

REGULAR MEETING NO. 23
Council Chambers, City Hall

July 19, 2022
5:30 O'Clock P.M.

The meeting convened at 5:30 P.M.

Present were Council Member Galloway, McAntire, Hull, Pope, Roe and Mayor Johnson.

McAntire moved, seconded by Hull to approve consent agenda items: Mins. from Regular Mtg. No. 21 on July 5, 2022 as presented; Approve appointment of Elizabeth Faust to Beach Supv. effective on or about July 20, 2022; Approve appointment of Cody Carter to Utility Worker effective on or about July 31, 2022; Civil Service Comm. Elig. Lists for July 13, 2022: Comm. Specialist Entrance; WPCF Operator Entrance; Housing & Code Inspector Entrance; Set Aug. 2, 2022 as date of PH to Consider JAG Program Funds to be obtained from the Bureau of Justice Assistance; Approve MOU between City and Wapello County for 2022 JAG Grant; Set Aug. 2, 2022 as date of PH to consider amending Ch. 14 of the City of Ottumwa Muni Code to Adopt 2021 Edition of the International Fire Code; Res. No. 188-2022, approve and auth. signature of MOU regarding OT calculation between City and Teamsters Local No. 238 for the Police Dept.; Res. No. 195-2022, approve updates to City of Ottumwa Personnel Policy; Beer and/or liquor applications for: Elks – Ottumwa Lodge #347, 413 S. Iowa Ave; all applications pending final inspections. All ayes.

Galloway moved, seconded by Roe to approve the agenda as presented. All ayes.

Marc Roe, Dir., Greater Ottumwa Partners in Progress (GoPIP), presented Quarterly Update. GoPIP vision: A Vibrant and Thriving Ottumwa Region. Mission: GoPIP is an economic and community development organization collaboratively advancing the prosperity of the Ottumwa region. Current economic initiatives include Ottumwa Regional Airport Analysis, Rail Expansion Project (downtown), Childcare Initiative, Retail Attraction, Helgerson Flats Certified Site (82 acres).

City Admin. Rath presented on Franchise Fees. Due to levy constraints, governmental mandates, and aging infrastructure, the City is facing a structural deficit – jeopardizing the financial sustainability of the community. When looking at revenues, since we are already at the max levy \$8.10; we can only look to increase revenues by increasing our taxable valuations. The City is still trying to provide the same level of services, but with less employees, so I believe now is the right time to explore and implement franchise fees. As of Oct. 25, 2021, there were 217 communities across Iowa with an identified franchise fee (that is about 1 out of every 4). Some of the benefits we could see with implementation of franchise fees are economic development, potential increase of services, cont. investment in the community as a long term approach to fiscal responsibility, cont. lowering trend for municipal levy rate.

Mayor Johnson inquired if there was anyone from the audience who wished to address an item on the agenda. Brian Morgan, Keith Caviness and Katie Howard would all like to speak on franchise fees. Mr. Morgan requested to speak after City Admin. presentation; Mr. Caviness and Ms. Howard will speak during the PH.

Mr. Morgan stated when you make a decision, its got to be paid for; whether you give one dept. a raise, TIF half the town, or give other tax breaks; it all effects your general fund. You should see an increase right around \$665,000 from property taxes, you lowered the tax levy, but you didn't lower their tax burden. Valuations went up. Electric/utility rates are up 31%; food prices up 20%, other essentials nearly 30% with gas prices needing no explanation. We are experiencing the highest inflation in years so I'm

here tonight to ask you to pull this for now. Reconsider doing this a year or two down the road; now is not the right time.

McAntire moved, seconded by Roe to approve the fee increases for the Beach Ottumwa. Parks & Rec Dir. Rathje explained indoor birthday parties will increase from \$100 to \$110; outdoor birthday parties from \$125 to \$130; indoor private party rental from \$75 per hour to \$90 per hour; and summer entire facility rental from \$400 per hour to \$450 per hour. Our rates are still significantly lower than similar aquatic centers across the state. All ayes.

