

## **Title 3**

### **REVENUE AND FINANCE**

Chapters:

**3.01 Tax Exemption**

**3.04 Purchasing**

**3.08 Hotel-Motel Tax**

#### **Chapter 3.01**

#### **TAX EXEMPTION**

Sections:

**3.01.001 Definitions.**

**3.01.002 Partial tax exemption.**

**3.01.003 Amount of exemption.**

**3.01.004 Application.**

**3.01.005 Repeal of exemption.**

**3.01.006 Limitation on tax exemption.**

#### **3.01.001 Definitions.**

For the purposes of this chapter, the words used in this section shall have the following meanings:

- (a) "Actual value added" means the actual value added as of the first of the year for which the exemption is received, except that actual value added by improvements to machinery and equipment, which means the actual value as determined by the assessor as of January 1st of each year for which the exemption is received.
- (b) "Duration" means the partial exemption herein provided shall be available until such time as the ordinance codified in this chapter is repealed by the city council.
- (c) "New construction" means new buildings and structures, and includes new buildings and structures which are constructed as additions to existing buildings and structures.
- (d) "New Machinery and Equipment." The exemption herein provided shall also apply to new machinery and equipment assessed as real estate, pursuant to Section 427A.1(1)(e) of the 1979 Code of Iowa, unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand existing operational status.
- (e) "Reconstruction," New construction does not include reconstruction of an existing building or structure which does not constitute complete replacement of an existing building or structure, or refitting of an existing building or structure, unless the reconstruction of an existing building or

structure is required due to economic obsolescence, and the reconstruction is required for the owner of the building or structure to continue to competitively manufacture or process those products, which determination shall receive prior approval from the city council, upon recommendation of the Iowa Development Commission.

(Ord. 1547 § 2, 1980).

### **3.01.002 Partial tax exemption.**

A partial tax exemption from property taxation of the actual value added to industrial real estate by new construction of industrial real estate, and the acquisition of, or improvement to machinery or equipment assessed as real estate, may be granted by the city council as hereinafter provided.

(Ord. 1547 § 3, 1980).

### **3.01.003 Amount of exemption.**

The amount of actual added value which may be eligible to be exempt from taxation shall be as follows:

- (1) For the first year: seventy-five percent;
- (2) For the second year: sixty percent;
- (3) For the third year: forty-five percent;
- (4) For the fourth year: thirty percent;
- (5) For the fifth year: fifteen percent;

however, granting of the exemption under this section for new construction, constituting complete replacement of an existing building or structure, shall not result in the assessed value of the industrial real estate being reduced below the assessed value of the industrial real estate before the start of the new construction added.

(Ord. 1547 § 4, 1980).

### **3.01.004 Application.**

(a) An application shall be filed for each project resulting in actual value added for which an exemption is claimed. The application for exemption shall be filed by the owner of the property with the local assessor, by February 1st of the assessment year in which the value added is first assessed for taxation. Applications for exemptions shall be made on forms prescribed by the director of revenue, and shall contain information pertaining to the nature of the improvements, its cost and other information deemed necessary by the director of revenue.

(b) A person may submit a proposal to the city council of the city of Fort Dodge to receive prior approval for eligibility for a tax exemption on new construction. The city, by ordinance, may give its prior approval of a tax exemption for new construction, if the new construction is in conformity with the zoning plans for the city. The prior approval shall also be subject to hearing requirements of Section I HF650 68th G.A.

'79R.S. Such prior approval shall not entitle the owner to exemption from taxation until the new construction has been completed and found to be qualified real estate; however, if the tax exemption for new construction is not approved, the person may submit an amended proposal to the city council to approve or reject.  
(Ord. 1547 § 5, 1980).print\_specs>

### **3.01.005 Repeal of exemption.**

When, in the opinion of the city council, continuation of the exemption granted by the ordinance codified in this chapter ceases to be of benefit to the city, the city council may repeal or cancel the ordinance codified in this chapter, but all existing exemptions shall continue until their expiration.  
(Ord. 1547 § 6, 1980).

