

Committee of the Whole
April 5, 2016

Present: Mayor Vulich, Council Members Gassman, Seeley, McGraw, Determann, O'Neill, Connell, Allesee, City Administrator, City Attorney, City Clerk, Press and interested citizens.

1. Fiscal Year 2015 Audit Presentation- State Auditor Mary Mosiman

Mary Mosiman, Auditor of State, Andy Nielsen, Deputy Auditor of State, and Brian Brustkern provided the Mayor and Council with an overview of the FY2015 Audit. Mr. Brustkern advised the Council that the City received an unmodified opinion which is the best opinion.

The City implemented Governmental Accounting Standards Board Statements No. 68, Accounting and Financial Reporting for Pensions and No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68. The new standards resulted in a restatement to fiscal year 2014 governmental activities net position of (\$11,504,910) and business-type activities net position of (\$1,911,680). The City also restated governmental activities net position as of July 1, 2014 for (\$6,000,000) to record a due to other government for an agreement with the County. In addition, the City restated governmental activities net position and the Capital Projects Fund fund balance by \$100,000 to eliminate a prepaid item recorded as of June 30, 2014.

The City's total net position increased by \$3,685,153 during the year ended June 30, 2015. The governmental activities' net position increased by \$967,470. The total business-type activities' net position increased by \$2,717,683. The governmental activities net position and business-type activities net position increased due to improvement in the funding ratio of the City's retirement systems causing a decrease in net pension liabilities. In addition, business-type activities increased due to continued stabilization in billing and collection processes.

During the year, one budget amendment decreased budgeted expenditures by a total of \$235,299. The budget amendment was made to adjust revenues and expenditures for capital projects and grant revenues. During the year, expenditures for all functions were less than budgeted except for the public safety, public works, culture and recreation, general government and debt service functions which were over budget by \$242,596, \$369,188, \$334,777, \$395,028 and \$468,803 respectively.

Mr. Brustkern advised the Council that during the review of internal control, the existing procedures are evaluated in order to determine incompatible duties, from a control standpoint, are not performed by the same employee. This segregation of duties helps to prevent losses from employee error or dishonesty and, therefore, maximizes the accuracy of the City's financial statements. Generally, one or two individuals in the offices identified may have control over the following areas for which no compensating controls exist:

All incoming mail is not opened by an employee who is not authorized to make entries to the accounting records. Finance, Airport and Municipal Transit Administration (MTA). Generally, one individual may have control over collecting, depositing, posting, maintaining receivable records and daily reconciling of receipts for which no compensating controls exist. A listing of mail receipts is not prepared. Only one individual in the Finance office is responsible for collecting utility payments made in the city dropbox located outside City Hall.

Bank accounts were not reconciled by an individual who does not sign checks. Bank reconciliations were not reviewed periodically by an independent person for propriety. Cashiers work from one main cash drawer.

All individuals have the ability to void receipts, including individuals who perform daily balancing. No report is maintained or review performed over voided receipts.

Several offices maintain a separate set of records. A reconciliation between the office's records and records at the Finance office is not performed.

He stated that the City will continue to look for controls available from outside of these offices and develop processes to make financial transactions more transparent. In addition, the Finance Director will ask to see if federal funds for the MTA can be wired to the City's bank account.

He continued in stating that during the audit, they identified a material amount of cash, tax receivable, receivables, prepaid items, payables and long-term debt not recorded in the City's financial statements. Adjustments were subsequently made by the City to properly report these amounts in the City's financial statements. The City should implement procedures to ensure amounts are properly recorded in the City's financial statements.

He advised that utility billings, collections and delinquent accounts were not reconciled throughout the year and a delinquent accounts listing was not prepared for both sewer and solid waste utilities. Also, utility collections were not reconciled to deposits. A reconciliation is designed to ensure the proper recording of utility receipts, the propriety of adjustments and write-offs and the propriety of delinquent account balances. The recommendation was made that a listing of delinquent accounts should be prepared on a monthly basis. Procedures should be established to reconcile utility billings, collections and delinquent accounts for each billing period and to reconcile collections to deposits. The City Council or a Council-designated independent person should review the reconciliations and monitor delinquencies. The review of the reconciliations should be documented by the signature or initials of the reviewer and the date of the review.

He further stated that the City does not maintain a complete listing of customers for the residents receiving solid waste cart services. The recommendation was made that procedures should be established to develop a complete listing of customers receiving solid waste cart services. He advised that the City has been working on an interface with the utility billing software to provide information about carts issued or retrieved from a residence.

Mr. Brustkern stated that checks are not restrictively endorsed upon receipt in the Marina, Airport and Transit offices. A recommendation was made that a restrictive endorsement (for deposit only) should be placed on all checks when received. He continued in stating that the Finance Director will order endorsement stamps for the Marina, Airport and Transit offices.