This was the time, place and date set for a public hearing on Proposed Res. Adopting Revenue Purpose Stmt. Regarding use of revenues from Proposed Electric Franchise Fees pursuant to IA Code Section 364.2(4)(f). Adopting a Rev. Purpose Stmt. indicates how revenue received from these fees would be used. Those include: (a) The repair, remediation, restoration, cleanup, replacement, and improvement of existing public improvements and other publicly owned property, bldgs., and facilities. (b) Projects designed to prevent or mitigate future disasters as defined in IA Code Section 29C.2. (c) Energy conservation measures for low-income homeowners, low-income energy assistance programs, and weatherization programs. (d) Public safety, including the equipping of fire, police, emergency services, sanitation, street, and civil defense depts. (e) The est., construction, reconstruction, repair, equipping, remodeling, and ext. of public works, public utilities, and public transportation systems. (f) The construction, reconstruction, or repair of streets, highways, bridges, sidewalks, pedestrian underpasses and overpasses, street lighting fixtures, and public grounds, and the acquisition of real estate needed for such purposes. (g) Property tax abatements, bldg. permit fee abatements, and abatement of other fees for property damaged by a disaster as defined in section 29C.2. (h) Economic development activities and projects. Rath confirmed that any funds being expended from these incoming funds would go through council approval at that time. Galloway expressed her concern over using trigger words; we are not being fair to those listening because the concept on where our money will be spent may not be what they are hearing. We don't necessarily know exactly where the funds will go at this point, so we need to be clear. Much discussion occurred. No objections were rec'd. Hull moved, seconded by McAntire to close the public hearing. All ayes.

Roe moved, seconded by Pope that Res. No. 174-2022, Adopting Revenue Purpose Stmt. regarding use of revenues from Proposed Electric Franchise Fee pursuant to IA Code Section 364.2(4)(f), be passed and adopted. Vote taken: Ayes: Galloway, Hull, Pope, Roe. Nays: McAntire. Motion carried 4-1 vote.

This was the time, place and date set for a public hearing on Proposed Ord. Amending Appendix D, Electricity Franchise, with Interstate Power and Light Comp. for the Purpose of Imposing a Franchise Fee. Rath stated this ord. will impose a three percent franchise fee upon the electric utility as part of a franchise fee agt. This fee would replace the current one percent charged for LOST. Mr. Caviness reported our citizens cannot afford an additional tax; almost 37% of our population is retired individuals trying to scrape by with what they receive from IPERS, SSI. There are a series of things that need to be addressed; TIF, you can't just throw money around for this. Ms. Howard also addressed council; I worked 30 yrs. in government service so I know how hard it is to try and balance a budget. Now is the time for the city to tighten their belts and be innovative with the types of services you offer. Remember who you represent. Hull expressed we lowered the property taxes for property owners and franchise fees will affect all residents (property owners, renters); it would help us replenish some of the staff we will lose due to retirement over the next five yrs.; but, there's a lot of negatives to this. This probably won't go away. Roe shared this is a delicate issue; we as a community are at a precipice; taxable valuation without new housing builds in the community is going to keep falling; cont. to see declining housing valuation; we will also see increased expenses over the next few yrs. that we cannot control (fuel costs, material costs, health ins.). If we don't find a way to increase revenue, we will not be able to provide the

same level of services that everyone deserves and demands. There are consequences to our actions whether we vote this up or down. Pope shared economically we are all stressed. Right now, I can't move forward with this. Rath shared additional thoughts. Galloway moved, seconded by Hull to close the public hearing. All ayes.

Galloway moved, seconded by Hull to table Ord. No. 3202-2022, an Ord. Amending Appendix D, Electricity Franchise, with Interstate Power and Light Comp. for the Purpose of Imposing a Franchise Fee. Roe asked if tabled tonight do we want to specify a date that it will be brought back; Rath stated it can be brought back at any date in the future to vote upon. All ayes.

This was the time, place and date set for a public hearing on the Proposed Res. Adopting Revenue Purpose Stmt. regarding use of revenues from Proposed Gas Franchise Fees pursuant to IA Code Section 364.2(4)(f). Rath again shared the following uses for these funds: (a) The repair, remediation, restoration, cleanup, replacement, and improvement of existing public improvements and other publicly owned property, bldgs., and facilities. (b) Projects designed to prevent or mitigate future disasters as defined in IA Code Section 29C.2. (c) Energy conservation measures for low-income homeowners, low-income energy assistance programs, and weatherization programs. (d) Public safety, including the equipping of fire, police, emergency services, sanitation, street, and civil defense depts. (e) The est., construction, reconstruction, repair, equipping, remodeling, and ext. of public works, public utilities, and public transportation systems. (f) The construction, reconstruction, or repair of streets, highways, bridges, sidewalks, pedestrian underpasses and overpasses, street lighting fixtures, and public grounds, and the acquisition of real estate needed for such purposes. (g) Property tax abatements, bldg. permit fee abatements, and abatement of other fees for property damaged by a disaster as defined in section 29C.2. (h) Economic development activities and projects. Hull moved, seconded by Galloway to close the public hearing. All ayes.

