

**City of Ida Grove
City Council Meeting
June 17, 2019 6:00 p.m.
City Council Chambers**

AMENDED AS APPROVED

Mayor Devlun Whiteing, called the meeting to order at 6:00 p.m. with the following Council Members present: Paul Cates, Ryan Goodman, Gregor Ernst, Jared Bogue and Scott Tomlinson. City Attorney, Peter Goldsmith, was absent.

Motion by Goodman to approve the agenda, second by Tomlinson. On a unanimous vote, motion carried.

Representatives of the Hoffman Agency, Grant Patera and Sheryl Goodenow, were present to discuss insurance renewal for the coming year. Property assessments and itemized property coverage were discussed first. General liability is at 2 million dollars plus access liability for a total of 6 million dollars. Patera directs to have the City personnel look through the vehicles and equipment covered to make sure it is up to date and no items the City no longer owns are being covered. Workers compensation at 5 million was discussed next. There was a change in the insurance going down due to good loss history by the City. The insurance has gone down 15%. Airport liability was briefly discussed. Premium Summary was covered next. The City is down \$8,000 from the previous year due to low loss history and ICAP credit. Changes made include building valuations, deletion of a firetruck and equipment inventory value. Options for purchasing additional liability if needed were given. Ernst notes he appreciates Patera shopping around for value and savings. No further questions by the Council at this time. Motion by Goodman to approve the insurance renewal with ICAP through the Hoffman Agency for the 2019-2020 year, second by Bogue. On a unanimous vote, motion carried.

Heidi Kuehl of Northland Security was present to discuss water and sewer rate increases. Kuehl first discussed the Water Rate Analysis. Looking at just a base rate increase would help fund and maintain water improvements and help to maintain a healthy fund balance. Looking at all base and all flow, you are paying more for that flow. The number of users is a fixed amount that brings stability to the fund. Kuehl is present to help introduce the council to what the rate increase will look like. Bogue asks what the average usage is for a typical family. Kuehl responds with 4-6,000 gallons. Bogue asks if this is both business and residential and Kuehl confirms that yes, it is. Bogue notes it appears the 50/50 option might be the best option for the City in terms of rate increases. It includes finances that will healthily fund repairs based on reports received from the City's Engineering Firm. Kuehl explains there is some time before the project goes into place but she suggests doing what is called a step option. The step option would involve partially increasing rates at the present time, then do the other half of the rate increase closer to the beginning of the project. At that time, actual costs could be assessed and the second half of the rate increases may not be as high as first estimated based on actual costs and projected finance costs. Kuehl notes an earlier increase in rates will help reduce costs later in the project. Bogue asks about the \$320,000 transfer made earlier this year. Kuehl explains that was a surplus that the

