

**MINUTES  
SPECIAL MEETING OF THE  
FORT MADISON CITY COUNCIL  
Thursday, March 4, 2010 7:00 P.M**

The Fort Madison City Council met for a special meeting on Thursday, March 4, 2010, at 7:00 P.M. in the Council Chambers of the Municipal Building, 811 Avenue E, Fort Madison. Presiding was Mayor Steven J. Ireland with Councilors Tim Waggoner, Chris Greenwald, Kevin Rink, Brad Randolph, Bob Chesnut, Jason Huppert and Mark Lair present.

**AGENDA**

Chesnut MOVED and Rink SECONDED to approve the agenda, as written.

MOTION PASSED 7 AYES

**ORDINANCES AND RESOLUTIONS**

**1<sup>ST</sup> READING, ORDINANCE ESTABLISHING SSMID DISTRICT:** Greenwald MOVED and Waggoner SECONDED to approve the 1<sup>st</sup> reading of an ordinance establishing a Self-Supported Municipal Improvement District, pursuant to the provisions of Chapter 386, Code of Iowa, and providing for the establishment of funds and the levy of annual taxes in connection therewith.

Greenwald said efforts were made to come to some sort of agreement on this issue and they could not come to an agreement. He did believe, however, that Council has come to a solution.

MOTION FAILED

4 NAYS (Greenwald, Rink, Chesnut, Lair)  
3 ABSTAIN (Waggoner, Randolph, Huppert)

**DISCUSSION AND POSSIBLE ACTION ON REALLOCATION OF THE**

**HOTEL/MOTEL TAX:** Greenwald continued with the solution that has been discussed. He did not like the way things look, the community is split with neither side wrong. This matter has now run to the end of the time our budget must be certified. The solution he proposed is for the City to go to the original footprint of the SSMID district. The City will then pay a one-time amount of \$14,000 to the Partners Group with the Partners taking applications for one year, go over it again and get it right. This “umbrella” group is an amazing group but they can’t fix this in a month. The money would be start-up money from the City. This is not a win-win situation, but it will draw everyone back from it and start over.

Chesnut said so this proposal would give funding to the umbrella group to be channeled back to Main Street? Are there strings attached? Greenwald answered not necessarily. We are giving money to the umbrella group and not all four entities. Waggoner continued that the umbrella group could come back in “x” amount of months and tell us how its going to work. This will be their assignment to report back to Council but give them the time they need to do the job. He

was concerned that if folks could be swayed by signing one petition and then another, ground roots have not been planted. The umbrella group is to help procure funding, make everyone a more cohesive group. Greenwald stated the City would take the lead role and help them produce the outcome.

Lair mentioned that on May 18, Main Street has been running for a year. When they first came to us, fundraisers were proposed. In addition, we are giving them \$10,000 for three years. The economy is bad and he hoped the pledges would still come in.

Greenwald remarked this would not be an option for next year. He would expect this group will make it work this time and work well. The City needs to reach out and give a helping hand. The SSMID tax may come to us next year, but this will give everyone an opportunity to work together. Lair commented that one of the goals of the City is communication.

Rink asked for clarification that we would be giving \$14,000 plus the \$10,000 pledged? Yes, but the \$14,000 is for one-time only.

Randolph spoke that he was disappointed that discussion and possible action on the hotel/motel tax was not being discussed. As background, in 1984 a resolution was passed establishing a 5% hotel/motel tax. In 1987, the CVB started getting 15% of the money. In 1992, 50% of the money went to CVB. In 2004, the Old Fort debt was paid off and 50% went to CVB and 50% to other allocations. Over the years our revenue has relatively remained unchanged. He was concerned that over the years we have not seen an increase in hotel/motel revenues as a result of CVB activities. The people who don't want taxed this year for SSMID won't want to be taxed next year. Fort Madison needs to decide if they want to be progressive or just be Fort Madison. We need to look at the hotel/motel tax for all entities' funding. He would like to see a new resolution wiping out all the percentages and give all the money to the Partners for three years. The Partners can then make a budget for all the groups. The 15% the City retains will stay here and come off the top and the rest of the money given to the Partners. They would then allocate the money and make things happen.

Chesnut said he was glad to hear Randolph's proposal. We have discussed this topic for years and reallocated the money. The people doing tourism on a daily basis should be the people handling the funds for tourism. Give them the money and put performance issues on it. The City could mandate that CVB hold back a certain amount of funds for new start-up events.

Greenwald questioned when the SSMID tax would be received. It would be September/October. Could the City's budget be amended if anything is changed? Yes, it can.

Waggoner stated that tourism is two things: getting people here in the first place, and getting them to come back again. Both of these areas need worked on. Randolph commented that we need events to bring people in year round, even in winter.

The Mayor added that in 2004, he wrote a resolution to figure the different percentages for what was needed at that time and it seemed to work for the time; however, Fort Madison is progressive and aggressive, we may need to look at something else now.