Hull moved, seconded by McAntire to table Res. No. 176-2022, Adopting Revenue Purpose Stmt. regarding use of revenues from Proposed Gas Franchise Fee pursuant to IA Code Section 364.2(4)(f). Rath recommended to adopt said Res. in order to remain consistent with the previous revenue purpose stmt. that passed; Galloway stated we would then only need to vote on the Ord. for each item as we would already have the revenue purpose stmts. in place. Vote taken: Ayes: McAntire, Hull. Nays: Galloway, Pope, Roe. Motion failed 3-2 vote.

Roe moved, seconded by Galloway that Res. No. 176-2022, Adopting Revenue Purpose Stmt. regarding use of revenues from Proposed Gas Franchise Fee pursuant to IA Code Section 364.2(4)(f), be passed and adopted. Vote taken: Ayes: Galloway, McAntire, Pope, Roe. Nays: Hull. Motion carried 4-1 vote.

This was the time, place and date set for a public hearing on the Proposed Ord. repealing Ord. No. 2888-2000, and granting to MidAmerican Energy Comp., its successors and assigns, the Right and Non-Exclusive Franchise to acquire, construct, erect, maintain and operate in the City of Ottumwa, IA, a Natural Gas System and to furnish and sell natural gas to the City and its inhabitants and auth. the City to collect Franchise Fees for a period of 25 yrs. Roe moved, seconded by Pope to close the public hearing. All ayes.

Roe moved, seconded by Pope to pass the first cons. of Ord. No. 3203-2022, an Ord. repealing Ord. No. 2888-2000, and granting to MidAmerican Energy Comp., its successors and assigns, the Right and Non-Exclusive Franchise to acquire, construct, erect, maintain and operate in the City of Ottumwa, IA, a Natural Gas System and to furnish and sell natural gas to the City and its inhabitants and auth. the City to collect Franchise Fees for a period of 25 yrs. All Nays. Motion failed.

Rath requested recess at 7:31 P.M.

Council reconvened at 7:40 P.M.

This was the time, place, and date set for a public hearing on the cons. of a Five Yr. Lease Agt. renewal between the City and Musco Sports Lighting, LLC. Rath stated the City originally renewed this March 2, 2021 for the lease of the south one-half of Bldg. #23 at the Ottumwa Reg. Airport. Since that time, FBO services have been assumed by the City. Musco agreed to replace the current ext. with a new five-yr. agt. to reflect any changes in airport personnel and service provision. The new agt. is effective July 1, 2022-June 30, 2027. No objections were rec'd. Roe moved, seconded by Hull to close the public hearing. All ayes.

Roe moved, seconded by Galloway that Res. No. 189-2022, approving the authorization and execution of Five Year Renewal of Lease Agt. between the City and Musco Sports Lighting, LLC, be passed and adopted. All ayes.

This was the time, place, and date set for a public hearing on the Proposed Ord. No. 3200-2022, adopting the new State Electrical Code by Amend. Ch.13 of the City of Ottumwa Mun. Code. Comm. Dev. Dir. Simonson reported State Fire Marshall's Office and Electrical Examining Brd. requested that we enforce the IA Electrical Code. This ord. treats the Electrical Code in the same manner as the Plumbing Code by adopting the state code in full by reference. No objections were rec'd. Hull moved, seconded by McAntire to close the public hearing. All ayes.

Hull moved, seconded by McAntire to pass the first cons. of Ord. No. 3200-2022, adopting the new State Electrical Code by Amend. Ch. 13 of the City of Ottumwa Mun. Code. All ayes.

