

CITY OF MUSCATINE
IN-DEPTH CITY COUNCIL MINUTES
Council Chambers – 7:00 p.m. – October 8, 2015

Mayor Hopkins called the City Council meeting for Thursday, October 8, 2015, to order at 7:00 p.m. Councilmembers present were Rehwaldt, Fitzgerald, Natvig, and Spread.

The first item on the agenda was a request to approve a professional services agreement with Southeast Iowa Regional Planning Commission for grant administration for the Community Development Block Grant Downtown Revitalization Project.

#23157. Councilmember Fitzgerald moved the request be approved. Seconded by Councilmember Natvig. All ayes; motion carried.

Jodi Hansen, Muscatine Community Leader for the Blue Zones Project, stated she was present at the meeting to talk about where Blue Zones activities are to date and future events. She stated there are currently 25 work sites with the Blue Zones designation and she is working with two more. She stated there are 10 Blue Zones designated restaurants and three schools. She stated she is currently working with 10 additional schools on attaining this designation.

Ms. Hansen stated the Blue Zones Project has seen great success with the city's community policies, usage of Cedar and Colorado streets, and the roundabout. She thanked City Council for their approval of the Bike/Pedestrian Master Plan. She then gave a brief update on the Community Gardens program.

Ms. Hansen stated that upcoming activities include the launching of three walking school bus opportunities that will begin at the end of October. She stated the plant-based cooking classes continue to be held at Hy-Vee. She stated a Moai is scheduled for October 28, 2015 at Weed Park.

Ms. Hansen thanked everyone involved in the Blue Zones Project. She stated it is a citywide initiative. She stated the City of Muscatine is looked at often as a poster child for the Blue Zones Project. She stated the city is becoming a place where people want to live and enjoy life.

Mayor Hopkins, speaking in reference to the roundabout, asked what she would say to someone who does not favor roundabouts.

Ms. Hansen stated she would talk about the fact that accidents would be less severe because traffic is constantly flowing and that the wider streets and walking trails have slowed things down on Cedar Street.

Mayor Hopkins asked Ms. Hansen if she would encourage the installation of more roundabouts.

Ms. Hansen stated she would need to see all the facts and statistics before supporting or not supporting other roundabouts.

Councilmember Rehwaldt stated there are tens and thousands of roundabouts all over the world with the first one being installed in England in 1909.

Ms. Hansen stated she would like to see more projects that increase safety.

The next item on the agenda was a Strong Communities presentation. Community Development Director David Gobin stated Community Development Coordinator Adam Thompson would be giving a presentation on a couple of programs that were launched in December 2014. He stated that City Council would see that both programs have had a tremendous amount of success.

Mr. Thompson thanked staff for allowing him to make this presentation tonight on the Small Business Creation Project which includes the Small Business Forgivable Loan program and the Building Improvement Loan program. He thanked CBI Bank & Trust, Community Bank & Trust and First National Bank for partnering with the city on these two programs. He also thanked staff and City Council for their help in making the two programs successful.

Mr. Thompson stated the purpose of the Small Business Creation Project is to support and grow the foundation of a thriving community. He stated its goals are to support local small businesses, encourage local entrepreneurs, and to drive infill development to reinvigorate the downtown and key districts.

Mr. Thompson stated the Small Business Forgivable Loan program was launched in December 2014 and the first loan processed in January 2105. He stated the forgivable loans can be in an amount up to \$25,000 with a portion of those funds used for startup costs and a portion for code-related costs. He stated that each fiscal year the city contributes \$100,000 to the program. He stated the three targeted areas for the program are the downtown area, Park Avenue, and Grandview Avenue. He stated the program is meant to assist new small businesses or expanding business operations with new product or service. Its purpose is to fill vacant business locations with strong viable businesses.

Mr. Thompson stated there are seven local businesses who have taken advantage of this forgivable loan program. He stated the term of the loan is five years with 20% of the loan forgiven annually from the original date of the loan.

Mr. Thompson stated the second program is the Building Improvements Loan Program. He thanked CBI Bank & Trust, Community Bank & Trust and First National Bank who are really responsible for the project. He stated these three financial institutions have made a \$1,000,000 commitment at 1% below prime interest rate. He stated funding through this program is for infrastructure improvements such as roof, sewer line, façade repairs, etc. He stated it was expanded to include the downtown area, Park Avenue, and Grandview Avenue. He stated the application is reviewed by city staff and then forwarded to the bank for approval and processing. He stated the banks have lent approximately \$220,000 through this program. He stated this program complements the Small Business Forgivable Loan Program and is used in conjunction with incentive programs.

