

CITY OF MUSCATINE
IN-DEPTH CITY COUNCIL MINUTES
Council Chambers – 7:00 p.m. – October 13, 2016

Mayor Broderson called the City Council meeting for Thursday, October 13 8, 2016, to order at 7:00 p.m. Councilmembers present were Rehwaldt, Fitzgerald, Natvig, Saucedo, Bynum, Harvey, and Spread.

PUBLIC HEARING

Mayor Broderson stated this public hearing concerns the proposed Urban Revitalization Plan for the Muscatine Grandview Avenue Urban Revitalization Area.

There were no oral or written petitions for or against the proposed plan.

#23578. Councilmember Rehwaldt moved the public hearing be closed. Seconded by Councilmember Natvig. All ayes; motion carried.

PUBLIC HEARING

Mayor Broderson stated this public hearing concerns the proposed Muscatine Park Avenue Urban Revitalization Area.

There were no oral or written petitions for or against the proposed plan.

#23579. Councilmember Harvey moved the public hearing be closed. Seconded by Councilmember Spread. All ayes; motion carried.

Mayor Broderson stated the next item on the agenda was a resolution stating the intentions of the City Council with regard to the Muscatine Grandview Avenue Urban Revitalization Area and the proposed plan.

#23580. Councilmember Spread moved the resolution be adopted. Seconded by Councilmember Harvey. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Saucedo, Bynum, Harvey, and Spread. Motion carried.

Mayor Broderson stated the next item was a resolution stating the intentions of the City Council with regard to the Muscatine Park Avenue Urban Revitalization Area and the proposed plan.

#23581. Councilmember Natvig moved the resolution be adopted. Seconded by Councilmember Bynum. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Saucedo, Bynum, Harvey, and Spread. Motion carried.

The next item on the agenda was a presentation by Vic Amoroso of A&J Associates concerning the HVAC system at the Public Safety Building.

Mr. Amoroso stated that when the geothermal field was installed, the wells could only be placed 200' underground which has been warming over time and causing the Public Safety Building to be warm. He stated that because the building is in operation 24 hours a day, the geothermal field HVAC system does not have time to dissipate heat. He stated this results in geothermal field temperatures slowly rising during

peak cooling demand until the loop temperature exceeds the upper limits of the water to water heat pumps operating range. He stated this high loop temperature reduces heat pump functionality over long periods of hot and humid weather.

Mr. Amoroso stated his firm was asked to perform a study of the Public Safety Building's HVAC system and come up with possible options to correct the cooling issue the building is experiencing. He then gave his firm came up with five options but was recommending the installation of a nominal 20-ton slipstream water cooled chiller and a three three-ton ductless mini-split heat pumps that are air cooled. He then explained how this system would benefit the Public Safety Building.

There were comments and questions from City Council that were addressed by Mr. Amoroso.

The final item on the agenda was a presentation by Finance Director Nancy Lueck of the Budget Basis Financial Statements for the fiscal year ending June 30, 2016.

Ms. Lueck stated the book distributed to City Council at last week's meeting contains more detail on the information she is providing tonight.

Ms. Lueck began her power point presentation with an overview of the fund statements contained in the General Fund. She stated that revenues for the fiscal year ended June 30, 2016 totaled \$11,202,215.08 and total expenditures were \$16,633,504.45. She stated that revenues were under expenditures by \$5,431,289.37.

Ms. Lueck stated that operating transfers in, which includes transfers from the Employee Benefits, Road Use Tax, Ambulance, Perpetual Care Interest, and TIF funds, totaled \$6,611,130.43. She stated that operating transfers out, which includes tax levy proceeds to the Transit and Mad Creek Levee project as well as transfers to the Equipment Replacement and Computer Replacement funds, totaled \$917,320.85. She stated this brings the total of other financing sources to \$5,693,809.58. She stated the fund balance for June 30, 2015 of \$4,011,284.41 coupled with revenues and other sources over expenditures and other uses brings the fund balance for June 30, 2016 to \$4,273,804.62. She stated the reserve for outstanding encumbrances is \$201,790.52 leaving an unreserved balance as of June 30, 2016 of \$4,072,014.10.

Ms. Lueck then gave an overview of the General Fund's Fund Balance Analysis which shows us where we thought it would be compared to where it actually is.

Ms. Lueck stated that two there two budgeted items that were request to be carried over to the Fiscal Year 2016/2017 budget. Those items include a truck body for Roadway Maintenance that was Road Use Tax funded and a salt box and snow plows for Snow & Ice Control that was also Road Use Tax funded. The total carry forward items, which do not impact the General Fund balance, total \$95,764.