This was the time, place, and date set for a public hearing regarding the Proposed Vacation of public right-of-way in the portion of the Alleyway running NW/SE from E. McPherson Ave. to Phillips St. between W. Second and Third St. West in the City of Ottumwa. Simonson reported this ord. vacates a portion of the alley to support the Elliott Oil fuel station project. This will allow for the construction of a retaining wall. The vacation is submitted to utility easements, access easements for adj. property owners and cond. of a purchase agt. to be reviewed by Council on Aug. 2, 2022. P&Z Comm. recommended the vacation at their June 27, 2022 mtg. No objections were rec'd. Galloway moved, seconded by Hull to close the public hearing. All ayes.

Roe moved, seconded by Galloway to pass the first cons. of Ord. No. 3205-2022, Vacation of public right-of-way in the portion of the Alleyway running NW/SE from E. McPherson Ave. to Phillips St. between W. Second St. and Third St. West in the City of Ottumwa. All ayes.

McAntire moved, seconded by Hull that Res. No. 190-2022, (i) approving and auth. execution of an Assignment and Assumption of Lease Agt. with George Allen Construction Co. from Wapello County Historical Society; (ii) approving and auth. execution of an Assignment and Assumption of Lease Agt. with National Railroad Passenger Corp. from Wapello County Historical Society; and (iii) approving and auth. execution of a Storage Lease Agt. between the City of Ottumwa and Wapello County Historical Society, be passed and adopted. Rath stated these proceedings are for the acquisition of the depot and clubhouse properties. All ayes.

Hull moved, seconded by McAntire that Res. No. 191-2022, approving and auth. execution of a Real Estate Gift Agt. with Bridge View Center, Inc., be passed and adopted. Rath stated this gift of real estate

by BVC, Inc. allows the city to improve the current gravel lot area in the parking lot, concurrently with the construction of the Cobblestone Hotel near Bridge View Center. All ayes.

Hull moved, seconded by McAntire that Res. No. 192-2022, adopting Policy No. 74 – Background Check Policy, be passed and adopted. All ayes.

Galloway moved, seconded by Pope that Res. No. 193-2022, adopting Policy No. 73 related to process and procedures for requesting Honorary Street Name(s), be passed and adopted. All ayes.

Roe moved, seconded by Galloway that Res. No. 194-2022, adopting Policy No. 75 – Hiring Policy and Process, be passed and adopted. HR Dir. Codjoe reported this takes our current practice and puts it into policy to help provide a structured process. This policy also creates an internal process for positions not covered under civil service, that will allow Admin. to appoint positions. Working with legal to correct our Code lang. to reflect this change. All ayes.

Roe moved, seconded by Galloway that Res. No. 196-2022, approving CO No. 1 for the Ottumwa Park Campground Shower House and Office Project, be passed and adopted. Rathje reported CO No. 1 increases contract by \$595; new contract sum \$574,467. All ayes.

Hull moved, seconded by Pope that Res. No. 197-2022, approving Agt. between the City and IDOT through the TSIP (Traffic Safety Improvement Program) CS-TSF-5825(649)- -85-90 funding to construct the Albia Rd. and N. Quincy Ave. Roundabout Project and auth. Mayor to sign all pertaining docs., be passed and adopted. PW Dir. Seals reported this action will approve the formal agt. with IDOT for funding up to \$500,000 of elig. project activities. The design contract and construction cost that exceed the grant amt. will be funded from RU and LOST funds. Roe asked if when this roundabout project comes back to council for vote if cost will be considerably higher (as with the Richmond roundabout). Seals explained, when that project was submitted for grant funding, it was supposed to be submitted as two separate intersections, but it was not done correctly, which is why city's cost was significantly higher. Vote taken: Ayes: Galloway, McAntire, Pope, Roe. Nays: Hull. Motion carried 4-1 vote.

Roe moved, seconded by Pope to pass third cons. and adopt Ord. No. 3198-2022, repealing and replacing Ch. 7, Animals and Fowl, of the Municipal Code of the City of Ottumwa, IA. Vote taken: Ayes: McAntire, Hull, Pope, Roe. Nays: Galloway. Motion carried 4-1 vote.

Mayor Johnson inquired if anyone else from the audience wished to address an item not on the agenda. There were none.

There being no further discussion, Roe moved, seconded by Galloway that the mtg. adjourn. All ayes.

Adjournment was at 8:20 P.M.

ATTEST:


Christina Reinhard, CMC, City Clerk

CITY OF OTTUMWA, IOWA


Richard W. Johnson, Mayor

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