



# CITY OF PELLA

## CITY COUNCIL OFFICIAL MINUTES

May 19, 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, 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-four members of the general public attended the conference call.

### B. MAYOR'S COMMENTS

1. Announce Policy and Planning meeting following the regular Council meeting to discuss:

- a. Proposed Wastewater Rate Increase
- b. Proposed Water Rate Increase
- c. 2020 Sidewalk Inspection Program

2. Approval of Tentative Agenda.

Branderhorst moved to approve, seconded by Sporrer.

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

3. Reappointment of Joe Canfield to the Planning and Zoning Commission.

Hopkins moved to approve, seconded by De Jong.

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

BACKGROUND: Joe Canfield is interested in serving another term on the Planning and Zoning Commission. He has served on the Commission since April 18, 2017 and has attended 11 of the 14 meetings held over the past 12 months. Joe is the current president of Van Gorp Corporation.

If approved, Joe's new five-year term would expire on May 1, 2025.

ATTACHMENTS: None  
REPORT PREPARED BY: Deputy City Clerk  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve the reappointment

4. Reappointment of Cathy Haustein to the Planning and Zoning Commission.

Schiebout moved to approve, seconded by Sporrer.

On roll call the vote was:

AYES: 5 (Schiebout, Sporrer, De Jong, Bandstra, Hopkins)

NAYS: None

ABSTAIN due to a conflict of interest: 1 (Branderhorst)

Motion carried

BACKGROUND: Cathy Haustein is interested in serving another term on the Planning and Zoning Commission. She has served on the Commission since May 5, 2015 and has attended nine of the 14 meetings held over the past 12 months. She is a chemistry professor and published author with a master's degree in fiction writing and a doctorate in chemistry from the University of Iowa.

If approved, Cathy's new five-year term would expire on May 1, 2025.

ATTACHMENTS: None  
REPORT PREPARED BY: Deputy City Clerk  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve the reappointment

5. Reappointment of Robin Pfalzgraf to the Planning and Zoning Commission.

Branderhorst moved to approve, seconded by De Jong.

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

BACKGROUND: Robin Pfalzgraf is interested in serving another term on the Planning and Zoning Commission. She has served on the Commission since February 16, 2016 and has attended 12 of the 14 meetings held over the past 12 months. Robin currently works as the Marion County Habitat for Humanity Director and has previously volunteered on the Oskaloosa Community School District Board, Oskaloosa Christian School Board, and the Mahaska County Housing and Urban Development Board.

If approved, Robin's new five-year term would expire on May 1, 2025.

ATTACHMENTS: None  
REPORT PREPARED BY: Deputy City Clerk  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve the reappointment

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

No comments were received.

**C. APPROVAL OF CONSENT AGENDA**

De Jong 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 May 5, 2020
- b. Official Council Minutes for May 12, 2020

2. Report of Committees

a. Policy and Planning Minutes for May 5, 2020

PRESENT: Mayor Don DeWaard, Mark De Jong, Liz Sporrer, Lynn Branderhorst, Calvin Bandstra, Bruce Schiebout, Dave Hopkins

ABSENT: None

OTHERS: City staff and visitors

The Policy and Planning meeting began at 8:03 p.m. Due to heightened public health risks associated with the COVID-19 pandemic, accommodations were made to broadcast this meeting via conference call.

The only item on the agenda was a discussion about the outside drop installation bid portion of the Fiber to the Home Network project. On April 21, 2020, Council awarded a contract to Excel Utility Contractors for all materials, equipment, transportation, and labor necessary to construct the network's outside plant infrastructure. The contract awarded was for the full build in the amount of \$8,800,161.38; however, due to the bids for the outside drop installation/service line portion of the work coming in much higher than the engineer's estimate, a notice to proceed was issued only for the outside plant portion of the project, which totals \$7,402,579.68.

Jim Petro with NewCom Technologies, the project engineer, attended the meeting via conference call. NewCom is recommending removing the outside drop installation portion of the original bid from the contract with Excel and rebidding this portion of the project. This approach would allow focused invitations to a bidding audience whose core businesses are concentric to drop installations, potentially resulting in lower bid prices.

At the end of the discussion, staff was directed to proceed with removing the outside drop installation bid portion of the project from the contract with Excel and proceed with rebidding the project. Staff will present resolutions accordingly for Council consideration at future Council meetings.

The meeting adjourned at 8:29 p.m.

