

City of West Branch

~ A Heritage for Success ~

110 N. Poplar St • P.O. Box 218 • West Branch, Iowa 52358
Ph 319-643-5888 • Fax 319-643-2305 • www.westbranchiowa.org • wbcity@l.com.net

CITY COUNCIL WORK SESSION
Tuesday, December 20, 2010 • 6:00 p.m.
City Council Chambers, 110 North Poplar Street

1. Call to order
2. Roll call
3. Discussion of 2011-2012 Annual Budget Process and Schedule.
4. Adjourn

Mayor: Don Kessler • **City Administrator/Clerk:** Matt Muckler • **Deputy City Clerk:** Dawn Brandt
Administrative Assistant: Ashley Borland-Kaalberg • **Public Works Director:** Brian Brennan
Parks & Recreation Director: Melissa Russell • **Police Chief:** David Bloem • **Fire Chief:** Kevin Stoolman
Council Members: Mark Worrell, David Johnson, Robert Sexton, Jim Oaks, Dan O'Neil

Iowa League of Cities

SPECIAL REPORT

Budget Information Bulletin for Fiscal Year (FY) 2011-12

Electronic Budget

Reminder: All city budgets must be completed using the file provided by the Iowa Department of Management (IDOM) and submitted electronically as prescribed by IDOM. Forms can be found at www.dom.state.ia.us/local/city/index.html.

317 Sixth Avenue, Suite 800

Des Moines, IA 50309

Phone (515) 244-7282

Fax (515) 244-0740

www.iowaleague.org

Cities in Iowa continue to face difficult and complex fiscal conditions as the national, state and local economies begin to slowly recover. To provide the quality of life Iowans expect, while still maintaining a sound and fiscally responsible budget, city officials will be forced to make tough decisions in the upcoming budget process.

Information in this Special Report touches on the key issues needed to prepare your city budget and serves as a starting point for city budgeting in the upcoming fiscal year. It is also important to note that several issues included in this report are not only important to the city budget process, but are also likely to be major issues during the 2011 Iowa legislative session.

The numbers indicated in this report are projections only and may be subject to change based on actions by the General Assembly and the governor. If the League becomes aware of changes to the numbers in this report, the information will be posted at www.iowaleague.org.



Revenues	2	1.1 percent higher in September 2010 than in September 2009.
• The rollback for residential property for Fiscal Year 2012 is 48.5299 percent and commercial and industrial property taxable value is 100 percent.		
Expenditures	4	Legislation
• The IPERS regular contribution rates will increase July 1, with a 5.38 percent contribution rate for employees and 8.07 percent contribution rate for the employer.		6
• The cost of many raw materials, goods and services is trending slightly upward. The Consumer Price Index for All Urban Consumers (CPI-U) was		• A review of legislation passed in 2010 that may affect city budgets.
		Other Budget Issues
		7
		• Bid and quotation thresholds for public improvements and street projects will change January 1, 2011.
		Budget Calendars
		8
		Web Resources
		Insert

Revenues

Assessment Limitation Order – Rollback

The January 1, 2010 property valuation serves as the basis for calculating property taxes in fiscal year (FY) 2012. Since 1978, residential, commercial, industrial and agricultural classifications have been subject to an assessment limitation order, or “rollback”, that limits annual growth in property values to 4 percent. However, there is a further restriction in that the growth of residential property cannot exceed that of agricultural property. In essence, the growth of residential property is capped at 4 percent or the amount of growth in agricultural value, whichever is less. Since the law’s inception, residential property has always been rolled-back from its full valuation to comply with the law. The limitation can also be applied to industrial and commercial property when necessary. Below you will find a chart that lists the rollback figures for FY 2012 as compared to FY 2011 through FY 2009:

FISCAL YEAR				
Property Class	2012	2011	2010	2009
Residential	48.5299%	46.9094%	45.5893%	44.0803%
Commercial	100%	100%	100%	99.7312%
Agricultural	69.0152%	66.2715%	93.8568%	90.1023%
Industrial	100%	100%	100%	100%

A special report with more detailed information on Iowa’s Residential Property Tax Rollback is available at www.iowaleague.org.

Property Tax Levies

Cities may levy up to \$8.10/\$1,000 of the taxable value on residential, commercial and industrial property and up to \$3.00375/\$1,000 on the taxable value of agricultural property for their general fund (*Code of Iowa* Section 384.1). If a city is unable to meet the essential costs for services within the \$8.10/\$1,000 levy limit, there are several other levies available.

- A city may levy for the city’s contribution under the Federal Insurance Contributions Act (FICA), the Iowa Public Employees’ Retirement System (IPERS), the Municipal Fire and Police Retirement System of Iowa (MFPRSI) and certain other employee benefits. On the state budget forms, these are levied in the special revenues fund column of the Revenues Detail (Form 631.B). The expense would be shown on the Expenditures Schedule (Form 631a) under the appropriate activity in the special revenues fund (column D).
- Insurance premiums, including workers’ compensation, necessary for the operation of the city and the costs of self-insurance or risk pools may also be levied outside the \$8.10/\$1,000 limit. The levy rate is the actual cost

of the premiums divided by the total property tax base. Insurance costs on projects or improvements covered by revenue bonds and insurance on proprietary fund activities may not be levied, as these activities should fund themselves. These revenues are typically credited to the general fund even though they are restricted.

- An emergency levy rate of \$0.27/\$1,000 of taxable valuation that can be used for any governmental purpose (*Code of Iowa* Section 384.8). This is a special revenue that must be transferred to the general fund for expenditure prior to the end of the fiscal year.
- A city may levy to cover principal and interest payments on general obligation bonds under debt service. Provided proper procedures were followed on lease-purchase or loan agreements, the annual principal and interest payments may also be levied under debt service. The debt service levy is the dollars needed to cover the annual debt obligations divided by the total property tax base.

Code of Iowa Section 384.12 lists several other levies available to a city for specific purposes, some requiring a referendum. Non-voted levy activities include funding for the operation and maintenance of a publicly owned transit system; liability, property and self-insurance costs; a joint county-city building lease and rent; and operation and maintenance of a city-owned civic center. Activities requiring a voted levy include funding for instrumental or vocal music groups, memorial buildings, symphony orchestras, cultural and scientific facilities, aid to public transportation companies, library services and emergency medical districts.

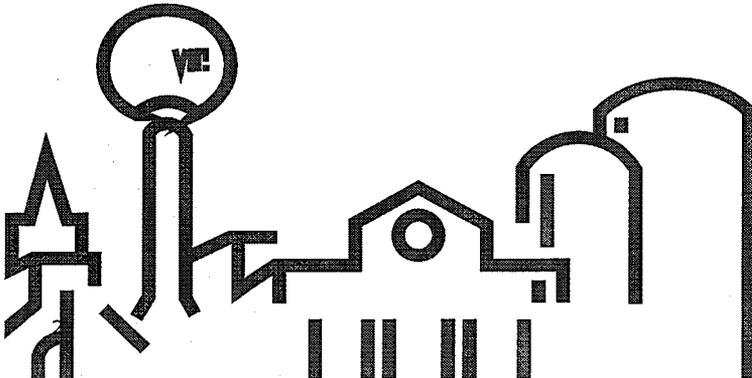
Employee Benefits Levy

Cities may levy for the city’s contribution to certain employee benefits. The definition of employee benefits includes:

- Retiree hospital/medical/prescription benefits pursuant to *Code of Iowa* Section 364.25
- Workers’ compensation cost or insurance premiums
- Employer’s share of employee benefit plan costs for employees and their dependents which would include only:
 - Hospital/medical/prescription benefits
 - Dental benefits
 - Disability insurance benefits
 - Life insurance benefits
 - Long-term care insurance benefits
 - Vision benefits
- Deferred compensation programs for city managers, fire chiefs and police chiefs who do not participate in either IPERS or MFPRSI
- Employee wellness programs that are a part of or included in a document approved by the city council
- Employee assistance programs providing free counseling for employees and their dependents
- Occupational Safety and Health Administration (OSHA) required tests
- Regularly-scheduled, city-required post-employment physicals for employees, police reserves and volunteer firefighters

Utility Replacement Tax

The Utility Replacement Excise Tax is collected on the generation, distribution and delivery of electricity and natural gas. This tax replaced the taxation on utility property in 1999. Cities are required to calculate their property tax revenues with and without utility property valuations. The difference that is calculated is necessary to establish the General Property Tax Equivalents, the basis for determining the distribution of the excise tax.



