



CITY OF PELLA

CITY COUNCIL OFFICIAL MINUTES

June 2, 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. Four staff members and five members of the general public 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 eleven 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. Airport Committee Capital Project Priorities
- b. Proposed Amended Wage Scale for Fiscal Year 20/21
- c. Proposed Health Plan Premiums for Fiscal Year 20/21
- d. Proposed Personnel Policy Manual Update

2. Approval of Tentative Agenda.

De Jong moved to approve, seconded by Branderhorst.

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

3. Appointment of Nathan Copeland to the Library Board.

Hopkins moved to approve, seconded by Sporrer.

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

BACKGROUND: Mayor DeWaard would like to appoint Nathan Copeland to serve on the Library Board of Trustees. Members of the Library Board are appointed to three-year terms and are eligible to serve two terms.

In his application to the Board of Trustees, Nathan stated, "I am a parent vested in improving Pella's Library to help feed my two talented and tenacious readers who love their local library and its staff."

Nathan works as a Senior System Engineer at Vermeer; he has lived in Pella for over 14 years. He and his family live at 1719 Neil Drive in Pella.

If approved, Nathan's new three-year term will begin on July 1, 2020 and expire on June 30, 2023.

ATTACHMENTS: None
REPORT PREPARED BY: Library Director
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve the appointment

4. Appointment of Kristi Leonard to the Library Board.

Schiebout moved to approve, seconded by Hopkins.

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

BACKGROUND: Mayor DeWaard would like to appoint Kristi Leonard to serve on the Library Board of Trustees. Members of the Library Board are appointed to three-year terms and are eligible to serve two terms.

Kristi is the Assistant Dean of Students at Central College. In her application to the Board of Trustees, she stated, "I find the Library to be a place where all, regardless of socioeconomic status, gender, ability, etc. are welcomed to gather, learn, socially connect, find resources, and foster the joy of reading."

One member of the Library Board must be a resident of rural Marion County. Kristi lives at 963 202nd Avenue in Marion County. The Marion County Board of Supervisors will also confirm her appointment.

If approved, Kristi's new three-year term will begin on July 1, 2020 and expire on June 30, 2023.

ATTACHMENTS: None
REPORT PREPARED BY: Library Director
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve the appointment

5. Appointment of Caryn Van Hemert to the Community Development Committee.

Branderhorst moved to approve, seconded by Bandstra.

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

BACKGROUND: Mayor DeWaard would like to appoint Caryn Van Hemert to the Community Development Committee. She is a registered nurse and has 10 years of experience in interior design. Caryn states that she would like to use her passion for architecture and design to aid Pella in maintaining its Dutch heritage in an authentic way. Caryn has resided in Pella for over 50 years.

If approved, Caryn's term would expire on August 1, 2020, at which point she would be eligible for appointment to a full three-year term.

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

6. Certified List of Police Chief Candidates.

Branderhorst moved to approve, seconded by De Jong.

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

BACKGROUND: The Pella Civil Service Commission has certified the following four candidates, listed in alphabetical order, for the position of Police Chief:

Troy Bacon	Frankfort, IN
Paul Haase	Pella, IA
Fredrick Jortner	Cheshire, CT
Shane McSheehy	Eustis, FL

ATTACHMENTS: None
REPORT PREPARED BY: Mandy Smith/Clerk/Pella Civil Service Commission
REVIEWED BY: City Administrator
RECOMMENDATION: Accept the Pella Civil Service Commission's certified list

***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 Hopkins.

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 19, 2020
2. Report of Committees
 - a. Policy and Planning Minutes for May 19, 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 8:23 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 first agenda items addressed proposed rate increases. The fiscal year 20-21 budget included an 8% wastewater rate increase and a 5% water rate increase effective with June usage. The wastewater rate increase is necessary to fund improvements required by the Iowa Department of Natural Resources. The water rate increase is necessary to provide sufficient funding to support ongoing maintenance of the City's new reverse osmosis treatment system.

At the end of the discussion, staff was directed to proceed with placing the drafted ordinances increasing wastewater rates by 8% and increasing water rates by 5% on the June 2, 2020 Council agenda for formal consideration.

The last item on the agenda was a discussion regarding the sidewalk inspection program. The southwest portion of the City is scheduled for inspection in 2020. At the end of the discussion, staff was directed to delay this inspection program by one year due to the pandemic.

The meeting adjourned at 8:45 p.m.

Respectfully submitted:

Mandy Smith
City Clerk

b. Airport Committee Minutes for December 13, 2019

Members Present: Rick Gritters, Dave Erickson, Dave Barnes, Tom Vander Linden, Ted Zylstra, Matt Hutchinson, Sid Pinney

Members Absent: None

Others Present: Shane Vande Voort, Denny Buyert

Approval of Minutes: Motion: The Committee amended and approved the minutes from September 27, motion Dave B and 2nd Dave E.

