

CITY OF MUSCATINE
IN-DEPTH CITY COUNCIL MINUTES
Council Chambers – 7:00 p.m. – June 14, 2018

Mayor Broderson called the City Council meeting for Thursday, June 14, 2018, to order at 7:00 p.m. Councilmembers present were Spread, Brockert, Saucedo, Brackett and Fitzgerald.

#24260 Councilmember Brackett moved to adopt a resolution setting a public hearing for June 21, 2018 concerning Houser Street Parking and Athletic Field Grading Project. Seconded by Councilmember Spread.

Councilmember Saucedo had questions regarding the potential for putting in infrastructures for lights.

City Administrator Gregg Mandsager stated that was in the plan and it would be shown when the designs are received from the Engineering firm.

Vote – All Ayes: Councilmembers Spread, Brockert, Saucedo, Brackett and Fitzgerald. Motion Carried.

The next item on the agenda was a presentation by Bob Veenstra from Veenstra and Kimm on Sewer Rate Studies. Mr. Veenstra stated there are two parts to the sewer rate study the first being the WPCP fund. This funds the Water Pollution Control Plant Operations and the Pump Stations. The Second is Collection and Drainage, which is the pipe network that carries the waste, and it is part of the Public Works Department.

Mr. Veenstra stated that prior to 2001 sewer rates were adjusted annually at budget and the rate changed depended mostly on the production at Heinz. He stated this cause a lot of fluctuation in the budgeted amounts and made it difficult to plan ahead for projects. Now the rates are studied every 3-5 years are determined by looking ahead to future projects.

Mr. Veenstra stated that there are three types of rates for sewer fees: the first being residential and some business or class 1 rate, the second being industrial and businesses with higher strength waste and lastly Heinz in their own class.

Councilmember Saucedo questioned how Higher Strength Waste was determined.

Mr. Veenstra stated they use a system called BOD (Biochemical Oxygen Demand). He then explained that the higher the BOD the more it cost to treat the waste and the higher the rate.

There were questions from City Council regarding how Heinz is charged.

Mr. Veenstra stated there is a special chart used for Heinz. Rather than charging on the amount of water entering Heinz they are charged using a chart on amount of flow and strength of waste. He stated that about 15% of the sewer revenue comes from Heinz.

Mr. Veenstra explained that Class 1 rates are a set at a monthly rate, currently \$7.71/month, plus a usage fee of \$2.64/100 Cubic Feet or 748 gallons. He stated that other classes are charged a percentage of Class 1 rates depending on the waste strength.

Mr. Veenstra stated in Fiscal Years 14-16 there was a slight annual gain and in Fiscal Years 16-18 there was a moderate loss. He stated that if for the next 5 years nothing changed the Fund balance would be depleted unless there was a rate increase or a decrease in expenditures. He suggests a 3% increase that would maintain the current fund balance.

Mr. Veenstra discussed the costs associated with the Biogas project and that when up and running should provide revenue to offset the costs and would allow a cutback on rate increases.

Mr. Veenstra then discussed the Collection and Drainage Fees, stating that the current rate is a flat \$12.50/month. He stated that the annual revenue for Collection and Drainage is about 1.3 million dollars and that two-thirds of the revenue is used for operating costs, repairs and replacements, and that one-third is used for Capital Improvements. He stated there is an additional fund that is used for new sewer extensions and has been used recently for repairs to a broken line.

Mr. Veenstra suggests a 2% increase for Collection and Drainage to maintain the current fund balance.

There were questions from City Council regarding where Muscatine stands as compared to other cities on the cost for sewer services.

Mr. Veenstra stated Muscatine is on the low end of the scale.

Jon Koch, Water Pollution Control Plant Director came forward to state that sewer usage is determined by averaging a resident's usage in the months of December, January and February. He states there is no need to call about being charged for sewer for the water used to fill pools or watering plants and yards.

Next on the agenda was a presentation by Ashley Shiwarski on the Service Line Warranty Program. She stated that MPW has discussed this and is ready to move forward and would like the City of Muscatine to partner with them in supporting this program.

Ms. Shiwarski stated this program is to help homeowners address aging infrastructures. She stated the three optional programs available are outside sewer, outside water and indoor plumbing. She explained the cost of each program and what would be covered and stated that residents are more likely to address the issues when they know they are covered and won't have to pay out of pocket expenses.

Ms. Shiwarski stated there is no cost to the City however the City would gain public awareness by flyers being mailed to residents distinguishing the responsibility of Homeowners and the City.

Mayor Broderson asked if a resident would be locked into this plan if they chose it and was it similar to a rider on an insurance plan.