Respectfully submitted: Mandy Smith, City Clerk

b. Policy and Planning Minutes for May 12, 2020

PRESENT: Mayor Don DeWaard, Mark De Jong, Liz Sporrer, Lynn Branderhorst, Calvin Bandstra, Bruce Schiebout, Dave Hopkins

ABSENT: None

OTHERS: City staff and visitors

The Policy and Planning meeting began at 6:29 p.m. Due to heightened public health risks associated with the COVID-19 pandemic, accommodations were made to broadcast this meeting via conference call.

The only item on the agenda was a development update from City Administrator Mike Nardini. Nardini reviewed the proposed Prairie Ridge Development Agreement. The purpose of this development is to provide workforce housing to support business and industry. The development is proposed to include 93 single family homes priced at approximately \$250,000 and 25 townhomes priced from \$180,000 to \$220,000. Nardini reviewed key terms of the Development Agreement and specific responsibilities of the parties involved including Marion County, the City of Pella, the Developer, and the Plan Review Committee.

At the end of the discussion, staff was directed to proceed with placing the Prairie Ridge Development Agreement on a future agenda for formal consideration.

The meeting adjourned at 7:11 p.m.

Respectfully submitted: Mandy Smith, City Clerk

c. Library Board Minutes for April 14, 2020

I. Call to Order and Roll Call: President Verlan called the meeting to order at 4:00 p.m. Board members present via phone were: Angela Adam, Verlan Den Adel, Brenda Huisman, Dinakar Kesavapillai, Kenny Nedder, and Rachel Sparks. Library Director Mara Strickler was present. Suzy Card was absent. Due to heightened public health risks associated with the COVID-19 pandemic, accommodations were made to broadcast this meeting via conference call.

II. Recognition of Visitors and Visitor Comments: Mike Nardini, Pella City Administrator, and Chris Brown, Assistant library director were present via phone.

III. Approval of Agenda: The April meeting agenda was received by all Board members prior to the meeting. The agenda stood as presented.

IV. Disposition of Minutes: All Board members received the March 2020 minutes prior to the meeting. Kenny moved to approve the March minutes as written. Brenda seconded the motion. On roll call, the vote was: AYES: 6, NAYS: None. The minutes were unanimously approved.

V. Approval of Bills: All Board members received the April list of bills prior to the meeting. After a brief discussion and questions regarding the bills, Angela moved to approve the April bills. Kenny seconded the motion. On roll call, the vote was: AYES: 6, NAYS: None. The bills were unanimously approved.

VI. Unfinished Business:

- a. Library services, staffing, and COVID-19: Mike Nardini presented an update on COVID-19 for the City departments in accordance with the Governor. Mara prepared Curbside Pickup Procedures for Board's review. Angela moved to approve presenting the Curbside Pickup Procedures to the City Council at their next scheduled meeting for approval to implement based on the Governor and City recommended guidelines. Kenny seconded the motion to present to City Council. On roll call, the vote was: AYES: 4 (Angela, Dinakar, Kenny, & Rachel), NAYS: 2 (Verlan and Brenda). Motion carried. National Library Week: Food for Fines and Volunteer Your Fines away. Mara proposed rescheduling to August - September for National Library Card Sign-up Week. Katie is working on summer reading program for online or programs for social distancing. Mara, Chris, & Katie are able to work from home in case there is a shelter in place. Mara would be able to come into the library as an essential employee of the City.

- b. State funding: All Board members received an updated list for distribution of State funding prior to the board meeting. Brenda moved to approve the proposal of even split between Hoopla and materials. Dinakar seconded the motion. On roll call, the vote was: AYES: 6, NAYS: None. Motion carried.

VII. New Business:

- a. Discuss Board members terms: expiring and upcoming vacancies. There are two vacancies for the Board Trustees for the upcoming year. Mara has prepared the applications and posted the openings for applicants. Mara will add a conflict of interest line to the matrix for review of applications next month.
- b. Passport Acceptance Facility. Mara is in the process of having the Library be a passport facility for a means of community service outreach and an additional revenue source. Mara will get more details on staff training and involvement and present to the Board when received.

VIII. President's Report and Announcements:

- a. President Verlan noted Enrich Iowa has extended their deadline due to COVID.

