

**MINUTES
FORT MADISON CITY COUNCIL
Tuesday, November 19, 2019**

Mayor Bradley A. Randolph presided with Council Members Chris Greenwald, Bob Morawitz, Kevin Rink, Rusty Andrews, Matt Mohrfeld and Mark Lair present. Council Member Chad Cangas was absent.

VISITORS

Todd Oetken, 5926 - 156th Street, Burlington, said he had come before Council previously regarding what he believed was a violation of his First Amendment Rights. He said Mayor Randolph was a liar, asked for him to step down and said he would be picketing Randolph's place of business tomorrow.

Jan Garza, 2023 Avenue H, outlined the improvements Rotary had undertaken since they adopted Central Park. She thanked the City for their assistance with these improvements, in particular the repairs to the Central Park bandstand after learning of termite damage.

Chris Sorrentino, 412 Avenue D, questioned when a decision regarding the traffic lights at 5th and Avenue E would be made. He noted some citizens want the lights back on, some want a four-way stop but mainly they want it to be a safe intersection for children to cross.

AGENDA

Rink MOVED and Morawitz SECONDED to approve the agenda.

MOTION PASSED 6-0

CONSENT AGENDA

Greenwald MOVED and Mohrfeld SECONDED to approve the Consent Agenda:

- Minutes of November 4, 2019;
- Liquor License Renewal: Pizza Hut, 1123 – 24th Street, effective December 20, 2019 – Class B Beer with Sunday Sales;
- Setting public hearing for Tuesday, December 3, 2019, at 5:30 P.M., to amend Title 10, Zoning, Chapter 4, General Provisions, Section 5, Supplementary District Regulations, by adding fence regulations on reverse corner lots, and Chapter 12, B-1 Business District, Limited Retail, Section 3, Permitted Uses, to change the definition of Schools/Education Facilities;
- October Financial Report; and
- Payment of Claims.

MOTION PASSED 6-0

PROCEEDINGS OF THE CITY COUNCIL

ORDINANCES AND RESOLUTIONS

RESOLUTION NO. 2019-70, REISSUE 2009A WATER REVENUE NOTE: Morawitz MOVED and Lair SECONDED to adopt a resolution approving and authorizing Amendment to Loan and Disbursement Agreement by and between the City of Fort Madison and the Iowa Finance Authority, and authorizing and providing for the reissuance of the \$9,672,000 Water Revenue Capital Loan Note, Series 2009A.

City Manager Varley said these notes were to finance the water treatment plant. The notes are now 10 years old and because interest rates are lower, the notes can be refinanced. The cost savings will be over \$1 million during the life of these two notes.

ROLL CALL: AYES: Greenwald, Morawitz, Rink, Andrews, Mohrfeld, Lair
NAYES: None

MOTION PASSED 6-0

The Mayor then declared said Resolution ADOPTED and ENACTED this 19th day of November, 2019.

RESOLUTION NO. 2019-71, REISSUE 2009B WATER REVENUE NOTE: Rink MOVED and Lair SECONDED to adopt a resolution approving and authorizing Amendment to Loan and Disbursement Agreement by and between the City of Fort Madison and the Iowa Finance Authority, and authorizing and providing for the reissuance of the \$1,306,000 Water Revenue Capital Loan Note, Series 2009B.

ROLL CALL: AYES: Greenwald, Morawitz, Rink, Andrews, Mohrfeld, Lair
NAYES: None

MOTION PASSED 6-0

The Mayor then declared said Resolution ADOPTED and ENACTED this 19th day of November, 2019.

RESOLUTION NO. 2019-72, ACCEPT PIP 2019-04: Greenwald MOVED and Morawitz SECONDED Lair MOVED and Greenwald SECONDED to adopt a resolution accepting Public Improvement Project 2019-04, Avenue L Reconstruction, 35th to 36th Street.

