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CITY OF MUSCATINE  
REGULAR MONTHLY SESSION OF CITY COUNCIL  
Council Chambers - February 7, 1991 - 7:30 p.m.

Mayor John Keig called the meeting to order.

Roll Call: Councilmembers Freese, Phillips, Kemp, York, Harder, and Gray present. Councilmember Brewer absent.

Pastor Foster of the Open Door Baptist Church gave the opening prayer.

The Pledge of Allegiance was given.

Ardis Garcia, speaking in reference to the proclamation declaring February as "Minority Awareness Month", asked that it be approved by the City Council. She presented the Mayor with a poster and asked that it be displayed in City Hall.

#12643. Councilmember Phillips moved to approve the minutes of the January 17, 1991 Regular City Council meeting. Seconded by Councilmember York. All ayes; motion carried.

#12644. Councilmember Kemp moved to approve the Consent Agenda as follows: Renewal of Class C liquor license for Muscatine Labor Activities, 222 W. 2nd Street (subject to inspection); renewal of Class B beer and Sunday sales permit for Pizza Hut, 710 Grandview Avenue; renewal of Class C beer and Sunday sales permit for Petro-N-Provisions, 1010 Park Avenue; request from Muscatine Police Department Officers Association to use Riverside Park for a fund raising activity on May 4, 1991 from 9:00 a.m. to 5:00 p.m.; request from Blackhawk Fleet, Inc., to construct temporary steps over levee at end of Canal Street; filing of Communications A-L; and bills totaling \$779,712.90. Seconded by Councilmember Phillips.

City Administrator A.J. Johnson stated that only items 9A (1-3) and items 9B and 9C should be included on the Consent Agenda as well as the Communications and Bills for Approval.

He further stated that an addition to the Bills for Approval was received and asked that Councilmembers approve the issuance of a check to Indian Slough Construction and Opal Holliday in the amount of \$845.00 for work performed under the Community Development rehabilitation project.

City Administrator Johnson stated that a request had been received for the issuance of a purchase order to Wendling Quarries for an amount not to exceed \$10,000 for riprap at the bridge on E. 2nd Street and Mad Creek.

He asked that Councilmembers amend the Consent Agenda to include the above-mentioned items.

#12645. Councilmember Kemp moved the Consent Agenda be amended to include the above requests. Seconded by Councilmember York.

Vote - All ayes; motion carried.

#12646. Councilmember Freese moved to authorize the City Administrator to approve a burning permit for David Stanley to burn brush on property located at 115 Sunset Drive with approval contingent upon the exhaustion of all other available options. Seconded by Councilmember Phillips.

Councilmember Harder stated that he does not support open burning, noting that the Council has denied past requests for open burning permits.

Councilmember Kemp agreed with Mr. Harder. He stated that the Public Works Facility has the capability to haul brush away.

Vote - Three ayes: Councilmembers Phillips, Freese, and York. Three nays: Councilmembers Kemp, Harder, and Gray. Motion failed.

#12647. Councilmember Kemp moved the request be approved without the open burning option and that Mr. Stanley contact the Public Works Facility to investigate other options available.

Councilmember York stated that he did not see a need for Councilmember Kemp's motion.

City Administrator Johnson stated that hauling the brush away does not require City Council action.

Councilmember Kemp withdrew his motion.

#12648. Councilmember Kemp moved to approve the appointments of Elaine Barrett to the Cemetery Advisory Commission and Elaine Herwig to the Golf Course Advisory Commission and to approve the proclamations declaring February, 1991 as "Minority Awareness Month", February 10-16, 1991 as "Child Passenger Safety Awareness Week", and February 21-27, 1991 as "Engineer's Week". Seconded by Councilmember York.

Mayor Keig stated that the date for Engineer's Week should read February 17-23, 1991.

Vote - All ayes; motion carried.

City Administrator Johnson presented a brief overview of the proposed budget. He stated that there are copies of the proposed budget available at the Musser Public Library and Finance Office for interested citizens. He pointed out that the information being presented tonight will be the same information Councilmembers will be reviewing during the budget process.

A variety of charts were shown on the overhead projector.

City Administrator Johnson stated that within the current fiscal year's total tax levy, approximately 35.2% of tax dollars received are applied toward City services. The remaining 64.8% funds the school district and the County. He told Councilmembers that property valuation is the driving force behind property taxes, noting that taxes collected are based on values established by the County. There have been no significant changes in the past six years.