The Iowa Department of Revenue calculates the amount of revenue that a city will receive and includes this information with the budget packet cities receive from the Iowa Department of Management.

For a detailed explanation of the Utility Replacement Tax, see the League's Utility Replacement Tax Special Report, available at www.iowaleague.org.

Franchise Fee Legislation

In 2009, Iowa General Assembly passed a bill that legalized gas and electric franchise fees that are based on a percentage of the franchisee's gross revenues "without regard to the city's cost of inspecting, supervising, and otherwise regulating the franchise." As a result of this legislative action, cities may consider this fee as an alternative revenue source. Revenue from franchise fees can only be used for certain purposes outlined in the bill, but does include such items as public improvements, property tax relief, public safety, energy conservation and economic development activities.

For more information, please visit www.iowaleague.org and read the League's Special Report on Franchise Fees.

TIME-21

The Transportation Investment Moves the Economy in the 21st Century (TIME-21) Fund Act, enacted during the 2007 legislative session, allocates revenues from the TIME-21 Fund to the Primary Road Fund (60 percent), Secondary Road Fund (20 percent) and City Street Fund (20 percent). The act provides that the fund will sunset June 30, 2028. During the 2008 legislative session additional funding was established through increased fees collected on certain motor vehicles and trailer registrations and titles. No additional funds have been added to the TIME-21 Fund since the 2008 legislative session. By 2012 it is estimated this fund will raise \$115 million annually to help fund essential infrastructure improvements on Iowa's public roads system. Cities began to receive money from the TIME-21 program on January 1, 2009.

Road Use Tax Fund

The Road Use Tax Fund (RUTF) is accumulated through motor vehicle registration fees, motor vehicle fuel taxes, an excise tax imposed on the rental of automobiles and a use tax on trailers. Economic instability and fluctuating fuel costs can result in immediate changes in the fund. In addition, city populations continue to change and this also directly impacts the per capita distribution. *This is important to note as results from the 2010 Census will become official early next year. Many cities will have a change in their population figure which will cause an adjustment to road use tax distributions.*

Cities are reminded that the Iowa Department of Transportation (IDOT) issues per capita forecasts only. Cities are only entitled to receive their share of the amount actually collected. The estimates are subject to dramatic changes and cities should consider using a conservative estimate.

Also, the estimates are based on current law regarding specific revenue to and disbursement from the RUTF. Any change in the law could change the per capita amount to be distributed to cities. You will notice significant increases in the forecasts below; the increases are generally a result of the higher vehicle registration fees passed into law in 2008 and the addition of TIME-21 funding.

Fiscal Year	Current IDOT per capita forecast
FY11	\$90.50
FY12	\$94.00
FY13	\$97.00
FY14	\$99.00
FY15	\$101.00

For a more detailed explanation of the Road Use Tax Fund, see the League's Road Use Tax Fund Special Report, available at www.iowaleague.org.

Transfer of Road Jurisdiction: Cities Under 500

In 2004, counties in Iowa assumed responsibility for maintenance of Farm-to-Market (FM) roads in cities with a population less than 500. A transfer of RUTF money based on the total length of the FM roads in each of these cities was also transferred to the respective county. Many cities have entered into 28E agreements with the county to return a portion or all of the responsibility for the road back to the city, along with a corresponding amount of RUTF funds. The Office of Auditor of State has taken the position that funds transferred back to the city from the county are still restricted in the same manner as all Road Use Tax revenue, because road use tax funds are restricted to be spent for roads by Article VII (8), Iowa Constitution. As such, the revenue received under the 28E agreement should be recorded in the city's Special Revenue Fund, Road Use Tax account as:

- Intergovernmental
- Local grants and reimbursements
- County contributions

This revenue should not be recorded as "road use tax" revenue by the city since it is already recorded as road use tax revenue when received by the county. The money must also be spent in accordance with the *Code of Iowa* Chapter 312 and any terms and conditions of the 28E agreement.

With the results of the 2010 Census becoming official early next year, many cities will have a different population figure which could impact their status regarding FM roads. If a city's population drops below 500 after its Census results are certified, they will transfer responsibility of their FM roads to the county on July 1 next year. A city that previously was below 500 in population and increases its population above 750 after a Census count will assume responsibility of FM roads in the city beginning July 1.

Enrich Iowa Funds for Libraries

The Enrich Iowa Program includes Direct State Aid, Open Access and Access Plus.

- Direct State Aid is a direct payment to public libraries and is intended to be used to improve and enhance library services.
- Open Access provides a partial reimbursement to participating libraries to make it possible for patrons to check out materials at other participating libraries.
- Access Plus provides partial reimbursement for interlibrary loans among all types of libraries.

The 2010 General Assembly reduced the total appropriation to Enrich Iowa by \$500,000. This results in a 18.2 percent decrease in funding to libraries for FY 2011.

Additional information on these programs is available at the State Library of Iowa Web site, www.statelibraryofiowa.org/ld/enrich-ia.

Fuel Tax Refunds

Cities are eligible for refunds from both federal and state governments for taxes paid on gasoline. In most cases, cities must pay the fuel taxes at the pump and then file for a refund with the state and federal governments. Cities on a modified accrual accounting basis should not consider payment of the tax as an expenditure nor should they consider the refund as revenue. However, cities on a cash accounting basis should charge the tax as an expense and receipt the refund as revenue. In order to receive a refund from the state, the city must:

- 1) Have a refund number
- 2) Keep a record of gallons purchased (cities are not required to send the actual invoices with the refund request)
- 3) Apply for the refund within one year of purchase

Cities may apply for a refund number and obtain forms necessary for filing the refund by contacting the Iowa Department of Revenue at (800) 367-3388 or download the forms by visiting www.iowa.gov/tax/forms/motor.html. Cities may also file for a refund by telephone and request direct deposit of their refunds.

If your city is entitled to a federal refund of \$750 or more per quarter for tax paid on gasoline purchases, you may file quarterly for a refund. If the refund is less than \$750 per quarter, you must file annually. To receive the refund on the gas tax, a refund request must be filed on Internal Revenue Service (IRS) Form 8849. See IRS Publication 378 Fuel Tax Credits and Refunds for further information.

You may request IRS forms by calling (800) 829-3676 or download the forms at www.irs.gov/formspubs.

Local Option Sales Tax

The Iowa Department of Revenue (IDR) is required to send an estimate of the monthly tax revenues each city will receive for the year by August 15 of each fiscal year. Ninety-five percent of estimated tax receipts are paid to the city monthly. A final payment of any remaining tax due to a city for the fiscal year will be made before the due date of the first payment of the next fiscal year. If an overpayment to a city exists for a previous fiscal year, the first and/or second payment of the subsequent fiscal year will be adjusted to deduct the overpayment.

More detailed information may be obtained by contacting the IDR at (800) 367-3388 or www.iowa.gov/tax/index.html.

Expenditures

U.S. Consumer Price Index

The U.S. Consumer Price Index (CPI) is a measure of the changes in retail prices of a fixed market grouping of consumer goods and services. The CPI for all urban consumers (not seasonally adjusted) (CPI-U) for September 2010 was 218.439, which is 1.1 percent higher than September 2009. These figures are derived from eight major expenditure categories: food and beverages, housing, clothing, transportation, medical care, recreation, education and communication and other goods and services. The CPI-U is updated monthly.

The most recent CPI-U figures and more information can be obtained by visiting www.bls.gov/cpi/.

FICA Deductions

The city (employer) and the employee each contribute 7.65 percent of wages for Social Security and Medicare. The maximum taxable earnings subject to the Social Security portion (6.2 percent) of the Federal Insurance Contributions Act (FICA) for 2010 and 2011 is \$106,800; there is no limit on the salary covered for the Medicare portion (1.45 percent) of FICA. Please note that coverage may change in the middle of the fiscal year. Questions on FICA may be directed to the Des Moines office of the Social Security Administration (SSA) at (800) 772-1213.

You can also visit the SSA Web site at www.ssa.gov for questions, publications and other information.

