

**MINUTES
FORT MADISON CITY COUNCIL
Tuesday, March 4, 2014**

The Fort Madison City Council met in regular session on Tuesday, March 4, 2014, at 7:00 P.M. at City Hall, 811 Avenue E, Fort Madison. Presiding was Mayor Bradley A. Randolph with Council Members Chris Greenwald, Brian Wright, Kevin Rink, Rusty Andrews, Travis Seidel, Jason Huppert and Mark Lair.

VISITORS AND APPEARANCE REQUESTS

Carol Foss, 412 Avenue F, asked when Council would readdress the issue of the design engineering contract for the Rehab of Business Highway 61. She felt this project needed to get started. City Manager Byron Smith said it is planned to be on the next Council Agenda. He is working with the engineering firm on some different options.

Ernie Schiller, Chairman of the Lee County Board of Supervisors, read a letter from the Supervisors concerning the City's proposed use of a franchise fee. The letter expressed the Supervisors' concern that the fee would hurt the taxpayers of Lee County.

AGENDA

Seidel MOVED and Lair SECONDED to approve the agenda, as written.

MOTION PASSED 7-0

CONSENT AGENDA

Rink MOVED and Wright SECONDED to approve:

- Minutes of February 18, 2014, as written;
- Mayor's reappointment of Jesus "Chuy" Garcia and Tara Johnson to the Park, Recreation & Dock, terms expiring April 1, 2018;
- Mayor's reappointment of Rick Ruis to the Civil Service Commission, term expiring April 1, 2018;
- Mayor's reappointment of Chuck Block to the Old Fort Commission, term expiring March 21, 2017; and
- Payment of Claims.

MOTION PASSED 7-0

PUBLIC HEARINGS

Concerning the Fiscal Year 2014-15 Budget

Mayor Randolph opened the public hearing at 7:08 p.m. There were no oral comments. Two letters, one from the Fort Madison Partners and one from Lee County Economic Development Group, were received in opposition to the proposed franchise fee.

At 7:09 p.m., Greenwald MOVED and Seidel SECONDED to close the public hearing.

MOTION PASSED 7-0

RESOLUTION NO. 2014-08, ADOPT FY 2014-15 BUDGET: Greenwald MOVED and Wright SECONDED to adopt the Fiscal Year 2014-15 Budget, and directing the appropriate filings be made by law.

Smith gave an overview of issues affecting the budget and the proposed franchise fee. A franchise fee was proposed in 2008 but was for 4¼% on residential electric and the transport fee for natural gas. At that time industry did not want the franchise fee. In order to provide needed revenue, a special election was held altering the use of the 1% sales tax. This takes roughly \$250,000 from capital improvements to the general fund each year and has inhibited the City's ability to repair infrastructure.

Smith reported the general fund levy has been capped at \$8.10 by the state and for at least 30 years. Property valuation is limited to 3% growth per year.

He said the following will greatly affect the City's taxable valuations over the next several years:

1. The State legislature will rollback valuation on commercial property from 100% to 95% in FY2014-15 and then to 90% in FY2015-16. The State will backfill this FY2014-15 and have budgeted to do so in FY2015-16 but there is no guarantee this will continue.
2. Valuations for multi-family residential properties with three units or more will change from commercial rates to residential rates for FY 2016-17. This change will be phased in over an eight year period.
3. Commercial properties were reassessed and a number of commercial and industrial properties had their valuations decrease. The top 12 employers in Fort Madison will have a nearly 12% average decrease in valuation.

Smith said the proposed natural gas franchise fee will provide \$44,500. An estimate was used for the electric franchise fee as Alliant would not provide any usage. Currently 54 Iowa communities have a form of franchise fee and other cities are looking at it as well. There are several TIFs that will be released over the next six years, this will not provide enough funding to make up the shortfall.

Smith said alternatives include major increases in fees. He added if the franchise fee is not implemented this year, Council will probably be looking at it again next year.

Smith recommended leaving the gas franchise for residential. This would have no impact on residents. He offered the following potential budget adjustments as options:

Revenues

Remove Electric Franchise Reduction	\$ (150,000)	
Remove Gas Franchise Reduction	(12,500)	w/residential (53,000)w/o residential
Transfer from Grant Opportunity	50,000	
Additional Grant Opportunity Transfer	60,000	
Additional Utility Transfers	20,000	

Expenditures

Reduce Police Dept. Misc.	\$ (7,500)
Reduce Library Materials	(6,000)
Reduce Parks/Cemetery Capital	(20,000)
Eliminate Swimming Pool Capital	(4,500)
Reduce Nuisance Abatement	(10,000)
Reduce Fire Dept. Misc.	(7,500)

He cautioned against using the Grant Opportunity Fund as that revenue will end March 2016.

AMEND BUDGET BY REMOVING FRANCHISE FEES: Greenwald MOVED and Seidel SECONDED to amend the budget by removing all franchise fee revenue.

Greenwald expressed concern over the effect the franchise fee would have on the County's budget.

MOTION PASSED 7-0

Greenwald and Huppert agreed this can be discussed further in preparation for next year's budget. Huppert said the County has already set their budget and are expecting the sales tax money this year.

Linda Baxter, 1727 Avenue F, asked if the increase is limited to the 1% or if it could increase. Smith says state law allows up to a 5% franchise fee. If there is any change to the franchise ordinance the citizens may petition for a vote.

