

# City of Mt. Vernon, Iowa

<b>Meeting:</b>	<b>Mt. Vernon Special City Council Meeting</b>
<b>Place:</b>	<b>Mt. Vernon City Hall, 213 First Street NW, Mt. Vernon, Iowa 52314</b>
<b>Date/Time:</b>	<b>September 23, 2019 – 5:30 PM</b>
<b>Web Page:</b>	<b>www.cityofmtvernon-ia.gov</b>
<b>Posted:</b>	<b>September 20, 2019</b>

<b>Mayor:</b>	Jamie Hampton	<b>City Administrator:</b>	Chris Nosbisch
<b>Mayor Pro-Tem:</b>	Tom Wieseler	<b>City Attorney:</b>	Robert Hatala
<b>Councilperson:</b>	Stephanie West	<b>Assis. Admin/City Clerk:</b>	Sue Ripke
<b>Councilperson:</b>	Scott Rose	<b>Deputy City Clerk:</b>	Marsha Dewell
<b>Councilperson:</b>	Deb Herrmann	<b>Chief of Police:</b>	Doug Shannon
<b>Councilperson:</b>	Eric Roudabush		

**A. Call to Order**

**B. Agenda Additions/Agenda Approval**

**C. Resolutions for Approval**

1. Resolution #9-23-2019A: Approving Transfer of Surplus Funds from the Mount Vernon Municipal Water Utility and the Mount Vernon Municipal Sanitary Sewer Utility to the General Fund of the City of Mount Vernon; Approving a Transfer of Funds from the City's Franchise Fee Account to the General Fund; Approving an Advance of Funds Paid from the General Fund for Repayment from the Mount Vernon Urban Renewal Tax Increment Revenue Fund; and Directing the Filing of a Certification Under Iowa Code Section 403.19

**D. Adjournment**

Pursuant to §21.4(2) of the Code of Iowa, the City has the right to amend this agenda up until 24 hours before the posted meeting time.

**If anyone with a disability would like to attend the meeting, please call City Hall at 895-8742 to arrange for accommodations.**

**AGENDA ITEM # G - 3**

**AGENDA INFORMATION  
MT. VERNON CITY COUNCIL COMMUNICATION**

**DATE:** September 23, 2019

**AGENDA ITEM:** Resolution #9-23-2019A

**ACTION:** Motion

**SYNOPSIS:** In lieu of issuing bonds for the purchase of the new police station, I am requesting the Council borrow internally from cash on hand. The current plan is to borrow \$200,000 each from the water plant depreciation and sewer plant depreciation funds, and an additional \$100,000 from franchise fees. These accounts will be paid back over the course of the next five years using tax increment financing dollars, with the franchise fees receiving the first payment. The Council is allowed to charge itself interest on the borrowing, although staff is not recommending such today. I have included a sample resolution with this packet. I will hopefully be able to send the new resolution today, but may have to hand it to you at the meeting.

**BUDGET ITEM:** TIF/Depreciation Accounts

**RESPONSIBLE DEPARTMENT:** City Administrator

**MAYOR/COUNCIL ACTION:** Motion

**ATTACHMENTS:** Resolution #9-23-2019A

**PREPARED BY:** Chris Nosbisch

**DATE PREPARED:** 9/20/19

September 23, 2019

The City Council of the City of Mount Vernon, State of Iowa, met in \_\_\_\_\_ session, in the Council Chambers, City Hall, 213 First Street NW, Mount Vernon, Iowa, at 6:30 P.M., on the above date. There were present Mayor \_\_\_\_\_, in the chair, and the following named Council Members:

\_\_\_\_\_

Absent: \_\_\_\_\_

Vacant: \_\_\_\_\_

\* \* \* \* \*

Council Member \_\_\_\_\_ then introduced the following Resolution entitled "RESOLUTION APPROVING TRANSFER OF SURPLUS FUNDS FROM THE MOUNT VERNON MUNICIPAL WATER UTILITY AND THE MOUNT VERNON MUNICIPAL SANITARY SEWER UTILITY TO THE GENERAL FUND OF THE CITY OF MOUNT VERNON; APPROVING A TRANSFER OF FUNDS FROM THE CITY'S FRANCHISE FEE ACCOUNT TO THE GENERAL FUND; APPROVING AN ADVANCE OF FUNDS PAID FROM THE GENERAL FUND FOR REPAYMENT FROM THE MOUNT VERNON URBAN RENEWAL TAX INCREMENT REVENUE FUND; AND DIRECTING THE FILING OF A RELATED CERTIFICATION UNDER IOWA CODE SECTION 403.19" and moved:

- that the Resolution be adopted.
- to defer action on the Resolution and the proposal to the meeting to be held at \_\_\_\_\_ .M. on the \_\_\_\_\_ day of \_\_\_\_\_, 2019, at this place.