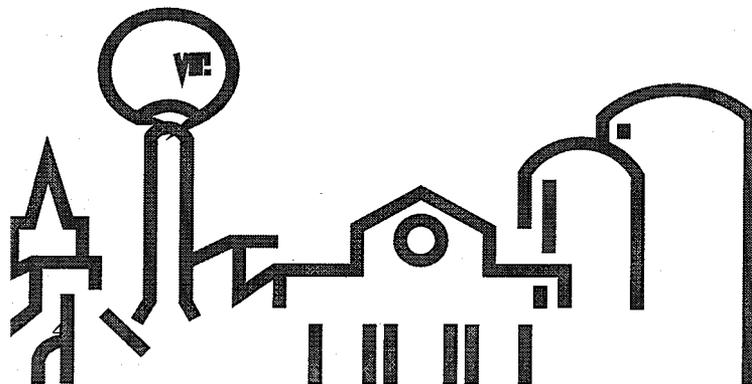
Iowa Public Employees' Retirement System (IPERS)

As a result of action taken during the 2010 legislative session, IPERS has undergone several significant changes in order to keep the system fully funded after recent market instability led to investment losses.

Employee and employer contribution rates for regular class members can now be adjusted by up to 1 percent without prior legislative approval (previously the maximum allowed adjustment was .5 percent). The rates are determined by an annual actuarial valuation, with employers paying 60 percent and employees paying 40 percent of the rate.

Other changes for regular class members beginning July 1, 2012 include the time to vest benefits will rise from four years to seven for members who have yet to earn benefits. Also, the average wage used in benefits calculations will change from the high three years to the high five years. Finally, benefits will be reduced for those who retire early. The law includes transition rules that preserve the benefits current employees have already earned. Those benefits cannot be lowered.

Regular Class Members	July 1, 2009	July 1, 2010	July 1, 2011
Employee Rate	4.30%	4.50%	5.38%
Employer Rate	6.65%	6.95%	8.07%
Combined Rate	10.95%	11.45%	13.45%



It is also important to note changes made to the benefits of protection class members, including the removal of the .5 percent limit on how much the contribution rate can be adjusted from year to year. Contribution rates can now be changed as much as needed. Also, a cancer and infectious disease presumption was added to the disability benefits for protection class members.

IPERS contribution rates for police and other protection class employees will not officially be available until early December 2010. The rates for FY 2012 are estimated to be 6.65 percent for the employee and 9.97 percent for the employer for a combined rate of 16.62 percent. The finalized contribution rates will be posted to the IPERS Web site as soon as they are available at: www.ipers.org/contributionrates.html. The rates for the current fiscal year (FY 2011) are 6.64 percent for the employee and 9.95 percent for the employer, resulting in a combined rate of 16.59 percent.

Protection Class Members	July 1, 2009	July 1, 2010	July 1, 2011*
Employee Rate	6.14%	6.64%	6.65%
Employer Rate	9.20%	9.95%	9.97%
Combined Rate	15.34%	16.59%	16.62%

*Estimate

Important Note: All part-time elected officials must be covered by IPERS unless they specifically opt out of coverage. All employers will be audited on a regular cycle, based on the number of employees.

Questions may be directed to the IPERS office at (800) 622-3849 or visit their Web site at www.ipers.org for more information.

Municipal Fire and Police Retirement System of Iowa (MFPRSI)

Several changes were made to MFPRSI during the 2010 legislative session. The state's contribution to the fund will be phased out over the next two years, with appropriations of \$1.5 million in FY 2011 and \$750,000 in FY 2012. Also, the MFPRSI Board of Trustees is to report to legislators with a comprehensive examination of the benefits and finances of the system with the goal of making recommendations for benefits or other statutory changes to the system. The report is due January 10, 2011.

The MFPRSI Board of Trustees has determined the city's contribution rate, effective July 1, 2011, will be 24.76 percent (the employee rate is currently fixed at 9.40 percent). The city's contribution rate effective July 1, 2012 is expected to be 29.31 percent.

Actuarial projections show that the MFPRSI system will have rather dramatic city contribution increases over the next several years as a result of recent investment losses and the state phasing out its contribution to the fund. As of October 2010, the city contribution rate, based on an assumed 7.5 percent rate of return, is estimated to increase to 37.33 percent of covered wages by 2014.

Mileage

While cities are not required to match the Internal Revenue Service (IRS) rate, any changes made in the city reimbursement rate should be done by resolution. Cities may reimburse

city officials and employees using their own vehicles up to the amount allowable under IRS rules. The current IRS rate of 50 cents per mile is valid until December 31, 2010. Rates for 2011 have not yet been determined and will be available at www.irs.gov.

Minimum Wage Rate

Both the state and federal minimum wage was increased by legislative action in the last few years. The state hourly wage increased to \$7.25 effective January 1, 2008. The hourly wage for employees working less than 90 days increased to \$6.35 as of January 1, 2008. The federal minimum wage increased to \$7.25 per hour on July 24, 2009. As a reminder, if there is a disparity between the federal and state minimum wage rate, employers are required to pay the higher of the two.

Unemployment Compensation

Cities are reimbursable for unemployment compensation upon application, unless they elect to be contributory by completing an additional form stating such. Most cities in Iowa are reimbursable. Cities must reimburse the state for actual unemployment benefits paid out by Iowa Workforce Development (IWD) within 30 days following the billing for any quarter in which the state has made payments to the city's former employees. If a city anticipates the possibility of layoffs during a fiscal year, they may want to budget for the expense of reimbursing unemployment benefits.

Contributory tax rates are determined based on the extent that tax payments made by the city are in excess of benefits paid out by IWD, and this reserve balance is then divided by the average taxable payroll. The tax due is found by taking the percentage calculated for the city multiplied by the first \$24,500 of each employee's gross salary. IWD will mail tax rate notices giving the percentage for each city in November. The city has 30 days from the Rate Notice Date on the form to appeal their contribution rate.

All cities have the option to change from contributory to reimbursable status, or vice versa. Cities can change their status by December 1 for the next calendar year by contacting IWD for the appropriate forms in advance of the December 1 deadline. However, if a city opts to switch from contributory to reimbursable, it is required to pay to IWD any deficit that may be due to claims against its current account in excess of contributions.

Information regarding IWD can be found at www.iowaworkforce.org.

Workers' Compensation Insurance

Premium for workers' compensation coverage can be estimated using the audited payroll from the previous year with adjustments for cost of living and other increases, taking into consideration anticipated changes in personnel and/or operations. Once payroll has been adjusted for each class code, apply the rate for each code per \$100 of payroll. The city should check with its agent to see if any rate changes will go into effect prior to its renewal.

General Liability and Property Insurance

Liability coverage contribution is based on several factors such as number of employees, number and types of automobiles and expenditures. However, the easiest way to project cost of liability coverage is to apply the current inflation factor. Premium for liability coverage is based on the number of employees and a five percent increase to the entity's total budget. Rating for property and auto physical damage coverage is based solely on the total insured value (TIV) of the schedule. A simple way to project cost is to calculate the TIV of the previous year, divide it into last year's contribution and apply the factor to this year's TIV.

Legislation

When re-estimating revenues and expenditures for FY 2011 and budgeting for FY 2012, cities should keep in mind recent legislative actions that may have a significant fiscal impact on the city. Full coverage of the laws passed by the 2010 General Assembly is included in New Laws of Interest to Iowa Cities, which can be downloaded from the League Web site at www.iowaleague.org.

HF2518-Pension Systems (MFPRSI and IPERS)

MFPRSI:

- Phases out the state contribution over two years, with appropriations at \$1.5 million for FY 2011 and \$750,000 for FY 2012.
- Directs the MFPRSI Board of Trustees to report to the General Assembly regarding a comprehensive examination of the benefits and finances provided under Chapter 411, including the long-term financing and benefits policy of the system, with the goal of making recommendations for benefits and other statutory changes to the system. The report is due January 10, 2011.

IPERS:

- Increases contribution rates for regular class from 11.95 percent to 13.45 percent on July 1, 2011, with employers paying 60 percent and employees paying 40 percent of that rate.
- Makes changes beginning July 1, 2012 to benefits not yet earned for regular members including increasing time to vest from 4 to 7 years, changing average wage used in benefits calculations from high 3 to high 5 years, and reducing benefits for those who retire early.
- Raises the limit on how much contribution rates for regular class members can be changed by IPERS each year, without legislative approval, from .5 to 1.0 percent, beginning July 1, 2012.
- Removes .5 percent restriction on rate increases slated to go into effect July 1, 2011 for protection classes, to allow rates to continue to change on an as-needed basis.
- Gives protection class members cancer and infectious disease presumption.
- Various sections and effective dates.

SF2383-Debt Collection

- Allows cities that hire private debt collection agencies to charge a collection fee of up to 25 percent of the balance of delinquent judgment debts. "Judgment debt" is defined as any criminal penalty, personal judgment for a civil penalty, or personal or *in rem* judgment for the costs of abating a nuisance or other violation, owing to a city in any proceeding brought as a municipal infraction, a civil nuisance proceeding, or a criminal proceeding for a misdemeanor violation under a city ordinance. Judgment debt is deemed delinquent if it is not paid within 30 days after the court assesses it.
- Various sections, including new Section 364.22B.

