



CITY OF PELLA

CITY COUNCIL OFFICIAL MINUTES

April 7, 2020

A. CALL TO ORDER BY MAYOR AND ROLL CALL

The City Council of the City of Pella, Iowa, met in regular session at the Public Safety Complex (614 Main Street) at 7:00 p.m., Mayor Don DeWaard presiding. Council members present were: Mark De Jong, Liz Sporrer (via phone), Lynn Branderhorst, Calvin Bandstra, Bruce Schiebout, Dave Hopkins. Absent: None. City Administrator Mike Nardini and City Clerk Mandy Smith were present. Two staff members signed the register. Due to heightened public health risks associated with the COVID-19 pandemic, accommodations were made to broadcast this meeting via conference call. Three staff members and twenty members of the general public attended the conference call.

B. MAYOR'S COMMENTS

1. Announce no Policy and Planning meeting will follow the regular Council meeting.
2. Approval of Tentative Agenda.
Bandstra moved to approve, seconded by De Jong.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.
3. Announce closed session pursuant to Iowa Code Chapter 388.9(1) to discuss marketing and pricing strategies or proprietary information of a city utility if its competitive position would be harmed by public disclosure not required of potential or actual competitors, and if no public purpose would be served by such disclosure.
4. Announce exempt session pursuant to Iowa Code Chapter 21.9 to discuss employment conditions of employees not covered by collective bargaining agreements.

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

No comments were received.

C. APPROVAL OF CONSENT AGENDA

Hopkins moved to approve the consent agenda, seconded by Schiebout.

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

The following items were approved:

1. Approval of Minutes
 - a. Official Council Minutes for March 17, 2020
2. Petitions and Communications
 - a. Renewal of Class C Beer Permit with Sunday Sales for Git-N-Go Convenience Stores #38
BACKGROUND: Git-N-Go Convenience Stores, Inc., DBA Git-N-Go Convenience Stores #38 at 209 Oskaloosa Street, has applied for renewal of their class C beer permit with Sunday sales. The term of the new license is 12 months and, if approved, would expire on June 1, 2021. The application has been completed online with the state, and staff is recommending approval.
ATTACHMENTS: Application
REPORT PREPARED BY: City Clerk
REVIEWED BY: City Administrator
RECOMMENDATION: Approve renewal

D. *PUBLIC HEARINGS

- 1a. Public hearing on the authorization of a Loan and Disbursement Agreement and the issuance of Notes to evidence the obligation of the City thereunder.

No written or oral comments were received.

De Jong moved to close the public hearing, seconded by Schiebout.

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

BACKGROUND: The purpose of this public hearing is to consider any written or oral objections for any resident or property owner regarding the authorization of a loan agreement with the Iowa State Clean Water State Revolving Loan Program (SRF). Additionally, the resolution consents to the terms of the SRF program, which have been reviewed by the City's bond attorney. The purpose of the proposed loan agreement is to support Iowa Department of Natural Resources mandated improvements to the City's wastewater treatment facility and collection system.

On February 4, 2020, Council awarded a contract to WRH, Inc. in the amount of \$5,998,000 to make the following improvements to the City's wastewater facility:

1. Equalization Basin – Provide and install a flow measurement vault.
2. Headworks – Demolish the existing macerators and install a multi-rake screen and wash in a new annex to the existing Grit Building.
3. Activated Sludge Basins – Rehabilitate the four activated sludge basins.
4. Tank Drainage Pit – Replace the existing pumps and repair the tank drains.
5. Process Building – Replace the existing centrifugal aeration blowers, the existing RAS pumps, and associated RAS piping.
6. Final Clarifiers – Construct a new splitter box and a new final clarifier 3. Repair final clarifiers 1 and 2.
7. Ultraviolet Light Disinfection (UV) – Replace the existing UV system and modify the basins as required.
8. Sludge Thickeners – Blast and paint the sludge thickener flights.
9. Sludge Storage Tank – Repair the sludge storage tank roof and exterior walls.
10. General Plant Repairs – Repair brick and capstones, window gasket removal/replacement, glazing and gasket removal/replacement, and other work as indicated on the drawings.
11. Miscellaneous site improvements and grading.
12. Associated piping, electrical, controls, mechanical, structures, equipment, and other work as indicated on the construction documents.

In addition to the above improvements, the City is also required to make improvements to the collection system in the general vicinity of W. 3rd Street. Bids were received on March 31, 2020 and Council is scheduled to consider awarding the contract within this agenda (see item D-2).

There are several items, as outlined below, which need to be approved for this funding process:

Agenda Item D-1-b: Resolution No. 6101

This resolution institutes proceedings and takes additional action for the authorization of a Loan and Disbursement Agreement, not to exceed \$8,000,000 Sewer Revenue Capital Loan Notes, with the Iowa Finance Authority.

