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City Administrator Report to Mayor & City Council

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REPORT:

1. Alcoholic Beverages: The Parks & Rec Department found no other municipal golf courses with exclusive alcoholic beverage contracts. Per the City Attorney: The City is prohibited under both state and federal law from entering into an exclusive contract for alcohol.

The long answer is that Subsection 185.16.22 of the Iowa Administrative Code states that "[a]n industry member and a retailer are prohibited from entering into implied or express contracts for the future sale and purchase of alcoholic beverages." The administrative rule is intended to implement Iowa Code section 123.186, which in turn is intended to implement the Code of Federal Regulations, 27 CFR Sections 6, 8, 10 and 11.

Pursuant to 27 CFR 8.22, entering into any contract "which has the effect of requiring the retailer to purchase distilled spirits, wine, or malt beverages from the industry member beyond a single sales transaction is prohibited." The regulation provides only two examples but one of the two is a "sales contract awarded on a competitive bid basis which has the effect of prohibiting the retailer from purchasing from other industry members by: (1) Requiring that for the period of the agreement, the retailer purchase a product or line of products exclusively from the industry member; or (2) Requiring that the retailer purchase a specific or minimum quantity during the period of the agreement."

2. Bruner Field: The School District and MCC are both interested in entering into a long term lease for Bruner field. The last 28E that was in place did allow for a lease to MCC. The lease (10-20 years) would allow for the schools to maintain the fields (though they may still contract with the City). This would also position the schools to make capital improvements and insure the fields against damage.
3. Bi-State: Attached is a copy of the IDNR/USEPA letter on non-attainment prepared by Bi-State. Along with the City, Muscatine County, the Chamber, Wilton and West Liberty will be signing.