New Business:

Matt Hutchinson volunteered to be committee secretary

Project updates:

5yr CIP project roadmap update (Draft due to Airport manager on 12/20/19)

- Runway Rehab 2020
- Wildlife Fence 2020
- Apron expansion 2021
- Access Road 2022

Runway rehab is still temporary solution to maintain safety prior to relocation to regional airport

Wildlife fence was to have been constructed in 2019, but has now slipped to 2020

USDA has harvested 9 deer off the airport property this fall

Proline will be out after the first of the year to fix south end of hangar/door

Discussion of needs at the existing Pella Municipal Airport:

Investigate updates needed for fuel monitoring / dispensing system in the next 5 years

Regional Airport: Update by Dave B

First of two payments issued for first negotiated parcel

Current offers, counter-offers and appraisals are being conducted and negotiated for additional parcels.

Oskaloosa has sold non-aeronautical ground to a single buyer for \$3.1M, regional airport now has cash for additional land acquisition.
 Mahaska County trial/litigation has been postponed until 2021
 Airport Managers report to the committee: By Shane Vande Voort
 Activity remains high with w/ fuel sales looking similar to 2018
 Snow equipment is ready to go for the season
 Hangar and tie-down space continue to be an ongoing issue

- Use of leased corporate hangar space will no longer be available come June of 2020

Good support from city with mechanical/maintenance support
 Classic Aviation has assumed operations of the Oskaloosa airport as manager and FBO
 Classic Aviation has been recognized as a Cirrus Service Center for 15 years, and retained Garmin Avionics dealership for 2020
 Airport manager contract has been reworked with city council to be more on par with other cities
 Classic Aviation has grown to;

- Seven (7) full-time mechanics
- Four (4) full-time pilots and flight instructors
- Two (2) part-time shop assistants
- Three (3) part-time flight instructors
- Two (2) FBO flight line personnel
- One (1) full time office manager, two (2) part-time
- Six (6) part-time line personnel

Final Comments:
 Need to maintain philosophy of what is still best for the Pella Municipal airport, upto the point that we need to relocate.
 Need to acknowledge the service of Marv and Warren, talk with Mandy
 Adjourn: Motion by Dave E. & 2nd by Dave B.
 Next regular meeting will take place on Friday, March 27th, 2020.

c. Community Development Committee Minutes for April 8, 2020

Chairperson Brummel called the Community Development Committee to order in the Public Safety Complex at 5:30 p.m. Members present were: Jerry Brummel, Susan Canfield (via phone), Patsy Cody, Linda Groenendyk (via phone; joined conference call at 6:01 p.m.), Mike Kiser (via phone), Jody Lautenbach (via phone), Wayne Stienstra (via phone), and Bob Zylstra (via phone). Absent: Leah Bokinsky and Lowell Olivier-Shaw. Staff present: Planning and Zoning Director Matthew Lepke and Deputy City Clerk Cynthia Vaske. Three members of the general public attended the conference call.

APPROVAL OF TENTATIVE AGENDA

Motion by Zylstra, second by Stienstra to approve the tentative agenda. Motion carried 7-0.

APPROVAL OF MINUTES

Motion by Kiser, second by Canfield to approve the minutes from the March 11, 2020 meeting. Motion carried 7-0.

NEW BUSINESS

Consider a Design Permit Application to Construct an Addition to the Commercial Building Located at 202 South Main Street
 Marvin Rus submitted a design permit application to alter the building located at 202 South Main Street, which is located within the City's Gateway Corridor (GC) overlay district. It is zoned CC (community commercial), meaning it is also subject to Design District review, due to its commercial designation. The proposed improvements would expand and enhance an existing auto-oriented business.

A summary of the applicant's design permit application is listed below.

1. Construct a 1,080 square foot-addition to the existing structure, adding two garage bays. Materials include stucco, brick, concrete masonry unit (CMU), wood framing, asphalt shingles, and aluminum storefront trim.
2. A stepped gable façade is offered for the front of the building.

The items listed below are key criteria to consider when reviewing design permit applications in the DR District.

Façade/Exterior

The applicant proposes a stepped gable treatment on the front of the building, above the main entrance. A traditional-style awning is also proposed for the windows on the south side.

Roof style/pitch

The saddle roof style has an appropriate pitch for commercial Dutch design.

Architectural Colors

Colors shall be chosen from the Pella Color Palette. The applicant proposes two colors, Theisen's/Valspar Midnight Secret and Behr Dusty Brown, as well as off-white trim; the color exhibit is attached.

Staff finds that the application complies with zoning code regulations and the design manual, though a minor design element may be considered for addition to the south side of the building. Staff recommends approval of the design permit.

Klingner & Associates Pella Branch Manager and Chief Architect Kim Mulch, on behalf of the applicant, was present to speak in favor of the design application and to answer questions from the Community Development Committee (CDC).