Agenda Item D-1-c: Approve form of Tax Exemption Certificate

The Tax Exemption Certificate sets out in detail a number of facts, promises, and obligations which must be met and agreed to by the City in order to maintain these Notes as tax exempt. These requirements primarily include arbitrage requirements for the bond proceeds and restrictions for private duty use. It is important to note, staff has reviewed these requirements with bond counsel, and we are recommending approval.

Agenda Item D-1-d: Resolution No. 6102

This resolution approves the key conditions of the SRF loan program, which has been reviewed by the City's bond attorney. The agreement with the SRF program includes an annual interest rate of 1.75%, an initiation fee of 0.5% as well as an annual servicing fee of 0.25%. The term of the loan is 20 years. The debt service payments will be made only from sewer utility revenues which have been increased over the past three years in anticipation of this project. The 2021 budget includes an additional 8% increase to support the project, all future increases will be evaluated to minimize impact on the rate payers while still meeting the covenants of the loan agreement.

ATTACHMENTS: Resolutions, Bond Documents

REPORT PREPARED BY: City Administration

REVIEWED BY: City Administrator, City Clerk

RECOMMENDATION: Approve resolution

1b. Resolution No. 6101 entitled, "RESOLUTION INSTITUTING PROCEEDINGS TO TAKE ADDITIONAL ACTION FOR THE AUTHORIZATION OF A LOAN AND DISBURSEMENT AGREEMENT AND THE ISSUANCE OF NOT TO EXCEED \$8,000,000 SEWER REVENUE CAPITAL LOAN NOTES."

Hopkins moved to approve, seconded by Branderhorst.

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

1c. Approval of Tax Exemption Certificate.

Schiebout moved to approve, seconded by De Jong.

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

1d. Resolution No. 6102 entitled, "A RESOLUTION APPROVING AND AUTHORIZING A FORM OF LOAN AND DISBURSEMENT AGREEMENT BY AND BETWEEN THE CITY OF PELLA, IOWA AND THE IOWA FINANCE AUTHORITY, AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$7,808,000 SEWER REVENUE CAPITAL LOAN NOTES, SERIES 2020F, OF THE CITY OF PELLA, IOWA, UNDER THE PROVISIONS OF THE CITY CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTES."

De Jong moved to approve, seconded by Schiebout.

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

2a. Public Hearing on the W. 3rd Street Sanitary Sewer Improvement Project Bids.

No written or oral comments were received.

De Jong moved to close the public hearing, seconded by Schiebout.

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

BACKGROUND: This resolution approves the plans, specifications, form of contract, estimate of costs, accepts bids, and awards the contract for the W. 3rd Street Sanitary Sewer Improvements project. As background, this project is the last of the 2009 Iowa Department of Natural Resources (IDNR) wastewater mandated projects. The project consists of replacing 471 linear feet of existing 10" sanitary sewer with a new 15" sanitary sewer to improve flows and reduce basement backups in the area. This project will also include storm sewer improvements and repaving of the street.

The bid opening for the project was held on March 31, 2020; four bids were received:

Contractor	Bid
Blommers Construction	\$572,961.72
Cornerstone	\$593,622.25
Vanderpool Construction	\$628,726.00
TK Concrete	\$729,610.00

After reviewing the bid proposals and checking references, Fox Engineering, the project engineer, recommends awarding the contract to the lowest responsible bidder, Blommers Construction, as listed in the amount of \$572,961.72. The engineer's opinion of probable costs for this project was \$544,164. Staff is in agreement with the engineer's recommendation. It is important to note, if Council proceeds with this project, it will be financed utilizing the State Revolving Fund.

If approved, below is an overview of the timeline for this project:

Notice to proceed issued	April 20, 2020 (approximate)
Substantial completion	August 14, 2020
Final completion	September 11, 2020

In summary, staff is recommending approval of this resolution which approves the plans, specifications, form of contract, estimate of costs, accepts bids, and awards the contract for the above referenced project to Blommers Construction in the total amount of \$572,961.72. The resolution also gives the Public Works Director authorization to issue the notice to proceed once the contract, bonds, insurance certificates, and appropriate permits are in proper order and fully executed.

ATTACHMENTS:	Resolution, Engineer's Recommendation, Bid Tabulation
REPORT PREPARED BY:	Public Works Department
REVIEWED BY:	City Administrator, City Clerk
RECOMMENDATION:	Approve resolution

2b. Resolution No. 6103 entitled, "RESOLUTION APPROVING PLANS, SPECIFICATIONS, FORM OF CONTRACT, ESTIMATE OF COSTS, RECEIVING OF BIDS, AND MAKING AWARD OF CONTRACT FOR THE W. 3RD STREET SANITARY SEWER IMPROVEMENTS PROJECT."

