Council Proceedings
February 10, 2014

The Marshalltown City Council met in regular session on February 10, 2014, at 5:30 pm, in the Council Chambers at City Hall. Mayor Lowrance called the meeting to order and led the Pledge of Allegiance. Present: Gowdy, Greer, Hoop, Lamer, Martin, Schubert. Absent: Wirin. Reserve Peace Officer Todd Frye was recognized for completing the State of Iowa Law Enforcement Academy. Schubert moved to approve the agenda, second by Lamer. Motion approved 6-0.

CONSENT AGENDA

Lamer moved to approve the amended Consent Agenda: Approve Council meeting Minutes of January 27, 2014; Approve Bill List in the amount of $887,251.47; Approve Chainsaw Art in Riverview Park, Castle figurine, sponsored by JBS Swift; Receipt of Civil Service New Hire List, Police Officer New Entry; Receipt of Building Report, December 2013; second by Martin. Consent agenda adopted 6-0.

REPORTS

Kenn Vinson presented an update on Alliant Generating Plant and described the plant construction progress. The final order from the Iowa Utility Board for the plant and rate making principles were approved January 9, contingent on city and DNR permits. Dirt work and staging could start this summer.

Maggie Speer, from Speer Financial, reviewed bonding opportunities for the council to cover costs for projects, including street, police and fire safety building(s), sewer and storm water revenue bonds. The council will set the authority for the bonds following public hearing and then again approve each bond issue as the purchase activity occurs. Staff is considering budget and levy rates and trying to fit debt rates within the self-imposed $3.50 limit. Staff recommends the council set the public hearings at the next council meeting and hold the hearings on March 24. Proposed Hearing amounts, noting that borrowing will be only for what is required: $225,000 GO Reverse Referendum for PF station planning and design; $500,000 TIF Revenue for TIG; $2,000,000 GO Hearing for Street Projects - if not used, will carry over until needed next year; $3,000,000 Sewer Revenue Hearing for Sewer Projects. Anticipate $7M, have authority already for $4million; $2,000,000 Storm Water Revenue Hearing, with approximately $1m this year and $1m next year. This schedule keeps the city under the $10 million issuance amounts in the 2014 calendar year. The general assumption is rates are good this time of year, based on the city's credit rating, that rates will hold favorably steady on the GO issues and revenue bonds will be negotiated sales.

Cindy Kendall, budget advisor for the city, presented tax levy rates and led budget discussion, explaining due to SF295, the taxable commercial rollback has changed to 95%. This 5% reduction translates to $42.5 million less in valuation that is available to support city services and is a larger gulf than anticipated. State legislators have provided a partial backfill to offset the loss in commercial property taxes due to the rollback for 2015. Backfill for 2016 and future years have not yet been set. The commercial property tax rollback reduces to 90% in 2016, with additional reductions, including reduction of taxable valuation for multi-residential units in the third year, over the next few years. Kendall recommended the 5% undesignated local option sales tax revenue be used to reduce the property tax burden and the state backfill directly attributable to debt service to keep the rate below the $3.50 self imposed limit for 2015. The reduction has reduced overall city revenue by just under $300,000 for fiscal year 2015. The council could impose the Emergency Levy, if council defines the deficit in the general fund an emergency, for up to $0.27, which could generate up to $204,000. If just the backfill was covered, $0.22 of the Emergency Levy would be needed. Councilor Lamer clarified the 5% local option sales tax will offset the property tax. There were no comments or general direction by the council, staff asked council for direction. Hoop said he'd like to proceed with street improvements. Mayor Lowrance asked the council what kind of community they want to live in. The council needs to consider essential functions of the city, and how to budget services with reduced tax values the next few years. Kendall asked that the council provide feedback on the proposed budget to the city administrator. Two options for tax levy are for rates of either $14.48165 or $14.54850, an increase of $0.2973 or $0.364179.

Engineering staff presented the Street Program proposal for 2014 and 2015, directly relating to the bond issue for road improvements and provided details of the projects. The maps are available for public

review at city hall and posted on line on the city web site. Staff asked for input, as the ability to do the projects depends on available funds as per bonding authority. The council will decide what streets to work on, and make the best effort to cover as many miles of streets as possible. There are a few segments of poor streets, including Columbus Drive and Crestview, requiring sub-grade stabilization, with a cost estimate of about $200,000 for just a three block segment.

Two street treatment options were discussed for Hilltop and S 8th Streets. Lamer suggested a 6 inch mill and rolling to return the road to the same base and road they have had. The council was asked to considered the information and discuss options at the next meeting.

FUTURE AGENDA ITEMS DISCUSSION:

The council may consider the following at the next council meeting: applications for liquor licenses for Marshalltown Area Speedway, Kruse Motor Sports, Inc., Class B Beer Application, Seasonal, and Central Iowa Fair, add two Five Day Special Class C Liquor Licenses, March 15, 2014, and July 9-13, 2014, to existing license; Replacement of ¾ ton 4x4 truck for the Sewer Department, best price is from Jensen Ford $25,980 with trade in; Governor's Traffic Safety Bureau grant application, FY 2015; Police Department Software; Property Acquisition, Easements, relating to Iowa River Interceptor Sewer Project 59011019; Order Construction, Iowa River Interceptor Sewer Project 59011019; LED Lighting; Tax Abatement Applications. LED Lighting will be reviewed at a future meeting and all the property acquisitions have been completed for the Iowa River Interceptor Sewer project.

PUBLIC COMMENTS:

Members of the public talked about snow plows and advisory committee meetings.

CLOSED SESSION

At 7:29 p.m. Greer moved to enter into closed session pursuant to Section 20.17 subsection 3 of the Code of Iowa concerning strategy meetings of the public employer for collective bargaining purposes; and to enter into closed session pursuant to Section 21.5 subsection (1) paragraph (j) OF THE CODE OF IOWA to discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property, second by Schubert. Motion carried 6-0. At 8:04 p.m. Lamer moved to leave closed session, second by Martin. Motion carried 6-0. Roll Call – Present: Gowdy, Greer, Hoop, Lamer, Martin, Schubert. Absent: Wirin.

ADJOURNMENT

Lamer moved to adjourn at 8:04 p.m., second by Greer. Motion carried 6-0.

Respectfully submitted,

_____

Shari L. Coughenour, CMC, City Clerk

CITY OF MARSHALLTOWN

_____

ATTEST: James L. Lowrance, Mayor

_____

Shari L. Coughenour, CMC, City Clerk