The CDC discussed potentially having the siding that is under the roof peak on the south side of the structure installed on the east side of the building or having an exterior insulation and finish system (EIFS) installed on the east side. The committee asked Mulch to provide staff with drawings of these two options to be considered by either the Design Subcommittee or by the CDC at a future meeting.

Motion by Kiser, second by Zylstra to table the design permit. Motion carried 7-0.

Consider a Design Permit Application to Alter the Exterior Facades of the Existing Structure Located at 405 Truman Road
 Bruxvoort's Decorating Center has submitted a design permit application to alter the building located at 405 Truman Road, known as the former Pella Recreation Center Fieldhouse. The application summarizes the proposed improvements as a new entry, display windows, signage, new loading docks, and a new interior second floor. A summary of the requested alterations is provided below.

Proposed Alterations:

1. New large windows added on the north façade.
2. New overhead doors at loading dock.
3. New stone veneer façade improvements at proposed entrance.
4. New paving and loading areas on north and south sides.

The building is predominantly a sand color, with dark green trim along the bottom. These colors appear to meet the Pella Color Palette requirements.

This site poses a unique challenge. The building was constructed while part of the M-1(limited/light industrial) zone, but later rezoned to Community Commercial (CC). Per 165.16.7, "[a]ny land rezoned to a commercial zoning district or annexed into the corporate limits as a commercial zoning district shall be concurrently rendered part of the DR Design Review Overlay District." Therefore, the committee is challenged with the task of giving a metal, machine shed-style building a Dutch architecture treatment.

Staff finds the improvements to enhance the building's appearance; however, minor Dutch elements may be added, such as changing the proposed entrance façade treatment to a gable design. Faux shutters could be added to the large windows on the north side, as well as the building's other windows. Staff welcomes the committee's expertise and suggestions on the proper elements.

Groenendyk joined the call at 6:01 p.m.

The applicant, Jacque Zondervan, the contractor for the project, Curt Hooyer, and Mulch were available by phone to answer questions from the committee and to speak in favor of the design permit.

Stienstra expressed concern with the lack of Dutch elements included in the design application. Cody suggested using an alternative brick with rounded edges instead of the proposed stone on the façade. She also suggested tabling the item for consideration until the Design Subcommittee has an opportunity to meet with the applicant to discuss their options for design further. Mulch said he could resubmit an alternative design to the City within a week's time. Hooyer indicated he could provide the CDC with samples of building materials for the façade to aid in their decision making.

Motion by Cody, second by Canfield to table the design permit. Motion carried 8-0.

OTHER BUSINESS / PUBLIC FORUM

In response to a question from Kiser, Planning and Zoning Director Matthew Lepke indicated that communication is ongoing between the City and the owners of 408 Oskaloosa Street in regards to their design application.

Next Meeting Date

The next regular meeting is scheduled for May 13, 2020.

Adjourned at 6:36 p.m.

d. Board of Adjustment Minutes for April 20, 2020

Chairperson Vander Meiden called the Board of Adjustment to order at 6:00 p.m. in the Public Safety Complex. Members present were: Jim Corbett (via phone), Vince Nossaman (via phone), Susan Reiter (via phone), Merlan Rolffs (via phone), Lyle Vander Meiden (in person), Mike Vander Wert (in person), and Corey Westra (via phone). Absent: none. Staff present: Finance Director Corey Goodenow and Deputy City Clerk Cynthia Vaske. Due to heightened public health risks associated with the COVID-19 pandemic, accommodations were made to broadcast this meeting via conference call. One member of the public was in attendance in person and three members of the public attended the conference call.

CHAIRPERSON'S COMMENTS

Approval of the Tentative Agenda

Motion by Reiter, second by Vander Wert to approve the tentative agenda. Motion carried 7-0.

APPROVAL OF MINUTES

Motion by Reiter, second by Vander Wert to approve the February 11, 2020 minutes. Motion carried 7-0.

NEW BUSINESS/PUBLIC HEARINGS

Consider a Special Use Permit Application to Operate a General Day Care Service at the Property Located at 308 SE 9th Street

Josh Visser has submitted a Special Use Permit (SUP) application to relocate a General Day Care Service, De Kinderen Huis, to 308 SE 9th Street. It is important to note that the Board of Adjustment approved a SUP for the applicant's existing daycare in 2017. Therefore, the purpose of this request is to relocate the applicant's existing daycare to the proposed location.

The proposed land use is defined in code as "[the] classifications of day care facilities regulated by the State of Iowa that operate providing care for more than six (6) children. This term includes nursery schools, preschools, day care centers for children or adults, and similar uses, but excludes public and private primary and secondary educational facilities."

Staff finds that the proposed use is in compliance with the standards and regulations of the zoning code. In addition, the Comprehensive Plan indicates the use is compatible with surrounding properties. That said, staff recommends the SUP request to relocate the proposed daycare be approved as submitted.

Convened Public Hearing on the SUP request. No written comments were received.

