

6-B

CITY OF MUSCATINE
IN-DEPTH COUNCIL MEETING

MINUTES

FEBRUARY 11, 1988

7:00 p.m.

CITY HALL COUNCIL CHAMBERS

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

ABSENT: Councilmember Amerine

ALSO PRESENT: Soren Wolff, City Administrator; Randy Hill, Administrative Assistant/Public Works Director; Steve Boka, Building and Zoning Administrator

The City Administrator indicated for the past 15 to 20 years the Corps of Engineers has been in the planning stages of increasing the levee protection from 100 year to a 200 year flood. It was noted the upper end of the existing levee only provided 67 year flood protection. It was further indicated in December of 1985 the Council along with the Muscatine Island Levee District and the Muscatine Louisa County Drainage District No. 13 signed a letter of intent to participate in the project. Council was provided with a copy of the December 20, 1985 letter.

Mr. John Kincaid, of the Corps of Engineers, reviewed the current status of the project. It was noted the project had been reauthorized in the 1986 Water Resource Development Act and funds had been provided by Congress the past two years for continuing with the preliminary studies and design. Plans were to complete the Geotech work and surveying in 1988. Plans were also to have each of the three governmental agencies again sign new letters of intent. It was noted in 1989 plans are to complete the plans and specifications and work with the three governmental units in developing a local cooperation agreement and financial plan. By 1990 the plans are to award the construction contract and all right-of-way is to be made available to the Corps of Engineers with completion of the project in 1992. Mr. Kincaid indicated this schedule was subject to continued funding approval by Congress.

Councilmember Kemp questioned what the realities of this project being funded by Congress is. Mr. Kincaid stated the project is economically sound and provides adequate benefit for the funds to be appropriated. However, he indicated that final funding by Congress is still questionable.

Mr. John Copeman, of the Corps of Engineers, then reviewed with Council the new sample letter of intent and cost estimates. Mr. Copeman reviewed the letter section by section including the cost sharing formula. It was noted as a result of new federal legislation, local governments are now required to contribute 25% of the project cost including a minimum 5% cash contribution. Currently, the

project is estimated at a cost of \$6,440,000. This would require a local contribution of \$1,610,000. Current right-of-way acquisition and relocations are estimated at \$705,000 which would require a local cash contribution of \$905,000. It was further noted approval of the letter of intent was not a contractual obligation for the project which would not occur until such time the local cooperation agreement is signed.

Councilmember Kemp questioned the cost estimates and the amount for engineering. Mr. Copeman indicated engineering costs normally run 8 to 10%, but it was possible the project could come in under estimates. It was noted the final costs would be utilized in the cost sharing allocation. Councilmember Kemp questioned how the local cost would be financed. The City Administrator indicated the cost sharing between the three governmental units had not been discussed in detail and it was anticipated the majority of the cost would have to be paid by the City of Muscatine. It was further noted the Levee and Drainage Districts were primarily comprised of agricultural properties. It was also noted efforts should be made to have financial contributions from the major industries located along the levee project either in the forms of land donations and/or cash.

Councilmember Harder questioned the Corps as to guarantees of the project. The question was raised, what would happen if the 200 year flood levee did not hold the design capacity. The Corps indicated they could not provide a guarantee but emphasized their designs in the past have generally provided the level of flood protection designed for.

The City Admininstrator indicated efforts in the next two weeks should be made to have the three governmental units meet to determine the interest in again signing a new letter of intent and begin preliminary discussion on cost sharing in the local cooperation agreement. The Mayor questioned when this matter would be back for Council consideration. It was noted it would probably be no earlier than the first meeting in March.

The Council then reviewed plans by the Iowa Department of Transportation to remove the toll booth at the Norbert F. Beckey Bridge and their initial plans to remove the parking lot located at the intersection of Second Avenue and Bridge. It was stated the IDOT had offered the parking lot to the City along with the toll booth. It was indicated there were no plans in asking for the toll booth as there is no current use for this facility. However, it was noted the IDOT was willing to incorporate the existing parking lot into the lease which the city has with the IDOT for the Mark Twain Overlook located adjacent to the parking lot. Council was shown the dimension of the existing parking lot and it was noted approximately 10 to 12 parking spaces could be established. The City Administrator indicated the IDOT had offered to add the parking lot to the existing lease at no cost to the City with the exception the City would be required to maintain the parking lot. The City Council indicated the City Administrator should work with the IDOT to obtain an amendment to the lease for the City to take over the parking lot with the amendment to run in concurrence with the current lease which expires December 31, 1999.