Council Member \_\_\_\_\_ seconded the motion. The roll was called and the vote was,

AYES: \_\_\_\_\_  
\_\_\_\_\_

NAYS: \_\_\_\_\_

Whereupon, the Mayor declared the measure duly adopted.

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING TRANSFER OF SURPLUS FUNDS FROM THE MOUNT VERNON MUNICIPAL WATER UTILITY AND THE MOUNT VERNON MUNICIPAL SANITARY SEWER UTILITY TO THE GENERAL FUND OF THE CITY OF MOUNT VERNON; APPROVING A TRANSFER OF FUNDS FROM THE CITY'S FRANCHISE FEE ACCOUNT TO THE GENERAL FUND; APPROVING AN ADVANCE OF FUNDS PAID FROM THE GENERAL FUND FOR REPAYMENT FROM THE MOUNT VERNON URBAN RENEWAL TAX INCREMENT REVENUE FUND; AND DIRECTING THE FILING OF A RELATED CERTIFICATION UNDER IOWA CODE SECTION 403.19

WHEREAS, the City Council as the governing body of the Mount Vernon Municipal Water Utility (the "Water Utility") has determined, based on Rule 2.5(5) of the rules promulgated by the City Finance Committee in accordance with Section 384.89, Code of Iowa, that the Water Utility currently has a balance of \$ \_\_\_\_\_, as shown on the Water Utility Fund surplus calculation attached hereto as Exhibit 1, and accordingly, the City Council has determined the Water Utility has on hand available surplus funds in excess of \$200,000, after making all deposits into all funds required by the terms, covenants, conditions and provisions of outstanding revenue bonds, pledge orders, and other obligations which are payable from the revenues of the Water Utility; and

WHEREAS, the City Council is also the governing body of the Mount Vernon Municipal Sanitary Sewer Utility (the "Sewer Utility") and, as such, has determined, based on Rule 2.5(5) of the rules promulgated by the City Finance Committee in accordance with Section 384.89, Code of Iowa, that the Sewer Utility currently has a balance of \$ \_\_\_\_\_, as shown on the Sewer Utility Fund surplus calculation attached hereto as Exhibit 2, and accordingly, the City Council has determined the Sewer Utility has on hand available surplus funds in excess of \$200,000, after making all deposits into all funds required by the terms, covenants, conditions and provisions of outstanding revenue bonds, pledge orders, and other obligations which are payable from the revenues of the Sewer Utility; and

WHEREAS, the City of Mount Vernon (the "City") has previously established a franchise fee account within its General Fund (the "Franchise Fee Account"), which Franchise Fee Account currently has a balance of \$ \_\_\_\_\_, and in accordance with Section 384.3A, Code of Iowa, the City has determined that the Franchise Fee Account has at least \$100,000 of available funds in excess of the amount needed for the purposes of inspecting, supervising, and otherwise regulating each franchise approved by the City and has further determined that such excess funds should be expended for economic development activities and projects; and

WHEREAS, the City is undertaking certain urban renewal projects in the City's Mount Vernon Urban Renewal Area (the "Urban Renewal Area"), which was established by the adoption

of the Mount Vernon Urban Renewal Plan (the “Urban Renewal Plan”) adopted by Resolution No. 9-20-93D in 1993 and subsequently amended several times; and

WHEREAS, Amendment No. 6 to the Urban Renewal Plan, adopted on September 16, 2019, identifies the City’s acquisition and redevelopment of a property for use as a community building, as an urban renewal project (the “Community Building Project”); and

WHEREAS, the Urban Renewal Plan, as amended, authorizes the repayment of costs of the Community Building Project from the Mount Vernon Urban Renewal Tax Increment Revenue Fund; and