Motion by Reiter, second by Vander Wert to close the Public Hearing as no further comments were received. Motion carried 7-0.

Motion by Corbett, second by Reiter to approve the SUP request as submitted. Motion carried 7-0.

Consider a Variance Application for the Property Located at 969 202nd Avenue to Decrease the Required Street Side Yard for the Construction of an Attached Garage

The applicants, Paul and Vicki Jones, are the owners of 969 202nd Street. This single-family detached residence sits on a 0.29-acre lot and is zoned R1, Single-Family Residential. This district is intended to provide for low-density residential neighborhoods, characterized by single-family dwellings on relatively large lots with supporting community facilities and urban services. Its regulations are intended to minimize traffic congestion and to assure that density is consistent with the carrying capacity of the infrastructure. The applicant is requesting a variance from Table 165.12-3 of the City's zoning ordinance to allow for the construction of a third garage stall on the north side of an existing structure. Table 165.12-3 requires a street side yard of 20 feet. The applicant is requesting a reduction of the minimum street side yard to nine feet.

Staff believes the request does not meet the required criteria to receive approval of the variance. While staff is sympathetic to the owner's desire, the requested nine-foot interior yard setback far exceeds the minimum standards of the City's zoning code. Additionally, staff believes that if a minor modification was sought and approved by the applicant, the applicant could construct an additional 10 feet to the north to support for the garage addition. For these reasons, staff recommends the Board deny the variance application.

Convened Public Hearing on the variance request. One written comment was received in support of the variance request and included in the meeting packet. Vander Meiden read the written comment aloud at Reiter's request.

Paul Jones, the applicant, was present to speak in favor of the variance request and answer questions from the Board. After discussion with the Board, P. Jones indicated he was okay with a seven-foot variance instead of his original variance request.

Motion by Reiter, second by Corbett to close the Public Hearing as no further comments were received. Motion carried 7-0.

Motion by Nossaman, second by Vander Wert to approve a seven-foot variance. Motion carried 7-0.

OTHER BUSINESS/PUBLIC FORUM

The next meeting is scheduled for May 18, 2020.

Adjourned at 7:13 p.m.

e. Library Board Minutes for May 12, 2020

I. Call to Order and Roll Call: President Verlan called the meeting to order at 4:03 p.m. Board members present via phone were: Angela Adam, Verlan Den Adel, Suzy Card, Brenda Huisman, Dinakar Kesavapillai, and Rachel Sparks. Library Director Mara Strickler was present. Kenny Nedder 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: No visitors were present.

III. Approval of Agenda: The May 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 April 2020 minutes prior to the meeting. Angela moved to approve the April minutes as written. Dinakar 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 May list of bills prior to the meeting. After a brief discussion and questions regarding the bills, Brenda moved to approve the May bills. Suzy seconded the motion. On roll call, the vote was: AYES: 6, NAYS: None. The bills were unanimously approved.

VI. Unfinished Business:

- a. There was no unfinished business.

VII. New Business:

- a. Review of curbside pickup service and discussion of service models
 - i. Evaluation of hours and staffing needs: Mara presented an update on the current Library curbside pickup service.
- b. Review of Board applicants and matrix evaluations: All Board members received the Library Trustee Applications and matrix for evaluations to fill the two Trustee positions beginning in July. After compiling results from all Board member evaluations and a brief discussion, Angela moved to approve for Mara to contact the two individuals to let them know the Board is recommending them to the Mayor for appointment on the Library Board. Dinakar seconded the motion. On roll call, the vote was: AYES: 6, NAYS: None. The applicants were unanimously approved.
- c. Personnel committee duties: Director's evaluation and officer nominations will be in the next couple months.
- d. Review of the State of America Libraries 2020: All Board members received a copy of the American Libraries special report for review.

VIII. President's Report and Announcements:

- a. President Verlan shared his thanks to the Library staff for how well they have been handling the shut down and reopening in stages with implementing curbside pickup in addition to taking on new roles during this time.

IX. Director's Report:

A. Aviary Service Provider:

- With the support of the Friends of the Library Board, we transitioned from Living Design, Inc. to Serenity Aquarium and Aviary Services based out of Wisconsin. For some time, the Staff and the FOL Board had been dissatisfied with the service provided by Living Design. Serenity comes well recommended and should provide more consistent care of the birds, as well as be slight reduction in costs. The birds are looking forward to the Library reopening!

B. IMLS Grant Update

- As of 5/8/2020, 904 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. Due to the introduction of the curbside pick-up service, we have had to suspend scanning materials to the Pella Community Memory Database and we'll restart when we're able. As we have made very good progress, the suspension will not adversely affect the project.

C. Iowa Library Association

- As the President of ILA, I am co-chairing the Conference Planning Committee. The conference is scheduled to take place in mid-October in Dubuque; needless to say, this has been a challenging time to plan for the future. We are currently in discussion about whether to proceed with an in-person conference or transition to online only. I expect that we will make a decision by mid-June. If the conference is online, it would be a good CE opportunity for Board members.