He stated that the Federal Financial Report for the quarter ended March 31, 2015 was not submitted timely (30 days after the reporting period). It was recommended that the City should submit reports timely. The action planned is that the City will submit future reports timely.

He stated that the minutes of City Council proceedings were published; however, the publications did not include a summary of all receipts as required by Chapter 372.13(6) of the Code of Iowa. It is recommended that the City should comply with Chapter 372.13(6) of the Code of Iowa and should publish a summary of all receipts. The City should approve all transfers prior to the actual transfer and all disbursements and document approval and amount(s) as part of the minutes

record. He stated that the City will begin to publish the required summary of receipts beginning January, 2016.

Mr. Brustkern stated that Chapter 556.11 of the Code of Iowa requires each City to report and remit obligations, including checks, outstanding for more than two years to the Office of Treasurer of State annually. The City did not remit these obligations as required. It is recommended that outstanding checks should be reviewed annually and items over two years old should be remitted to the Office of Treasurer of State as required. He continued in stating that City personnel will work to clear these outstanding checks and remit the obligations to the Great Iowa Treasure Hunt.

Councilmember O'Neill stated that in the past there have been problems with a deficit in the sewer bills. He inquired regarding when would be a proper time to "write off" the bills. Mr. Andy Nielsen, Deputy Auditor of State, advised that there is no firm recommendation regarding this; however, bills can be written off as long as you keep track of them.

Mr. Nielsen stated that he wanted to touch base regarding GASBE 68. He continued in stating that all cities pick up a portion of IPERS. The liability will be paid by future rates. He further stated that that IPERS and MFPRSI is looking good. City Administrator Kinser inquired regarding whether there are any other cities who are looking at funding the liabilities. Mr. Nielsen stated that he was aware of a couple of cities; however, there is nothing they can do to reduce the liability since IPERS cannot accept money.

Mayor Vulich stated that this is the first time the Mayor was involved with the audit since he was elected. He continued in stating that he was very impressed.

2. Social Host Ordinance- Kristin Huisenga & Steve Cundiff

Ms. Kristin Huisenga and Ms. Letty Posey addressed the Council regarding Gateway Impact Coalition's proposal for implementation of a Social Host Ordinance. Ms. Huisenga stated that the Coalition works to address substance abuse in the Clinton area. She continued in stating that the goal is to keep youth safe and reduce social access to alcohol. She further stated that they want to empower parents and set limits for youth. She advise the Council that parties, both large and small, involving underage drinking are common.

Ms. Posey advised the Council that it involves everyone to keep the community safe. She stated that they are proposing that the Council consider adopting a social host ordinance. Councilmember Gassman inquired regarding whether the proposed ordinance has been reviewed by the Police Chief. Police Captain Bill Greenwalt advised the Council that the Police Department is part of the gateway Impact Coalition. He stated that the Police Chief and Police Department is in support of looking into a social host ordinance; however, research needs to be performed and the proposed ordinance must be looked at by the City Attorney. Mayor Vulich inquired regarding which cities in the area have social host ordinances. Captain Greenwalt stated that he is not aware of any cities which have social host ordinances; however, Clinton County can impose criminal charges and is looking into civil charges. Councilmember Allesee inquired regarding how the Clinton Police Department currently handles underage drinking. Captain Greenwalt stated that it is very time consuming. He continued in stating that the officers try to find the kids who have been drinking; however, cannot determine who hosted the party. If officers knew they could go back and get information regarding who hosted the party, they could charge those individuals. Councilmember Allesee inquired regarding how charges could be brought against parents who are not present. Captain Greenwalt stated that under criminal law you must prove criminal intent

and that the parents allowed it to occur. City Attorney Patrick O'Connell stated that it is difficult to show that the parent has culpability.

Councilmember O'Neill inquired regarding whether someone could be charged under civil code if they are charged under criminal code. City Attorney O'Connell stated that he was unsure; however, the charges could possibly run parallel. Councilmember Connell stated that there are some valid points in the model ordinance; however, he had issues regarding rental units. Councilmember McGraw stated that she has issues with the wording. She inquired regarding what would happen if a neighbor wrongly accuses a parent of hosting a party with underage drinking. Captain Greenwalt stated that some sort of investigation would need to be performed.

Councilmember Seeley stated that he was concerned that the survey revealed only 1% of the time parents purchased the alcohol. Ms. Huisenga stated that the parents are allowing the drinking to happen on their property. Councilmember Seeley stated that the parents may not be aware that this is happening. He continued in stating that this must be approached in the proper manner. He further stated that he also has an issue with the landlord wording.

Councilmember Determann inquired regarding why marijuana is not included. Ms. Huisenga stated that there is a local ordinance which addresses marijuana. Captain Greenwalt stated that under state law charges can be brought against persons using a residence for use of a controlled substance.

