

City Council Minutes: September 21, 2009

CITY OF FULTON

REGULAR COUNCIL MEETING MINUTES

SEPTEMBER 21, 2009

5:30PM

The Mayor called the meeting to order and directed the clerk to call the roll. On roll call, Mayor Larry Russell, Aldermen Gene Field, Merle Sterenberg, Charlie Letcher, Warren Juist, Wes Letcher, Bill Loerop and Ron Roels answered present. Alderman Charles Dykstra was absent. Also in attendance were Bill Shirk - City Attorney, Randy Balk -- City Administrator, Dan Clark - Public Works Director, Heather Bennett - Tourism Director, Garry Medema - Treasurer, Clink Kettler- Zoning officer and Jim Rhoades - Chief of Police.

The pledge of allegiance was recited. The invocation was given by Pastor Edie Lenz of First Reformed Church.

Mayor Russell welcomed the large number of Boy Scouts in attendance for the purpose of earning a badge.

Ald. Field moved, seconded by Ald. C. Letcher to approve the September 8, 2009 regular council meeting minutes. Roll call vote/all yes/motion carried.

Ald. C. Letcher moved, seconded by Ald. Sterenberg to approve the bill list as presented. Roll call vote/all yes/motion carried.

Ald. Roels moved, seconded by Ald. Juist to approve the Treasurer's Report as presented. Roll call vote/all yes/motion carried. Ald. Loerop said he would not be at the next meeting but encouraged the council to plan a council workshop sometime after the budget committee meets on October 15, 2009. He suggested the council think about three major factors; 1) Leave the budget the way it is, but that could run into problems 2) Look at raising receipts and 3) Cut items in the budget. Treasurer Medema said he is available for reviewing the report if anyone has questions.

Ald. Field moved, seconded by Ald. Roels to amend line item 55-00-929 (Miscellaneous expense in the Depreciation Fund) from \$ 0 to \$20,000. Roll call vote/all yes/motion carried. The council previously authorized the repair and/or replacement of the storm water pump by the tennis courts at a cost not to exceed \$20,000. The pump was able to be repaired at a cost of \$6,982.77. It was proposed that the council authorize the purchase of two pumps for the packed biological reactor (PBR) at the wastewater treatment plant from the balance. At present, only one of the two PBR pumps is operational. Public Works would like to replace the non working pump and have a spare pump in case the other one goes down. The cost for the pumps is approximately \$5,700 each.

The next item on the agenda was the Martin House agreement. Neal Luker and Harold Smith of the Fulton Historical Society were in attendance. They had met previously with Ald. Roels, Ald. C. Letcher and Randy Balk to work out the details of the agreement. Luker told the council he would like to see #6 of the agreement reworked. He said the historical society needs to know how much money they will be receiving each year to maintain the house. Luker also stated the society would prefer to provide the city with monthly accounting reports rather than bi-annual as required by the tentative agreement.

Ald. Roels said if the yearly income from the CD's is not enough to cover the yearly expenses, the society would need to come up with the difference. Roels said the agreement should be clear on that and also that the principal should remain intact. Harold Smith said he does not agree that the society should have to come up with the money to pay the difference.

Balk said the council does not have to approve the articles of agreement at this meeting and suggested that the committee meet again after the decision is made as to where the funds will be invested.

Susan Skora of the Community Foundation of the Great River Bend, addressed the council to tell them what it might be like if the Martin House funds were invested through FACE (Fulton Association for Community Enrichment). The Foundation manages a large collection of charitable funds. They have 44 managers who invest the funds in stocks and bonds. She said investing with them would give the city a better chance to keep up with inflation, whereas CD rates are extremely low. The foundation would consistently pay 4.5% on the funds, which would make sufficient funds available to maintain the Martin House. In years when the city's investment (CDs) might not earn 4.5%; the interest paid out by the foundation would still be 4.5%. The foundation has funds that accumulated when the returns were higher than 4.5% to meet this obligation. An investment of \$275,000 would result in a return of about \$12,600 per year at 4.5%.

Ald. Loerop said he cannot see the maintenance of the Martin House surviving on CD interest because the rates are so low. Ald. C. Letcher said the city does not have to take the entire \$12,600 if all of it is not needed. The difference would remain with the foundation but could be made available for a capital expense if necessary.

A new state act permits the city to invest endowment funds somewhere other than a bank. The audit firm retained by the city did not agree and said they would write it up as a violation of federal law in their annual report. When Shirk was asked if his legal opinion was that the city could do this he said yes.

Skora told the council that their investment can be tracked online 24/7. The costs for the investment are ½ of 1% for the managers, administration fee of 1% (half of which is returned to FACE for worthy causes). Betty Wiebenga, FACE board member said since its inception, FACE gave \$2,000 back to the community in 2008 and by the end of 2009 will have given back \$8,250 to the community.

Ald. C. Letcher said the investing of funds does not have to be all or nothing, that the funds could be invested in a combination of FACE and CDs. Ald. Loerop said he thinks it would be wise to invest the funds with the foundation because the market is down.

Ald. Roels moved, seconded by Ald. W. Letcher to table the Martin House articles of agreement and the investment of Martin House Funds until the October 19, 2009 council meeting. Roll call vote/all yes/motion carried. Two alderman will be absent from the first council meeting in October and it was agreed that these issues should be voted on by the full council.

Old Business. Papers have been filed on CIS Internet Services to recoup money they owe the city and CIS has 30 days to file a response.

Shirk said papers have been filed in the ongoing drawn out process of getting title to the land tied up in the courts for years by the Chewton Glen project.

Ald. Roels moved, seconded by Ald. Field to adjourn. Roll call vote/all yes/motion carried. The meeting adjourned at 6:40pm.

Minutes recorded by,

Linda Hollis

City Clerk