D. Statistics

- Adventure passes: 0 passes checked out in April: Due to the COVID-19 public health crisis all Adventure Pass locations were closed in April.
- Fax24: 0 faxes sent in April.
- Hoopla: 662 total circulations borrowed by 281 unique patrons, 124 patrons used all 3 checkouts, average price per circulation: \$1.51, 136 patrons were blocked by the budget caps (269 transactions)

E. Upcoming events:

Adults:

- No fixed time: Geri-Fit Online – Patrons must register for online account

Youth:

- M-F at 9:00 a.m. & 10:30 a.m.: Story time with Miss Katie via Facebook Live
- Tuesdays at 1 p.m. starting in June: Book to Movie Club via Facebook Live
- Wednesdays at 2 p.m. starting in June: Teen Book to Movie Club via Facebook Live

X. Trustee training reports:

- a. All Board members received a copy of Palaces for the People by Eric Klinenberg: A Place to Gather chapter discussion – table discussion for Board meeting when able to meet in person at the Library.

XI. Committee reports:

a. Policy Review:

- i. Displays policy: Postpone review of policy until we have received recommendation from the City Attorney for liability concerns and guidance.
- ii. 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 5:08 p.m. The next regularly scheduled Board Meeting is scheduled for Tuesday, June 9, 2020.

f. Airport Committee Minutes for May 15, 2020

Members Present: Rick Gritters, Dave Barnes, Tom Vander Linden, Ted Zylstra, Matt Hutchinson, Sid Pinney

Members Absent: Dave Erickson

Others Present: Shane Vande Voort, Denny Buyert, Mike Warin, Kyle Reynolds

Approval of Minutes: Motion: The Committee amended and approved the minutes from December 13, motion Ted Z. and 2nd Dave B.

Passed unanimously

New Business:

1. Discussion of allocation for CARES Act grant money for KPEA airport:

Sid Pinney presented an overview of the CARES act funding. Based on airport activity, \$69,000 is coming to the city of Pella. The amount of funds Pella is receiving is more than double that received by surrounding communities, due to the increased impact COVID-19 has had on aviation related activities in our community. Based on the fact that these funds are being made available due to the presence and vibrant activity of the Pella Municipal airport a sub-set of the entire committee, Sid P, Tom VL, and Ted Z, met with Shane VV to discuss opportunities to improve the airport with these funds, beyond them just being earmarked for the general operations fund. This discussion prompted the

need to convene this special meeting to further discuss, and Shane was asked to put together a needs list to present to the full committee, ranked on his perspective of need;

1. Improving the large east storage hangar, built in 2008-2009. This building was intended to be temporary, and was never finished out with insulation, adequate lighting or heat. It is estimated it would cost \$60-\$70K to turn this into a storage hangar, that could store transient aircraft overnight, keep them warm, and be used to and de-ice aircraft in inclement weather.
2. Hangar and door improvements on North T-hangars
3. Terminal building remodel to replace old worn out interior décor and address exterior maintenance concerns.

Committee discussion on improvement topics at hand, and how to present the findings of the committee to the Mayor and City Council on how the funds should be allocated. The committee discussed and concluded that item #1 is most beneficial to daily operations at the airport. Corporate representatives from Pella Corp and Vermeer acknowledged, that while vacant corporate hangar space has been utilized for transient aircraft in the past, it is not a private company's job to help out the city due to lack of adequate infrastructure at the airport. Proposal: Come before the Pella City Council and get on the agenda for Tuesday, June 2 with a recommendation from the Pella Airport Committee to use the CARES act funds, to improve the large east storage hangar to a condition that it can be used for overflow transient aircraft storage, de-icing, and protection during inclement weather by insulating, heating, and adding adequate lighting for a proper working environment. Additionally, any increased utility costs from the improvements will be paid by Classic Aviation and viewed as an additional expense related to their daily operations.

Motion: Brought to the floor by Tom VL, 2nd Ted Z.

Passed Unanimously

2. Recommendation that the Pella Airport Committee resume monthly meetings on the last Friday of every month. Lack of visibility from quarterly meetings, does not allow for timely interaction with the city.

Motion: Brought to the floor by Tom VL, 2nd Rick G

approved 5 to 1 (Aye: Rick G, Tom VL, Ted Z, Sid Pinney, Matt H; Nay: Dave B)

Project updates: Update by Denny Buyert

Wildlife fence project is going well; cattle / deer guard barrier on site ready to be installed.