### **3.01.006 Limitation on tax exemption.**

A property tax exemption under this chapter shall not be granted if the property for which the exemption is claimed has received any other property tax exemption authorized by law.  
(Ord. 1547 § 7, 1980).

## **Chapter 3.04**

### **PURCHASING\***

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\* **Editors Note:** Ord. No. 2109, §§ I--XI, adopted July 27, 2009, repealed the former Ch. 3.04, §§ 3.04.010--3.04-110, and enacted a new Ch. 3.04 as set out herein. The former Ch. 3.04 pertained to purchasing and derived from Ord. 2049 §§ 1--11, 2006.

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#### Sections:

- 3.04.010 Purpose.
- 3.04.020 Definitions.
- 3.04.030 Purchase requisition required.
- 3.04.040 Execution authorization.
- 3.04.050 Expenditure approval.
- 3.04.060 Exemption.
- 3.04.070 Solicitation of competitive bids required.
- 3.04.080 Competitive bid limitations and requirements.
- 3.04.090 Competitive bid procedures.
- 3.04.100 Annualization.
- 3.04.110 Exceptions.

### **3.04.010 Purpose.**

The purpose of this chapter is to re-establish procedures for the obligation and expenditure of municipal funds as required by § 2.04(e) of the 1981 Charter of the city of Fort Dodge as amended.  
(Ord. No. 2109, § I, 7-27-09)

### **3.04.020 Definitions.**

(1) "Bidders' list." A list maintained for each general type of supply, material, equipment, improvement or service containing the name and address of each local vendor, supplier or contractor and each

outside vendor, supplier or contractor known to be interested in bidding the type of item in question or outside bidder who has requested the placement of its name on the list.

(2) "Lowest responsible bidder." In determining lowest responsible bidder in addition to price, the city shall consider:

- a. The ability, capacity and skill of the bidder to perform the contract or provide the service required.
- b. Whether the bidder can perform the contract or provide the service promptly or within the time specified without delay or interference.
- c. The character, integrity, reputation, judgment, experience or efficiency of the bidder.
- d. The quality of performance of previous contracts or services.
- e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.
- f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
- g. The quality, availability and adaptability of the supplies or contractual service to the particular use required.
- h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
- i. The number and scope of conditions attached to the bid.

(3) "Estimated total cost of a public improvement" or "estimated total cost" means the estimated total cost to the governmental entity to construct a public improvement, including cost of labor, materials, equipment, and supplies, but excluding the cost of architectural, landscape architectural, or engineering design services and inspection.

(4) "Public improvement" means a building or construction work which is constructed under the control of a governmental entity and is paid for in whole or in part with funds of the governmental entity, including a building or improvement constructed or operated jointly with any other public or private agency, but excluding urban renewal demolition and low-rent housing projects, industrial aid projects authorized under Chapter 419, emergency work or repair or maintenance work performed by employees of a governmental entity, and excluding a highway, bridge, or culvert project.

(Ord. No. 2109, § II, 7-27-09)

### **3.04.030 Purchase requisition required.**

The obligation and expenditure of all municipal funds of the city of Fort Dodge, Iowa, shall be initiated

by the execution of a purchase requisition.  
(Ord. No. 2109, § III, 7-27-09)

#### **3.04.040 Execution authorization.**

The following execution authorization limits are hereby established:

- (a) Department heads may execute purchase requisitions for the obligation of municipal funds in the sum of one thousand dollars or less.
- (b) The manager may execute purchase requisitions for the obligation of municipal funds in the sum of five thousand dollars or less.
- (c) The manager, or department head if authorized by the manager, may execute purchase requisitions obligating municipal funds in sums in excess of those limits set out in (a) and (b) above for such recurring expenditures as may be authorized by council resolution, with the resolution number establishing said expenditure as recurring being referenced thereon.
- (d) The manager may execute purchase requisitions obligating municipal funds in excess of the limits and procedures set out at (a), (b) and (c) above, in the event that he determines said purchase to be an "emergency". The manager shall be empowered to secure by open-market procedure at the lowest obtainable price any supplies or services regardless of the amount of the expenditure. In such event the manager shall attach a report to the purchase requisition setting out the nature of the emergency and the details of the bid procedures used for presentation to the council at the first council meeting thereafter.
- (e) The city clerk may execute purchase requisitions obligating municipal funds against the administrative account of the city council as may be directed by the council in addition to any departmental authority herein above granted.
- (f) All other obligations of municipal funds shall be approved by the council prior to the execution of a purchase requisition therefore and such purchase requisition shall reference the approval thereon prior to its execution and issuance.

(Ord. No. 2109, § IV, 7-27-09)

#### **3.04.050 Expenditure approval.**

A computerized listing of all purchase requisitions obligating municipal funds showing the name of the person or firm to whom issued, a description of the item purchased, account number to be debited, special classification if any and the amount of the sum obligated shall be presented to the city council in the manner prescribed by it for approval prior to the expenditure of the municipal funds.

(Ord. No. 2109, § V, 7-27-09)

#### **3.04.060 Exemption.**

The council may from time to time by resolution exempt such fund categories or specific items to be

purchased from the foregoing procedure.  
(Ord. No. 2109, § VI, 7-27-09)

**3.04.070 Solicitation of competitive bids required.**

As a prerequisite to the obligation of municipal funds by purchase requisition or contract, the vendors, suppliers or contractors thereto shall have been selected by open-market bidding, informal competitive bidding, semi-formal competitive bids, informal competitive quotations or formal competitive bidding as hereinafter set out.

(Ord. No. 2109, § VII, 7-27-09)

**3.04.080 Competitive bid limitations and requirements.**

	Supplies/ Materials	Equipment	Highway, Bridge or Culvert	Public Improvements
Open Market by Dept Head	\$500 - \$1000	\$500 - \$1000	\$500 - \$1000	\$500 - \$1000
Open Market by Manager	\$1000.01 - \$5000	\$1000.01 - \$5000	\$1000.01 - \$5000	\$1000.01 - \$5000
Informal Competitive Bids	\$5000.01 - \$44,999.99*	\$5000.01 - \$44,999.99*	\$5000.01 - \$44,999.99*	\$5000.01 - \$44,999.99*
Semi-formal Competitive Bids	\$45,000* and above	\$45,000* and above	N/A.	N/A.
Informal Competitive Quotations			N/A.	\$45,000* - \$99,999.99*
Formal Competitive Bids			\$45,000* and above	\$100,000* and above

\*or as adjusted in accordance with Chapter 314.1B of the Code of Iowa.  
(Ord. No. 2109, § VIII, 7-27-09)

**3.04.090 Competitive bid procedures.**

(a) Open Market. All open market purchases shall whenever possible be solicited by direct mail request, email request, telephone request or posted public notice to all bidders on the bidders' list for the item being bid, but at least three competitive bidders and shall be awarded to the lowest responsible bidder. Newspaper advertisement is not required. A bid tabulation showing as a minimum the date, item to be purchased or contracted for, the vendors or contractors contacted, the bids of all such vendors or contractors submitting same and a designation of the lowest responsible bidder shall be maintained by the department subject to periodic review by the finance department.

(b) Informal Competitive Bids. All informal purchases whenever possible shall be based upon direct mail request, or email request to all bidders on the bidders' list for the item being bid, but at least three competitive bidders, requesting sealed bids be submitted to the requester by a designated date. Newspaper advertisement is not required. Upon arrival of that date, said bids shall be opened, listed and forwarded along with a recommendation to the city council for awarding.

