



CITY OF PELLA

CITY COUNCIL OFFICIAL MINUTES

March 25, 2021

A. CALL TO ORDER BY MAYOR AND ROLL CALL

The City Council of the City of Pella, Iowa, met in special session at the Public Safety Complex (614 Main Street) at 6:00 p.m., Mayor Don DeWaard presiding. Council members present were: Mark De Jong, Liz Sporrer, Lynn Branderhorst, Calvin Bandstra, Bruce Schiebout, Dave Hopkins. Absent: None.

City Administrator Mike Nardini, City Clerk Mandy Smith, and four additional staff members were present in person. Due to heightened public health risks associated with the COVID-19 pandemic, this meeting was broadcast via conference call. One staff member and thirteen members of the general public attended the conference call.

B. MAYOR'S COMMENTS

1. Announce Policy and Planning meeting will be held before the closed session to discuss:
 - a. Request from Wonder Spelen regarding Kiwanis Park Improvements Phase I Project
2. Approval of Tentative Agenda.
Branderhorst moved to approve, seconded by Hopkins.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.
3. Announce closed session pursuant to Iowa Code Chapter 21.5 1(j) to discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property.

PUBLIC FORUM (for anyone wishing to address Council regarding agenda items)

No comments were received.

C. PUBLIC HEARINGS

- 1a. Public Hearing on Adoption of the Fiscal Year 21-22 Budget.

No written or oral comments were received.

Bandstra moved to close the public hearing, seconded by Hopkins.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

BACKGROUND: This resolution approves the City of Pella's proposed budget for the fiscal year (FY) beginning July 1, 2021 through June 30, 2022. The FY 21-22 budget includes recommendations received during the work sessions held with Council in mid-February.

Listed below are highlights of the proposed budget:

- The FY 21-22 budget includes projected revenues of \$42,460,648 and expenses of \$41,024,180. The overall budget has a projected increase in reserves in the amount of \$1,436,468.
- For the 20th consecutive year, the City's property tax rate will remain at \$10.20 per taxable \$1,000 valuation. For mid-sized cities, Pella has one of the lowest tax rates in the state.
- The proposed budget includes an 8% increase in wastewater rates for FY 21-22. This is the fourth and final increase necessary to support the major renovation of the City's wastewater treatment plant. The improvements will allow the City to comply with the effluent limits of ammonia, e-coli, and nitrates as required by the Iowa Department of Natural Resources. Once completed, this \$6 million renovation is expected to extend the life of the facility for the next 20 years.
- Water rates in the proposed budget are expected to remain at current levels. The last several years included rate increases to support the major improvements to the City's source and treatment process. While past rate adjustments are expected to meet the debt service needs of the utility, it is increasingly important to monitor the financial condition of the utility to ensure adequate funding to support the aging distribution system.
- The proposed FY 21-22 budget includes \$1,041,000 for completion of phase 2 of the Oost Port Alley improvements as well as lining additional sanitary sewers in the Central Business District. Phase 2 is primarily comprised of the reconstruction of the Oost Poort Alley surface, installation of storm sewer with an underground detention basin, and resurfacing of the parking lot located at the intersection of Washington and E. 1st.
- Over the past several years, the City Council has made a commitment to improve the City's residential street infrastructure. The proposed budget continues this commitment through the investment of over \$6.3 million in street infrastructure over a five-year period, including the following projects which are slated for construction during the 2021 season:
 - **Neil Drive/218th Avenue:** Conversion of this section of rural gravel road to an urban section including curb, storm sewer, and sidewalks that will provide access to the Volksweg Trail along Idaho Drive.
 - **East 3rd Street:** Total reconstruction of 1,100 LF roadway between Oskaloosa Street and Peace Street as well as an asphalt overlay of Independence Street and Franklin Street.
 - **University Street:** An asphalt overlay of roughly 3,200 LF between just west of Main Street and Central College Drive including the removal of the railroad crossing.

