

**MINUTES
OF THE FORT MADISON CITY COUNCIL
Tuesday, February 2, 2010 at 7:00 P.M.**

The Fort Madison City Council met in regular session on Tuesday, February 2, 2010, at 7:00 P.M, in the Council Chambers of the Municipal Building, 811 Avenue E, Fort Madison. Mayor Steven J. Ireland presided with Council Members Tim Waggoner, Chris Greenwald, Kevin Rink, Brad Randolph, Bob Chesnut, Jason Huppert and Mark Lair present.

VISITORS AND APPEARANCE REQUESTS

None.

AGENDA

With it so noted that an additional agenda item concerning setting public hearing for PIP 2010-03, 48th Street/Highway 61 Project, Rink MOVED and Lair SECONDED to approve the agenda, as written.

MOTION PASSED 7 AYES

CONSENT AGENDA

Greenwald MOVED and Waggoner SECONDED to approve:

- Minutes of January 19, 2010;
- Renewal of a Class “E” Liquor License to Hy-Vee Food Stores, 2606 Avenue L, effective March 19, 2010;
- New Five-Day Special Class “C” Liquor License to Pheasants Forever, Inc., for 415 – 11th Street, effective March 5, 2010;
- Mayor’s appointment of Neal Boeding, 6 Tammy Lane, to the Old Fort Commission, term expiring March 21, 2013;
- Mayor’s reappointments of Gary Pilkington and Robert Morawitz to the Historic Preservation Commission, terms expiring December 31, 2012;
- Mayor’s reappointments of Dave Andrusyk and Theresa Clark-Kline to the Human Rights Commission, terms expiring January 1, 2013; and
- Payment of Claims.

MOTION PASSED 7 AYES

PUBLIC HEARING

Concerning a petition filed by Fort Madison Main Street to establish a tax district (SSMID):

Mayor Ireland opened the public hearing at 7:04 P.M. concerning a petition filed by Fort Madison Main Street to establish a tax district. He reminded those present that no decision would be made tonight and that there would be a 30-day period prior to any Council action.

City Manager Byron Smith added that the City Council had received the petition from SSMID to establish the tax district by having property owners having 75% of the assessed property sign the petition. The petition established a new district and requests to tax up to \$1.50 per \$1,000 property valuation. The tax is for administrative functions of the program and to promote economic development in the area. The actual decision will not be made until 30 days after tonight. The tax applies only to commercial property in the area and not residential.

Mindy Kraus, Program Director for Main Street, spoke that the program was for the betterment of the community as a whole and not just the downtown. She was here to answer any questions and to be involved in the process. It is anticipated in the first three years Main Street will receive approximately \$100,000 in addition to providing training. We get State recognition as being Main Street to coordinate volunteers and committees. She further advised what the State will provide us in assistance and materials.

Randolph inquired how long the tax would be in place. It will be for five years. Jim Thompson from the State will provide design assistance for the Main Street District only.

Chesnut said during the Planning and Zoning meeting, it was stated Council could adjust the boundaries to go smaller but not larger. He would hope the boundaries were developed as to what was perceived as a Main Street district and not to boost revenues.

Huppert asked where the money was really going to be spent. It was answered operations, salaries, market research, etc. He asked if the \$19,000 generated was going to be enough to accomplish what they wanted. There will be fundraising to assist the program. Huppert then inquired if they couldn't do fundraising to make up the \$19,000 difference and if it was really worth putting in a plan for that amount of money.

Nora Dukowitz, Partners Director, said the \$19,000 was part of the pot of money to enable them do business from year to year. The ultimate goal is for betterment of the community, to make it attractive and draw in more businesses. Main Street's annual budget is \$70,700.

Lair inquired if the City had committed \$10,000 for three years. This is correct. What happens if, after three years, the City can't afford to pay anymore? Martha Wolf reminded Council that one of Main Street's requirements was to have the City's commitment. This includes being a financial partner. If the City does not give the \$10,000, it would compromise Main Street's program.