City Administrator Johnson stated that new growth in actual property values is the motivator behind the ability to generate dollars for property taxes. City Administrator Johnson told Councilmembers that projected revenues for proposed fiscal year 1991/92 are \$8.2 million. He informed Councilmembers that personal services will be approximately 70% of the proposed General Fund budget, noting that approximately \$.70 of every tax dollar is used for personal services. He pointed out that the City is a service organization. City Administrator Johnson stated that in the past revenues had exceeded expenditures; however, that gap began closing in 1990/91 due to the minimal increase in property tax valuations and increases in personnel during fiscal year 1990/91 and proposed fiscal year 1991/92. He further stated that an overall 8.5% increase in the tax levy is projected for proposed fiscal year 1991/92.

City Administrator Johnson spoke briefly on the property tax levy and the tax rate history over the last 10 years. Speaking in reference to the impact of the proposed 1991/92 tax levy on residential home owners, City Administrator Johnson explained to Councilmembers what monies will be generated in 1991/92 due to the increased tax rate.

Councilmember York noted that many people do not understand the meaning of the rollback factor, and he asked that it be explained.

David Casstevens, Finance Director, stated that the rollback factor is set by the State. He explained that the commercial and industrial businesses are taxed 100%; however, residential taxes are varied. He stated that last year's rollback factor was 79.8471% and this year's 79.4636%. He further stated that this year the City will be losing a part of the tax dollar due to the rollback factor. To help create a better understanding of the rollback factor, he stated that a property valued at \$45,000 is actually taxed on approximately \$36,000.

Councilmember Harder stated that the budget review sessions will begin Saturday morning, and he invited the public to attend.

There was discussion on the new schedule for the budget review sessions.

City Administrator Johnson stated that the City does want to maintain the current level of service it provides its residents. He further stated that the City would also like to maintain a sizable balance in the General Fund in order to avoid the need for any short-term borrowing.

City Administrator Johnson stated that the budget review sessions will begin at 8:00 a.m. on Saturday, and he invited the public to attend.

#12649. Councilmember Kemp moved the ordinance be approved on final reading amending the zoning ordinance from R-3 to Agricultural to allow a proposed business expansion at 3309 Lucas Street and that it be published in the Muscatine Journal as provided by law. Seconded by Councilmember York. All ayes: Councilmembers Freese, Phillips, Kemp, York, Harder, and Gray. Motion carried and ordinance approved on final reading.

#12650. Councilmember Phillips moved the ordinance be approved on final reading amending the zoning ordinance from Agricultural to R-L (Eagle Ridge Subdivision) and that it be published in the Muscatine Journal as required by law. Seconded by Councilmember Freese. All ayes: Councilmembers Freese, Phillips, Kemp, York, Harder, and Gray. Motion carried and ordinance approved on final reading.

#12651. Councilmember Kemp moved the resolution be approved authorizing the City to participate in a home ownership assistance program. Seconded by Councilmember Harder.

Mayor Keig, speaking in reference to the home ownership assistance program, stated that he had received letters of support from both First National Bank and the JTPA.

Councilmember Kemp stated that he felt the proposed home ownership program was a good one.

City Administrator Johnson stated that Jack Paetz, Housing Administrator, was present to update Councilmembers on the Housing Advisory meeting held Tuesday evening.

Mr. Paetz stated that several months ago the possibility of instituting a home ownership program for Section 8 participants was discussed. He told Councilmembers that under the program, approximately \$25,000 would be set aside from the Section 8 accounts to assist families in bridging the down payment gap.

He noted that there are several other issues that must be addressed; for example, pre-purchase and post-purchase counselling. Such counselling would help make the program a success. He told Councilmembers that Muscatine Legal Services has agreed to help with closing cost assistance.

He informed Councilmembers that the Housing Advisory Commission unanimously endorsed the proposed program.

Mr. Paetz explained what type of income would qualify for the proposed program. He told Councilmembers that the opportunity has arisen for additional funds for first-time home buyers. This program coupled with the City's program would provide a total of \$50,000 to assist first-time home buyers.

Councilmember Freese stated that it was his understanding City tax dollars would not be used for this program. Mr. Paetz stated that Councilmember Freese was correct.

City Administrator Johnson asked that Councilmembers approve the first resolution to allow the use of Section 8 funds to assist first-time home buyers.

Vote - All ayes: Councilmembers Freese, Phillips, Kemp, York, Harder, and Gray. Motion carried and resolution duly adopted.

#12652. Councilmember York moved the resolution be approved authorizing the submission of an application to the Iowa Finance Authority for home ownership assistance funding. Seconded by Councilmember Kemp.