- **Engineering:** In preparation for the 2022 construction season, the proposed budget includes design engineering for the following projects:
 - Reconstruction of Independence from Hazel Street to Farmer Street
 - Conversion of Monroe from gravel to urban section between Oakwood Dr. and W. 3rd
 - Reconstruction of Union from the east curb line of E. 3rd to Morningside Dr., including widening to 27 feet and all utilities
- Pella Fiber is expected to be fully operational during FY 21-22. The utility is expected to offer world class internet speeds while at the same time providing excellent local customer service. The new utility will serve as a key strategic priority for the City as it will be accommodating to a mobile workforce. Furthermore, it will assist the City in recruiting additional business and industry.
- The Pella Volunteer Fire Department provides a level of service and professionalism truly unique in communities the size of Pella. The proposed budget includes the replacement of a 1993 Pierce fire truck. After 30 years of continued use, the truck is beginning to show its age and replacement parts are difficult to find. Given the size and scope of the project, the timing from placing the order to delivery is roughly one full year. By including this project in the FY 21-22 budget, the Department will be able to spec, bid, and place an order for delivery in the summer of 2022.
- Under Federal Project 25 (P25), all emergency responders shall have full national and statewide communications interoperability. The program is not fully implemented nationally; however, the State of Iowa is aggressively pushing the project through the State Interoperable Communications Board and incentivizing communication centers with a series of grants and E911 surplus funds. FY 22 will be utilized to work with an engineering consultant in order to identify potential solutions and funding sources in preparation for implementation in FY 23. The estimated cost of this project is \$300,000.
- Growth of the community's large employers is critical to the long-term success and vitality of the City. Over the course of the last year, Public Works staff and Vermeer team members have witnessed the continued degradation of a section of 240th Avenue and 250th Avenue north of Vermeer Road. Vermeer has indicated that these access points are key for their team members, dealers, customers, vendors, and those accessing the Yellow Iron Early Learning Center. Given the amount of growth, daily traffic, and importance of maintaining quality infrastructure, the proposed budget includes reconstruction of roughly 1,300 LF along 250th and an overlay of roughly 1,150 LF along 240th which is slated for construction during the 2022 season.

The proposed FY 21-22 budget book is on file at the Public Library and City Hall for public review.

ATTACHMENTS: Resolution, Summary of FY 21-22 Budget, Budget Estimate
 REPORT PREPARED BY: Finance Director
 REVIEWED BY: City Administrator, City Clerk
 RECOMMENDATION: Approve resolution

- 1b. Resolution No. 6267 entitled, "RESOLUTION ADOPTING THE FISCAL YEAR 2021-2022 ANNUAL BUDGET."
 Branderhorst moved to approve, seconded by De Jong.
 On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

D. RESOLUTIONS

1. Resolution No. 6268 entitled, "RESOLUTION APPROVING CHANGE ORDERS NO. 2 THROUGH 6 TO THE CONSTRUCTION CONTRACT WITH EXCEL UTILITY CONTRACTORS FOR THE FIBER TO THE HOME NETWORK CONSTRUCTION PROJECT."

Hopkins moved to approve, seconded by Sporrer.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

BACKGROUND: This resolution approves change orders no. 2 through 6 to the City's Fiber to the Home (FTTH) network construction contract with Excel Utility Contractors. As background, Council awarded the contract for this project to Excel on April 21, 2020. The contract includes all materials, equipment, transportation, and labor necessary to construct the network's outside plant infrastructure. The original contract was for the full build in the amount of \$8,800,161.38; however, due to the bids for the service line portion of the work coming in much higher than the engineer's estimate, change order no. 1 removed the service line portion of the work from the contract so it could be rebid as a separate contract. Listed below is background information on the various change orders under consideration:

Change Order No. 2: This change order, in the amount of \$25,916.65, extends the substantial completion date of the project from December 31, 2020 to July 24, 2021. Please note, the City's engineer on the project has reviewed this request and finds it reasonable. Furthermore, the City's engineer believes the extension of the project until July 24, 2021 is due to factors beyond the control of Excel. Staff has enclosed the recommendation from the engineer concerning this issue.