IX. Director's Report:

- a. Collection Management: Staff have taken the opportunity of the Library's closure to review the weeding schedule. Thus far we have reviewed the following collections: Large Print, Religious Fiction, DVD, art prints, and Non-Fiction (600-900). Any worn or stained items have been removed and the collections should now have room to grow on the shelves.
- b. IMLS Grant Update: As of 4/8/2020, 842 documents have been uploaded to the Pella Community Memory Database. Our Digitization Assistant is currently on self-imposed medical leave due to the current public health crisis; at this time, we have two Assistants who are continuing to scan and upload documents during her absence. Our thanks to Carol and Barry for stepping into this role during the Library's closure.
- c. Appreciation meals for Parks and Public Works: We had originally scheduled this annual event for Monday, 4/13. Due to the current public health crisis, we have postponed the meal for the Fall. While we considered ordering a meal in for Parks and Public Works, Library staff feel that it is important to provide a home cooked meal to show our appreciation because these departments do a great job of helping to care for the Library building.
- d. Statistics
  - Adventure passes: 15 passes checked out in March: 5 to Blank Park Zoo, 4 to Botanical Gardens of Des Moines, 2 to the Pella Historical Society, 4 to Science Center of Des Moines
  - Fax24: 4 faxes sent in March.
  - Hoopla:
    - 559 total circulations borrowed by 251 unique patrons
    - 93 patrons used all 3 checkouts
    - Average price per circulation: \$1.47
    - 276 patrons were blocked by the budget caps (829 transactions)
- e. Upcoming events:
  - Adults:*
    - No fixed time: Geri-Fit Online – Patrons must register for online account
    - Thursdays at 2:30 p.m.: Stories with Miss Katie – via WesleyLife's Distribution Channel
  - Youth:*
    - M-F at 9:00 a.m. & 10:30 a.m.: Story time with Miss Katie via Facebook Live
    - M-F at 9:30 a.m.: Big Kid Story time with Miss Katie via Facebook Live
    - Tu & Th at 1:30 p.m.: STEM Minute with Mr. Chris via Facebook Live

X. Trustee training reports:

- a. Marion County Annual Board Meeting originally scheduled for 4/23/2020 has been postponed. Potential alternative date is Thursday, 9/3/2020 from 6-8 p.m. in Knoxville.

XI. Committee reports:

- a. Policy Review:
  - i. Unscheduled Closings policy: Board members received a copy of the Unscheduled Closings policy. No changes were recommended. Kenny moved to continue with the policy unchanged. Angela seconded the motion. On roll call, the vote was: AYES: 6, NAYS: None. The policy was unanimously approved.
  - ii. Displays policy: Mara is still waiting for the City Attorney to review the policy for liability concerns and guidance.
  - iii. Photo Release policy: Postpone review of policy until we have received recommended language from the State Library.

XII. Adjournment: President Verlan Den Adel adjourned the meeting at 5:02 p.m. The next regularly scheduled Board Meeting is scheduled for Tuesday, May 12, 2020.

### 3. Petitions and Communications

- a. **Renewal of Class C Liquor License with Catering and Sunday Sales for Buenas Corporation DBA Cantaritos**  
BACKGROUND: Buenas Corporation, DBA Cantaritos at 1205 Washington Street, has applied for renewal of their class C liquor license with Sunday sales and catering privileges. The term of the new license is 12 months and, if approved, would expire on June 3, 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

- b. **Renewal of Class C Beer Permit with Class B Wine Permit and Sunday Sales for Hy-Vee Food Store**  
BACKGROUND: Hy-Vee, Inc., DBA Hy-Vee Food Store at 118 SE 9th Street, has applied for renewal of their Class C Beer Permit with Class B Wine Permit and Sunday sales privileges. The term of the new license is 12 months and, if approved, would expire on July 22, 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

c. **Renewal of Cigarette/Tobacco/Nicotine/Vapor Permits for Casey's General Store #2598, Casey's General Store #2694, Casey's General Store #3566, Fareway Stores, Inc. #995**

BACKGROUND: Permits are required for the retail sale of all tobacco products. All current permits expire June 30, 2020 and renewals will be valid until June 30, 2021.

The following businesses have applied for renewal of their cigarette/tobacco/nicotine/vapor permits:

Casey's General Store #2598	414 S Clark Street
Casey's General Store #2694	2421 Washington Street
Casey's General Store #3566	509 Main Street
Fareway Stores, Inc. #995	2010 Washington Street

Staff is recommending approval as all applications and fees are in order.