Hopkins moved to approve, seconded by Branderhorst.

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

3a. Public Hearing on a rezoning application submitted by Kading Properties for the property located near the western terminus of W. 16th Street.

One written comment was received and included in the Council packet. No 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: The proposed ordinance would amend the zoning district of three properties located on the south side of the dead-end of West 16th Street by adding a Planned Unit Development (PUD) overlay zone to the original Community Commercial (CC) base zoning district. The developer, Kading Properties, is proposing a privately owned residential development that consists of a combination of duplexes and townhomes.

Proposed Development

The proposed development includes 92 residential units that are primarily duplexes with some townhomes. It is important to note that the proposed development will remain under single ownership with the intent of renting the properties. Included with this development is a large, interior greenspace area with a walking path and picnic tables for use by the residents. The developer estimates the construction cost of the overall project is approximately \$5.8 million.

In considering this project, it is important to note the development will be served by private drives which are being built to public infrastructure standards. For the Council's review, staff has enclosed color renditions (Exhibit B) of the proposed buildings as well as the proposed site plan (Exhibit A).

Planned Unit Development (PUD)

A PUD is designed to allow for comprehensively planned projects which provides for innovative and imaginative approaches to urban design and land development. A PUD is a negotiated contract for land development between the private developer and the public governmental entity. This differs from the traditional approach where the land is developed pursuant to minimum standards previously adopted by the government. A PUD permits flexible variation from established land regulations as contained in zoning districts and in platting and subdivision requirements. The developer, with City staff guidance, Planning and Zoning Commission review, and Council approval, may develop its own guidelines for the best development of the land in question.

A considerable amount of site planning work has taken place for this proposed PUD. The plan was reviewed by professional engineers and City staff. This review included public safety issues, traffic concerns, and an infrastructure analysis. The City's engineer performed a traffic analysis and determined that the development should not impair traffic in the area to the degree that a traffic signal or four-way stop would be necessary. Overall, the planning for the development was completed in a comprehensive manner and in accordance with City Code.

Key Requirements of the Proposed Ordinance

Exhibit A – Master Site Plan

The proposed development is required to be developed in accordance with Exhibit A of the agreement. This master site plan has been reviewed and approved by City staff, the City's engineer, and the City Attorney. Staff believes this master site plan meets the City's site plan requirements.

Exhibit B – Color Renditions/Elevations

The proposed development is required to be designed in accordance with the color renditions/elevations as indicated in Exhibit B. Staff believes the proposed design will complement the existing neighborhood and provide a product that will increase the number of quality housing alternatives for the community.

Zoning District Modifications

The proposed ordinance requires the development to be in conformance with the applicable zoning district except for the following modifications:

Zoning Requirements:

1. The proposed development is required to be developed in accordance with the standard zoning provisions of the Community Commercial (CC) zoning district.
2. The required street infrastructure will be built to public infrastructure standards as found in the City's subdivision code but will remain private.
3. Given that the development is required to comply with the site plan (Exhibit A) and the color renditions (Exhibit B), the ordinance waives any other design review.
4. All utilities, public and/or private, are required to be constructed to comply with Pella City Code and Standard Urban Design and Specifications.
5. To ensure proper use of the proposed development, the use is limited to duplex residential and multi-family residential.

Comprehensive Plan

Additional housing and various housing options are noted as key priority goals in the City's Comprehensive Plan. The Future Land Use Map of the Comprehensive Plan targets the proposed site for Mixed Use land uses which includes higher density residential uses. Additionally, the Comprehensive Plan identified the goal of providing a mix of housing types, including townhomes and duplexes. Chapter 2 of the plan further states that "there is a need for workforce housing, both rental and owner-occupied."

Staff believes the proposed development makes significant progress to meet the need for housing in the community as the development will offer affordable rental options to support workforce housing. Based on staff's analysis, we believe this proposed PUD aligns with the Comprehensive Plan. Staff Recommendation

Staff believes the proposed ordinance meets the requirements of the City's zoning code. In addition, staff also believes the proposed ordinance is consistent and in conformance with the City's Comprehensive Plan. Therefore, staff recommends approval of the proposed ordinance. Finally, it is important to note that the Planning and Zoning Commission is scheduled to review this proposed ordinance on April 6, 2020.

ATTACHMENTS: Ordinance with Exhibits, Aerial Map, Application, Written Comment
REPORT PREPARED BY: Planning and Zoning Director
REPORT REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve ordinance

3b. Ordinance No. 974 entitled, "AN ORDINANCE AMENDING THE ZONING ORDINANCE OF THE CITY OF PELLA, IOWA, BY CHANGING THE ZONING CLASSIFICATION OF PROPERTY LOCATED NEAR THE WESTERN TERMINUS OF W. 16TH STREET, CITY OF PELLA, MARION COUNTY, IOWA."