SF434-Nuisance Properties and Tax Sale

- Makes changes relating to nuisance properties and tax sale of nuisance properties.
- Requires indexing of municipal citations and petitions affecting nuisance properties.
- Requires the county treasurer to withhold nuisance properties from tax sale.
- Various sections.

SF2297-Military Benefits

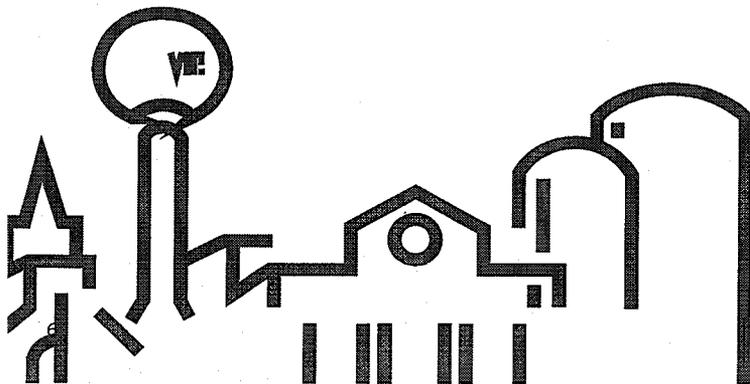
- Requires political subdivisions to rent facilities for a fee not in excess of any expenses incurred by the political subdivision for designated military events.
- If informed that a head of the household has been deployed for military service, electric and gas utilities are prohibited from disconnecting service within 90 days of the end of the deployment.
- Provides a variety of benefits for deployed members of the military.
- Various new sections.

SF2313-Joint Financing

- Clarifies provisions related to 2001 legislation which allowed municipal gas and electric utilities to work together to jointly finance new generation and transmission facilities.
- Allows a municipal electric utility to join an existing joint action agency without holding an election to do so.
- Strengthens bonding ability and allows a new joint action agency to work with a private entity without going through the competitive bidding process.
- Section 12C.1 and various sections, new Section 390.9.

SF2324-Cable Franchise

- Makes changes to cable franchise law passed in 2007 to tighten requirements for franchise applicants.
- Requires a person seeking a certificate of franchise authority from the Iowa Utilities Board (IUB) to provide notice to impacted cities.
- Requires applicant provide (1) documentation that the applicant possesses sufficient managerial, technical and financial capability to provide the proposed cable service or video service; (2) copies of advertisements or news releases announcing the applicant's intent to provide the proposed service; and (3) a schedule of dates by which the applicant intends to commence operation in each municipality proposed to be served.
- Prohibits the IUB from issuing a franchise certificate unless it finds that applicant meets all requirements. Extends period for issuing a franchise certificate from 15 to 30 days, allows the IUB to extend that period to 60 days if additional information will be required to support findings, and allows IUB to assess its costs to applicant in certain circumstances.



- Gives IUB authority to revoke a franchise certificate if service is not provided within 12 months or if construction or operation of a new system is suspended. In situations where incumbent provider opts-out of its city franchise upon issuance of a franchise certificate to a competitive provider and the IUB subsequently revokes the competitive provider's franchise certificate, the bill requires that if the incumbent's city franchise agreement would have remained in effect for at least sixty days prior to expiration, it must be reinstated for its remaining term.
- Various sections, Chapter 477A. Effective April 12, 2010.

HF2370-Enterprise Zones

- Extends the Enterprise Zone Program to FY 2012.
- Sections 15E.192 and 15E.194.

HF2487-Recovery Zone Bonds

- Requires the Iowa Finance Authority (IFA) to recapture waived portions of the recovery zone bond allocation designated for each county and large municipality under the federal American Recovery and Reinvestment Act of 2009.
- New Section 16.171. Effective April 7, 2010.
Note: A county or large municipality may, at any time prior to July 1, 2010, waive all or a portion of its recovery zone bond allocation. Any portion of a county or large municipality's recovery zone bond allocation unused on July 1, 2010, is deemed waived. Applications for recovery zone bonds are available at the IFA Web site: www.iowafinanceauthority.gov/en/economic_development/recovery_zone_bonds/.

SF2380-Tax Credit Incentive Program Changes

- Creates a Legislative Tax Expenditure Committee comprised of ten members of the General Assembly to review tax incentive programs.
- Develops a five-year rotating schedule of review of all tax expenditures including TIF and LOST-TIF.
- Creates an interim study committee to evaluate the Enterprise Zone program.
- Lowers the cap for Historic Preservation Tax Credits from \$50 million to \$45 million beginning in 2013.
- Makes additional changes to tax incentive programs.
- Various sections. Various effective dates.

SF2389-Rebuild Iowa Infrastructure Fund (RIIF)

- Appropriates funding for several programs that impact cities, including the Community Attraction and Tourism fund, the River Enhancement Community Attraction and Tourism fund, Main Street Iowa, the Iowa Finance Authority's Housing Trust Fund, historical preservation grants, and I-JOBS projects.

HF2531-Standing Appropriations (Standings Bill)

- Section 8: Funds reimbursements for property tax credits including the homestead and military service credits.
Note: The homestead property tax credits were funded at slightly lower levels than last year. The homestead credit has not been fully funded since 2001, but cities are held harmless for the underfunded amount.

Other Budget Issues

Bid Thresholds for Iowa Cities

On January 1, 2011, changes will be made to the bidding and quotation thresholds for public improvement projects and road, street, bridge and culvert projects.

Competitive bidding process: applicable to public improvement projects with an estimated cost exceeding \$100,000; applicable to road, street, bridge and culvert projects with an estimated cost exceeding \$47,000 for city with a population less than 50,000; \$67,000 for city with 50,000 or more population.

Competitive quotation process: applicable only to public improvement projects with an estimated cost exceeding \$46,000 for city with a population less than 50,000; \$67,000 for city with 50,000 or more population; but not exceeding \$100,000.

For a more complete explanation of this legislative change see Construction Bidding Procedures by Terry Timmins. This article and a flowchart covering typical bidding situations and thresholds is available at www.iowaleague.org.

Form 1099

Under the Patient Protection and Affordable Care Act, businesses, charities, and state and local governments will file an information return for all payments aggregating \$600 or more in a calendar to a single provider of goods or services for payments made after 2011. The act also repeals the long standing reporting exception for payments to a corporation also effective for payments made after 2011.

GASB 45

Governmental Accounting Standards Board Statement 45 (GASB 45) requires many public entities to reflect the value of post employment benefits (health, life, dental, etc.) that are provided to retired employees in your future audited financial statements. Your auditor has likely informed you when (and if) your city will meet the requirements for compliance with this accounting standard.

Red Flag Rules

The Fair and Accurate Credit Transactions (FACT) Act of 2003 requires utilities and government entities to implement identity theft prevention programs. These provisions are known more commonly as the Red Flags Rule. Municipal utilities, local governments and any entity that can broadly be classified as a creditor should develop and implement a written identity theft prevention program. For more information regarding this policy, contact the League at (515) 244-7282. Information is also available at www.ftc.gov/redflagrule.

Training Costs

The League and others offer several training events directed at city officials throughout the year. The list below includes the planned workshops and their estimated registration price:

Annual Conference & Exhibit	\$175
Budget Workshops	\$30
Small City Workshops	\$30
Municipal Leadership Academy	Varies

Iowa Municipal Professionals Institute	Varies
Iowa Municipal Professionals Academy.....	Varies
Iowa Municipal Finance Officers Association.....	\$100
Iowa Municipal Attorney Association Annual Seminar.....	\$60

Consumer Confidence Report

As a result of the Clean Water Act, enacted in 1996, cities are required to complete a Consumer Confidence Report. The purpose of the report is to inform consumers of their local water quality. A copy of the report must be mailed or otherwise directly delivered to each customer annually by July 1. A city with a population less than 10,000 with no violations during the past year may use a mailing waiver. If these cities choose to use the mailing waiver:

- For a city with a population less than 500, the mailing waiver must provide notice at least once per year to their customers by mail, door-to-door delivery or posting that the report is available upon request.
- For a city between 500 and 10,000 in population, the mailing waiver must inform customers that the report will not be mailed. The cities must publish the report in the newspaper and make the report available upon request.