ATTACHMENTS: None  
REPORT PREPARED BY: City Clerk  
REVIEWED BY: City Administrator  
RECOMMENDATION: Approve renewal of cigarette/tobacco/nicotine/vapor permits

4. **Administration Reports**

a. **Resolution No. 6131 entitled, "RESOLUTION APPROVING AN APPLICATION AND AGREEMENT FOR FEDERAL ASSISTANCE GRANT NO. 3-19-0112-013-2020"**

BACKGROUND: On March 27, 2020, the President signed into the law the CARES Act which provided nearly \$10 billion in funds to be awarded as economic relief to eligible U.S. airports. As part of the act, a formula allocated \$69,000 to the Pella Municipal Airport, subject to a grant application and award. The attached resolution formally approves the grant application and agreement and authorizes the Finance Director to administer the grant. Additionally, the resolution authorizes the Finance Director to sign any documents related to the grant on behalf of the City of Pella.

ATTACHMENTS: Resolution, Grant Application  
REPORT PREPARED BY: City Administration  
REPORT REVIEWED BY: City Administrator, City Clerk  
RECOMMENDED ACTION: Approve resolution

**D. \*PUBLIC HEARINGS**

1a. **Public Hearing on the Pella Municipal Airport Runway 16/34 Rehabilitation Bids.**

No written or oral comments were received.

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

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 Pella Municipal Airport Runway 16/34 Rehabilitation Project. As background, several areas of the airport runway have continued to deteriorate due to age and winter weather. A study was recently conducted to determine what projects need completed in an attempt to keep our runway safe and manageable during the next approximately eight years until the new regional airport is operational. As a result of the study, the City hired HDR to provide engineering services for this project.

The base bid includes removal and replacement of concrete surfacing and cement treated subgrade over approximately one-third of Runway 16/34 and the connecting taxiway at the Pella Municipal Airport. Under bid alternatives A, B, and C, the remaining two-thirds of the runway will receive concrete pavement repairs including spall repairs and crack and joint resealing. Runway markings will be removed and replaced including areas outside of the pavement replacement limits.

The bid opening for the project was held at 12:00 p.m. on May 13, 2020; two bids were received:

Contractor	Bid Type	Bid Amount
Wicks Construction, Inc.	Base Bid	\$1,186,616.04
	Alt A	\$48,382.31
	Alt B	\$127,729.90
	Alt C	\$38,000.00
	Total	\$1,400,728.25
Absolute Concrete	Base Bid	\$1,519,897.15
	Alt A	\$63,252.50
	Alt B	\$154,189.90
	Alt C	\$35,500.00
	Total	\$1,772,839.55

After reviewing the bid proposals, HDR, the project engineer, recommends awarding the contract to the lowest responsive, responsible bidder, Wicks Construction, in the total amount of \$1,400,728.25. It is important to note that the engineer's opinion of probable costs was \$1,413,831.47. Staff is in agreement with the engineer's recommendation.

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

Notice to proceed issued	June 15, 2020
Runway closure	August 1, 2020
Runway reopen	October 1, 2020
Final completion	December 1, 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 Wicks Construction in the total amount of \$1,400,728.25. 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.

Finally, it is important to note that the FAA has verbally agreed to a grant to fund the entire project including the base bid, three alternates, and engineering at a total amount of \$1,620,819.

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

1b. Resolution No. 6132 entitled, "RESOLUTION APPROVING PLANS, SPECIFICATIONS, FORM OF CONTRACT, ESTIMATE OF COSTS, RECEIVING OF BIDS, AND MAKING AWARD OF CONTRACT FOR THE PELLA MUNICIPAL AIRPORT RUNWAY 16/34 REHABILITATION PROJECT."

Bandstra moved to approve, seconded by Branderhorst.

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

2a. Public Hearing on the proposal to enter into a Development Agreement with Marion County, Iowa and PR Dev., L.L.C.

One written comment was received. No oral comments were received.

De Jong 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 and authorizes execution of a development agreement between the City of Pella, Marion County, and PR DEV, LLC. The proposed Prairie Ridge development is intended to provide workforce housing for our community by providing 93 single-family housing units and 25 condo/townhome housing units which are expected to be priced from \$180,000 to \$250,000. This development is located north of the west intersection of Fifield Road and Washington Street/Highway G28. A map of the location is included as Exhibit B of the attached development agreement.

