

PROCEEDINGS OF THE CITY COUNCIL

MINUTES FORT MADISON CITY COUNCIL Tuesday, September 15, 2020

The City Council met in adjourned session at 5:30 P.M. on Tuesday, September 15, 2020, at City Hall, 811 Avenue E, Fort Madison. Mayor Matt Mohrfeld presided with Council Members Mark Lair, Tyler Miller, Kevin Rink, Rebecca Bowker and Rusty Andrews present (Andrews arrived at 5:39 P.M.). Council Members Bob Morawitz and Chad Cangas were absent.

The meeting with participants present either in person or electronically. The meeting was also available electronically (pursuant to Iowa Code Section 21.8) due to social distancing issues because of COVID-19.

VISITORS – There were none.

AGENDA

Rink MOVED and Miller SECONDED to approve the agenda.

**MOTION PASSED 4-0
VOICE VOTE**

CONSENT AGENDA

Miller MOVED and Rink SECONDED to approve the Consent Agenda:

- Minutes of September 1, 2020;
- Liquor License Refund of \$211.25 to Holy Trinity Catholic Schools, Inc., for the Tri-State Rodeo;
- Liquor License Renewal: Vel's Amigos, 1226 – 37th Street, effective September 22, 2020 – Class C Liquor License with Sunday Sales;
- Liquor License Renewal: Simple Table, LLC, 617 – 7th Street, effective October 1, 2020 – Special Class C Liquor with Outdoor Service;
- Manual Claims dated August 31, Claims dated September 10, August Financial Report;
- Payrolls of August 28 and September 11, 2020.

**MOTION PASSED 4-0
ROLL CALL VOTE**

DEPARTMENT REPORTS AND CITY MANAGER'S FINANCIAL REPORT: City Manager Varley reported the General Fund balance was down to \$185,000 at the end of August. The City has approximately \$500,000 in monthly bills. The State's road use fund update was a little more optimistic than their last update. (Andrews arrived at 5:39 P.M.) The Fire Department responded to a fire at the bag house at Gregory Manufacturing. The ambulance committee will interview three candidates for the director's job on Friday.

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Public Works is crack sealing and removing some trees. The Henry Laydn Drive project ran into groundwater. IDOT will fund the additional cost for dewatering. Fall clean up vouchers have been sent out. The forum for the vacant property ordinance is tomorrow at the library. The City will be going to court regarding the Humphrey building on September 22. The Police Department is continuing to work on traffic studies throughout the City. An officer was certified as a defense tactics instructor by the state.

ORDINANCES/RESOLUTIONS

ORDINANCE NO. D-068, AMEND 2-7-21, DISORDERLY CONDUCT: Bowker MOVED and Miller SECONDED to approve the third reading of an ordinance amending Title 7, Police, Chapter 2, Misdemeanors, Section 21, Disorderly Conduct, to revise the language defining noise and public urination violations.

ROLL CALL: AYES: Bowker, Miller, Lair, Andrews, Rink
NAYES: None

MOTION PASSED 5-0

The Mayor then declared the third and final reading of said Ordinance PASSED and APPROVED, this 15th day of September, 2020.

RESOLUTION NO. 2020-55, TRAIL GRANT APPLICATION: Rink MOVED and Bowker SECONDED to adopt a resolution authorizing the filing of an application for the Iowa Department of Transportation's Federal Recreational Trails Program for construction of Connecting Fort Madison! Phase IV – 48th Street Trail Connection.

ROLL CALL: AYES: Bowker, Miller, Lair, Andrews, Rink
NAYES: None

MOTION PASSED 5-0

The Mayor then declared said Resolution ADOPTED and ENACTED, this 15th day of September, 2020.

RESOLUTION NO. 2020-56, PIP 2020-08, ORDER CONSTRUCTION: Bowker MOVED and Andrews SECONDED to adopt a resolution ordering construction, setting public hearing and bid letting for Public Improvement Project 2020-08, Phase 2, Parking Lot Reconstruction and Storm Water Improvements.

ROLL CALL: AYES: Bowker, Miller, Lair, Andrews, Rink
NAYES: None

MOTION PASSED 5-0

The Mayor then declared said Resolution ADOPTED and ENACTED, this 15th day of September, 2020.

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OTHER

ELIGIBILITY LIST: Rink MOVED and Miller SECONDED to accept the Civil Service Commission's Certified Police Office eligibility list.

MOTION PASSED 5-0

CHANGE ORDERS: Bowker MOVED and Andrews SECONDED to approve the following Change Orders:

- Change Order #3 for Public Improvement Project 2018-04, Reconstruction of Old Hwy. 61, 2nd to 6th Street;
- Change Order #1 for Public Improvement Project 2020-01, Parking Lot Reconstruction and Stormwater Improvements;
- Change Order #4 for Public Improvement Project 2018-01, Replacement of Avenue I over Dry Creek Bridge.