AMEND BUDGET BY INCLUDING TRANSFERS AND REMOVAL OF EXPENDITURES: Greenwald MOVED to amend the FY 2014-15 Budget to include all the remaining options recommended by Smith (as noted above).

MOTION PASSED 7-0

A vote was then taken on the original motion to adopt the Fiscal Year 2014-15 Budget as amended, and directing that the appropriate filings be made by law.

ROLL CALL: AYES: Greenwald, Wright, Rink, Andrews, Seidel, Huppert, Lair
 NAYES: None

MOTION PASSED 7-0

The Mayor then declared said Resolution ADOPTED and ENACTED this 4th day of March, 2014.

ORDINANCES AND RESOLUTIONS

ORDINANCE D-011, SET TERM LIMITS FOR TOURISM COMMISSION: Seidel MOVED and Andrews SECONDED to approve the 3rd reading of an ordinance amending Title 2-19 -2(b), setting term limits for Tourism Commission members.

ROLL CALL: AYES: Greenwald, Wright, Rink, Andrews, Seidel, Huppert, Lair
 NAYES: None

MOTION PASSED 7-0

The Mayor then declared said Ordinance PASSED and APPROVED this 4th day of March, 2014.

RESOLUTION NO. 2014-09, ACCEPT PIP 2013-02, OLD FORT MADISON FIRE REPAIR: Rink MOVED and Greenwald SECONDED to accept Public Improvement Project 2013-02, Old Fort Madison Fire Repair.

Smith said there are a few punch list items to clear up when the weather improves. All but the \$1,000.00 deductible has been paid by the City's insurance company.

ROLL CALL: AYES: Greenwald, Wright, Rink, Andrews, Seidel, Huppert, Lair
 NAYES: None

MOTION PASSED 7-0

The Mayor then declared said Resolution ADOPTED and ENACTED this 4th day of March, 2014.

RESOLUTION 2014-10, APPROVE 28E W/CITY OF BURLINGTON: Lair MOVED and Wright SECONDED to adopt a resolution approving a 28E Agreement between the City of Fort Madison and the City of Burlington to provide mutual aid for significant emergencies.

ROLL CALL: AYES: Greenwald, Wright, Rink, Andrews, Seidel, Huppert, Lair
NAYES: None

MOTION PASSED 7-0

The Mayor then declared said Resolution ADOPTED and ENACTED this 4th day of March, 2014.

OTHER

APPROVE RESCISSION AGREEMENT W/CAPTAIN KIRK'S MARINA: Rink MOVED and Greenwald SECONDED to approve the Mayor and Clerk's signatures on a mutual rescission of the lease agreement with Captain Kirk's Marina, LLC.

Smith explained the sub lessor defaulted on the lease. The original lessee, Captain Kirk's Marina, LLC, did not want to continue with the contract. Some projects might be taking place down there and it would be best to not lease the building during this process. The part-time marina dockhand will man the building and sell boating supplies Monday through Friday. A credit card system is planned so boaters can purchase gas at any time.

MOTION PASSED 7 AYES

APPROVE BID FOR AVE. B/16TH ST. SEWER PROJECT: Seidel MOVED and Greenwald SECONDED to approve the bid of Cullen Construction and Excavating, Inc., of West Point, Iowa, in the amount of \$18,987.00 for the Avenue B and 16th Street Sewer Project.

Driscoll reported this is for the installation of a sanitary sewer line in the 1600 block of Avenue B. This will capture four septic tanks for properties on the north side. Sewer will be stubbed in for two vacant lots on the south side of the street also.

MOTION PASSED 7 AYES

ENVIRONMENTAL SERVICES AGREEMENT: Wright MOVED and Lair SECONDED to approve the Mayor's signature on an environmental services agreement with PDC Technical Services, Inc. for services related to the preparation of a permit application to the Iowa Department of Natural Resources to gravity drain leachate at the closed City Landfill.

Driscoll said the leachate system on the east side of Rodeo Park closest to the landfill is in need of repair. Instead of repair, the application asks to hook the leachate pumps to the sewer main that was expanded to the area in the early 2000s.

MOTION PASSED 7 AYES

REPORTS BY DEPARTMENT HEADS

There was nothing remarkable to report.

PRESENTATIONS BY LIAISONS TO BOARDS AND COMMISSIONS

There were no reports.

ADJOURNMENT

At 7:58 P.M., Seidel MOVED and Andrews SECONDED to adjourn until Tuesday, March 18, 2014, at 7:00 P.M.

VOICE VOTE APPROVAL

MANUAL CLAIMS AND WARRANTS: See Claims dated February 27, 2014, in the amount of \$117,303.16 and Library Claims dated February 20, 2014 in the amount of \$13,530.04.

<u>PAYROLL</u>	<u>2/21/2014</u>
General	\$153,756.35
RSVP	1,260.21
Old Fort	2,305.52
Road Use	27,479.62
Hotel/Motel	1,344.87
Water	30,139.83
Sewer	32,672.45
Solid Waste	17,751.88
Storm Water	3,041.92
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	\$269,752.65

Mayor Bradley A. Randolph
City of Fort Madison

ATTEST:

Melinda L. Blind, City Clerk