Runway Rehab 2020

- Bid Letting Out - Two bids received one on budget
- CARES act has increased funding to 100%, equates to an additional \$300K for runway project
- East Hangar door has been addressed by the city

Regional Airport: Update by Dave B

- Property acquisition continues to move forward, roughly 1/3 is purchased or under contract.
- Working with Mahaska County Supervisors over farm to market road issue to try and settle outside of litigation
- Additional land owners are now in active acquisition negotiations, and opinion is that they are ahead of schedule
- FAA is pushing the grant application money to expedite the land acquisition

Airport Managers report to the committee: By Shane Vande Voort

COVID mitigation practices in place

Acknowledgement of cancellation of Tulip Time flight breakfast

Excited to see wildlife fence going up and improvements happening on the field

Council approval on Runway repair later next week

- 60 day closure will be scheduled later this fall

Concrete work in t-hangar

Mowing season is underway, mowers are serviced and operational

Congressional acknowledgement of airport activity and fund available for CARES act

- Activity at airport is recognized by FAA

Fuel Sales and Pilot service have all but shut-off due to COVID-19, revenue is down and runway closure in the fall will impact FBO operations moving forward

Final Comments:

Any faltering of service at the Pella Municipal Airport in the next 5-7 years prior to the new regional airport opening, should be viewed as a failure by the city and this committee. The airport has an economic impact on this community far greater than anyone realizes. It is our duty ensure we don't lose aviation services prior to closure of this airport.

Adjourn: Motion by Ted Z. & 2nd by Dave B.

Passed unanimously

Next regular meeting will take place on Friday, June 26th, 2020.

3. Petitions and Communications

a. Renewal of Cigarette/Tobacco/Nicotine/Vapor Permit for Wal-Mart Supercenter #751

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 business has applied for renewal of their cigarette/tobacco/nicotine/vapor permit:

Wal-Mart Supercenter #751 1650 Washington Street

Staff is recommending approval as the application and fees are in order.

ATTACHMENTS: None

REPORT PREPARED BY: City Clerk

REVIEWED BY: City Administrator

RECOMMENDATION: Approve renewal of cigarette/tobacco/nicotine/vapor permit

4. Administration Reports

a. Resolution No. 6139 entitled, "RESOLUTION AUTHORIZING DESIGNATED CITY OFFICIALS TO OPEN, MAINTAIN, AND MAKE TRANSACTIONS IN CITY ACCOUNTS IN VARIOUS BANKS AND FINANCIAL INSTITUTIONS"

BACKGROUND: The City of Pella conducts business with several different financial institutions in the community. Recently, one of these financial institutions requested a resolution authorizing the signatories on the account. The resolution included with this memo authorizes the following individuals to open, maintain, and make transactions on those accounts:

Donald DeWaard, Mayor

Mike Nardini, City Administrator

Corey Goodenow, Finance Director

If approved, this resolution will serve as documentation and approval for those individuals to conduct financial business on behalf of the City of Pella.

ATTACHMENTS: Resolution
REPORT PREPARED BY: Finance Director
REPORT REVIEWED BY: City Administrator, City Clerk
RECOMMENDED ACTION: Approve resolution

D. *PUBLIC HEARINGS – None

E. PETITIONS & COMMUNICATIONS – None

F. PLANNING & ZONING ITEMS – None

G. ADMINISTRATION REPORTS – None

H. RESOLUTIONS

1. Resolution No. 6140 entitled, “RESOLUTION ACCEPTING THE 2019 SIDEWALK REPAIR PROJECT.”

Bandstra moved to approve, seconded by Hopkins.

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

BACKGROUND: These resolutions accept the 2019 Sidewalk Repair Project and order preparation of the final plat and schedule of assessments for the project. As background, in 2018 Council approved a sidewalk inspection program which divided the City into quadrants allowing a complete sidewalk inspection every four years. The second year of the program focused on the northwest quadrant of the City, resulting in the identification of 791 defective panels.

Owner Repair Results

Staff notified owners of affected property with defective sidewalk panels by certified mail of the requirement to make repairs by November 1, 2019. The letter also indicated that if repairs were not made, the City would repair the defective panels and assess the cost to the individual properties. After the deadline, staff conducted a reinspection and found that 172 individual property owners, with 403 defective panels, elected to allow the City to make repairs to the defective panels.

Sidewalk Repair Project

In January of 2020, Council approved a contract with TK Concrete to conduct the repairs to the defective panels. This project has been completed in accordance with the plans, specifications, and contract. The total contract cost of the improvements is \$79,033.98.

Assessment and Timeline

As previously discussed, under Iowa Code a city may accumulate invidious assessments for repair and replacement of sidewalks and may periodically certify the assessments to the county treasurer under one or more assessment schedules following guidelines outlined in Iowa Code Section 384. The following is a summary of those guidelines and a proposed timeline.

- June 2, 2020: Council accepts the project by resolution and orders preparation of final plat and schedule of assessments against each property by resolution.
- June 9, 2020: Assessment plat and schedule filed in the office of the city clerk.
- June 16, 2020: Formal approval of the assessment schedule by resolution.
- June 17, 2020: Certificate of levy of assessments filed with the county treasurer.
- June 18, 2020: Notice of assessment is published for the first time.
- June 19, 2020: Notice of assessment is mailed to affected property owners.
- June 25, 2020: Notice of assessment is published for second and final time.
- July 17, 2020: Notify county treasurer of those assessments that have been paid in full.