**Workforce Housing Needs**

The Marion County Housing Assessment identified an additional 966 housing units are needed by the year 2025 to meet the demand for housing in Pella. Furthermore, the City's Comprehensive Plan also established goals and suggested strategies for new housing developments within our corporate limits. The Comprehensive Plan also identified the need for workforce or affordable housing as a key priority goal for the community.

**Public Infrastructure Requirements**

The estimated cost of the onsite public infrastructure for the development is \$4.7 million and includes the extension of Fifield Road into the development which will provide a secondary access point onto Washington Street. In addition, the onsite infrastructure estimates include a pumping station, force main, and storm sewer.

**Development Agreement Responsibilities**

**PR DEV, LLC**

The developer is required to build all onsite infrastructure to the City of Pella's standards. The estimated completion date for the public infrastructure is the fall of 2020. In addition, the developer is required to construct the housing units in accordance with the color elevations as stated in Exhibit B of the development agreement.

**Marion County**

Marion County is responsible for reimbursing the cost of the public infrastructure after it has been accepted by the City of Pella. The reimbursement is divided into two categories:

1. Up to \$4.5 million once the public infrastructure is dedicated to the City of Pella; reimbursement cannot occur before January 15, 2021.
2. \$200,000 to be reimbursed as homes are constructed; specifically, \$2,666 per certificate of occupancy issued by the City of Pella

To be fully reimbursed, the developer will need to construct 75 housing units

It is also important to note, Marion County will be retaining the low- and moderate-income tax revenues generated by the development.

**City of Pella**

The City of Pella's primary role is to serve as the government liaison for the project. In addition, while not obligated under the terms of the development agreement, the City will need to extend its water distribution system to the western area of the community to provide adequate fire flows for this development. The water main extension is currently in the engineering design phase and involves extending a 16-inch water main 5,700 linear feet from West 9<sup>th</sup> and Fifield Road to the far western segment of our community. It is anticipated that this project will be constructed by the end of calendar year 2020. Once completed, this project will enhance fire flows for not only the Prairie Ridge development, but also the western area of the community. The estimated cost of this project is \$1.0 million and will be funded by the City of Pella.

**Plan Review Committee**

To help ensure workforce housing units are built within the development, the development agreement proposes to establish a Plan Review Committee. The committee's main responsibilities are as follows:

- Reviewing the housing plans, aesthetics, and price of the home
- Unanimous approval from the Committee will be required before a building permit is issued by the City of Pella

The Committee will consist of four members from the following entities:

- Marion County
- City of Pella
- Developer
- GENLINK

In summary, staff is recommending approval of this resolution which approves and authorizes execution of a development agreement between the City of Pella, Marion County, and PR DEV, LLC.

ATTACHMENTS: Resolution, Development Agreement

REPORT PREPARED BY: City Administration

REVIEWED BY: City Administrator, City Clerk

RECOMMENDATION: Approve resolution

2b. Resolution No. 6133 entitled, "RESOLUTION RATIFYING, CONFIRMING AND APPROVING PUBLICATION OF NOTICE OF PUBLIC HEARING AND APPROVING AND AUTHORIZING EXECUTION OF A DEVELOPMENT AGREEMENT BY AND AMONG THE CITY OF PELLA, MARION COUNTY, IOWA AND PR DEV, L.L.C."

Hopkins moved to approve, seconded by Branderhorst.

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

## **E. PETITIONS & COMMUNICATIONS**

1. Designate the Des Moines Register as the City of Pella's Official Newspaper.

Schiebout moved to approve, seconded by De Jong.

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

BACKGROUND: Iowa Code requires the City of Pella to designate an official newspaper for legal publications. In January, the City Council designated the Pella Chronicle as the official newspaper for 2020 legal publications. On May 14, 2020, the Pella Chronicle announced they will be ceasing operations, and merging with the Oskaloosa Herald, effective May 18, 2020.

Iowa Code Chapter 618.3 outlines four requirements that must be met in order to be designated as an official newspaper for legal publications. Those requirements include:

1. Is a newspaper of general circulation that has been published at least once a week for at least fifty weeks per year within the area and regularly mailed through the post office of entry for at least two years.
2. Has a list of subscribers who have paid, or promised to pay, at more than a nominal rate, for copies to be received during a stated period.
3. Devotes at least twenty-five percent of its total column space in more than one-half of its issues during any twelve-month period to information of a public character other than advertising.
4. Is paid for by at least fifty percent of the persons or subscribers to whom it is distributed.