Ms. Lueck stated that revenues were under the original revised estimate by \$205,261, and she gave a brief overview of the significant revenue items. She stated that expenditures were under the original revised estimate by \$536,286, and she gave a brief overview of the significant expenditure items.

Ms. Lueck stated that departments overall have done a really good job where their budgets are concerned.

Ms. Lueck then reviewed the charts for the General Fund Fund Balance History and the Fiscal Year-End General Fund Balances as a Percent of Expenditures.

Ms. Lueck provided a fund balance comparison of operating funds.

Ms. Lueck's presentation ended with the following summary:

- The ending General Fund balance of 23.1% of expenditures is higher than the original 2015/2016 budget of 18.5% and the 2015/2016 revised estimate of 20.5%.
- This higher balance more than meets the requirements of the General Fund balance policy adopted in November of 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 also 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 90% in 2015/2016 to the residential rollback of approximately 60% from fiscal year 2017 through fiscal year 2024.
- 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 2015/2016 Revised Estimate.
- The Landfill fund deficit was eliminated in Fiscal Year 2014/2015 and increase to a positive \$635,191 balance at the end of 2015/2016. This fund balance being accumulated will be used for construction of the next landfill cell.
- Most other city funds have ending balances close to or higher than projected and are in good position going into the budget development process for the upcoming year.

There were questions and comments that were addressed by Ms. Lueck and City Administrator Gregg Mandsager.

City Administrator Mandsager then commended city staff for their great team effort in making this a very good year.

Under comments, Councilmember Saucedo stated that he went out to the construction site for the Mulberry Avenue Reconstruction Project and met with City Engineer Jim Edgmond. He stated that Mr. Edgmond provided him with an update on the project. He also stated there are a lot of groups out there working together on the completion of this project.

Councilmember Fitzgerald, speaking in reference to the Mulberry project, requested that streets remain closed when driveways are being put in.

Councilmember Rehwaldt asked about the controversy between the contractor and city for the West Hill Sewer Separation Project.

City Administrator Mandsager stated that discussions are ongoing and that staff will be bringing a recommendation forward to City Council.

City Administrator Mandsager stated that Councilmember Saucedo recently went on a ride along with one of the city's police officers. He stated that these types of activities are always available for City Council.

Mayor Broderson congratulated former Mayor Dick O'Brien who was recognized by Muscatine Sister Cities earlier today. She stated that a bench honoring Mr. O'Brien for his support of the Sister Cities organization was placed at the International Friendship Park located at 8th and Cedar streets. A plaque recognizing him will be placed on the bench.

Mayor Broderson then recognized Kevin Cannon who will be retiring this month after 39.8 years of service with the Fire Department.

Mayor Broderson stated that she is continuing to ask for donations to the Muscatine Food Bank.

#23582. Councilmember Natvig moved that the Mayor be excluded from the Closed Session pursuant to provisions of the Iowa Code Section 21.5.3A because the City Council finds that her presence at this meeting creates a conflict of interest as she is a potential adverse party to the pending/threatened litigation and her presence could waive the city's attorney/client privilege. Seconded by Councilmember Fitzgerald. Six ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Saucedo, Harvey, and Spread. One nay: Councilmember Bynum. Motion carried.

A short break was taken at 8:15 p.m.

#23583. Councilmember Saucedo moved to go into Closed Session at 8:21 p.m. pursuant to (a) Iowa Code Section 21.5.1.c, to discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where its disclosure would be likely to prejudice or disadvantage the position of the governmental body in that litigation; (b) Iowa Code Section 21.5.1.i, to evaluate the professional competency of an individual whose appointment, hiring, performance, or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session; and (c) Iowa Code Section 622.10 to discuss attorney/client privileged and attorney work product matters with legal counsel. Seconded by Councilmember Spread. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Saucedo, Bynum, Harvey, and Spread. Motion carried.

City Administrator Gregg Mandsager called the Closed Session to order at 8:22 p.m. Councilmembers present were Rehwaldt, Fitzgerald, Natvig, Saucedo, Bynum, Harvey, and Spread. Also present were Pat Burk of Brick Gentry and City Attorney Matt Brick by telephone.

#23584. Councilmember Fitzgerald moved to leave Closed Session at 9:33 p.m. Seconded by Councilmember Rehwaldt. All ayes: Councilmembers Rehwaldt, Fitzgerald, Natvig, Saucedo, Bynum, Harvey, and Spread. Motion carried.

#23585. Councilmember Fitzgerald moved the meeting be adjourned at 9:34 p.m. Seconded by Councilmember Rehwaldt. All ayes; motion carried.

Gregg Mandsager, City Administrator