

CITY OF MUSCATINE
IN-DEPTH COUNCIL MEETING
MINUTES

JANUARY 14, 1988

7:00 P.M.

PRESENT: Mayor LeMar, Councilmembers Amerine, Phillips, Kemp, York, Harder and Sayles

ALSO PRESENT: Soren Wolff, City Administrator; Randy Hill, Administrative Assistant/Acting Public Works Director; and Jack Paetz, Housing Administrator

Mayor Don LeMar asked everyone to rise and stand for a silent prayer in the memory of the death of Councilmember Gerald Powell of the 5th Ward.

The Mayor indicated the first item of business was continued review of the Clark House Heat Conservation Project. The City Administrator indicated since the HUD representative had not yet arrived it was recommended to proceed to the second item.

Council was provided with a summary of the City Employee medical, dental and life insurance programs and costs for calendar year 1988. Council was provided with a breakdown of cost comparisons between 1987 and 1988 for each of the three programs. It was noted that due to a requested 19% increase in life insurance rates, the City's insurance agent, Maeglin Insurance was requested to obtain quotes. A total of nine quotes were received with the low bid received from Ohio National which would result in a \$.305 per \$1,000 of insurance compared to the existing carrier who had proposed an increase to \$.44 per \$1,000.

The Council was then provided with the total cost impact for the three insurance programs. The dental insurance program would increase by a total of \$13,993.44 as a result of the Blue and White Collar Union employees being covered effective January 1, 1988. It was also recommended the Library and Confidential employees be considered for coverage under dental as they were the only full time employee group not receiving this benefit which would cost \$3,117.

It was noted the health insurance program would decrease by \$46,057.44 and the life insurance program would be reduced in cost by \$4,027.22. The City Administrator recommended the dental coverage for the Library and Confidential group be formally considered at the next Council Meeting. Councilmember Kemp

questioned what type of a reopener period would be provided to the employees. It was stated all three programs would be reopened for employees for approximately three weeks to add family coverage. Councilmember Kemp questioned why employees could not sign up throughout the year. It was indicated this would circumvent the purpose of the insurance program as some employees would only sign up for the family coverage in anticipation of needing the insurance protection.

The Council then continued their review of the proposed heat conversion project for the Clark House Senior Citizen Housing Project. The Housing Administrator introduced Mr. Jerry Bauer, Ken Bendon, and Rick Hamblin from HUD and Mr. Robert Burgin from Burgin and Associates. The City Administrator provided the Council with a brief update on the status of the project since the Council approved the amendment to the Annual Contribution Contract for the Clark House and Sunset Park Housing Projects. It was noted this amendment had been approved on October 15, 1987 with the provision a feasibility study be conducted for the Clark House heat conversion project. It was noted Council had received a copy of the preliminary study on December 17, 1987 and a final copy on January 7, 1988. It was indicated the total Capital Improvement Assistance Program (CIAP) for the two housing projects was \$375,420 with \$327,700 of that amount to be funded by HUD and the remainder from the City's Housing Reserve Funds.

The heat conversion project was estimated at \$234,470 based on the study performed by Mr. Rober Burgin. It was stated other related improvements should be considered to improve energy efficiency which could bring the cost to \$272,000. It was further noted that by converting the existing electric heating system to gas fired hot water heaters, it would reduce the current electrical heating costs from \$37,103 to \$14,351 for gas for a net savings of \$21,716. This would result in a 10.8 year pay back on the capital investment. It was also stated by utilizing natural gas instead of electricity would reduce energy consumption by approximately 50%. It was further noted the electric bill at the Clark House was approximately \$75,000 per year. The proposed conversion would reduce this amount to \$38,000 for lighting and other electric needs at the facility.

The Council was then provided with a summary of the consolidated housing operating budgets for the Clark House and Sunset Park, including a three year history of revenues and expenditures. It was noted in Fiscal Year 1987 expenditures had exceeded revenues by approximately \$9,000 and it was anticipated this trend would continue in the future. It was stated the conversion of the heating system at the Clark House would reduce the total Clark House operating budget by approximately 11 1/2% as utilities comprised a major portion of the annual budget. This savings should enable the City to bring the operating reserve to its maximum authorized under HUD within three to four years at which point HUD could then anticipate receiving excess revenues over expenditures.

Mr. Ken Bendon, HUD representative, indicated the HUD Midwest Region had been allocated \$8.2 million dollars under the Capital Improvements Assistance Program with Iowa receiving \$850,000. This amount would fund nine projects for Fiscal Year 1988 with \$327,000 allocated to Muscatine. It was emphasized the funds are primarily intended to upgrade the quality of public housing in an effort to reduce operating costs and energy consumption in accordance with Federal policies. It was further noted if the City did not accept the funds at this time, there could be no assurance of future funding for a similar project

as it would be difficult for the Des Moines HUD office to recommend the project for consideration.

