.5 million:

- Derelict and abandoned buildings are a detriment to development and growth throughout the State. The scale of investment required for re-use or removal is often greater than communities can handle. If the buildings collapse or are demolished the disposal and health costs are prohibitive. The Derelict Building Program funded and administered by the Iowa DNR provides assistance for re-use and removal. The demand for the program far exceeds what is available. In the first three years, 76 applications were received with a total request of 2.7 million dollars. The available funding (\$400,000 annually) could only support 35 projects. Selected communities have saved over \$500,000 in landfill disposal fees along with enhancing the appearance and vitality of their communities. Increasing eligible community size, adding community residential projects, schools and raising program funding will increase the benefit to Iowans.

## \$250,000 to \$1.5 million:

- Development of a model rural hub and spoke recycling program for Iowa. First year is the model development and the next four years is an implementation grant program for implementing the model in selected rural areas of Iowa. Year One \$250,000 for the model development and \$1.5 million / year for the next four years implementation challenge grants.

## \$500,000:

- A number of significant waste / illegal / open dumping sites exist throughout the State. There are still 18 known sites that remain from DNR’s initial statewide waste tire stockpile inventory with a total estimated 257,000 tires. The source of the waste in the dump sites generally can’t be identified nor traced, therefore, costs for clean up can’t be recovered. The expense of cleaning up those sites is significant. This program administered through the Iowa DNR will offer clean up assistance in conjunction with prevention programs to local governmental units and NGO’s.

## \$1.0 million

- Hometown Pride is one of the most promising of community assistance programs in the State. Provision of long term (five years) technical and leadership assistance through Community Coaches is provided to sets of communities – clusters. These clusters (seven to 12 communities) are grouped in selected geographic areas - generally a county. The program is providing not only financial success but leadership skill development, empowering citizen pride and action.

\$1.1 million is being provided by private donors to the program at \$200,000+ per year, the State is matching that figure. The initial program was started in Pocahontas County with nine communities and recently Fremont County was added with another 12 communities. Seven other area clusters of communities are requesting the program and negotiations are underway with those entities. Two more clusters can be added with existing funds. This increased level of funding will allow 10 to 12 more clusters of communities to be initiated and sustained over the five year period, directly and positively impacting over 100 plus communities in Iowa.

## \$500,000:

- Public education and awareness efforts
  - Accelerate youth programs based on Sustainability, Character Counts and Service Learning – “Teachers Going Green”. Based on State Core and Federal requirements, adjusted to meet STEM and designed to support Iowa as the healthiest State. Builds community ownership, confidence and pride in youth by hands on community enhancement projects.
  - Increase the marketing and use of the Litter Hotline as a litter prevention tool. This could be supported by an increase in the litter penalty from \$75 to \$250.
  - Market and increase the adoption of public roadways and parks as a direct beautification program. This would include state, county and municipal areas.



## “Jump Starting Rural Iowa”

GFS 08.20.14

55% of Iowa’s population (1,677,020) is located in 912 communities smaller than 10,000 people.  
45% of Iowa’s population (1,369,335) is located in 35 communities larger than 10,000 people.

The rural fabric of Iowa and its small communities are often viewed as liabilities. Fifty years ago these small towns were the homes to most Iowan’s producing people with exceptional values and qualities – key assets to the world. Today we look at the small communities as challenges rather than opportunities. The small town character of the Iowa landscape is part of the rural fabric that needs to be considered as key assets worth an investment by Iowa and Iowan’s. Today’s approach tends toward continuing to view them as liabilities - requiring significant negative investments of people and dollars in their demise.

With new technology and increased demands for quality of life experiences by Americans, visitors and the traveler, these small towns can again become a key asset in the future infrastructure of the State. The quality of these places and their appearance tends to be diminishing and truly negatively impacts the Image of Iowa. That image of low quality works on people’s minds, often encouraging complacency by citizens. It tends to drive people to other areas, detracts from visitation / residency and discourages investment. Pride and confidence tend to be absent.

It is time to again build that community pride and turn liabilities into assets. Places that become appealing to those individuals looking for quality of life, high values and a strong sense of community pride and respect. Programs like Main Street, Keep Iowa Beautiful, Hometown Pride, Visioning programs of Trees Forever, tax credit programs, increased high speed internet access are all key elements, but more incentive – a “helping hand” - is needed in each community. We need to be marketing and building on the cultural qualities of our communities and rural countryside as an asset – not only the traditional natural, historic and recreational features. A basic need of rural Iowa is high speed internet access. It is critical for potential residents and business to be competitive and utilize small towns for their cultural values. KIB believes that it needs to be addressed as a separate issue from this rural initiative package.

Building off of the growing successes of the beautification and derelict building grant programs [Iowa Code section 455E.11], urban single stream recycling and the KIB Hometown Pride program, it is suggested that funding be channeled through the Iowa Department of Natural Resources (Iowa DNR) for beautification and land enhancement efforts throughout Iowa in partnership with Keep Iowa Beautiful. The following chart provides a suggested allocation of annual funding for the following programs.

### JUMP STARTING RURAL IOWA

**\$9,500,000 Annually:**