council directed to be placed in the general fund. Bogue goes on to inquire about the \$65,000 and Kuehl explains where that extra money is located in the operating expenditures. Bogue inquires as to why there will be a continual \$60,000 surplus going forward. Kuehl explains after infrastructure repairs are complete, you want to have a balance in this account that will help pay for bigger repairs in the future. She has placed a surplus in the budget to help ensure that bigger expenses going forward have options for repayment. Fund balances will be maintained and healthy at this point. Ernst interjects this is much needed so that we aren't facing this same problem again in 30 years, and Kuehl agrees. Kuehl is requesting feedback on how the council feels about base versus flow and the 50/50 option. Goodman feels the best balance is the 50/50 option because with the all flow the largest users are going to pay a lot but if you do the all base option, it would really affect individual households. Bogue feels it would be helpful to see how other communities stack up with something like this. Kuehl says she receives that question a lot but communities are so different, it is hard to give a general answer. She has done a study of communities after the DNR has required the increases put in place and all communities seem to be very close after the fact. Next sewer rates were discussed. These too would be an SRF loan just as the water would be. There would not be an increase in operating expenditures which is because the sewer fund isn't as healthy as the water fund currently is. The sewer increase not only helps fund the project but also helps fix the poor condition of the fund balance currently to help it get to a healthy state while also supporting improvements. Kuehl asks for any other questions and how does the City feel about moving forward with the increase. Ernst notes it's about defining the model they will use. Ernst likes the two-step approach but they just need to decide which option they will go with ultimately. Goodman ask who is going to go out and make a determination on who does what. Kuehl advises JEO will move forward with the project, then when bids are received, they will notify the City so financing can be put in place. Kuehl explains to give you an idea of what the total will look like, the options are to put the funds in place now, to possibly lower those borrowing costs later on. Kuehl tells council that if they would like her to do anything to help the city and start the rate increase process to let her know so they can look at rate increases in the next 3-6 months. Bogue inquires as to how long it takes once the council has made their final decision after they've had a chance to get together as a committee. Kuehl directs they would just need to put an ordinance together and then you go through the readings. Bogue would like a better breakdown on paper of household and business users versus just water users – if that info is easy to get. Ernst feels the City's software is capable of that. Whiteing advises Kuehl they will get an answer and let her know. Kuehl goes on to discuss the funding for the City Hall and Moorehead Avenue Bridge projects. She summarizes how the projects can be funded. The process would be two part. First the City would need to acquire the authority to borrow for these projects. To get authority for a municipal project for a building for City Hall of a cost of over \$400,000, they would either need a voter passed referendum or to declare it an urban renewal project then allow for petition period before moving forward and as long as the petition goes through plans could proceed. For the bridge project, things work differently as that type of project is what is referred to as an essential purpose. The requirements would be to set a public hearing and look at how it will be financed. The two options would be either a Debt Service Levy or TIF dollars. Kuehl

presents charts with impact data showing all on debt service levy or all TIF dollars. Current TIF dollars are going towards the general fund. If you take on debt service levies with TIF currently out there, TIF will no longer go towards that general fund. The impact to general fund is shown with the info provided. Goodman interjects that with every one TIF dollar you spend out of the general fund you are getting two dollars in project dollars in return, thus paying fifty cents on the dollar. Kuehl states essentially that is how the math works out however based on the City's current finances borrowing of TIF from the general fund will have an impact. Kuehl reiterates she wanted to share the numbers she has come up with so the council knows where they are. Whiteing interjects if you use debt levy it goes towards citizens and business tax and with TIF it doesn't. Bogue states it appears \$16,000 less would go to general fund and Kuehl confirms that interpretation. Whiteing goes on to explain that he has decided the City Hall project is taking a step back and scaling back. Instead of the initial 1.3 million-dollar project he would like to see it more in the area of seven to eight hundred-thousand. Whiteing plans to look over figures again in July as far as City Hall is concerned but Moorehead Ave Bridge should be looked at separately and is a go. Whiteing believes it has a planned date of 2020 and it is vital otherwise our farmers can't go across it and in the meantime are ruining other roads in town. Bid timeline is projected as 2020 from what he understands. Kuehl directs that there should be an initial calendar in place in terms of a time line. Whiteing explains he and the council are trying to be sensitive to all the projects in the community at the present time as there is a school addition, sewer and water increases and improvements, bridge and city hall projects and more and he wants to impact the tax payers as little as possible. Kuehl directs the council to let her know when they are ready to move forward and to call her or Michael anytime if they have questions. Kuehl has included information that shows the debt capacity of loans the city could take on. Mayor Whiteing brought up the point that using a debt service levy could minimize the overall debt impact and help take burden off tax payers and Kuehl agrees. Kuehl advises as the City has more information on projects and numbers, and they decide to go forward it takes about 6-8 weeks to get funding in place. Whiteing suggests City Hall should check with JEO to make sure that the Moorehead Ave Bridge Project is going out for bids and to make sure we can move forward in 2020 as planned. The council and Mayor thanked Kuehl for her time.