Mr. Paetz stated that many times during the first two years of home ownership problems occur; for example, furnace or major appliance breakdowns. He told Councilmembers that in order to aid these first-time buyers, it would be advisable to indemnify them for the first two years of purchase. He noted that the resources of these first-time buyers would not allow any additional funding for major repairs.

Mr. Paetz stated that the purpose of this resolution is to capitalize a reserve account which could help a number of families, noting that he is requesting the authority to submit an application to the Iowa Finance Authority. Available for the proposed program would be \$25,000 for City funds, \$25,000 Federal Home Loan Bank funds and Iowa Finance Authority assistance to aid first-time home buyers.

Mr. Paetz told Councilmembers that any down payment assistance would be considered as a lien on the property and would be forgiven after five years. However, if the property is sold, the money would revert back to the City.

There was discussion on whether or not participants will be able to raise enough money for the down payment.

Councilmember Phillips asked if anyone had expressed an interest in the program, and Mr. Paetz answered yes.

Councilmember Kemp asked if there are communities where this type of housing assistance has worked. Mr. Paetz stated that there are people in other communities who are now buying homes through this type of home ownership program.

Vote - All ayes: Councilmembers Freese, Phillips, Kemp, York, Harder, and Gray. Motion carried and resolution duly adopted.

#12653. Councilmember Phillips moved the resolution be approved setting a public hearing on March 21, 1991 at 7:30 p.m. in the City Hall Council Chambers concerning the proposed application for state and federal funds for the City's Transit System. Seconded by Councilmember Gray.

City Administrator Johnson introduced Kathy Kakert, the City's new Transit Supervisor.

Vote - All ayes: Councilmembers Freese, Phillips, Kemp, York, Harder, and Gray. Motion carried and resolution duly adopted.

#12654. Councilmember Phillips moved to approve the purchase of five police package units from Skottenkirk, Inc., of Fort Madison, Iowa, for \$59,605.06 plus the approval of the expenditure of \$2,500 for light bar and radio transfers for a total package of \$62,105.05. Seconded by Councilmember Harder.

Councilmember Kemp asked why no local bids were received. He also asked if the number of miles a car gets per gallon was taken into consideration with this purchase.

City Administrator Johnson stated that fuel mileage, though discussed, was not a point taken into consideration due to the type of driving done by our Police Department. He noted that the size of the engine will be offset by maintenance costs. He told Councilmembers that there were no local car dealerships submitting bids.

Councilmember York noted that local car dealerships find it difficult to compete with the state bids.

Vote - All ayes; motion carried.

#12655. Councilmember Kemp moved the application for a navigation approach system at the Muscatine Airport through the Iowa Department of Transportation be approved. Seconded by Councilmember York. All ayes; motion carried.

#12656. Councilmember Phillips moved to approve the implementation of the sick leave policy update for non-represented employees effective July 1, 1991. Seconded by Councilmember Kemp. All ayes; motion carried.

#12657. Councilmember York moved to approve a city-wide drug policy with implementation to begin April 1, 1991. Seconded by Councilmember Harder. All ayes; motion carried.

Councilmember Phillips congratulated Councilmember York and his wife Mary for their upcoming 45th wedding anniversary.

Councilmember Freese complimented Councilmember York for his recent effort to help those residents who left for Germany.

Councilmember Harder, speaking in reference to the DARE program, stated that he was impressed with the recent graduation ceremony held at Central Middle School. He further stated that he would like to see the program continue.

Councilmember York voiced Councilmember Harder's sentiments concerning the DARE program. He stated that he felt Kurt Sothman has done a fine job.

Councilmember York stated that he had the privilege of representing the City at Prime Mover in the Mayor's place earlier today. He further stated that he felt the City should be proud of its industries and show its support for them.

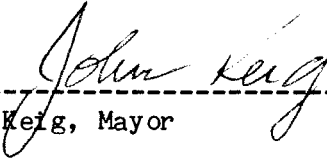
#12658. Councilmember Phillips moved to go into Executive Session to discuss pending litigation. Seconded by Councilmember Harder. All ayes: Councilmembers Freese, Phillips, Kemp, York, Harder, and Gray. Motion carried.

#12659. Councilmember Kemp moved to go out of Executive Session. Seconded by Councilmember York. All ayes: Councilmembers Freese, Phillips, Kemp, York, Harder, and Gray. Motion carried.


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

#12660. Councilmember Kemp moved the meeting be adjourned. Seconded by Councilmember Phillips. All ayes; motion carried.

The meeting adjourned at 9:12 p.m.

  
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John Keig, Mayor

ATTEST:

  
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A.J. Johnson, City Administrator