Ms. Shiwarski stated it is very much like an insurance rider without the deductible. She also stated that it is a month to month billing and can be stopped at any time.

Councilmember Saucedo had questions regarding rate increases and the amount of claims that are reported each year in a city the size of Muscatine.

Ms. Shiwarski stated the rates had not increased in 4 years and if they did the current cities would be grandfathered in to the rates they are currently paying. She stated Iowa has the highest participation rate in the country but was unsure of the number of claims, and that she would get that information for the City.

There was a question regarding how lead sewer lines would be handled and Ms. Shiwarski stated if there was an issue with a line they would replace it but would not replace solely because they were lead.

Next on the agenda Nancy Lueck, Finance Director, came to discuss the options associated with the Utility Franchise Fee.

Ms. Lueck stated that there were concerns moving forward with the budget regarding the ATE cameras being discontinued in the future as well as the State stopping the backfill funding, both of which would make a significant impact on our fund account. She stated that if we continue with the 5% Franchise Fee it would give the City a cushion in the fund to help in the event of the loss of revenue.

Councilmember Saucedo stated he feels that the Franchise Fee should be dropped due to the fact that the decision to increase the fee was made on the fact that we would not have the ATE revenue. He stated we made decisions on what we know now and we should do the same at this point.

Councilmember Brackett stated he also feels the rate should be dropped back down since we will now have the camera revenue.

City Administrator Gregg Mandsager stated that this year was a good time to increase the Franchise Fee because of the decrease in property tax and they offset each other.

Councilmember Fitzgerald stated he would like to see the Franchise Fees rolled back and then if the City loses the revenue from the ATE Cameras again the City can look at raising them up.

Councilmember Brockert stated she is not comfortable keeping them at 5% but would be ok with them going to 2%. She states the cushion in the fund would be nice but that the citizens need to understand and be on board with why the City is doing this.

Under Comments:

Councilmember Spread stated he would be interested in information on the EMA system, how it works and the plans that are included within the program to determine its effectiveness.

Councilmember Brockert reminded everyone to be cautious outdoors this weekend with the heat advisory in effect and to check on the elderly. She also stated to watch your children around swimming pools.

Councilmember Saucedo stated that he had received great feedback about the soccer fields and the improvements in the Muscatine downtown from those in town for the soccer tournament over the weekend. He also stated he had received complaints regarding the pillar monument in the median of Mississippi Drive, stating that it was a blind spot for cars turning left onto Pine street.

Councilmember Fitzgerald stated that the Muscatine County Joint Communications had hired a new dispatch manager, Beverly Griffith. He stated she is already doing great things in the department.

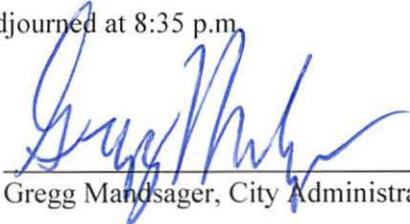
Councilmember Brackett stated the Derby is still open for registration and they are looking for local sponsors and vendors.

City Administrator Gregg Mandsager stated that the new Musser Public Library is looking great and will be holding their soft opening on Friday June 15th and their grand opening on June 30th.

Mayor Broderson stated that they had a great turnout for the grand opening of the YMCA.

Mayor Broderson stated that the guests on "Our City" this week would be Nicole Sorgenfry from the Muscatine School District Summer Lunch Program and Kelsey Brackett discussing the Soap Box Derby. She also reminded citizens that the next Coffee with the Mayor would be at Happy Joe's on June 23rd at 9:00 am.

Councilmember Spread moved the meeting be adjourned at 8:35 p.m.



Gregg Mandsager, City Administrator

**MUSCATINE CITY COUNCIL
IN-DEPTH MEETING
THURSDAY, JUNE 14, 2018 – 7:00 P.M.
CITY HALL COUNCIL CHAMBERS**

AGENDA

1. Call to Order/Roll Call
2. Resolution Setting Public hearing for Houser Street Parking and Athletic Field Grading Project.

Presented for City Council's consideration is a resolution setting public hearing for the Houser Street Parking and Athletic Field Grading Project. This project consists of the construction of a parking facility with up to 200 parking spots, enhancing the safety features of the street crossings and grading four field areas on Houser Street across from Kent Stein Park and soccer complex. This public hearing will be held at 7:00 pm on June 21st, 2018 at Muscatine City Hall.

Is there a motion to adopt the resolution as submitted?

3. Presentation on Sewer Rate Study – Bob Veenstra of Veenstra & Kimm
4. Presentation by National League of Cities on Service Line Program – Ashley Shiwarski
5. Discussion regarding Franchise Fee
6. Adjournment