Change order no. 2 also includes miscellaneous adjustments to the contract that were necessary to serve the citizens of Pella. Listed below is a summary of the various items comprising this change order:

Encasing the trench to the Central Office in concrete for added security

Upsizing the fiber splice closures to allow for transport fibers to be separated from local feed and distribution fibers

Add a handhole to cover existing conduits at a new dentist office in SA-26

Add a handhole on Park Lane to avoid excessive boring in SA-04

Upsize a handhole on Huston Avenue and Lincoln Street to hold splice in SA-21

Add handhole in easement on W. 3rd Street to avoid excessive boring in SA-03

Change Order No. 3: This change order, in the amount of \$89,359.40, extends service on the eastern corporate boundary along Old Highway 163 to the new Lely North American Headquarters. In addition, the change order extends the substantial completion date for the project to August 23, 2021. The City's engineer has reviewed the costs and proposed working days for the change order and believes they are reasonable. It is important to note that customers currently located outside of the city limits will be required to submit and maintain a voluntary annexation application with the City of Pella to be a customer of Pella Fiber.

Change Order No. 4: This change order, in the amount of \$34,337.79, extends service along Idaho Drive to the new Genlink Conference Center. In addition, the change order establishes the substantial completion date for the project to September 10, 2021. The City's engineer has reviewed the costs and proposed working days for the change order and believes they are reasonable. It is important to note that customers currently located outside of the city limits will be required to submit and maintain a voluntary annexation application with the City of Pella to be a customer of Pella Fiber.

Change Order No. 5: This change order, in the amount of \$158,449.53, extends service to the new residential developments of Prairie Ridge and View Pointe Condominiums. It is important to note, these developments were not included in the City's original contract with Excel. In addition, this change order extends the substantial completion date for the project to October 14, 2021. The City's engineer has reviewed the costs and proposed working days for the change order and believes they are reasonable.

Change Order No. 6: This change order, in the amount of \$20,920.64, extends service to the Vintage Cooperative and Estates of Pella. It is important to note, this development was not included in the City's original contract with Excel. In addition, this change order extends the substantial completion date for the project to October 29, 2021. The City's engineer has reviewed the costs and proposed working days for the change order and believes they are reasonable.

Listed below is the updated contract summary if Council approves these change orders:

Original contract	\$8,800,161.38
Change order no. 1	(1,397,581.70)
Change order no. 2	25,916.65
Change order no. 3	89,359.40
Change order no. 4	34,337.79
Change order no. 5	158,449.53
Change order no. 6	<u>20,920.64</u>
Total revised contract	<u>\$7,731,563.69</u>

The five proposed change orders under consideration total \$328,984 and establish October 29, 2021 as the substantial completion date for the entire project. It is important to note, that due to the additional construction period, the City of Pella will likely incur additional engineering charges. The engineering change orders will likely be addressed by the City Council in the month of April. To fund these change orders, staff is proposing to use the remaining bond proceeds from the outside plant and cash on hand.

In summary, NewCom, the project engineer, has reviewed these proposed change orders and is recommending approval. Staff is in agreement with the engineer's recommendation. If approved, the total contract price for this project will be increased to \$7,731,563.69 and the contract completion date will be revised to October 29, 2021.

ATTACHMENTS: Resolution, Engineer's Recommendation, Change Orders No. 2 through 6
REPORT PREPARED BY: Telecommunications Director
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve resolution

E. OTHER BUSINESS/PUBLIC FORUM (any additional comments from the public)

No comments were received.

At 6:27 p.m., Council went into the Policy and Planning meeting, ending at 6:36 p.m.

F. CLOSED SESSION

1. At 6:37 p.m., Bandstra moved to enter into closed session pursuant to Iowa Code Chapter 21.5 1(j) to discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property, seconded by Sporrer. On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

At 7:51 p.m., Bandstra moved to reconvene to regular session, seconded by Hopkins.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

No action was taken regarding this closed session.

G. ADJOURNMENT

There being no further business claiming their attention, Hopkins moved to adjourn, seconded by Sporrer.

On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

Meeting adjourned at 7:52 p.m.