

CITY OF MUSCATINE
IN-DEPTH CITY COUNCIL MINUTES
Council Chambers – 7:00 p.m. – November 9, 2017

Mayor Diana Broderson called the City Council In-Depth meeting for Thursday, November 9, 2017, to order at 7:00 p.m. Councilmembers present were Rehwaldt, Fitzgerald, Natvig, Saucedo, Harvey, and Spread.

The first item on the agenda was a request to approve the purchase of a weight indicator/controller for tunnel scale application from Rogan in the amount of \$44,158.

#23149. Councilmember Fitzgerald moved the request be approved. Seconded by Councilmember Spread. All ayes; motion carried.

The next item on the agenda was a review of the proposed ballot question for the Local Option Sales Tax Renewal Referendum.

Finance Director Nancy Lueck stated the actual review of the local option sales tax issue took place at the September In-Depth meeting. She stated tonight she would be going through the memorandum that had been attached with the agenda.

Ms. Lueck highlighted the following items from her memo:

- The current EPA Consent Order deadline for completion of the West Hill Sanitary Sewer Separation Project is December 31, 2018.
- The date proposed for the special election to consider the renewal of the Local Option Sales Tax is March 6, 2018.
- The last day to submit the ballot question to the county for a special election is December 7, 2017.
- The cost for the remaining phases of the West Hill sewer separation project is estimated at \$40,100,000. A long-term financing plan was prepared by staff and Public Financial Management (PFM), the city's financial consultant, for financing the remaining phases of this project. The financing plan is based on continuation of the 80% allocation of the local option sales tax after its current expiration date which is June 30, 2019.
- The long-term financing plan shows that the local option sales tax proceeds and funds the city is setting aside each year are expected to cash flow costs of the West Hill sewer separation project through 2023 when a State Revolving Fund Loan (SRF) will be needed to fund the remaining phases of the project. The amount of the loan is currently estimated at \$22.8 million. The interest rate on SRF loans is current 2.0%.
- PFM prepared a 10-year SRF loan repayment schedule with the final year of payments on the loan scheduled for fiscal year 2033/2034.
- It is proposed that the Local Option Sales Tax be renewed for 15 years. Proceeds would be available to fund annual costs of the West Hill project through 2022 as well as debt service payments for the 10-year period of the SRF loan.
- Using the Local Option Sales Tax as the primary funding source for this project (including the SRF loan payments) means that the city's property tax would not be impacted from this project and that sewer rates would also not be impacted.

Ms. Lueck stated the ballot question is similar to the ballot question used when the tax was last renewed in 2008, except that it is for a 15-year period and also adds language to include debt service payments related to debt issued for sewer projects based on the long-term financing plan. The wording will be as follows:

“Shall the local sales and service tax be continued in the City of Muscatine at the rate of 1% to be effective from July 1, 2019 until June 30, 2034? Revenues from the sales and service tax are to be allocated as follows: Not less than 80% for sanitary and storm sewer projects including principal and interest payments on debt issued for those projects; up to 20% for the Pavement Management Program; and 0% to property tax relief.”

Ms. Lueck stated at the November 16, 2017 City Council meeting, City Council will be asked to consider approval of the ballot question and also to authorize the letter to the Muscatine County Board of Supervisors and Muscatine County Auditor to hold the special election on March 6, 2018.

There were questions and comments from City Council that were addressed by Ms. Lueck.

The final item on the agenda was a presentation by Public Works Director Brian Stineman on the Allen Street sewer issue.

Mr. Stineman began his presentation by showing the area that is being discussed tonight. He stated that as part of the agenda information, City Council received the historical information which included the Memo of Settlement, agreement as prepared by the attorney for the insurance company, and the report from Shoff Consulting Engineers L.C.

Mr. Stineman then showed maps of the area in question and explained how drainage from this area goes to the lift station and is pumped out.

Mr. Stineman stated that right now all interior plumbing goes to the sanitary sewer line and out a lateral pipe to the sewer main which is now illegal. He stated that currently storm water or ground water is introduced to the sanitary sewer system via the illegal connections in this area. He stated that sump pumps, foundation drains, gutters and downspouts should not be connected to the sanitary sewer. He stated in times of heavy rain, water will find the lowest area.

Mr. Stineman stated that a backflow preventer (Option A) would allow water to go out and not come back in. He stated the installation and maintenance of a backflow preventer would cost approximately \$100 to \$3,000. As a condition of the lawsuit settlement, Ralph Burr who lives at 3015 Allen Street, agreed to install and maintain a backflow preventer. He noted that other neighbors in the area have backflow preventers and have not had issues.

There were questions and comments from City Council at this point that were addressed by Mr. Stineman.

Mr. Stineman stated another option (B) would be to remove the cross-connections. He then gave an overview of the map showing how this option would work. He stated the city would need to inspect over 155 homes. He stated that all illegal connections would be ordered disconnected at the owners' expense. He stated that lack of a storm sewer would mean that water would accumulate in yards and streets until it eventually soaked down.

There were questions and comments from City Council that were addressed by both Mr. Stineman and City Administrator Mandsager.

Mr. Stineman stated that a third option (C) would reroute the sanitary sewer gravity flow down Houser Street but would have to be done in three construction phases. He stated that in Phase I, in order to reverse the flow on Houser Street from Allen to Lucas streets, it would be necessary to adjust and lower five manholes and to install roughly 800' of new sewer line. He then provided a cross section on the first phase of Option C. He stated that the rough estimate, based on bids received for the Mississippi Drive Corridor Project, would be approximately \$843,906.25.

Mr. Stineman then provided an overview of the second phase of Option C which would include the areas of Houser Street and Lucas to Hershey. He stated it would require approximately 3,086' of new sewer line and the installation of 11 manholes and would cost approximately \$466,897.25.

Mr. Stineman then went on to talk about the third phase of Option C which would be from Hershey to the manhole upstream of the Lift Station. He stated it would be necessary to install roughly 1,355' of new 12" sewer line and to adjust or modify five manholes. He stated it is not known at this time if the lift station can handle the additional water flow. He stated the estimated cost of the third phase would be approximately \$404,645. He noted that Option C would require that all three phases be completed.

Mr. Stineman then gave an overview of the option comparisons. He ended by saying that he is looking for guidance from City Council on this issue.

Ralph Burr, 3015 Allen Street, stated it is a city problem that is causing his problem. He stated he was present tonight to find out about his problem and not the folks in his neighborhood. He stated he just wants his problem solved.

He was told that the city is working on it.

Under comments, Councilmember Harvey stated he wanted to talk about the resolution that was recently adopted concerning parking on 2nd Street. He explained why he wanted the issue revisited and asked if there was a consensus from City Council to revisit the issue.

There was discussion by City Council concerning this parking issue.

It was determined that four out of the six Councilmembers present agreed this matter should be brought back at the December In-Depth meeting for further discussion.

Mayor Broderson asked that everyone continue to pray for the church in Texas.

Mayor Broderson then thanked everyone for voting this week.

Councilmember Harvey moved the meeting be adjourned at 8:15 p.m.

Gregg Mandsager, City Administrator