In summary, staff is recommending approval of these resolutions accepting the 2019 Sidewalk Repair Project and ordering preparation of the final plat and schedule of assessments for the project.

ATTACHMENTS: Resolution 6140, Resolution 6141
REPORT PREPARED BY: Planning and Zoning Department
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve resolution

2. Resolution No. 6141 entitled, “RESOLUTION ORDERING PREPARATION OF FINAL PLAT AND SCHEDULE OF ASSESSMENTS FOR THE 2019 SIDEWALK REPAIR PROJECT.”

De Jong moved to approve, seconded by Schiebout.

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

BACKGROUND: These resolutions accept the 2019 Sidewalk Repair Project and order preparation of the final plat and schedule of assessments for the project. As background, in 2018 Council approved a sidewalk inspection program which divided the City into quadrants allowing a complete sidewalk inspection every four years. The second year of the program focused on the northwest quadrant of the City, resulting in the identification of 791 defective panels.

Owner Repair Results

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In summary, staff is recommending approval of these resolutions accepting the 2019 Sidewalk Repair Project and ordering preparation of the final plat and schedule of assessments for the project.

ATTACHMENTS: Resolution 6140, Resolution 6141
REPORT PREPARED BY: Planning and Zoning Department
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve resolution

3. Resolution No. 6142 entitled, “RESOLUTION ORDERING CONSTRUCTION OF THE OUTSIDE DROP SERVICE EQUIPMENT AND INSTALLATION, AND FIXING A DATE FOR HEARING THEREON AND TAKING OF BIDS THEREFOR.”

Schiebout moved to approve, seconded by Hopkins.

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 Pella Fiber to the Premise (FTTP) Network Outside Drop Service Equipment and Installation. As background, this project generally consists of the installation of drop conduit from the public right of way and installation of a service drop from a subscriber terminal to the premises. Staff anticipates there will be approximately 2,000 service drop installations which are expected to begin in July of 2020 with completion by September 2021.

The City's engineer on this project, NewCom, will handle the bid process. The engineer's opinion of probable costs for this project is \$1,345,270. If Council approves this resolution, critical dates for the project are as follows:

Bid opening	June 23, 2020
Public hearing and notice to proceed	July 7, 2020

Staff is recommending approval of this resolution.

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

4. \$10,735,000 Electric Revenue Capital Loan Notes, Series 2020C

BACKGROUND: The following resolutions and approvals are in support of the loan agreement for \$10,735,000 of Electric Revenue Utility Revenue Loan Notes for the electric utility's fiber infrastructure project. These notes will be utilized to 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. This proposed issuance will provide the funds necessary to construct the fiber buildout, construct a new electric/telecom building, and billing system.

Key Terms

At the Council meeting on May 19, 2020, the City Council accepted the financial proposal which was the framework for the associated proceedings. As discussed at that meeting, 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.

The following items are listed on the agenda for consideration related to this item:

1. Agenda item H-4-a: Resolution No. 6143
This resolution appoints UMB Bank N.A. of West Des Moines to serve as the paying agent, note registrar, and transfer agent. The City currently utilizes UMB Bank for outstanding issuances and has a long history of working with the staff in the West Des Moines location.
2. Agenda item H-4-b: 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.
3. Agenda item H-4-c: Approve Continuing Disclosure Certificate
The Continuing Disclosure Certificate requires the City to provide annual financial information and operating data and other operating data described in the Continuing Disclosure Certificate to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") so long as the Notes are outstanding, and also to provide notice to EMMA if certain events occur. It is important to note, staff has reviewed these requirements with bond counsel, and we are recommending approval.
4. Agenda item H-4-d: Resolution No. 6144

This resolution approves and authorizes the loan agreement as outlined within this memo.

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 associated documents which would provide the needed funds to support capital costs necessary to support the utility.

ATTACHMENTS: Resolution 6143, Tax Exemption Certificate, Continuing Disclosure Certificate, Resolution 6144
REPORT PREPARED BY: Finance Director
REPORT REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve proceedings