De Jong moved to place ordinance no. 974 on its first reading, seconded by Hopkins.

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

E. PETITIONS & COMMUNICATIONS – None

F. PLANNING & ZONING ITEMS – None

G. ADMINISTRATION REPORTS – None

H. RESOLUTIONS

1. Resolution No. 6104 entitled, "RESOLUTION ORDERING CONSTRUCTION OF THE TELECOMMUNICATIONS BUILDING PROJECT, AND RATIFYING, CONFIRMING AND APPROVING DEADLINE FOR SUBMISSION OF BIDS AND FIXING A DATE FOR HEARING THEREFOR."

Schiebout moved to approve, seconded by Hopkins.

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

BACKGROUND: This resolution establishes April 21, 2020 as the public hearing date and authorizes staff to seek bids for the Telecommunications Building Project. As background, in November of 2019, Council approved an agreement for professional services with Short Elliott Hendrickson, Inc. (SEH) to provide building, site design, and engineering services for a new 16,500-square foot telecom and electric utility facility. The facility, which is proposed to include a combination of office space, data center, and indoor storage space, is located near the corner of South Prairie and Truman Road, south of the current electric utility facility.

The City's engineer on this project, SEH, will handle the bid process and provide construction phase services for the project. The engineer's opinion of probable costs for this project is \$3,251,990.20.

The project's critical dates are listed below:

April 15, 2020	Bid letting
April 21, 2020	Public hearing to receive bids and award of contract
May 1, 2020	Estimated construction start
November 30, 2020	Substantial completion

ATTACHMENTS: Resolution, Engineer's Opinion of Probable Costs, Color Renditions
REPORT PREPARED BY: Telecommunications Department
REPORT REVIEWED BY: City Administrator, City Clerk
RECOMMENDED ACTION: Approve resolution

Due to a technical difficulty, Sporrer lost connection at 8:30 p.m.

2. Resolution No. 6105 entitled, "RESOLUTION ACCEPTING PUBLIC IMPROVEMENTS FOR THE SOUTH MAIN DEVELOPMENT."

Branderhorst moved to approve, seconded by Hopkins.

On roll call the vote was: AYES: 5, NAYS: None, ABSENT: 1 (Sporrer). Motion carried.

BACKGROUND: This resolution accepts the public improvements for the South Main Development. As background, in December of 2018, Council approved an agreement for private development with South Main I, LLC. The location of the project is the former Webster School site on Main Street and is approximately three acres in size.

This phase of the subdivision adds the following public improvements to the City's infrastructure assets:

- 612 feet of sanitary sewer main
- 3 sanitary sewer manholes
- 586 feet of water main
- 2 water main valves
- 2 fire hydrants

If approved, the City will take over and maintain these public improvements immediately following this acceptance, subject to any maintenance bond issues that may arise over the next four years. Finally, it is important to note that, at the time of packet publication, the required maintenance bonds have not been provided to the Public Works Department; the maintenance bonds must be received prior to approval of this resolution.

ATTACHMENTS: Resolution, Engineer's Letter of Certification
REPORT PREPARED BY: Public Works Department
REPORT REVIEWED BY: City Administrator, City Clerk
RECOMMENDED ACTION: Approve resolution

I. ORDINANCES – None

J. CLAIMS

1. Abstract of Bills No. 2052.

Bandstra moved to approve, seconded by De Jong.

On roll call the vote was: AYES: 5, NAYS: None, ABSENT: 1 (Sporrer). Motion carried.

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

No comments were received.

L. CLOSED/EXEMPT SESSION

1. At 8:37 p.m., Branderhorst moved to enter into closed session pursuant to Iowa Code Chapter 388.9(1) to discuss marketing and pricing strategies or proprietary information of a city utility if its competitive position would be harmed by public disclosure not required of potential or actual competitors, and if no public purpose would be served by such disclosure, seconded by Hopkins.

On roll call the vote was: AYES: 5, NAYS: None, ABSENT: 1 (Sporrer). Motion carried.

Sporrer reconnected at 8:40 p.m.

At 9:23 p.m., Schiebout 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.

2. At 9:24 p.m., Bandstra moved to enter into exempt session pursuant to Iowa Code Chapter 21.9 to discuss employment conditions of employees not covered by collective bargaining agreements, seconded by Hopkins.

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

At 10:06 p.m., Schiebout moved to reconvene to regular session, seconded by De Jong.

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

Hopkins made a motion to approve Resolution No. 6106 entitled, "RESOLUTION ADOPTING INFECTIOUS DISEASE ACTION PLAN/POLICY RELATED TO THE COVID-19 PUBLIC HEALTH CRISIS," seconded by Branderhorst.

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

M. ADJOURNMENT

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

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

Meeting adjourned at 10:08 p.m.