WHEREAS, it is deemed appropriate that the Water Utility and Sewer Utility transfer surplus funds to the City’s General Fund and that the City transfer excess funds from the Franchise Fee Account to other accounts in the City’s General Fund for use in connection with advancing certain costs of the Community Building Project; and

WHEREAS, such transfers of surplus funds does not and will not conflict with any of the requirements, terms, covenants, conditions, or provisions of any resolution authorizing the issuance of revenue bonds, pledge orders or other obligations which are payable from the revenues of the Water Utility or Sewer Utility; and

WHEREAS, the City anticipates paying \$500,000 for the acquisition of a property for the Community Building Project, and will advance \$200,000 from the surplus funds of the Water Utility, \$200,000 from the surplus funds of the Sewer Utility, and \$100,000 from the Franchise Fee Account for the Community Building Project; and

WHEREAS, the City intends to certify the amount of funds advanced for the Community Building Project for reimbursement under Iowa Code Section 403.19; and

WHEREAS, the Mount Vernon City Council is the governing body of the Water Utility, the Sewer Utility, and the City.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, STATE OF IOWA:

Section 1. In accordance with Section 384.89, Code of Iowa, and Rule 2.5(5) of the rules promulgated by the City Finance Committee, the City has calculated that there are \$200,000 of surplus funds of the Water Utility available for transfer to the City’s other funds, and this fund transfer is approved and accepted by the City Council.

Section 2. In accordance with Section 384.89, Code of Iowa, and Rule 2.5(5) of the rules promulgated by the City Finance Committee, the City has calculated that there are \$200,000 of surplus funds of the Sewer Utility available for transfer to the City’s other funds, and this fund transfer is approved and accepted by the City Council.

Section 3. The Water Utility and Sewer Utility each shall transfer such surplus funds to the General Fund to fund the Community Building Project in the Urban Renewal Area, as described in the preambles hereof. It is the intention of the City Council that such funds may be repaid from the TIF Fund to the Water Utility and Sewer Utility, respectively, upon future motion by the Council. In the event some or all of the funds transferred into the General Fund are not used for the Community Building Project, City staff is hereby authorized and directed to repay those unused funds to the Water Utility and Sewer Utility, as applicable.

Section 4. In accordance with Section 384.3A, Code of Iowa, the City has determined that the Franchise Fee Account has available funds in excess of the amount needed for the purposes of inspecting, supervising, and otherwise regulating each franchise approved by the City, and that \$100,000 of such excess funds should be transferred to other accounts of the City's General Fund to be expended to fund the Community Building Project, which is an economic development activity and project.

Section 5. Pursuant to Ordinance Nos. 9-20-93A, 11-15-93A, 5-23-93A, 6-5-2006A, 11-6-2017A, and 2-20-2018A, the City has previously established the Mount Vernon Urban Renewal Area Tax Increment Revenue Fund (the "Tax Increment Fund") into which incremental property taxes collected in the Urban Renewal Area pursuant to Section 403.19, Code of Iowa, are deposited.

Section 6. The Council finds the Community Building Project to be an urban renewal project as defined in Chapter 403, Code of Iowa, and further approves an advance of funds in the amount of up to \$500,000 for the Community Building Project. It is hereby directed that up to \$500,000 be advanced from the General Fund to pay the costs of the Community Building Project. The advance shall be treated as an internal loan from the General Fund and the General Fund shall be repaid from the Tax Increment Fund when tax increment is available therein.

Section 7. The City Clerk, and other City officials having responsibility for the books and records of the City, shall take such actions as are necessary to comply with this Resolution, including but not limited to inclusion of these amounts in the budget, advance and transfer of funds for the Community Building Project, and certification for reimbursement from tax increment under Section 403.19, Code of Iowa.

PASSED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

(SEAL)

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

ATTACH  
SURPLUS CALCULATION(S)  
LABELED AS "EXHIBIT 1" AND "EXHIBIT 2"

CERTIFICATE

STATE OF IOWA )  
 ) SS  
COUNTY OF LINN )

I, the undersigned City Clerk of the City of Mount Vernon, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the City showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Council hereto affixed this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
City Clerk, City of Mount Vernon, State of Iowa

(SEAL)