The Mayor added that Keokuk was able to secure federal funding for their main street improvements. Ms. Kraus advised appropriations are there for the Main Street challenge this year for \$500,000.

Rink asked about Main Street's budget. Charlie Scoville answered that they had to pledge a \$50,000 budget for the next three years before an application could even be submitted. He went on to state that he did not like taxes and they had to do a lot of convincing that it was needed for the program to exceed. Every \$1 put into the program makes an \$80 return to Main Street.

Todd Schneider asked if the program could tap into revenue from the old SSMID. Mr. Smith explained the past process of how the City turned that money over to the old SSMID. The City has no control over this money or the assets. Scoville added that the former SSMID is still operating on that old money. Schneider wondered why they couldn't ask the former SSMID to put in the \$19,000. It was explained to him that the new SSMID tax was for operations. The old SSMID tax was for capital improvement investment activities; that money was set aside for those purposes only and cannot be used for operations, thus the new SSMID was formed with new objectives and new goals.

Gary Davis, business owner, felt the new tax was only going to benefit a few at the cost of others. If you're going to have the tax, take money from everybody in the City, not just a set district.

Bill Faeth, business owner, said he was involved with the first SSMID. He didn't like it at first because it forced him into a taxing district. The new district now has some people for and some against it. He is for it as he believes the money is managed well. We have to do something to stay alive.

Michele Young, business owner, spoke that this is an awesome national program that works for small communities. She was in favor of the SSMID tax because everyone is giving something.

Todd Schneider, business owner, requested the following properties he owns be removed from the district: 511 Avenue F, 509 Avenue F, 813 Avenue H, 815 Avenue H. The properties' use, location, condition and relationship to the area were not likely to benefit the development of the district. Additionally, the properties house twelve families with a total of forty-one people living at those addresses. Any increased tax will have to be passed on to the renters.

Doug Abolt, 301 Avenue H, said his property was zoned industrial and requested the property be removed from the district. It doesn't even align with them. He did not agree with the voluntary tax and wanted to voluntarily remove himself from the tax.

With no further comments from the public or Council, at 7:40 P.M. Lair MOVED and Randolph SECONDED to close the public hearing.

MOTION PASSED 7 AYES

ORDINANCES AND RESOLUTIONS

RESOLUTION NO. 2010-08, SETTING HEARING DATE: Chesnut and Waggoner SECONDED to approve a resolution fixing the date of February 16, 2010, at 7:00 P.M. for a meeting on the authorization of a Loan and Disbursement Agreement and the issuance of not to exceed \$465,000 Sewer Revenue Capital Loan Notes of Fort Madison, and providing for publication of notice.

MOTION PASSED 7 AYES

RESOLUTION NO. 2010-09, SEIRPC BOARD: Rink MOVED and Greenwald SECONDED to approve a resolution approving Byron D. Smith to a one-year term on the Southeast Iowa Regional Planning Commission's Board of Directors, term expiring January 1, 2011.

MOTION PASSED 7 AYES

RESOLUTION NO. 2010-10, PIP 2010-02, SEAL COAT PROJECT: Lair MOVED and Chesnut SECONDED to approve a resolution ordering construction, setting public hearing and bid letting for Public Improvement Project 2010-02, Riverview Marina Parking Lot Bituminous Sealcoat Project.

MOTION PASSED 7 AYES

RESOLUTION NO. 2010-11, ACCEPTING PIP 2008-06: Rink MOVED and Greenwald SECONDED to approve a resolution accepting Public Improvement Project 2008-6, Sacred Heart Cemetery Road Replacement.

MOTION PASSED 7 AYES

RESOLUTION NO. 2010-12, \$1,350,000 NOTES: Chesnut MOVED and Waggoner SECONDED to approve a resolution appointing Paying Agent, Note Registrar and Transfer Agent; approving the Paying Agent, Note Registrar and Transfer Agent Agreement; and authorizing execution of the Agreement concerning \$1,350,000 General Obligation Capital Loan Notes, Series 2010A.