Certification Date for TIF Debt

Cities must certify debt payable with Tax Increment Financing (TIF) funds on or before December 1. *Code of Iowa* Section 403.19 requires cities to certify to the county auditor the amount of any "loans, advances, indebtedness, or bonds" that qualify for payment from TIF revenue from a TIF district. This certification of TIF debt is only required once. However, due to the unique nature of many TIF financing programs, the city may need to file on an annual basis. The auditor is responsible for collecting and distributing the funds available from the increment in subsequent years until the entire certified amount is paid into the city's tax increment fund. However, if additional debt is incurred, that amount must be certified by the following December 1 in order for the county auditor to make the proper distribution in the next fiscal year. Failure to certify the debt before December 1 will delay payments to the city by one year. The Iowa Department of Management and the Office of the Auditor of the State have developed a TIF Debt Certification form that cities may use when certifying their debt to the county auditor.

Single Audit Act

Cities that expend a total of \$500,000 or more in federal assistance in a fiscal year must comply with the Single Audit Act, which requires a single or program-specific audit of city financial records.

Budget Calendar

The following schedule is an example for cities to follow during the budgeting process. The following information assumes the city has a Thursday newspaper with a Tuesday deadline and the council meets on the first and third Monday. Cities should adopt a calendar that meets their specific circumstances. Dates noted by an asterisk are statutory deadlines or requirements

Typical Budget Timeline

City department heads give budget and proposals to city finance officer January 3

Budget work session(s) with finance officer and city council....
..... January 17 (and February 7)

Council receives and adopts final proposed budget and orders notice of hearing February 21

Notice of hearing on adoption of final budget published
..... February 24

NOTICE REQUIREMENT: Notice of the budget hearing must be given not more than 20* days nor less than 10* days before the date of the hearing.

DETAILED BUDGET: The detailed budget must be available for public inspection at least 10* days before the final budget hearing and 20* days before final date for certification, and is to be available at the clerk's and mayor's offices and the public library, or posted at three places designated by ordinance if there is no library.

Budget hearing March 7

Adoption of final budget March 7

Certified budget to county auditor..... March 15*

Persons affected by the budget have 10 days after the date of certification to file a written protest..... March 25*

IDOM certifies taxes back to county auditor June 15*

Budget takes effect..... July 1*

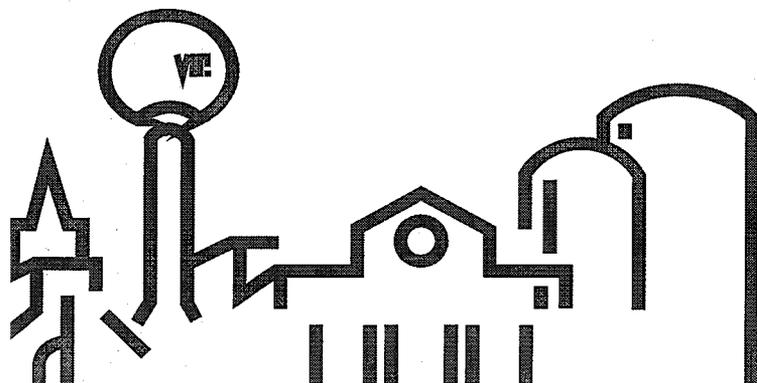
Cities might find that they need to exceed the general fund levy limit set by statute (\$8.10 per \$1,000 of taxable property value). If that is the case, a city may appeal to the IDOM/ City Finance Committee and use a unique schedule and set of guidelines. These schedules and more are available at www.iowaleague.org.

Timeline if city appeals to exceed the \$8.10/\$1,000 general fund levy limit but does not plan to hold election if appeal rejected: City department heads give budget and proposals to city finance officerDecember 6
Budget work session with finance officer and city council.....December 20

Council to determine whether appeal needed.....January 3

NOTE: Appeal must be made as soon as possible in order to allow time for director's decision and appeal to City Finance Committee if the council determines to make further appeal.

Appeal to director, IDOM..... January 4



Director, IDOM, issues decision on appealJanuary 14
Council to determine whether to appeal director's decision
.....January 17

NOTE: The council may be required to hold a special meeting, depending on when the city is notified of the decision.

Appeal must be submitted to City Finance Committee.....
..... on or before February 1*

City Finance Committee must notify city regarding its approval, modification or rejection of the appeal prior to 35 days before March 15* February 8

Council receives and adopts final proposed budget and orders notice of hearing February 21

Notice of hearing on adoption of final budget published February 24

NOTICE REQUIREMENT: Notice of the budget hearing must be given not more than 20* days nor less than 10* days before the date of the hearing.

DETAILED BUDGET: The detailed budget must be available for public inspection at least 10* days before the final budget hearing and 20* days before final date for certification, and are to be available at the clerk's and mayor's offices and the public library, or posted at three places designated by ordinance if there is no library.

Budget hearing March 7

Adoption of final budget March 7

Certified budget to county auditor..... March 15*

Persons affected by the budget have 10 days after the date of certification to file a written protest..... March 25*

IDOM certifies taxes back to county auditor June 15*

Budget takes effect..... July 1*

Timeline for election to exceed the \$8.10/\$1,000 general fund levy limit:A city may hold a special election to exceed the \$8.10/\$1000 limit or any other tax levy limit within *Code of Iowa* Chapter 384. This election may be held after rejection by the director of IDOM, after rejection by the City Finance Committee upon appeal from the director or upon the council's own initiative. A city's property tax levy is limited to the prior year's budget amount if the budget is certified after March 15. Due to the statutory requirements regarding the special election, canvass and notice of results, cities that hold a special election in 2010 will be unable to certify their budgets by March 15. A city has two choices in submitting a budget while awaiting results of the election.

Option 1: The city may follow the calendar guidelines at the beginning of this section and approve and adopt a budget within the levy limit. If the election results allow the city to exceed the limit, the voter approved levy will be applied by the county auditor and IDOM to the city's budget. This method may require the city to amend the budget once into the fiscal year to increase expenditures that were approved at a lower level due to the levy limit.

Option 2: The city requests a waiver by writing a letter to the director of the IDOM documenting the reason that the March 15 deadline will not be met due to circumstances beyond their control. Timing becomes critical, particularly if the city waits until after the director and City Finance Committee issue their decisions. The budget calendar will need to be advanced to allow sufficient time for requesting an election. The letter requesting a waiver must contain the new date the budget will be certified to the county auditor.

Council orders notice of special election to county commissioner of elections.....January 17
(last day for notice is February 4, 32 days before the second Tuesday in March*)

NOTE: The council may be required to hold a special meeting if the city is waiting on the decision of the City Finance Committee, depending on when the city is notified of the decision. The decision must be issued prior to February 4.

Publish election notice two times — first time at least two weeks before election* February 22 & March 1

Special election on exceeding \$8.10/\$1,000 limit held; proposed rate must be stated* March 8
(election is second Tuesday in March*)

Canvass of election by county board of supervisors
..... March 10
(1 p.m. of second day following election*)

Notice of results from county commissioner of elections (within two days of canvass*)
..... March 11-12

Council receives election results and adopts final proposed budget and orders notice of hearing..... March 15

Option 1 above, an informational letter with election results sent to IDOM.

Option 2:
Notice of hearing on adoption of final budget published ..
..... March 17

Budget Hearing March 28

Adoption of final budget March 28

Certified budget to county auditor..... April 5*

Persons affected by the budget have 10 days after the date of certification* to file a written protest. April 15

IDOM certifies taxes back to county auditor June 15*

Budget takes effect..... July 1*

Dates noted by an asterisk are statutory deadlines or requirements.