Councilmember O'Neill thanked Ms. Huisenga, Ms. Posey and Captain Greenwalt for bringing this issue forward. He stated that this is a matter of accountability. Councilmember Determann stated that he was not quite as positive.

3. Disposal of 430 2nd Ave South – Jessica Kinser

City Administrator Jessica Kinser advised the Council that she had someone walk into her office requesting to purchase the property at 430 2nd Avenue South. She stated that she was requesting Council approval to pursue a sealed bid process. She continued in stating that the City Attorney will make changes to the language regarding the City reserving the right to reject all bids and require rebidding. Councilmember O'Neill stated that currently the property is zoned R-4. He inquired regarding whether the purchaser could have it rezoned. City Administrator Kinser stated that she would recommend that the Council not approve a rezone since that would be spot zoning. The property should be used as R-4.

M/S, Determann-Connell moved to direct the City Administrator to pursue a sealed bid for 430 2nd Avenue South. On roll call, carried unanimously.

4. Discussion of Non-Bargaining Employee Retirement Incentive- Jessica Kinser

City Administrator Kinser advised the Council that there are 26 employees eligible for the retirement incentive and she is providing a lot more data than previously provided. Councilmember Seeley stated that he was opposed to the resolution as it reads. He continued in stating that the resolution was put into place in the 90's stating that after a non-bargaining employee hits the rule of 85 or 88 years they will receive \$500 per month until they are eligible to receive Medicare. He further stated that this incentivized people to retire early in order to save the City money. He advised that there are 26 people eligible for a total of \$977,000. He continued in stating that this was issued as an incentive for employees to go from a union position to a non-

bargaining position. He further stated that that it should end with the 26 eligible employees and should have an end date of 65 years of age, the current Medicare age.

M/S, Seeley-Connell moved that the no additional employees be included in the non-bargaining employee retirement incentive, incentive will end when the employee reaches 65 years of age, and the 12 month period forcing the employee to choose the retirement incentive be rescinded. On roll call, Seeley, McGraw, Connell, Allesee – Yes; Gassman, Determann, O'Neill – No. Motion carried.

In discussion before roll call, Councilmember O'Neill stated that this resolution was not meant to go on forever and entice the most experience employees of the City to leave on the taxpayer's dollar.

Councilmember Connell stated that this is a double edged sword. The City has entice people to take the incentive and cannot go back on their word. Councilmember McGraw stated that some employees will move on before they hit the rule of 88.

Councilmember O'Neill stated that this incentive was not supposed to go on forever. This was a bad decision which needs to be corrected. He continued in stating that this was done for all of the wrong reasons. He inquired regarding why this has never been discussed during budget workshops.

City Administrator Kinser stated that this has never been hidden from the Council. She continued in stating that this subject was included in the budget workshop minutes of February, 2015.

Councilmember Determann inquired regarding why they payments do not show up in the Claims Listing. City Finance Director Anita Dalton stated that some employees receive the payment as a direct deposit which does not show up on the Claims Listing. She continued in stating that payment to those employees receiving a check will show up on the Claims.

5. Recommendations from the Traffic Study Committee – Jason Craft
 - a. No Parking Zone – 21st Place from Camanche Avenue to Iowa Avenue

City Engineer Jason Craft advised the Council that with the construction of 21st Place in 2015 as a 27' wide roadway with curb & gutter on each side, there is only enough room for parking on one side of the street. The most logical place for parking to occur is the downhill or west side of the roadway. He stated that there is no need for on-street parking on either side on the southerly end of 21st Place, to a point 200' north of Camanche Avenue, due to the provided off street parking at commercial properties on either side of the street.

He continued in stating that the Traffic Study Commission has recommended a no parking zone on the east side of 21st Place between Camanche Avenue and Iowa Avenue and a no parking zone on the west side of 21st Place from Camanche Avenue to a point 200' north of Camanche Avenue.

M/S, O'Neill-Allesee moved to forward a no parking zone – 21st Place from Camanche Avenue to Iowa Avenue to the next City Council agenda. On roll call, carried unanimously.

b. Elimination of school crossing signal at South 8th Street & 5th Avenue South

City Engineer Craft advised the Council that the existing traffic signal located at 5th Avenue South & South 8th Street was originally installed as a school crossing for students crossing 5th Avenue South at South 8th Street, on route to Washington Middle School and Clinton High School. Now that Washington Middle School has closed the signal is rarely used by students. He stated that City staff has monitored pedestrian and vehicle volumes at the intersection and has determined that a traffic signal is not warranted.