At a question regarding the change orders, Tim Cutsforth, HR Green, said the contractor discovered a section of old pavement underneath the existing surface. The costs are to remove that pavement and for fill after the pavement was removed

ROLL CALL: AYES: Greenwald, Morawitz, Rink, Andrews, Mohrfeld, Lair
NAYES: None

MOTION PASSED 6-0

The Mayor then declared said Resolution ADOPTED and ENACTED this 19th day of November, 2019.

PROCEEDINGS OF THE CITY COUNCIL

1st READING, VACATE R-O-W 3500 BLOCK AVENUE L: Rink MOVED and Mohrfeld SECONDED Lair MOVED and Greenwald SECONDED to approve the first reading of an ordinance vacating a portion of City-owned right-of-way located in the 3500 block of Avenue L.

Varley said this because of the straightening of the “S” curve. The City is just swapping a portion of the right-of-way for a piece we need.

ROLL CALL: AYES: Greenwald, Morawitz, Rink, Andrews, Mohrfeld, Lair
NAYES: None

MOTION PASSED 6-0

The Mayor then declared the first reading of said Ordinance PASSED and APPROVED, this 19th day of November, 2019.

OTHER

AGREEMENT FOR 6TH-10TH STREET/AVENUE H: Lair MOVED and Greenwald SECONDED to approve the Mayor’s signature on a Professional Services Agreement with HR Green for Avenue H/Business 61 Reconstruction Project – 6th Street to 10th Street, for a cost of not to exceed \$451,800.

Cutsforth said the 2nd to 6th Street portion will be let in January 2020. Construction will run from April to November. The one-way pair also scheduled to bid early next year with a similar timeline. The 6th to 10th Street portion will bid in December 2020 with work to begin 2021. No date has been set for 10th to 20th Street.

A discussion was held regarding the possibility of combining the projects from 6th to 20th Street and doing them all at once. Cutsforth noted that would be pretty tough on the businesses along the highway and the project would take two construction seasons no matter what. Mohrfeld questioned if this would open up a bigger bidding pool. Cutsforth will look into this and get back with Council in January.

Another discussion was held regarding the engineering percentages for the project and how HR Green was vetted for the project. Cutsforth noted because several of these projects go through the Iowa Department of Transportation, they need to go through the Request for Qualification process as opposed to the Request for Proposal process. In this kind of letting they select based on qualifications and then negotiate the fees. The City Manager and Public Works Director negotiated the fees.

MOTION PASSED 6-0

APPOINT KNOKE: Rink MOVED and Morawitz SECONDED to approve the Mayor’s appointment of Ron Knoke to the Airport Commission, filling an unexpired term, term expiring September 30, 2021.

MOTION PASSED 6-0

PROCEEDINGS OF THE CITY COUNCIL

DISCUSSIONS/PRESENTATIONS - None

DEPARTMENT HEAD REPORTS

Two officers are completing their field training. There was a fire at 1528 Avenue E.

PRESENTATIONS BY LIAISONS TO BOARDS AND COMMISSIONS

Randolph reported discussions with Viking Cruise Lines are continuing. The dynamic has changed somewhat due to the City's agreement with American Cruise Lines. Viking had hoped for exclusive rights. A Viking representative has been here to look at the site and see the possibilities. Viking's requirements are slightly different than American. Randolph said he has sent the depot project back to IDOT, possibly to rebid in February. The Federal Railroad Administration has indicated a willingness to support the project but that is dependent on how the bids come back. He added the mayoral transition is going well. He has included Mohrfeld in just about every decision that he makes and all the meetings he attends.

ADJOURNMENT

At 6:28 P.M., Morawitz MOVED and Rink SECONDED to adjourn until Tuesday, December 4, 2019, at 5:30 P.M.

VOICE VOTE APPROVAL

MANUAL CLAIMS & WARRANTS: See Claims dated November 14, 2019, in the amount of \$276,386.61, and Library Claims dated November 13, 2019, in the amount of \$6,632.91.