Lair believed there should be a quarterly report, ask for more than we're getting now, the people are entitled to know where the money is going.

Chesnut asked what the City's representation was in the Partners Group. Mr. Smith answered it was two ex-officio, non-voting members. Chesnut was further interested in Randolph's proposal. If it doesn't work out in say a year, go back to something else, but he did feel it was a good idea. Randolph said his intent in bringing the idea up at this point was based on what has happened the last several days. He firmly believed a SSMID tax would never be implemented. We have to assume what is good for the majority. The most obvious funding source is the hotel/motel tax.

Waggoner asked if all the groups getting hotel/motel taxes were members of the Partners. No, the Old Fort funds would have to be tweaked from somewhere.

Greenwald said in the infancy stage this is a very important subject as the Partners group is established and gets to know everyone. This will also give them time to get funds and figure out where they should go. Chesnut agreed saying we can give them a boost and possibly work on the hotel/motel tax next year.

Michele Young, Fort Madison, and past president of the Historical Society, said the tourism season is coming up and we could be in a panic. Funding for the Main Street program should come from a SSMID tax.

Matt Morris, Fort Madison Bank & Trust, thanked Council for the \$14,000 as the money is needed to get on their feet. The hotel/motel tax reallocation scared him. He was concerned over cutting budgets. The Partners Group could look at the money and how to allocate it and come back with a proposal. If the group is not doing anything after three years, it needs to be looked at hard. Lair asked if Council were to go with Randolph's plan, how will it affect the Partners Group and budgeting. Morris said it will definitely take time.

Chesnut said he was not in favor of extra taxing of people who don't want it. If other funding could be found, he was in favor of that. This is not the City's tax, a group has asked us to collect the tax for them.

Tom Shultz, Fort Madison, said he has been here less than a year and is happy to be part of the Partners Group. Main Street doesn't have a lot to do with tourism but focuses more on economic development. He believed they could come up with funding activities in the next year. He believed the \$14,000 was necessary but was not so sure about the hotel/motel tax.

Chuck Vandenberg, Fort Madison, thanked Council for their time and efforts. Main Street is a great program.

Steve Rippeteau, Fort Madison, spoke regarding the Historical Society, and the volunteers. He was glad to hear everyone was working together more.

Sandy Brown, CVB, also thanked Council for their consideration and full support of Main Street. They will build a strong downtown for the CVB to bring in tourism. All four groups who receive hotel/motel taxes have to keep their heads above water. The CVB's mission is to promote Fort Madison for over-night stays. The CVB further has events to bring in tourism, but the CVB is not an event planner whereupon Randolph questioned and challenged her concerning this statement.

Chesnut asked what the Chamber's financial role was in Main Street. They provide in-kind services.

Brian Riggs, Fort Madison, and director of the Art Center, felt Randolph's idea was the most progressive he's heard in years. Let the folks who deal with the quality of life issues handle the funds for the same.

Gary Davis, Fort Madison, thanked Council for putting their heads together and getting a solution to work together.

**2<sup>ND</sup> READING, ORDINANCE REZONING THE BLUFFS:** Lair MOVED and Chesnut SECONDED to approve the 2<sup>nd</sup> reading of an ordinance rezoning part of the East Half of Section 1, Township 67 North, Range 5 West of the 5<sup>th</sup> P.M., from R-1, One-Family Dwelling District, to R-6, Multiple Family Dwelling District (The Bluffs Subdivision).

MOTION PASSED 7 AYES

### **OTHER**

**APPROVING FY 2010-11 BUDGET:** Chesnut MOVED and Waggoner SECONDED to approve the Fiscal Year 2010-11 Budget, and setting public hearing for Monday, March 15, 2010, at 12:00 P.M.

After brief discussion, Greenwald MOVED and Rink SECONDED to amend the above motion approving the FY 2010-11 Budget, setting Monday, March 15, 2010, at 12:00 P.M. as date and time of public hearing, and allocating \$14,000 from the Grant Opportunity Fund for a one-time payment of funds to go to the Partners Group for the Main Street Program.

A vote was taken on the motion, as amended.

MOTION PASSED 7 AYES

A vote was then taken on the amended motion.

MOTION PASSED 7 AYES

At 8:25 P.M., Mayor Ireland announced a short break before going into closed session.

### **CLOSED SESSION**

At 8:38 P.M., Greenwald MOVED and Chesnut SECONDED to go into closed session under Section 21.5(1)(c) of the Code of Iowa, Pending Litigation.

MOTION PASSED 7 AYES

With no action taken, at 9:50 P.M., Lair MOVED and Rink SECONDED to come out of closed session.

MOTION PASSED 7 AYES

**ADJOURNMENT**

At 9:50 P.M., Randolph MOVED and Lair SECONDED to adjourn until Monday, March 15, 2010, at 12:00 P.M.

VOICE VOTE APPROVAL