The Oskaloosa Herald does not currently meet the requirements outlined above; therefore, staff is recommending designating the Des Moines Register as the official newspaper for 2020 legal publications effective immediately. The Des Moines Register meets all requirements outlined above. Finally, publication fees are set by Iowa Code; therefore, the rates for publication will be consistent with those currently budgeted.

ATTACHMENTS: Letter of Request from the Des Moines Register  
REPORT PREPARED BY: City Clerk  
REVIEWED BY: City Administrator, City Attorney  
RECOMMENDATION: Designate the Des Moines Register as the official newspaper

## **F. PLANNING & ZONING ITEMS** – None

## **G. ADMINISTRATION REPORTS** – None

## **H. RESOLUTIONS**

1. Resolution No. 6134 entitled, "RESOLUTION ACCEPTING LAND DONATION FROM WONDER SPELEN FOR THE PURPOSE OF EXPANDING KIWANIS PARK."

Hopkins moved to approve, seconded by Sporrer.

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

BACKGROUND: This resolution accepts the donation of 0.48 acres of land at 1338 Main Street from Wonder Spelen.

As background, on September 17, 2019, Council approved a partnership agreement with Wonder Spelen to construct an all-inclusive playground, off-street parking, restroom facilities, and other improvements within Kiwanis Park. As part of this agreement, Wonder Spelen was responsible to purchase this property adjacent to the park and donate it to the City. The land is now in construction ready condition, and an environmental study has been conducted on the site with no hazardous conditions identified.

The Ahlers and Cooney law firm has reviewed the abstract for any liens or restrictions and provided a preliminary title opinion which is included as a memo attachment. Staff believes receipt of this land would be beneficial to the City and the all-inclusive playground and park improvement project; therefore, staff is recommending approval of this resolution.

ATTACHMENTS: Resolution, Map, Title Opinion  
REPORT PREPARED BY: Community Services Director  
REPORT REVIEWED BY: City Administrator, City Clerk  
RECOMMENDED ACTION: Approve resolution

2. Resolution No. 6135 entitled, "RESOLUTION APPROVING CHANGE ORDER NO. 1 TO THE CONSTRUCTION CONTRACT WITH EXCEL UTILITY CONTRACTORS."

Schiebout moved to approve, seconded by Bandstra.

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

BACKGROUND: This resolution approves change order no. 1 reducing the City's Fiber to the Home (FTTH) network construction contract with Excel Utility Contractors by \$1,397,581.70 and reducing the contract completion date to December 31, 2020.

As background, Council awarded a construction contract for the fiber to the home (FTTH) network project to Excel Utility Contractors on April 21, 2020. This contract includes all materials, equipment, transportation, and labor necessary to construct the network's outside plant infrastructure. The contract awarded 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, a notice to proceed was issued only for the outside plant portion of the project, which totals \$7,402,579.68. Furthermore, during the April 21, 2020 Policy and Planning meeting, Council directed staff to proceed with formal consideration of this change order which removes the service line portion of the work from the contract. This portion of the work will be rebid as a separate contract.

Listed below is the contract summary if Council approves change order no. 1:

Original construction contract	\$8,800,161.38
Change order no. 1	(1,397,581.70)
Total revised construction contract	\$7,402,579.68

Original contract completion date: September 1, 2021; change order no. 1 amends contract completion date to December 31, 2020

In summary, staff is recommending approval of change order no. 1 reducing the total contract price to \$7,402,579.68 and reducing the contract completion date to December 31, 2020.

ATTACHMENTS: Resolution, Change Order No. 1  
REPORT PREPARED BY: Telecommunications Director  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve resolution

3. Resolution No. 6136 entitled “RESOLUTION DIRECTING THE ACCEPTANCE OF A PROPOSAL TO PURCHASE \$10,735,000 ELECTRIC REVENUE CAPITAL LOAN NOTES, SERIES 2020C.”

Bandstra moved to approve, seconded by Hopkins.

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

BACKGROUND: The proposed resolution authorizes the Mayor and City Clerk to proceed on behalf of the City to enter into a loan agreement for \$10,735,000 for the electric utility’s fiber infrastructure project. Once formally approved, these funds would cover the capital costs associated with constructing the fiber infrastructure to support a future conversion to advanced metering infrastructure (AMI), while a portion of the system would be leased back to the City’s telecommunications utility (Pella Fiber).