MOTION PASSED 5-0

DISCUSSION

CITY FINANCIAL STATUS AND BUDGET: The Mayor challenged Council to have a plan for a sustainable budget for the next five years before they leave tonight. Varley presented information regarding the budget and cash shortfalls. The budget shortfall over the next several years would require reductions of some departments. The services provided under the General Fund are very labor intensive as salaries and benefits are 81% of total expenditures. To cut any large amount at all would be personnel reductions and all departments are operating at a fairly lean level. The following options were discussed:

1. Institute franchise fee on natural gas and electric;
2. Transfer money from the Highway 61 fund into the General Fund and then bond for the street projects;
3. Combination of both;
4. Doing nothing and cutting services.

In order to maintain services as they are now, a 2% franchise fee would close the gap for 3-4 years. Bonding for street projects could get the best of both worlds as it would also provide funds for other projects, such as a new fire station, street shop and nuisance abatement.

Mohrfeld noted franchise fees would level the field as there are number of groups that do not pay any property taxes, such as churches and schools, but receive services. Industry does not want any new costs but does like some of the services we provide. In his conversations they have said anything the City can do to phase it in would be a plus. Bonding can immediately bump up the reserve and could even be rolled into a more aggressive asphalt program.

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He added the City has sacrificed their assets in trying to manage the budget. There are buildings that are not being repaired.

Mohrfeld suggested phasing in the franchise fee, starting at 1.5%, bonding for Highway 61 projects and some asphalt projects, using some of the Highway 61 funds for a reserve and gap funding. He said this should be revisited annually.

Bowker said there 191 cities with franchise fees in Iowa.

He felt doing nothing was not a viable option. He did not want less funding for the fire department, he noted the parks department is doing all they can to mow. The City is unable to enhance its assets. The tennis courts at Victory Park are falling apart, the pool is at the end of its life, the fire station was built in 1959 and the city shops are not laid out for efficiency and are deteriorating.

Any discussion in general for a franchise fee is not going to be popular. The City has few availabilities to raise revenue and believes Council should seriously consider the franchise fee. She expressed concern for lower income residents and emphasized with industry. She did point out people like the services provided, such as fire, police and streets.

Rink thought 1-1½% or 3% would be sufficient. He was against any cuts.

Miller said eventually the fee will have to get to 3% to get out of the red in five years even if the City does use the Highway 61 funds and bonds the highway projects.

Andrews says this has been discussed for many years. The City has been unable to come up with an option for the fire and public works shops and that situation has gone on way to long. He hoped doing this would promote change and growth. He said the community and industry are not going to like this, however, if they are educated and it is explained well they will understand it is a necessary thing.

Mohrfeld said he would like to see this phased in. Lair agreed with starting out at 1 ½% and increasing half a percent a year.

Mohrfeld said the next Council meeting will have separate agenda items for moving forward with a franchise fee and bonding for streets improvements and then a proposal to use some of the money in the Highway 61 Fund for the reserve and some budget gap financing.

Finance Director Peggy Steffensmeier said MidAmerican Energy's franchise expires in 2022 and they would like to renew their franchise agreement at the same time.

COUNCIL MEMBER COMMUNICATIONS: The Airport Commission received a \$20,000 CARES grant. This will be used to replace new hangar doors on one of the hangars. The director at the Fort Madison Housing Authority is retiring.

MAYOR ANNOUNCEMENTS: Paul Wilkerson from the Parks Board will be sitting in on the Marina Committee meetings. The Marina Committee is putting ideas together and will meet again tomorrow.

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Mohrfeld reported Miller has submitted a letter of resignation effective following the next Council meeting. He suggested the Clerk can accept letters of interest and Council can review the letters to narrow the list down to three or less. The final candidates will be interviewed by Council.

ADJOURNMENT: At 7:00 P.M., the regular meeting adjourned until Tuesday, October 6, 2020, at 5:30 P.M.

MANUAL CLAIMS & WARRANTS: See Claims dated July 30 in the amount of \$600,411.90.

PAYROLL	8/28/2020	PAYROLL	9/11/2020
General	\$179,201.56	General	\$174,031.24
Emp. Benefits	7,558.10	Marina	632.99
Marina	632.99	Old Fort	3,524.96
Old Fort	4,424.69	Road Use	25,925.98
Road Use	26,086.24	Tourism	1,220.37
Tourism	1,422.08	Water	29,793.35
Water	29,439.02	Wastewater	39,721.05
Sewer	39,723.80	Solid Waste	11,964.17
Solid Waste	11,432.03	Airport	486.54
Airport	312.77	Storm Water	3,734.51
Storm Water	<u>3,809.18</u>		
	\$304,042.46		

Matt J. Mohrfeld, Mayor

ATTEST:

Melinda L. Blind, City Clerk