The Council then reviewed the issue concerning the status of interest payment on the joint project between the City and the County on the construction of a salt dome. The City Administrator provided Council with a summary on the events which occurred leading up to the construction of the salt dome. It was noted it was his understanding the City would pay interest if the City paid its

\$38,000 share over a three year period but there would be no interest if the City made a lump sum payment in July 1987. It was further noted the Council and the County Board of Supervisors had approved different versions of the contract for the joint project, with the main difference involving the 5 1/2% interest charge from December 1, 1986 through August, 1987. It was further noted this issue was last discussed on October 1, 1987 at which time it was decided the City Council and the County Board of Supervisors should hold a joint meeting on a number of different issues at which time the interest matter would also be discussed. It was noted this meeting had not been held todate.

It was stated the City purchased two barge loads of salt in the Fall of 1986 for the City and the County split on a 2/3 - 1/3 amount respectively. It was stated this amounted to approximately \$18,000 for the County share for which the City did not receive payment until August of 1987. Therefore, if the County charged interest, the City should also receive interest payments on the salt which resulted in a net interest due to the County of \$1,005.

Councilmember Kemp questioned the philosophy of the two governmental units paying each other interest and the fact the City of Muscatine is the major tax payer to the County. Mayor LeMar felt the City should pay the interest and have the matter resolved so the two governmental units could continue with other projects.

#10793 On motion by Councilmember York, seconded by Councilmember Harder, it was moved to include in the salt dome agreement the payment of interest of at 5 1/2% with the net amount to be \$1,005. The motion was approved: voting yes - Councilmembers York, Harder and Phillips. voting no - Councilmembers Sayles and Kemp.

Steve Boka, Building and Zoning Administrator, provided the Council an update on the status of developing a program of retaining private contractors for both snow removal on public sidewalks and weed removal on private property. Mr. Boka indicated his office currently was advertising for individuals and/or companies who are interested in providing this service to the City. It was noted a good response had been obtained. It was stated a formal bid proposal form would be prepared along with a recommended contract. After proposals had been received, they will be brought back to the City Council for consideration. The City Council indicated they were in agreement with the concept of privatization and felt the initial contract should be for a one year period with an annual review.

Mr. Boka also provided the Council with an update on the status of the demolition of the property at 509 West 5th Street and 804 East 6th Street. Council was informed that both of these residential home demolitions would be submitted to the Council at the February 18, 1988 Council Meeting.

The City Administrator then presented the recommended budget for Fiscal Year 1989. It was noted total revenues proposed for FY 1989 were \$13,979,526 or 8.6% above the current fiscal year. It was noted expenditures were recommended at \$13,283,956 or 9% above the prior fiscal year. It was indicated this increase was a result of several major items involving the following: the mandated State Landfill surcharge; the purchase of three new transit buses, the additional 25 Section 8 Federal Rent Subsidy Units, the additional debt of \$72,000 and the accounting for the first time of the Health Insurance Trust of \$280,700. Without these five major items, the increase was actually 3.9%.

Council was also provided with a summary of employment trends, changes in the City's tax base which had decreased by .29% and a recommended tax rate for FY 1989 of \$10.5695 compared to the current tax rate of \$10.2570 or a 3.05% increase. It was noted, as a result of the various factors impacting the tax bill, residential property owners would basically have no change in property taxes paid but both Commercial and Industrial property owners would experience a 3.05% increase.


Council was also provided with a summary of the key issues involving the General Fund and the various enterprise funds including the Airport, Public Transit, Parking System, Golf Course, Boat Harbor, Cable Television, Solid Waste Management and Water Pollution Control. A summary was also provided for the special revenue funds including Federal Revenue Sharing, Road Use Taxes, Community Development Block Grants and Municipal Housing Projects. A summary was also provided of the City's current debt service and required debt tax levy. It was noted debt service would be a major item to be carefully reviewed before the final tax rate is established.

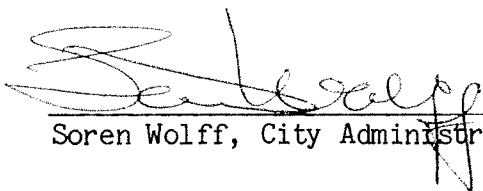
The Council then reviewed the proposed budget schedule for the City Council. The Council decided to hold the Council Review Sessions on February 17, 18, 20, 22, 23, 24 and 25, 1988. Council was again reminded that by State Law, the Council must have a budget adopted by March 15, 1988 for the Fiscal Year which starts on July 1, 1988.

#10794 On motion by Councilmember Kemp, seconded by Councilmember Sayles, it was moved to go into Executive Session to discuss the status of labor negotiations. The motion was approved unanimously.

#10795 On motion by Councilmember Kemp, seconded by Councilmember York, it was moved to go out of Executive Session. The motion was approved unanimously.

There was no action taken as a result of the Executive Session.


Don LeMar, Mayor


Soren Wolff, City Administrator