Scott Van Dusen of the Ida Grove Fire Department was present to explain the need for a new tanker for the department. The current tanker is 28 years old, parts are now obsolete and it can't go travel over 45mph. The department has been looking for the last couple years for something used to help save money but there are no suitable second-hand options available. Van Dusen has spoken to the City Clerk and is advised their depreciation account has around \$200,000 in it. The tanker they are looking at purchasing is between \$210,000-\$220,000. The Fire Department wants to use depreciation money for the remainder of the balance of the truck which would be a max amount from the depreciation account of \$170,000 and the department will fundraise for the rest. Bogue questioned if using depreciation to purchase equipment had been done in the past. Van Dusen explains the Fire Department had depreciation accounts set up for many years but the accounts were messed up at one point. Everything that was a high dollar item used to have a depreciation account then it all got shuffled together to the point where they didn't know where the balances were anymore. Bogue infers this

sounds like kind of a general fund to purchase equipment. Van Dusen replies that it basically is and we used to do that until everything was jumbled together. Goodman tries to explain that the money actually comes from the general fund. It is accounted somewhere. Bogue questions if the department is worried about depleting the entire fund in case something else comes up. Van Dusen doesn't feel it is an issue as he will only use \$160,000-\$170,000 and half of that money will be replenished from township fees will be deposited soon as that money is received two a year. Goodman interjects we need to look at those depreciation accounts. Van Dusen would like to get moving right now hopefully. Van Dusen explained the reason we got the depreciation account so that when they need something the money is there. Rita Frahm is present and states she has worked with another community and they came to the council to request a similar purchase. Frahm feels the Fire Department could utilize the Iowa Fire Fighter revolving loan fund that includes 10-15 percent down and zero interest. This is specifically set up for purchases of this type. Van Dusen questions the need for this since they have money in the depreciation accounts but Frahm insists this is the best way to leverage your funds and it is there to help rural communities. Frahm volunteers to help with the application and Goodman explains he likes it because it doesn't require us to deplete cash by 170 thousand. Motion by Ernst for the Fire Department to look into the options with Rita Frahm and if that doesn't work to purchase a new tanker only using a max of 170 thousand from the depreciation funds, second by Bogue. On a unanimous vote, motion carried.

Motion by Goodman to approve the consent agenda consisting of the claims list, financial reports, minutes, and liquor license, second by Cates. On a unanimous vote, motion carried.

In new business Mayor Whiteing opened the Public Hearing on zoning changes. Whiteing goes on to say there are not as many open apartments in the area as people have been led to previously believe. He read the newspaper and the only available one was in Battle Creek. Mike Iverson local representative from a local apartment complex says they have had apartments come open recently and they advertise off and on but they have minimal left. Whiteing has looked in the paper and there is nothing and he has even called the paper. Goodman asks Rita Frahm if she feels the business' we have in this community feel there is a need for housing. Frahm feels emphatically that yes, the business owners would agree and they are the people that paid for the housing study that was completed because they wanted something to show there is a need and they knew there was something that was needed to attract a developer. They didn't want the study to be a burden on the communities so they paid for it themselves. Housing has been on the radar for at least 8 years according to Frahm but it takes time for it to come together and being an Opportunity Zone is a big deal. Frahm feels rural Iowa is not the first place a developer comes knocking and there has to be someone who has an incentive for risk mitigation or someone who has a local tie that would be interested and can take advantage. Whiteing addresses the room that apartments are needed and maybe Pin Oak isn't the place but this is needed in our community and there is spot zoning all over as well which also needs fixed. Everything he has learned about spot zoning says this can't be done for individual purposes as it has been in the past. This was all done before our time with the City but this recommendation of putting 3R makes it look much less spot zoned and the recommendation of even 2R makes it