(c) Semi-Formal Competitive Bids. All semi-formal purchases whenever possible shall be based upon direct mail request, or email request to all bidders on the bidders' list for the item being bid, but at least three competitive bidders, requesting sealed bids be submitted to the requester by a designated date. Specifications of the supplies, materials or equipment being bid shall be provided to council for acceptance.

Newspaper or other suitable method of advertisement is required. Upon arrival of that date, said bids shall be opened, listed and forwarded along with a recommendation to the city council for awarding.

(d) Informal Competitive Quotations. All public improvements with an estimated total cost of more than forty-five thousand dollars and less than one hundred thousand dollars, or as adjusted in accordance with Chapter 314.1B of the Code of Iowa, shall be made pursuant to Chapter 26.14 of the Code of Iowa.

(e) Formal Competitive Bids. All public improvements with an estimated total cost of more than one hundred thousand dollars, or as adjusted in accordance with Chapter 314.1B of the Code of Iowa, shall be made pursuant to the provisions of Chapter 26 of the Code of Iowa.

	Solicitation by phone	Solicitation by mail, email	Newspaper or suitable advertisement	Specifications by dept	Plans and Specifications by engineer	Public Hearing	Council Award
Open Market by Dept Head	Yes	Yes	No	No	No	No	No
Open Market by Manager	Yes	Yes	No	No	No	No	No
Informal Competitive Bids	No	Yes	No	Yes	No	No	Yes
Semi-formal Competitive Bids	No	Yes	Yes - required	Yes	No	No	Yes
Competitive Quotations	No	Yes	Yes - required	No	Yes	No	Yes
Formal Competitive Bids	No	Yes	Yes - required	No	Yes	Yes	Yes

Materials, supplies and equipment will generally be awarded to the lowest responsible bidder. Except where otherwise prohibited by State Code, the city reserves the right to award the bid in the best interest of the city and waive any specifications and technicalities in the process requirements.

When the award is not given to the lowest bidder, a full and complete statement for the reasons for placing the order elsewhere shall be prepared and filed with the other papers relating to the transaction.

If preference is to be given to the local bidder such preference must be included in the specifications to bidders, such preference shall not be in excess of two percent, except open market purchase preference shall not be in excess of five percent, and shall not apply to any contract subject to city of Fort Dodge semi-formal competitive bid, competitive quotation or formal competitive bid requirements.

If preference was not included in the specifications and there is a tie between lowest responsible bidders and the bids received are for the same total or unit price, quality and service being equal, the contract shall be awarded to the local bidder. If the tie is between outside bidders, the successful bidder shall be determined by drawing lots in public.

Anyone aggrieved by the bidding procedure may request reconsideration by the awarding authority within three days of the award by filing a written request therefore with the city clerk.  
(Ord. No. 2109, § IX, 7-27-09)

### **3.04.100 Annualization.**

Any supply, material, equipment, improvement or service or type of supply, material, equipment or improvement or service which could be consolidated for bid and which is likely to be purchased more than once in any fiscal year by a department, or city wide if directed by the manager, shall be bid for the entire year in the manner prescribed for the annualized total estimated dollar amount of the entire year's purchase. No contract or purchase shall be sub-divided to avoid the requirements of this section or the dollar limitations of Sections 3.04.040, 3.04.070 and 3.04.080. Once an annualized bid has been awarded, reorders may be placed throughout the year by purchase requisition as set out in Section 3.04.030 hereof without further need for bid solicitation. (Ord. No. 2109, § X, 7-27-09)

### **3.04.110 Exceptions.**

The foregoing procedures may not be applicable to any supply, material, equipment, improvements of less than forty-five thousand, or as adjusted in accordance with Chapter 314.1B of the Code of Iowa or contractual services which does not by its nature or by practice within the trade lend itself to competitive bidding or by its nature is available from a single source of supply. The council may further establish by resolution a standard list of supplies, material, equipment, and contractual services exempt from the bidding procedure.