Use of Funds

Over the past several years, the City made material efforts to plan for the implementation of a new AMI system and telecommunications utility. As part of the process, the City has worked with engineers, legal counsel, and financial advisors to develop a plan for implementation. The proposed issuance will provide the funds necessary to construct the fiber buildout, construct a new electric/telecom building and billing system.

Key Terms

Over the course of the project, the City has worked with its financial advisor to proceed through the rating process, including working with Moody’s rating service to validate our A2 rating for the City’s electric utility. As opposed to going to market with and taking bids on the City’s proposed issuance, the City worked with D.A. Davidson to negotiate the terms of the agreement.

The following are some of the key terms included in the agreement:

Total amount:	\$10,735,000
Bond premium:	\$1,083,449
Interest rate:	True Interest Cost of 2.667%
Closing date:	June 18, 2020
Maturity date:	June 1, 2040

While negotiated sales are common place in public finance and D.A. Davidson has long been a purchaser of the City’s bonds on the open market, staff requested advanced notice of the proposed terms and validated the terms and conditions were comparable or better than other similarly rated and sized utilities that have issued bonds in the last several weeks.

The agreement also requires certain security pledges which are customary for municipal utility borrowing. For series 2020C, the security pledge includes net revenue requirements for the utility. Specifically, the pledge requires a rate maintenance coverage of 125%. This means the utility must set rates that generate \$1.25 of net revenue for every \$1.00 of debt service. Additionally, for the City to issue future debt, the utility must be able to meet the coverage requirement of both the current and the proposed debt issuance. These terms are consistent with the City’s outstanding Series 2014 and Series 2015 obligations.

Annual Payments

In order to minimize the immediate financial impact of the annual debt service payments on the operations of the utility, the loan agreement does not include a principal payment until June 1, 2026. The purpose for delaying the principal portion of the debt service was to maintain a standard annual debt service payment. The Electric Series 2014 bond issuance matures in 2025 and Series 2015 matures in 2026. By wrapping the Series 2020C issuance around the existing 2014 and 2015 debt issuances, the utility is able to maintain an annual debt service payment of \$1,250,000 until the Series 2014 and Series 2015 bonds mature, with payments dropping to \$965,000 thereafter.

In summary, the City Council has worked diligently over the past several years to prepare the City for the development of a new fiber network.

Approving this resolution would approve the bond purchase agreement and provide the needed funds to support capital costs necessary to support the utility.

ATTACHMENTS:	Resolution, Purchase Agreement
REPORT PREPARED BY:	Finance Director
REPORT REVIEWED BY:	City Administrator, City Clerk
RECOMMENDATION:	Approve resolution

4. Resolution No. 6137 entitled “RESOLUTION APPROVING AN AGREEMENT BETWEEN NATIONAL INFORMATION SOLUTIONS COOPERATIVE AND THE CITY OF PELLA.”

Schiebout moved to approve, seconded by Sporrer.

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

BACKGROUND: This resolution approves a master software and services agreement with National Information Solutions Cooperative (NISC). As background, over the past year City staff has worked to evaluate billing system alternatives after concluding that the City’s current billing/accounting software was not able to support the activities associated with the City’s new telecommunications utility (Pella Fiber) and lacked the compatibility for eventually converting the City’s electric, water, and wastewater utilities to advanced metering infrastructure (AMI). After a review and demonstration of billing system alternatives, staff is recommending the City contract with NISC to support the customer service and billing activities associated with Pella Fiber and eventually AMI.

Billing System

During staff’s review of potential products, staff recognized the need of the utility to provide timely, accurate and easy to understand account information to potential customers. Additionally, a main focus of staff’s review was the automating processes and procedures which minimize contact with staff and let the customers review and pay bills, manage their account, and modify their current programming and service needs.

While other providers had products that met some of the City’s needs or had products in development that would likely provide the functionality staff required, NISC was the only firm evaluated that provided all of the components needed to support operational preferences of the staff.

The following is a brief summary of the modules provided by NISC through their iVUE Connect module:

iVue Billing and Collection: This module supports the billing and collection activity of the utility, including the setting of rates, fees, and taxes. This function also supports the delinquent and collection management process. This also includes a document vault which will be utilized to incorporate digital copies of all documents for historical indexing.