look better. Ernst brings up the continual population decline in a recent newspaper article and discusses how employers employ people from out of the community and questions why that is. A local employer was present and states for her local business 54% of employees live outside of Ida Grove. He feels the younger generation that wants to come here for a short stint will want high end apartments. Gonnerman interrupts to state that they are going to want to be in a place like Sioux City with all the amenities they have and not here. Ernst responds to Gonnerman that he understands her and her neighbors don't want this development and they think it will devalue their property but they need to think about what happens when they go to sell their properties in 40 years and what would happen if there are only 1500 people living in Ida Grove at the time. Gonnerman states that isn't why but she just doesn't think the development in question fits with the community or this neighborhood. Ernst explains that in general as a community we have spent years on how we can fit with our slogan of growing Ida Grove and how we attract young growing families to make it become thriving. Maybe the specific area in question isn't the right place but to find the right place. Ernst goes on to explain that when something like this is available to us at minimal cost there is only an "up" side for the long term. Goodman interjects that something like this is going to have to go somewhere and no matter where it is its going to be, a different set of neighbors will be against it. Goodman points out that progress comes with cost and its always going to be the people around it that are against it. After further discussion, motion by Bogue to go with the Planning and Zoning's recommendation to rezone the exterior area around the 3R area of Pin Oak to 2R, second by Goodman. On a unanimous vote, motion carried.

Next Zobel's Addition to change from 1R to 3R. Whiteing proceeds to read the recommendation regarding the concerns the commission had on this area. They feel it is in line with the Ida County Housing Study, the City's Comprehensive Plan and the plan the owner has for the area. Motion by Goodman to follow Planning and Zoning's recommendation for Zobel's Addition of changing the area to 3R, second by Tomlinson. On a unanimous vote, motion carried. Ernst, instructs Planning and Zoning to work on a goal of defining, by the end of the year, some type of zoning that accounts for triplexes or something similar.

Next, Industrial Zoning of City Park. The .6 acres and the additional nearby area that was previously a restaurant should both be rezoned to help better fit the use and fix the zoning issues going forward. Motion by Goodman to proceed with the recommendations by Planning and Zoning to rezone the park area to General Industrial and the nearby area, previously used for a restaurant, to General Industrial, second by Goodman. On a unanimous vote, motion carried.

Village of Ida was next. Mayor Whiteing read from the formal recommendation from the Planning and Zoning Commission which included the repeated need for change in this area of town to help address current issues. There was a 3-1 vote to recommend proposed rezoning of 2R by the Planning and Zoning Commission. Motion by Goodman to go with the proposed recommendation of Planning and Zoning to 2R, second by Tomlinson. On a unanimous vote motion carried.

Moorehead's 4th Addition was next. Mayor Whiteing read from the recommendation. The owner of the land had come to the last planning and zoning meeting and requested this area to stay suburban. Clerk Tomlinson interjected that the

owner spoke with her and the City Clerk earlier in the day and asked to retract his previous statement and now asks the council to go ahead with the multifamily residential zoning at this time. Motion by Tomlinson to approve rezoning of Mooreheads 4th Addition- entire subdivision – to 3R, second by Gonnerman. On a unanimous vote, motion carried.

Motion by Tomlinson to approve 1st reading of all previous recommendations from Planning and Zoning with proposed zoning amendments as previously stated with the correction of the City Park land description as north instead of south, waving second reading, second by Bogue. On a unanimous vote motion carried.

Reseeding is now complete at Midwest Industries following the water main project, that was recently completed. If approved, Midwest Industries' retainer can be returned to them. Motion by Cates, second by Bogue to return the retainer. On a unanimous vote, motion carried.

Reynold McLead is requesting direction from the council on what the priorities of the city and council are so both groups may work together more harmoniously. Mayor Whiteing feels it is important that everyone work together and be on the same page. Ernst points out the council will have another meeting before the next scheduled Planning and Zoning meeting so they can discuss further. No action was taken at this time.

Recommendation from Planning and Zoning for a 3rd Party Review of the City Codes for discrepancies and/or legal issues. No action was taken at this time.