Mr. Thompson stated that through these two programs, there has been a total of \$125,000 for the small business forgivable loans and \$220,000 for building improvement loans. He stated private financing totaling \$730,000 has been received and over \$1 million invested in small business over the last 10 months. In addition, he stated seven full-time and 18 part-time positions were created as were a number of construction jobs.

Mr. Thompson stated Community Bank & Trust nominated the city to receive a Strong Communities Award. He stated the first place winner receives \$15,000 and the runner up \$3,000. He stated the city is one of four finalists in the rural category. He stated everyone's help is needed in voting for the project. He stated that locally residents can log into the city's website and go to "Spotlight" on the home page to vote.

Councilmember Natvig stated it is clear the city is definitely doing something for small business owners in Muscatine.

Councilmember Fitzgerald asked if business owners who have rental space above can apply for these programs.

City Administrator Gregg Mandsager stated these programs are for commercial and retail business development.

Councilmember Natvig, speaking in reference to the grant award for the Downtown Revitalization Project, asked if this grant is in addition to these two programs, and City Administrator Mandsager answered yes.

The final item on the agenda was a Budget Basis Financial Statement Overview for the fiscal year ended June 30, 2015.

Finance Director Nancy Lueck stated the city's audit has been completed and will be available the first part of December. She stated the emphasis tonight will be on the General Fund.

Ms. Lueck gave an overview of the General Fund revenues for the year ended June 30, 2015 that totaled \$11,233,667.65. She then reviewed expenditures that totaled \$15,689,348.82. She stated that revenues were under expenditures by \$5,355,681.17. She stated the total for other financing sources (uses) was \$5,894,233.90. She stated the actual fund balance for the fiscal year ending June 30, 2014 was \$3,472,731.68 and the ending fund balance for the fiscal year June 30, 2015 was \$4,011,284.41. She stated the unreserved balance as of June 30, 2015 was \$3,907,011.61.

Ms. Lueck then gave a brief overview of the General Fund's Fund Balance Analysis, Fund Balance History, and Fiscal Year-End General Fund Balances as a Percent of Expenditures. She also gave a Fund Balance Comparison for all operating funds.

Michael Rehwaldt, speaking in reference to the Transfer Station Closure Reserve, asked what the reserve was for.

Ms. Lueck stated it is a state requirement. The city is required to set aside funds for closure purposes should that happen.

Ms. Lueck ended her presentation with the following summarization of her presentation:

- The ending General Fund balance of 22.6% of expenditures is higher than the original 2014/2015 budget of 16.8% and the 2014/2015 revised estimate of 19.8%.
- This higher balance meets the requirements of the General Fund balance policy adopted in November 2013 which provides that the General Fund balance be at least 16.7% (two months) of General Fund expenditures.
- The ending balance in the General Fund positions this fund for the expected future year budget challenges which will include impacts from the phased-in rollback of multi-residential property valuations from the current 90% to the residential rollback rate of approximately 60% from fiscal year 2017 through fiscal year 2014.
- There were positive fund balances in all of the city's operating funds with the exception of the Refuse Collection and Transfer Station funds. The Refuse Collection deficit includes the encumbrance for the new automated refuse collection vehicle. The Transfer Station deficit was allowed for in the 2014/2015 Revised Estimate.

- The Landfill fund deficit was eliminated in fiscal year 2014/2015. This was one year ahead of the deficit reduction plan estimate primarily due to not expending all of the allocation for the ground water remediation plan in 2015.
- Most other city funds have ending balances close to or higher than projected and are in good position going into the budget development press for the upcoming year.

Councilmember Rehwaldt asked what steps should be taken if someone suspects irregularities for state and federal sales taxes.

City Administrator Mandsager asked if this concerned a local entity, and Councilmember Rehwaldt answered yes.

Ms. Lueck stated she would contact the state for the proper procedure and let Councilmember Rehwaldt know what she finds out.

There was brief discussion on the transition of the CVB to a city entity.

Councilmember Rehwaldt stated a couple of meetings ago he had asked for a report showing crime statistics in Muscatine and he has not heard anything yet.

City Administrator Mandsager stated information has been contained in his last updates. He stated the Police Department will be giving a presentation at the November In-Depth concerning the crime statistics in Muscatine as well as about its accreditation process.

Councilmember Natvig reminded everyone of the Public Safety Building's Open House on Sunday, October 11, 2015, from noon to 3 p.m.

City Administrator Mandsager encouraged everyone to vote for the Strong Community Award. He stated the next public meeting for the Mississippi Drive Corridor Project is November 10, 2015 and is tentatively scheduled for 5:30 p.m. at the Riverview Center. He asked City Council to hold the date.

#23158. Councilmember Natvig moved the meeting be adjourned at 8:02 p.m. Seconded by Councilmember Fitzgerald. All ayes; motion carried.

Gregg, Mandsager, City Administrator