Councilmember Kemp questioned the HUD representative how other residents of public housing projects had accepted the change in heat conversion. Mr. Bendon indicated in his opinion, conversions had been well accepted at all of the projects. Councilmember Kemp questioned if Council rejected the grant offer for the heat conversion if it would affect future funding from HUD. The HUD representative indicated it would probably have an impact if the City requested future funds under the CIAP Program. Councilman Kemp also raised a question concerning the change over from heat to cooling during the spring and fall. Mr. Burgin pointed out the system will supply heat depending on the outside temperature and since the existing individual units would still be used for cooling, there would be no need to totally turn off the heating system on a specific date.

Councilmember Phillips questioned if the electric bill consumption is cut in half would the existing electric rates increase? It was indicated they would and it had been accounted for in the study.

Councilmember Harder questioned Mr. Burgin if a projection had been made for gas prices in the next ten years. Mr. Burgin indicated they had not. Councilmember Harder indicated based on information he had received electric prices would increase approximately 36%. Clyde Bowen, General Manager of Muscatine Power & Water, stated their ten year sensitivity rate study indicated an increase of approximately 20% to 25%. Councilmember Harder stated energy experts had projected gas prices could increase as much as 100% in the next ten years. There was discussion concerning the difficulty of projecting what would happen to both electrical and gas prices in the future. It was emphasized the project was not only an effort to reduce energy costs but also to improve on energy conservation. Councilmember Harder further pointed out the pay back period was not realistic and such an investment would not be made in the private sector.

Councilmember Harder also questioned what would happen if the project bids come in substantially higher than the cost estimated by the Architect/Engineer. The HUD representative indicated if the prices are substantially higher the project would not be completed if it could not stay within the 15 year pay back period required by the Federal Government. It was indicated if a project is slightly over cost estimates the City could apply for additional CIAP funds in fiscal year 1989.

Mary Gaeta, 1807 Cedar, addressed the City Council indicating, in her opinion, the City should not convert from electricity to gas due to the loss of revenues to Muscatine Power & Water which would increase the rates for existing customers. Ms. Gaeta further stated Muscatine Power & Water has provided extensive services to the community and the City should be loyal to them as a customer and felt that HUD was threatening to cut off future funding if the City did not proceed with the project.

The City Council noted the Clark House project would be on the next Council Agenda for consideration.

The City Council then reviewed the existing Rules of City Council and proposed changes to be considered for the new Council. Councilmember Phillips

questioned the necessity for retaining Section 6.5 which states "No Councilmember shall leave any meeting without first having obtained permission from the Mayor to do". There was general consensus by the Council this section was not necessary as there had been no problems in the past with Councilmembers leaving on a regular basis causing disruption to meetings. It was noted if this became a problem in the future this section could be reinserted. There was general consensus to remove Section 6.5 from the rules of Council.

There was general consensus that the City should continue to televise the Regular Council Meetings over the cable TV station. Further, it was proposed that starting July 1, 1988 In-Depth Council Meetings be televised on a trial basis.

Mayor LeMar questioned the feasibility of holding the In-Depth Meetings in the down stairs conference room which would provide a better setting for open communications between the Councilmembers. There was general consensus that this would not be possible if the Council was going to televise the In-Depth Meeting, and it is also difficult to hold the meeting in the conference room as a result of problems in accommodating the general public and the press.

The City Administrator indicated he would make the necessary revisions to the Rules of City Council and submit them at the next Council Meeting for formal approval.

The Council also reviewed the existing list of City Council Committees and Organizational appointments. It was noted the Mayor would be making the appointments to the various committees and organizations in the near future. There was general consensus the City/School and City/County Liason Committees should no longer be retained as plans were for all three organizations to meet as a whole in the future.

The Council then had a general discussion concerning the procedure to fill the existing vacancy in the 5th Ward Councilmember seat as a result of the death of Councilmember Powell. The City Administrator provided a summary of the procedures which are established by State Code for filling a vacancy. It was noted there were two options available by either an appointment by the City Council which could result in an election if a petition is submitted by 2% of the registered voters who voted in the last elections for the 5th Ward, or it was noted the City Council could decide to hold an election without a petition being filed.

#10726 On motion by Councilmember Amerine, seconded by Councilmember Kemp, it was moved to hold a special election to fill the 5th Ward Councilmember seat.


Councilmember Harder indicated that in his opinion there had not been any interest in the last election in any other Councilmember seat and did not feel it was necessary to spend the funds for an election. However, he would fully support an election if a petition was submitted. Councilmember Sayles and York also felt an election should not be held unless requested by the citizens in the 5th Ward.

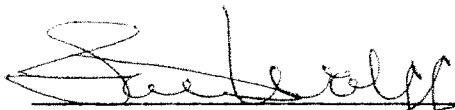
On roll call vote the motion was defeated on a tie vote as follows: Yes - Councilmembers Amerine, Kemp and Phillips. No - Councilmembers York, Harder and Sayles.

The City Administrator was requested to obtain costs for a special election and report the information at the next City Council Meeting.

Councilmember Kemp requested the problem of lack of sidewalks on Mulberry be considered at a future joint meeting between the City and the School Board.

#10727 On motion by Councilmember Amerine, seconded by Councilmember Kemp it was moved to adjourn the meeting. The motion was approved unanimously.


Don LeMar, Mayor


Soren Wolff, City Administrator