One-Stop Web References

Iowa League of Cities – www.iowaleague.org

The League's Web site has numerous reports on budget matters, including:

Tax Increment Financing Special Report

Requires login to League's Members Only section

www.iowaleague.org/MembersOnly/Downloads/SpecialReports/2010/TIFBrochure.pdf

Iowa's Residential Property Tax Rollback Special Report

Requires login to League's Members Only section

www.iowaleague.org/MembersOnly/Downloads/SpecialReports/2003/rollback.pdf

Franchise Fees Special Report

Requires login to League's Members Only section

www.iowaleague.org/MembersOnly/Downloads/SpecialReports/2010/franchise_fees_20102011.pdf

Utility Replacement Tax Special Report

Requires login to League's Members Only section

www.iowaleague.org/MembersOnly/Downloads/SpecialReports/2000/URTreport.pdf

Road Use Tax Fund Special Report

Requires login to League's Members Only section

www.iowaleague.org/MembersOnly/Downloads/SpecialReports/2002/roadusetaxfund.pdf

Cityscape Q&A – Federal Overtime Laws

www.iowaleague.org/Resources/SearchByTopicContent.aspx?FAQID=79&SubcategoryID=41

Law Enforcement Training Reimbursement contract

Appendix B, Requires login to League's Members Only section

www.iowaleague.org/MembersOnly/Downloads/SpecialReports/2001/lawUpdate.pdf

Code of Iowa

Requires Entry of Chapter and Section numbers

www.legis.state.ia.us/IowaLaw.html

Iowa Department of Revenue Fuel Tax Refund Forms

www.iowa.gov/tax/forms/motor.html

Iowa Public Employees' Retirement System

www.ipers.org

Iowa Workforce Development

www.iowaworkforce.org

Internal Revenue Service

www.irs.gov

Local Option Sales Tax Information

www.iowa.gov/tax/locgov/locgov.html

Minimum Wage

The Iowa Division of Labor at (515) 281-5387 or www.iowaworkforce.org/labor

The U.S Department of Labor at (866) 487-9243 or www.dol.gov

Municipal Fire & Police Retirement System of Iowa

www.mfprsi.org

Public Notice Rates

www.inanews.com

Social Security Administration

www.ssa.gov

State Library of Iowa Enrich Iowa Funds

www.statelibraryofiowa.org/ld/enrich-ia

U.S. Department of Labor

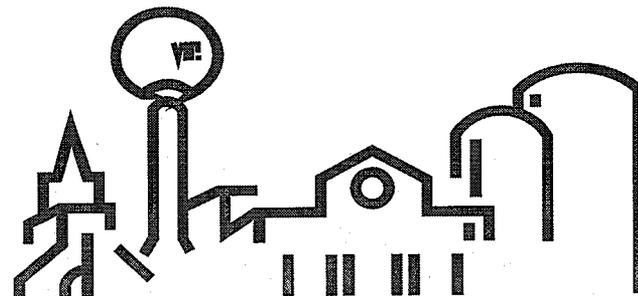
www.dol.gov

U.S. Department of Labor Consumer Price Index information

www.bls.gov/cpi

317 Sixth Avenue, Suite 800 | Des Moines, IA 50309

Phone (515) 244-7282 | Fax (515) 244-0740 | www.iowaleague.org



City of West Branch

~ A Heritage for Success ~

110 N. Poplar St • P.O. Box 218 • West Branch, Iowa 52358
Ph. 319-643-5888 • Fax 319-643-2305 • www.westbranchiowa.org • wbcity@I.com.net

CITY COUNCIL MEETING AGENDA
Monday, December 20, 2010 • 6:30 p.m.
City Council Chambers, 110 North Poplar Street
Action may be taken on any agenda item.

1. Call to order
2. Roll call
3. Welcome
4. Approve Agenda/Consent Agenda/Move to action
 - a. Approve minutes from the December 6, 2010 City Council Meeting.
 - b. Approve claims.
5. Communications/Open Forum
6. Public, Department Heads, Commissions, City Administrator and City Council
 - a. Joe Raso, Iowa City Area Development Group Annual Report
 - b. Approve Iowa City Area Development Group Investment Commitment of \$2,750 for the 2011-2012 Fiscal Year./Move to action.
 - c. Approve engineering and bidding proposal from VJ Engineering in the amount of \$8,250 for the expansion and renovation of the West Branch Fire Department Building./Move to action.
 - d. Second reading of Ordinance 671 amending Chapter 30 "POLICE DEPARTMENT" by adding the following section, Section 30.11: 30.11 RESIDENCY REQUIREMENT: The Police Chief shall become a resident of the City of West Branch, and continued residency in the City is a requirement for continued employment with the City./Move to action.
 - e. Approve Resolution 924, a Resolution to amend the City Administrator Employment Agreement with The City of West Branch between Matthew Muckler and the City of West Branch./Move to action.
 - f. Approve City of West Branch Mission Statement./Move to action.
7. Mayor
 - a. Appointments/Reappointments/Move to action.
8. Reports
 - a. Crime Data Processor Gina Heick – West Branch Police Department Monthly Report

Mayor: Don Kessler • **Council Members:** Mark Worrell, David Johnson, Robert Sexton, Jim Oaks, Dan O'Neil
City Administrator/Clerk: Matt Muckler • **Deputy City Clerk:** Dawn Brandt • **Library Director:** Nick Shimmin
Parks & Recreation Director: Melissa Russell • **Police Chief:** David Bloem • **Fire Chief:** Kevin Stoolman

**CITY OF WEST BRANCH
COUNCIL ACTION REPORT**

MEETING DATE: December 20, 2010 AGENDA ITEM: 6a

DATE PREPARED: December 9, 2010

STAFF LIAISON: Matt Muckler, City Administrator

ACTION TITLE: Iowa City Area Development Group Annual Report

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Discussion Only.

PROJECT DESCRIPTION:

Joe Raso, President of the Iowa City Area Development Group (ICAD) will present the ICAD Annual Report to the West Branch Mayor and Council.

ICAD is committed to enhancing the economic vitality of our area. ICAD works to strengthen our local communities with a strong business climate and employment opportunities. ICAD is available to assist interstate commerce companies with location or expansion projects, workforce development and entrepreneurial services.

ICAD services include:

- State and local economic development incentive assistance
- Access to a computerized database of commercial/industrial sites and buildings
- Site and building photographs
- Topography maps and site plans
- Community and site tours
- Utility information, including rates and availability
- Participation in national trade shows for both attraction and expansion
- Community profiles
- Quality of life information
- Labor demographic information
- Workforce recruiting and other initiatives

ATTACHMENTS:

ICAD Annual Report Background Information

CURRENT FISCAL YEAR TOTAL COST (as reflected in motion) _____

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) _____

**Iowa City Area Development Group
Economic Impacts and ICAD Group Programming
City of West Branch • December 20, 2010**

Focus of Our Efforts

- Agenda
 - Economic Impacts
 - Return on Investment for West Branch
 - Program Areas
 - Workforce
 - Existing Industry
 - Recruitment
 - Request for Funding FY2012

Economic Impact of Our Work

- Since 2007
 - 28 Significant Projects (Acciona, P&G)
 - \$180 million in annual payroll
 - Created/Retained 4,954 jobs
 - \$1 invested in ICAD Group has returned at least \$69 in payroll spending to our economy annually

Some of the Direct Impacts for West Branch

- Employment
 - Continue to work with all our existing industry clients throughout the region and those in West Branch (Tidewater, P&G, Acciona, Plastic Products, etc.)
 - At least 226 residents of our clients live in West Branch
- Economic Impacts
 - $226 \times \$39,776 = \mathbf{\$8.9 \text{ million payroll}}$ spent in region
 - Housing value of $\$130,000 \times 45\% = \$58,500 / \$1000 = \58.50
 - $\$58.50 \times \$12.04 \text{ city tax rate} = \$704.34 \times 150 = \mathbf{\$105,651 \text{ annually}}$

Workforce – What it looks like

- Milken Institute Ranks our market #9 in the nation for creating and retaining jobs
- Had greater than 15% workforce growth rate in past nine years and 7.9% growth since our campaign of 2007
- Completed Laborshed on the Region – Executive Summary for West Branch and Presentation on Jan 19 at Holiday Inn at 7 a.m.
- Completed Benefits Report
- Still, greatest issue our companies have is attracting the skilled workforce they need

Workforce Programming

- Alumni Outreach events
- Value of a Veteran
- Iowa's National Career Readiness Certificate
- Pick Your Pace – Program developed to change perceptions

Pick Your Pace and pickyourpace.com

- Videos and cards covering nine topics
- Available online and as a mailer
- Addresses needs of our clients regarding inaccurate perception of area

Existing Industry Data

- 6% growth in employment for our clients in the past year. Every industry sector grew
- Total employment of more than 13,400 people
- Plans are to add 1,100 new full time positions
- 91% of our clients plan to introduce new products/services in next two years
- Our clients view us as important service to their growth – receiving a 6.3 rating on a 7 points scale

Business Recruitment

- West Branch is part of new regional marketing group
- Our activity is moderate regarding recruitment
- Currently have 6-8 active projects
- Seeing more activity with assisting existing companies
- Updated www.iowacityareadevelopment.com and www.tech-corridor.com web sites
- Visited with 42 national site location consultants and provided information to 46 companies

Shovel Ready Certification Program

- Only program like it in the state
- 3 pilot sites to be certified soon
- Applications currently submitted for new sites
- Program available for any partner

Extending Current Pledge by One Year

- In fifth year of five-year investment campaign
- Due to economic and planning considerations are asking all our investors to extend their current annual pledge for one more year (July 1, 2011 – June 30, 2012)
- Request being made of West Branch for consideration is \$2,750

Sponsored by  Iowa City Area Development Group

Welcome

The Place Where YOU Pick Your Place!