The recommendation on the request of the alley vacation by Stan Chisholm was presented to the Council by Commissioner McLead. There are certain criteria that must be met in order to make a recommendation to approve the request to vacate an alley. McLead reads the formal report from the Planning and Zoning Commission. The groups recommendation is that the alley can not be vacated at Chisholm's request. Motion by Tomlinson to approve the recommendation of Planning and Zoning not vacating the alley in question, second by Cates. On a unanimous vote, motion carried.

The recommendation to review amendments to 17.05.100 Existing Setbacks Pertaining to Damaged Residences was discussed next. McLead points out that there are numerous homes throughout the community that are non-conforming presently and with the way the City code is worded, the City is unable to approve building permits that would be positive for the community, for a multitude of various situations if this is not corrected. Motion by Tomlinson to refer this issue to Planning and Zoning for further review, second by Goodman. On a unanimous vote, motion carried.

The Policy and Procedure on Alley Vacation was discussed next. Clerk Tomlinson states that City Attorney Goldsmith has advised this be on the agenda to see if there is a need for an actual policy put in place. The council discusses this isn't something that is requested enough to proceed any further. No action is taken at this time and the item can be removed from future agendas.

City Hall custodian and janitor job description was discussed next. Motion by Tomlinson to approve the job description provided, second by Goodman. On a unanimous vote, motion carried.

Library annual pay increases were next. Angela Scales at \$19.50 per hour, Lisa Hopkins at \$11.35 per hour and Michelle Schmidt at \$9.00 per hour. Motion by Ernst to

approve the annual pay increase, second by Goodman. On a unanimous vote, motion carried.

Signage for concrete trucks was discussed next. Instead of just using 7th street concrete trucks have been taking alternate routes too which is damaging many roads in town. Instead of using 6th street which is already torn up, they are using 5th street and others and they are now getting torn up as well. Whiteing states Gerrod Sholty is working with the concrete plant and will give him the okay to work with them on routes.

Motion by Tomlinson to approve Dave Larson and Steven Schnabel to be reappointed for 6-year terms to the Library Board, beginning July 1, 2019, second by Goodman. On a unanimous vote, motion carried.

Scott Tomlinson resigns from the Council Ward III position effective June 30th 2019 due to moving out of Ward III.

In other business, the West Access was discussed. The Mayor and City Clerk have received inquiries regarding the sale of the land, but the council is concerned it will not be enough to cover the costs they have had with the land and recoup their investment. Motion by Tomlinson to remove this item from the agenda, second by Bogue. On a unanimous vote, motion carried.

City Council Member News and Notes: Tomlinson has nothing at this time. Ernst brings up Heritage Days is coming up and it should be a fun time. Bogue has nothing at this time. Mayor Whiteing discusses that Heritage Days has been a drain on City Hall and there are many other projects that are very important at this time. Mayor Whiteing discussed the organization that has been put in place in City Hall currently. He would like to make sure that any future projects go through him so that City Hall staff aren't pulled in so many different directions, as what is important to one council member may not be as important to other members. Mayor Whiteing points out that City Hall staff have been flooded with Heritage Days work and he doesn't feel anyone understood quite how much time and effort was put into Heritage Days. Mayor Whiteing states that he doesn't feel City Hall should take on Heritage Days again next year and that we need volunteers to step up to make this event happen. Clerk Tomlinson presented information from City Clerk Sweeden about an upcoming training opportunity on Opportunity Zones. City staff and officials are invited to attend. Tomlinson also reminds the council about dropping off their Heritage Days donations by Friday to City Hall and that we are still in need of volunteers to grill Thursday June 27th at the Farmers Market Heritage Days event. Goodman has no other business at this time. Cates asks about the developers who had been interested in town and where are they going to go next. Whiteing states he will get with Cates about future plans of the developers.

Motion to Cates to adjourn, second by Goodman. On a unanimous vote, motion carried.

Meeting adjourned at 9:10 p.m.

Kandice Tomlinson, Clerk

Devlun Whiteing, Mayor