PAYROLL	11/15/2019
General	\$ 45,314.73
Special Revenue	56,943.77
Road Use	46,448.71
Capital	29,695.79
Water	56,265.40
Sewer	28,185.57
Solid Waste/IWC	19,935.86
Storm Water	229.69
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	\$283,019.52

Bradley A. Randolph, Mayor

ATTEST:

Melinda L. Blind, City Clerk

**WORK SESSION MINUTES
FORT MADISON CITY COUNCIL
Tuesday, November 19, 2019**

Mayor Bradley A. Randolph presided with Council Members Chris Greenwald, Bob Morawitz, Kevin Rink, Rusty Andrews, Matt Mohrfeld and Mark Lair present. Council Member Chad Cangas was absent.

Work Session began at 6:40 P.M. Varley reviewed the City's financial position, including how the City got into the present situation. Expenditures over the last 5 years have increased 10%. In 2002/03 the City had 66 General Fund (GF) employees, currently the City has 49 GF employees. The average growth in revenue was 2% per year, the decrease in the number of employees helped keep the GF in a positive position. Employee expenses have grown 3.1% per year.

Street shop needs to be replaced and a new fire station is needed.

If unaddressed the current direction of the GF is unsustainable for the next 2-3 years. Varley offered the

First option, Null Option:.. Do nothing. By end of the second year the city is operating in the red.

Drastic Option: If there is no increase in revenue, this means closing the library and the Fort and eliminating the parks department. Varley said we cannot do this, we still have to mow the lawn. However, this option solves the problem.

Option 1: Puts GF in fairly solid position but requires reductions in services to Police, Fire, Library and Parks Department and closing the swimming pool.

Option 2: Puts the GF in a fairly decent position but does not provide funds for improvements. This provides for a 2% electric and gas franchise fee. This option will start running negative cash flow in fifth year.

Option 3: Bring GF in healthy financial position. Includes franchise fees of 2% electric and 2% natural gas in year one and increases to 3% in year 3. Will lose 1% sales tax on electric and natural gas.

To balance budget would have to cut the Police Department by 15% or Fire Department by 19%. If public safety is not cut, then City would have to cut the Library by 85%, Parks by 75% or eliminate the Planning Department, Swimming Pool and Cemetery operations combined.

Alliant said for each 1% franchise fee for electric would cost each average residential customer \$1.25 per month for each one percent increased. He did not have the numbers for natural gas.

Unless the City wants to make severe cuts, the issue cannot be solved without a franchise fee. Iowa does not have very strong home rule and does not give cities very much option to bring in more revenue. Varley noted a lot of cities have adopted franchise fee in last 5-10 years.

Lair questioned if there is any way things other than gas or electric can be included. Varley said the federal government does not allow that any more.

Mohrfeld noted 40% of the City does not pay property taxes. That includes government, churches and schools.

Council held a long discussion regarding options.

Morawitz felt more about the franchise fee should be put on the next agenda to get the conversation starting.

Council Member Elect Rebecca Bowker asked plan is in place to educate the public about this. She said the challenge is educating the John Doe public. She felt Varley's presentation is very number-oriented and that might be a bit much for the public. It was suggested that a committee be assembled to put together a marketing and public relations plan to get the information out to the public in an understandable format.

Council Member Elect Tyler Miller said if the Council goes with Option 3, then the citizens need to know what our long-term goals are as well.

A discussion was held regarding the timeline. Varley said next year's budget will be very tight and that is assuming sales tax continues to increase. We would end with a fund balance that would leave no room for emergencies.

It was felt having a prepared budget presented to the Council in January. Some Council members wanted to look more in depth at each line item in the budget instead of the streamlined budget presented during Varley's tenure.

Bowker suggested with two new Council members and for educational purposes, the line items could be included. She noted Council pays Varley a lot of money and you put your trust in him to do it right. Randolph noted the old budget format was overwhelming with the volume of information. Getting a streamlined budget that was balanced was a welcome relief. He felt the question was if Council needed to go back and look at the budget in detail or maybe a weighted budget that have some options for each department. Maybe 10 budget items that would be weighted enough to balance the budget.

Morawitz suggested the City Council could cut their salaries. Mohrfeld questioned if Tuesday night meetings were good times for Council members.

The Work Session ended at 8:26 P.M.