Donated Funds. If private funds are offered to a governmental entity for a building or an improvement to be used by the public and such funds are conditioned upon private construction of the building or improvement, this chapter shall not apply to the project if the governmental entity does not contribute any funds to such construction.

State Bid. The use of state bid for materials, supplies, or equipment are exempt from Sections 3.04.070, 3.04.080 and 3.04.090 of this chapter.

Professional Services. Professional or contractual service which does not by its nature or by practice within the trade lend itself to competitive bidding, or which is specifically exempted by Iowa Code 26.4 shall be secured by the city manager if five thousand dollars or under. Professional or contractual services in excess of five thousand dollars shall be secured utilizing the procedure prescribed by the council in advance of the solicitation.

(Ord. No. 2109, § XI, 7-27-09)print\_specs>

## **Chapter 3.08**

### **HOTEL-MOTEL TAX**

Sections:

**3.08.010 Purpose.**

**3.08.020 Imposition of tax.**

**3.08.030 Effective date of imposition.**

**3.08.040 Appropriation of funds.**

**3.08.010 Purpose.**

The purpose of this chapter is to increase the hotel-motel tax from five to seven percent upon the gross receipts of sleeping accommodations furnished to transient guests for rent, with or without meals, except as hereinafter provided, to provide for a method of appropriating the funds derived therefrom and a method of passage approval, publication and ratification of the ordinance codified in this chapter. (Ord. 1986 § 1, 2002: Ord. 1888 § 1, 1995).

### **3.08.020 Imposition of tax.**

A tax of seven percent shall be and the same is imposed upon the gross receipts from the furnishing of sleeping accommodations to transient guests for rent with or without meals except the gross receipts from the renting of sleeping rooms in dormitories and in memorial unions of universities and colleges and the guests of religious institutions of tax exempt property all as defined by Chapter 422A.1 of the 1995 Code of Iowa within the corporate limits of the city of Fort Dodge. (Ord. 1986 § 2, 2002: Ord. 1888 § 2, 1995).

### **3.08.030 Effective date of imposition.**

The hotel-motel tax shall be imposed effective October 1, 2002 and thereafter upon notice given as by law provided in Chapter 422A.1 of the 2001 Code of Iowa. (Ord. 1986 § 3, 2002: Ord. 1888 § 3, 1995).

### **3.08.040 Appropriation of funds.**

Revenues derived from the hotel-motel tax above imposed shall be appropriated as follows:

- A. Three sevenths thereof shall be spent for the promotion and encouragement of tourist and convention business in the City of Fort Dodge.
- B. Two sevenths shall be spent for the capital improvement fund of the Harzel & Harlan Rogers Sports Complex (a city of Fort Dodge facility) to include acquisition of sites for, or constructing, improving, enlarging, equipping, repairing, operating or maintaining said complex including, but not limited to buildings, grounds, facilities and parking areas located at said facility and/or the payment of principal and interest when due on bonds or other evidence of indebtedness issued by the city for said facility.
- C. One seventh shall be spent for the capital improvement fund of the city's park and recreation facilities to include acquisition of sites, or constructing, improving, enlarging, equipping, operating or maintaining a recreation convention, cultural or entertainment facilities, including but not limited to, memorial buildings, halls and monuments, civic centers, convention buildings, auditoriums, coliseums and parking areas or facilities located at those recreation, convention, cultural or entertainment facilities for the payment of principal and interest when due on bonds or other evidence of indebtedness issued by the city for those recreation, convention, cultural or entertainment facilities.
- D. One seventh shall be spent for the capital improvement fund of the police and fire departments of the city of Fort Dodge.

E. Within the categories and a limit above set out, the city may pledge irrevocably any amount of the revenues derived therefrom for the payment of principal and interest when due on bonds or other evidence of indebtedness issued by the city pursuant to subsections C, D, E & F of Section 422A.2 of the 2001 Code of Iowa.

(Ord. 1986 § 4, 2002: Ord. 1888 § 4, 1995).