The Cedar Rapids/Iowa City Technology Corridor gives you access to great opportunities in employment, housing, recreation, culture and more. The Corridor moves at the perfect speed because it's the place where you Pick Your Place. Cedar Rapids, Iowa City and the dozens of other communities in the Corridor each offer their own unique set of amenities. From art museums to county fairs, roadside diners to high-end bistros, music in the park to Broadway productions, the opportunities to enjoy life without the long commutes and daily drudge you find in other cities is enjoyed here everyday. Discover for yourself all the reasons our region is one of the best in the Midwest.

Community

Arts & Culture

Healthcare

Housing

International
Visitors

Education

Sports & Recreation

Business

Dining & Shopping



**CITY OF WEST BRANCH
COUNCIL ACTION REPORT**

MEETING DATE: December 20, 2010

AGENDA ITEM: 6b

DATE PREPARED: November 22, 2010

STAFF LIAISON: Matt Muckler, City Administrator

ACTION TITLE: Iowa City Area Development Group Investment Commitment of \$2,750 for the 2011-2012 Fiscal Year.

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Approve the Iowa City Area Development Group Investment Commitment of \$2,750 for the 2011-2012 Fiscal Year./Move to action.

PROJECT DESCRIPTION:

The Iowa City Area Development Group (ICAD) is committed to enhancing the economic vitality of our area. ICAD works to strengthen our local communities with a strong business climate and employment opportunities. ICAD is available to assist interstate commerce companies with location or expansion projects, workforce development and entrepreneurial services.

ICAD services include:

- State and local economic development incentive assistance
- Access to a computerized database of commercial/industrial sites and buildings
- Site and building photographs
- Topography maps and site plans
- Community and site tours
- Utility information, including rates and availability
- Participation in national trade shows for both attraction and expansion
- Community profiles
- Quality of life information
- Labor demographic information
- Workforce recruiting and other initiatives

ATTACHMENTS:

Iowa City Area Development Group Fiscal Year 2011-2012 Investment Commitment

CURRENT FISCAL YEAR TOTAL COST (as reflected in motion) \$2,750

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) 2011-2012 Annual Budget

Iowa City Area Development **Group**



INVESTMENT COMMITMENT

Firm Name: City of West Branch

Investor Primary Contact: Matt Muckler

Address: 304 East Main Street, PO Box 218

City, State, Zip: West Branch, IA 52358

Phone: 319-643-5888

E-mail: matt@westbranchiowa.org

Web address: www.westbranchiowa.org

Billing Address: (if different)

Billing/Pledge Contact Person: _____

Address: _____

City, State, Zip: _____

Phone: _____

E-mail: _____

In order to continue significant investment generation in the Iowa City area, we commit to a total investment of **\$2,750.00** pledged over one year to the Iowa City Area Development Group.

Billing Instructions: Please complete below the amount of your annual investment and circle an appropriate month for billing purposes. Electronic invoicing is available, if desired. For tax purposes, investments in this program should be treated as a variable business expense and not as a charitable organization deductible. The ICAD Group, a 501(c)(6) organization, fiscal year runs July 1 to June 30. Thank you for your commitment and support.

Total FY2011-2012

\$2,750.00

Bill July 2011

Special terms/Billing instructions: _____

Authorized by:

Date: _____

**CITY OF WEST BRANCH
COUNCIL ACTION REPORT**

MEETING DATE: December 20, 2010 AGENDA ITEM: 6c

DATE PREPARED: December 9, 2010

STAFF LIAISON: Matt Muckler, City Administrator

ACTION TITLE: Engineering and bidding proposal from VJ Engineering in the amount of \$8,250 for the expansion and renovation of the West Branch Fire Department Building.

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Approve engineering and bidding proposal from VJ Engineering in the amount of \$8,250 for the expansion and renovation of the West Branch Fire Department Building.

PROJECT DESCRIPTION:

VJ Engineering has completed the initial engineering work for the West Branch Fire Department Building renovation and expansion. This proposal would provide drawings for the new truss roof over the existing building.

VJ Engineering would also provide start-to-finish bidding services for the project.

ATTACHMENTS:

November 24, 2010 Letter from VJ Engineering to Fire Chief Kevin Stoolman

CURRENT FISCAL YEAR TOTAL COST (as reflected in motion)

\$8,250

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one)

General Fund, Public
Safety, Fire Operation,
Building/Set Aside



VJ engineering
2570 holiday road, suite 10
Coralville, iowa 52241
Ph: (319) 338-4939 fax: (319) 338-9457

Engineering – surveying

November 24, 2010

Mr. Kevin Stoolman
West Branch Fire Department
City of West Branch, Iowa

Re: New Truss Roof Over Existing Building

Mr. Stoolman:

VJ Engineering will provide drawings for the above and change design of roof to gables where new and existing join in accordance with the attached "Terms and Conditions". The south end will have a hip to match the new north end of new addition. VJ Engineering will need to visit the site and will need to see the Behlen drawings of the existing building to determine structural support. We propose to assist the City of West Branch and West Branch Fire Department with the bidding of your project. We estimate the fees to be \$8000 plus any costs for printing. If you have any questions or wish to discuss further, please call James Jacob, P.E. or myself.

When you are ready to proceed and accept our proposal, please sign and return to our office.

Thank you.

Sincerely,

Gary Spratt
SET/Construction Engineering

Kevin Stoolman-West Branch Fire Department
City of West Branch, Iowa

**CITY OF WEST BRANCH
COUNCIL ACTION REPORT**

MEETING DATE: December 20, 2010 AGENDA ITEM: 6d

DATE PREPARED: December 7, 2010

STAFF LIAISON: Matt Muckler, City Administrator

ACTION TITLE: Second reading of Ordinance 671 amending Chapter 30 "POLICE DEPARTMENT" by adding the following section, Section 30.11: 30.11 RESIDENCY REQUIREMENT: The Police Chief shall become a resident of the City of West Branch, and continued residency in the City is a requirement for continued employment with the City.

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Approve second reading of Ordinance 671 amending Chapter 30 "POLICE DEPARTMENT" by adding the following section, Section 30.11: 30.11 RESIDENCY REQUIREMENT: The Police Chief shall become a resident of the City of West Branch, and continued residency in the City is a requirement for continued employment with the City./Move to action.

PROJECT DESCRIPTION:

City officials and staff have been working under the assumption that a residency requirement is in place for the police chief. Staff has been unable to find a requirement in the Code or in contract that would require the police chief to live within the city limits. It appears that in the past, the residency requirement was handled through police chief contracts (although not in the Chief's current contract). This item would allow the Council to have discussion on this item, given the new information that a residency requirement is not in place.

ATTACHMENTS:

Ordinance 671

CURRENT FISCAL YEAR TOTAL COST (as reflected in motion) _____

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) _____

ORDINANCE NO. 671

AN ORDINANCE AMENDING TITLE CHAPTER 30 "POLICE DEPARTMENT"

1. BE IT ENACTED by the City Council of West Branch, Iowa, that Chapter 30 "POLICE DEPARTMENT" of the Code of West Branch, Iowa is hereby amended by adding the following section, Section 30.11:

30.11 RESIDENCY REQUIREMENT

The Police Chief shall become a resident of the City of West Branch, and continued residency in the City is a requirement for continued employment with the City.

2. This amendment to the ordinance shall be in full effect from and after its publication as by law provided.
3. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.
4. If any section, provision, or part of this ordinance shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of this ordinance as a whole or any part, section, or provision thereof not adjudged invalid or unconstitutional.

Passed and approved this 20th day of December, 2010.

First Reading: December 6, 2010

Second Reading:

Third Reading:

Don Kessler, Mayor

Attest:

Matt Muckler, City Clerk

**CITY OF WEST BRANCH
COUNCIL ACTION REPORT**

MEETING DATE: December 20, 2010 AGENDA ITEM: 6e

DATE
PREPARED: December 9, 2010

STAFF LIAISON: Bruce Goddard, City Attorney

ACTION TITLE: Resolution 924, a Resolution to Amend the City Administrator Employment Agreement with The City of West Branch between Matthew Muckler and the City of West Branch.