MOTION PASSED 7 AYES

TAX EXEMPTION CERTIFICATE: Lair MOVED and Randolph SECONDED to approve the Tax Exemption Certificate for the above Notes.

MOTION PASSED 7 AYES

CONTINUING DISCLOSURE CERTIFICATE: Greenwald MOVED and Chesnut SECONDED to approve the Continuing Disclosure Certificate for the above Notes.

MOTION PASSED 7 AYES

RESOLUTION NO. 2010-13, LOAN AGREEMENT: Rink MOVED and Randolph SECONDED to approve a resolution approving and authorizing a form of Loan Agreement and authorizing and providing for the issuance of Capital Loan Notes and levying a tax to pay the Notes.

MOTION PASSED 7 AYES

RESOLUTION NO. 2010-14, SETTING HEARING ON PIP 2010-03: Lair MOVED and Chesnut SECONDED to approve a resolution ordering construction and setting public hearing for February 16, 2010, at 7:00 P.M. for Public Improvement Project 2010-03, 48th Street/Highway 61 Signalization and Widening Project.

MOTION PASSED 7 AYES

OTHER

PIPER JAFFRAY AGREEMENT: Chesnut MOVED and Waggoner SECONDED to approve the Mayor's signature on an agreement with Piper Jaffray to serve as dissemination agent to assist Fort Madison in the future for sending updated continuing disclosure on the appropriate National Information Repository.

MOTION PASSED 7 AYES

DEPOT GRANT: Greenwald MOVED and Rink SECONDED to approve a contract amendment to the Fort Madison Depot Grant with Southeast Iowa Regional Planning Commission to administer the IJOBS Grant.

MOTION PASSED 6 AYES
1 NAY (Huppert)

KLINGNER AGREEMENT FOR DEPOT WORK: Randolph MOVED and Chesnut SECONDED to approve Professional Services Agreement between the City and Klingner & Associates for engineering and architectural services to elevate the Fort Madison Depot.

MOTION PASSED 6 AYES
1 NAY (Huppert)

KLINGER AGREEMENT: Greenwald MOVED and Randolph SECONDED to approve an Agreement between the City and Klingner & Associates for the work to be performed relating to raising the Fort Madison Depot buildings and paid for by the IJOBS Grant.

MOTION PASSED 6 AYES
1 NAY (Huppert)

PRESENTATIONS BY LIAISONS TO BOARDS AND COMMISSIONS

Mayor Ireland advised there were two liaison positions open and he was appointing Huppert to the Historic Preservation Commission and Waggoner to the Old Fort Commission. There was nothing remarkable to report by Councilors to other commissions.

At 7:55 P.M. a short break was taken prior to going into closed session.

CLOSED SESSION

At 8:05 P.M., Rink MOVED and Lair SECONDED to go into closed session pursuant to Section 21.5(1)(i) of the Code of Iowa.

MOTION PASSED 7 AYES

Chesnut MOVED and Randolph SECONDED to come out of closed session.

VOICE VOTE APPROVAL

CITY MANAGER CONTRACT ADJUSTMENT: Chesnut MOVED and Lair SECONDED to amend the City's contract with Byron D. Smith to reflect no severance pay in the first twelve months of employment and six months severance pay for employment beyond twelve months.

MOTION PASSED 6 AYES
1 NAY (Randolph)

Greenwald MOVED and Rink SECONDED to amend the City's contract with Byron D. Smith to reflect a cost of living increase along with other non-bargaining City employees on July 1st of each year, as well as the option of a merit increase.

The entire contract between the two parties is subject to legal review.

MOTION PASSED 7 AYES

ADJOURNMENT

At 9:20 P.M., Rink MOVED and Randolph SECONDED to adjourn until Tuesday, February 16, 2010, at 7:00 P.M.

VOICE VOTE APPROVAL