Automated Mailroom Services (AMS): This module provides for the printing and delivery of the billing statements, inserts, and postcards. Instead of utilizing staff to process, print, fold, and mail the bills, AMS process, mails, and ensures delivery of all statements.

Customer Management: Customer management allows increased contact with customers by allowing them to connect to customer service through voice, email, and text messaging.

SmartHub: This online application provides customers an opportunity to pay their bill, submit service requests, check their usage, and receive special messages through their smartphone, tablet, or the web. Additionally, existing customers have the option to manage services and upgrades. It also allows new customers to shop and compare services, including signing up and purchasing on the spot.

Integrated/Payment Solutions: More and more customers are utilizing credit cards and automated payment schedules to remit payment for services. This module allows the city to process all associated payment methods, including credit cards, while ensuring compliance with PCI security standards.

Mapwise: This is an integrated mapping solution that pairs with the City's GIS system that allows the field technicians to quickly update maps, building up-to-date staking sheets, and conduct equipment and location maintenance in the field utilizing a single interface.

As staff evaluated billing systems, we recognized that with the City's new network, moving to a cloud-based billing system would alleviate costs associated with server upkeep and maintenance. iVUE was the only system that provided this functionality of those evaluated. Not only will this system alleviate the costs associated with maintaining our own IT infrastructure, it will ensure our workforce has the opportunity to utilize the mobile and remote tools needed for those in the field.

Fees

The proposed agreement includes both one-time, annual, and monthly fees. The proposed one-time implementation fee of \$113,513 includes setup of all modules and functions previously mentioned. Additionally, the agreement includes a monthly fee of \$5,524 for those services. Lastly, the agreement includes an annual fee of \$2,750 for third party integration related to the GIS mapping software and document vault management solutions.

In summary, The City's current billing system is unable to support the activities of Pella Fiber and a future AMI conversion. As a result, staff evaluated alternative billing solutions and recommends NISC's iVue software as an alternative. The initial costs of the software are \$113,513 with monthly fees of \$5,524 and annual fees of \$2,750. Staff believes the cloud platform and automation features of the software will enhance the customer experience while minimizing the need for customer support.

ATTACHMENTS: Resolution, Agreement  
REPORT PREPARED BY: Finance Director  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve resolution

5. Resolution No. 6138 entitled, "RESOLUTION ORDERING CONSTRUCTION OF THE FURNISHING OF FIBER TO THE PREMISE ACCESS NETWORK EQUIPMENT, AND FIXING A DATE FOR HEARING THEREON AND TAKING OF BIDS THEREFOR."

Hopkins moved to approve, seconded by Sporrer.

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

BACKGROUND: This resolution establishes July 7, 2020 as the public hearing date and authorizes staff to seek bids for the Fiber to the Premise (FTTP) Access Network Equipment. As background, this project involves provisioning access equipment necessary to configure the Pella FTTP project. Access equipment involved as part of this project includes central office, premise equipment, residential gateways, G.FAST, and wireless mesh devices. This equipment will allow the network to serve all customers including businesses and large residential facilities such as apartment complexes, dormitories, and assisted living facilities.

It is important to note that the City of Pella is not obligated to purchase all of the equipment submitted as part of this bid. The City of Pella will only purchase the equipment needed to complete the project and bring all customers online in 2021. Through this project, the lowest responsive, responsible bidder will be obligated to keep the equipment prices firm throughout the duration of the project.

The City's engineer on this project, NewCom, will handle the bid process. The engineer's opinion of probable costs for this project is \$1,268,481. If Council approves this resolution, critical dates for the project are as follows:

Bid opening	June 25, 2020
Public hearing and notice to proceed	July 7, 2020

Staff is recommending approval of this resolution.

ATTACHMENTS: Resolution, Notice to Bidders and Notice of Public Hearing, Engineer's Estimate  
REPORT PREPARED BY: Telecommunications Director  
REPORT REVIEWED BY: City Administrator, City Clerk  
RECOMMENDED ACTION: Approve resolution

**I. ORDINANCES** – None

**J. CLAIMS**

1. Abstract of Bills No. 2055.

Bandstra moved to approve, seconded by Schiebout.

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

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

Comments from Council members were received and addressed.

**L. CLOSED SESSION** – None

**M. ADJOURNMENT**

There being no further business claiming their attention, Bandstra moved to adjourn, seconded by Branderhorst.

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

Meeting adjourned at 8:22 p.m.