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Approve Resolution 924, a Resolution to amend the City Administrator Employment Agreement with The City of West Branch between Matthew Muckler and the City of West Branch.

PROJECT DESCRIPTION:

The current city administrator employment agreement is an annual agreement that became effective on June 7, 2010. While the agreement references a "termination date hereinafter provided," there was no termination date included in the agreement. Resolution 924 would establish a termination date of June 6, 2011. As currently provided in the agreement, the agreement would be extended for an additional year in the event written notice is not given by either party to the agreement to the other party sixty days prior to the termination date.

ATTACHMENTS:

Resolution 924
City Administrator Employment Agreement With The City of West Branch, As Amended on August 16, 2010

FINANCIAL NARRATIVE:

There would be no fiscal implications to this agenda item.

CURRENT FISCAL YEAR TOTAL COST (as reflected in motion) \$0

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) _____

RESOLUTION 924

Resolution to amend the City Administrator Employment Agreement With The City Of West Branch between Matthew Muckler and the City of West Branch

WHEREAS, the City of West Branch, IA and City Administrator Matthew Muckler entered into an employment agreement which became effective on June 7, 2010; and,

WHEREAS, the City of West Branch, IA City Council amended this employment agreement to clarify that City Administrator Matthew Muckler is an exempt employee not eligible for compensation time or overtime by passing Resolution 903 on August 16, 2010; and,

WHEREAS, this employment agreement per Section 2D of the agreement, is an annual agreement; and,

WHEREAS, this employment agreement affords the City of West Branch and City Administrator Matthew Muckler the ability to provide written notice to the other party sixty days prior to the termination date to either end or modify the contract; and,

WHEREAS, this employment agreement refers to a termination date in Section 2D that is to be provided later in the agreement; and,

WHEREAS, this employment agreement does not include a termination date;

NOW THEREFORE BE IT RESOLVED, that the following subsection E will be added to Section 7. General Provisions of the Employment Agreement between Matthew Muckler and the City of West Branch:

E. This agreement shall terminate on June 6, 2011, subject only to the provisions set forth in Section 2, Paragraph D, of this agreement.

This Resolution is to be effective December 21, 2010.

Passed and approved this 20th day of December 2010.

By: _____
Don Kessler, Mayor

ATTEST: _____
Dawn Brandt, Deputy City Clerk

City Administrator Employment Agreement With The City Of West Branch

This agreement is made and entered into this 7th day of June, 2010, between the City of West Branch, Iowa, a municipal corporation, hereinafter called "Employer", and Matthew Muckler, hereinafter called "Employee":

WHEREAS, Employer desires to employ the services of Matthew Muckler as City Administrator/City Clerk of the City of West Branch, and

WHEREAS, it is the desire of the City Council to provide certain benefits, establish certain conditions of employment and to set working conditions of Employees, and

WHEREAS, it is the desire of the Council to:

1. Secure and retain the services of Employee and to provide inducement for Employee to remain in such employment;
2. Make possible full work productivity by assuring Employee's morale and peace of mind with respect to future security;
3. Act as a deterrent against malfeasance or dishonesty for personal gain on the part of the Employee; and
4. Provide a just means for terminating Employee's services at such time as Employee may be unable to fully discharge assigned duties or when Employer may otherwise desire to terminate Employee; and

WHEREAS Employee desires to accept employment as City Administrator/City Clerk of the City of West Branch;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

SECTION 1. DUTIES

Employer hereby agrees to employ Matthew Muckler as City Administrator/City Clerk of West Branch to perform the functions and duties specified in the City Code of West Branch, the job description and to perform other legally permissible and proper duties and functions as the Council shall from time to time assign.

SECTION 2. TERMS OF AGREEMENT

- A. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Council to terminate the services of Employee at any time, subject only to the provisions set forth in Section 3, Paragraph A, of this agreement.
- B. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of Employee to resign at any time from this position

with Employer, subject only to the provisions set forth in Section 3, Paragraph B, of this agreement.

- C. Employee will not accept any other employment other than with the City of West Branch, unless such employment is approved by the Council.
- D. In the event written notice is not given by either party to this agreement to the other 60 days prior to the termination date hereinafter provided, this agreement shall be extended on the same terms and conditions as herein provided, all for an additional period of one year.

SECTION 3. TERMINATION AND SEVERANCE PAY

- A. The City Administrator/City Clerk is an employee at the will of the City Council and may be terminated by a majority vote of the entire Council at any legally called Council meeting. Termination shall be by written order as provided in the Code of Iowa. In the event Employee is terminated by the Council during such time that Employee is willing and able to perform assigned duties under this agreement, then in that event Employer shall offer to pay Employee a lump sum cash payment equal to two (2) months' gross salary and continued health insurance coverage for two (2) months. However, in the event Employee is terminated because of conviction of any illegal act, then in that event, Employer shall have no obligation to pay the severance sum designated in this paragraph. Acceptance of this severance pay shall constitute an acceptance of termination and a waiver of hearing upon or challenges to the termination or claims for additional compensation of any kind as a result of the termination. Severance pay shall only become available after 6 months of employment. If Employee is terminated within the first 6 months of employment, Employer shall have no obligation to pay the severance sum designated in this paragraph.
- B. In the event Employee voluntarily resigns this position with Employer, Employee shall give Employer 60 days' notice in advance, unless the parties otherwise agree.

SECTION 4. SALARY AND COMPENSATION

- A. Employer agrees to pay Employee for services rendered pursuant hereto an annual base salary of \$75,000 payable in installments in accordance with West Brach practice.
- B. The Employer reserves the right to adjust base salary as determined by the Council.
- C. Employer agrees to compensate Employee for moving expenses, not to exceed \$5,000.

- D. The employee is an exempt employee pursuant to Section 13(a)(1) of the Fair Labor Standards Act and is not eligible for compensation time or overtime. (Added per Resolution 903 on August 16, 2010)

SECTION 5. WEST BRANCH POLICIES

- A. Employee will follow all prescribed employment policies and procedures as defined by the Council.

SECTION 6. RESIDENCY

- A. Employee is required to establish and maintain residency in the City of West Branch within 90 days of employment.

SECTION 7. GENERAL PROVISIONS

- A. The text herein shall constitute the entire agreement between the parties.
- B. This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.
- C. This agreement shall become effective commencing on June 7, 2010.
- D. If any of this provision, or any portion thereof, contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

IN WITNESS WHEREOF, the City of West Branch has caused this agreement to be signed and executed in its behalf by its Mayor and duly attested to be its City Clerk, and Employee has signed and executed this agreement, both in duplicate, the date and year first above written.

City of West Branch, Iowa
Employer

By: _____
Don Kessler, Mayor

Employee

ATTEST:

Dawn Brandt, Deputy City Clerk

**CITY OF WEST BRANCH
COUNCIL ACTION REPORT**

MEETING DATE: December 20, 2010 AGENDA ITEM: 6f

DATE PREPARED: December 9, 2010

STAFF LIAISON: Matt Muckler, City Administrator

ACTION TITLE: City of West Branch Mission Statement

WORKSHOP SPECIAL CONSENT NON-CONSENT TABLED PUBLIC HEARING

RECOMMENDATIONS:

Approve City of West Branch Mission Statement

PROJECT DESCRIPTION:

The City of West Branch does not currently have a mission statement. By adopting a mission statement, the Council has the ability to establish the City's fundamental purpose and provide a basis for future goal setting sessions.

The mission statement would be placed on the City's website and included in future City planning documents.

ATTACHMENTS:

City of West Branch Mission Statement

CURRENT FISCAL YEAR TOTAL COST (as reflected in motion) _____

BUDGETED UNBUDGETED FISCAL YEAR BUDGET (check one) _____

City of West Branch

~ A Heritage for Success ~

110 N. Poplar St • PO Box 218 • West Branch, Iowa 52358
Ph 319-643-5888 • Fax 319-643-2305 • www.westbranchiowa.org • wbcity@l.com.net

City of West Branch Mission Statement

To maintain and enhance the City of West Branch as a historically-significant community with a safe, small town, family atmosphere, whose financial and physical resources are managed wisely through policies and programs which assure the long term health and vitality of the community

Mayor: Don Kessler • **Council Members:** Mark Worrell, David Johnson, Robert Sexton, Jim Oaks, Dan O'Neil
City Administrator/Clerk: Matt Muckler • **Deputy City Clerk:** Dawn Brandt • **Library Director:** Nick Shimmin
Parks & Recreation Director: Melissa Russell • **Police Chief:** David Bloem • **Fire Chief:** Kevin Stoolman