He continued in stating that the Traffic Study Commission has recommended that the traffic signal at 5th Avenue South and South 8th Street be removed. Councilmember O'Neil inquired regarding whether the traffic signal from 5th Avenue South and South 8th Street could be used at 13th Avenue North. City Engineer Craft stated that the two poles could possibly be used which may save the City \$10,000 to \$20,000; however, they are not up to today's standards and cannot be used at the Middle School. He continued in stating that the controller is salvageable and possibly the poles and mast arms could be saved.

M/S, Determann-Seeley moved to forward the elimination of school crossing signal at South 8th Street & 5th Avenue South to the next City Council agenda. On roll call, carried unanimously.

c. Speed limits on 19th Avenue North

City Engineer Jason Craft advised the Council that 19th Avenue NW was built with a 40 MPH design speed from Main Avenue to 2200' east of Springdale Drive. He stated that 19th Avenue North was built with a 35 MPH design speed from 2200' east of Springdale Drive to North 2nd Street. He continued in stating that it is common practice to set the speed limits at 5 MPH less than the design speed. He further stated that the Traffic Study Commission has recommended implementation of a 35 MPH speed zone from Main Avenue to 2200' east of Springdale Drive, and a 30 MPH speed zone from 2200' east of Springdale Drive to North 2nd Street.

M/S, Determann-O'Neill moved to forward the recommended Speed limits on 19th Avenue North to the next City Council agenda. On roll call, carried unanimously.

d. Truck traffic on 19th Avenue North

City Engineer Craft advised the Council that the 19th Avenue North Project was conceived as a primary collector roadway, connecting the North Bridge & North 2nd Street with Mill Creek Parkway and Main Avenue. He stated that this provides more efficient transportation and connectivity between all three major highways within the City of Clinton (136, 67, and 30). These facts were the driving force behind much of the federal funding that was earmarked specifically for this project. He continued in stating that 19th Avenue North was built to handle truck traffic; however, this is unpopular with the residents. They do not want to live next to a noisy road.

He further stated that the City of Clinton has the following options with regard to truck traffic on 19th Avenue North:

19th Avenue North can be designated as a truck route. This would allow truck traffic to by-pass the Main Avenue business district when driving between the North Bridge and Highway 136. It would also allow truck traffic to by-pass to Mill Creek Parkway when driving between the North Bridge and Highway 30. The roadway is designed to carry truck traffic.

19th Avenue North can be embargoed for all truck traffic, except when making a delivery to a property along 19th Avenue North. This prohibition would be welcomed by the 19th Avenue North neighborhood, between North 3rd Street and Randall Court.

Mr. Chuck Thornton advised the Council that he is the owner of Sweetheart Bakery and Homer's Deli. He stated that he is in favor of truck traffic remaining on Main Avenue. He stated that truckers stop in the mornings for donuts and also stop into Don's Jewelers. He continued in stating that he does not see this as a problem and it promotes small business.

Mr. Chad Jensen, the Bicycle Station & Jensen Oil, stated that he wants to keep truck traffic on Main Avenue. He continued in stating that all traffic is good.

Mr. Mike Rastrelli advised the Council that he owns Rastrelli's located at 238 Main Avenue. He stated that the Lyons Business and Professional Association (LBPA) is in favor of keeping traffic on Main Avenue.

Mr. Pat Johnson, Uncle Pat's BBQ, stated that 19th Avenue North should remain residential. He continued in stating that there would be a lot of noise associated with trucks traveling up and down the hill on 19th Avenue North. He further stated that the City does not have enough high-end residential and truck traffic would dissuade developers. Keeping truck traffic on Main Avenue will benefit the LBPA.

Councilmember Connell stated that he echoes sentiments of everyone who spoke. He continued in stating that he lives in the area. If business owners want to keep the truck traffic on Main Avenue then it is a "no brainer". Councilmember O'Neill stated that the business owners on Main Avenue have given the Council a scenario which is easy. This will satisfy the residents on 19th Avenue North and the business owners on Main Avenue.

M/S, O'Neill-Connell moved to forward a resolution to the next City Council meeting placing an embargo of all truck traffic and the implementation of a 5 ton load limit on 19th Avenue North. On roll call, Gassman, Seeley, McGraw, O'Neill, Connell, Allesee – Yes; Determann – No. Motion carried.

6. Mayor & Council Member Updates

Mayor Vulich advised that the City was awarded the River Town of the Year award both here in Clinton on Friday, April 1st and in Des Moines on Monday, April 4th for the development of the City's riverfront, The Regional Wastewater Reclamation Facility, and the Main Avenue Green Infrastructure Project. He stated that he, along with Council Members Determann and Allesee attended the Highway 30 Day in Des Moines also on April 4th.

Councilmember O'Neill stated that he would hold his public forum at the Ericksen Center on Saturday, April 23, 2016 from 9:30 A.M. to 11:00 A.M.

Respectfully Submitted,

Pat Van Loo
City Clerk