- a. Resolution No. 6143 entitled, "RESOLUTION APPOINTING UMB BANK, N.A. OF WEST DES MOINES, IOWA, TO SERVE AS PAYING AGENT, NOTE REGISTRAR, AND TRANSFER AGENT, APPROVING THE PAYING AGENT AND NOTE REGISTRAR AND TRANSFER AGENT AGREEMENT AND AUTHORIZING THE EXECUTION OF THE AGREEMENT."
Bandstra moved to approve, seconded by De Jong.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.
 - b. Approval of Tax Exemption Certificate.
Branderhorst moved to approve, seconded by Schiebout.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.
 - c. Approval of Continuing Disclosure Certificate.
De Jong moved to approve, seconded by Branderhorst.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.
 - d. Resolution No. 6144 entitled, "A RESOLUTION APPROVING AND AUTHORIZING A FORM OF LOAN AGREEMENT AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF \$10,735,000 ELECTRIC REVENUE CAPITAL LOAN NOTES, SERIES 2020C, OF THE CITY OF PELLA, STATE OF IOWA, UNDER THE PROVISIONS OF THE CITY CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF THE NOTES."
De Jong moved to approve, seconded by Schiebout.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.
5. Resolution No. 6145 entitled, "RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING WITH THE PELLA COMMUNITY SCHOOL DISTRICT."
Hopkins moved to approve, seconded by Sporrer.
On roll call the vote was: AYES: 6, NAYS: None. Motion carried.
- BACKGROUND: This resolution approves a Memorandum of Understanding (MOU) with the Pella Community School District. The intent of the MOU is for both parties to work in good faith and use best efforts in forming a partnership to allow the school district to broadcast events through the City's telecommunication's utility. As background, in 2018 the citizens of Pella overwhelmingly approved forming a municipal telecommunications utility. As a part of the new utility, the City of Pella is planning on offering local programming. The intent of the local programming is to promote the community and provide additional options for our citizens in viewing community events. Staff believes the proposed MOU with the Pella Community School District is a win-win for both parties, as the broadcasting of the school district's events will promote the community and enhance the Pella Community School District. Examples of events that could be broadcast include athletic events, performing arts events, school board meetings, and any other activity which could promote the Pella Community School District.

In summary, staff is recommending approval of this resolution and MOU with the Pella Community School District.

ATTACHMENTS: Resolution, Memorandum of Understanding
REPORT PREPARED BY: City Administration
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve resolution

6. Resolution No. 6146 entitled, "RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING WITH CENTRAL COLLEGE."

Branderhorst moved to approve, seconded by De Jong.

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

BACKGROUND: This resolution approves a Memorandum of Understanding (MOU) with Central College. The intent of the MOU is for both parties to work in good faith and use best efforts in forming a partnership to allow the college to broadcast events through the City's telecommunication's utility. As background, in 2018 the citizens of Pella overwhelmingly approved forming a municipal telecommunications utility. As a part of the new utility, the City of Pella is planning on offering local programming. The intent of the local programming is to promote the community and provide additional options for our citizens in viewing community events.

Staff believes the proposed MOU with Central College is a win-win for both parties, as the broadcasting of the college's events will promote the community and enhance the college. Examples of events that could be broadcast include athletic events, performing arts events, and any other activity which could promote Central College.

In summary, staff is recommending approval of this resolution and MOU with Central College.

ATTACHMENTS: Resolution, Memorandum of Understanding
REPORT PREPARED BY: City Administration
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve resolution

7. Resolution No. 6147 entitled, "RESOLUTION IN SUPPORT OF WORKFORCE HOUSING TAX CREDITS APPLICATION TO BE SUBMITTED TO IOWA ECONOMIC DEVELOPMENT AUTHORITY FOR A HOUSING DEVELOPMENT PROJECT BY KADING PROPERTIES."

Schiebout moved to approve, seconded by Hopkins.

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

BACKGROUND: This resolution approves a Workforce Housing Tax Credits Application by Kading Properties for the View Pointe workforce housing development in Pella. The proposed development includes 92 residential units that are primarily duplexes with some townhomes. The proposed development will remain under single ownership with the intent of renting the properties. Included with this development is a large greenspace with a walking path and picnic tables for use by the residents. The developer estimates the construction cost of the overall project is approximately \$10.8 million.

Workforce Housing Tax Credit Program

The Workforce Housing Tax Credit program administered by the IEDA is intended to help developers build housing targeted for middle income households and support the expansion of local employers through workforce development. The tax credits are intended to help offset the overall cost of the development, which makes projects more feasible. To be eligible for the tax credits, the program limits the cost of construction per housing unit to \$215,000, including the cost of the land. In addition, the program requires a 10% local match from the community. For the View Pointe Development, this equates to \$92,000. Overall, IEDA has \$10 million allocated for rural communities and any awards are based on the need for workforce housing in the community. It should be noted, this is a competitive program and even if Council approves this resolution, the developer may not be awarded tax credits.

Proposed Local Match

According to current City policies, the City expects to spend approximately \$96,000 in material costs for the electric and telecommunications utility to serve this development. It is staff's understanding that these costs are considered eligible for the local match of the Workforce Housing Tax Credit program. Therefore, if Council approves this resolution the City will not be obligating any additional funds for the development outside of what we normally expend to facilitate development.

Summary

The recent Marion County Housing Assessment and the City's Comprehensive Plan identified workforce housing as a critical need in our community; therefore, staff believes the Workforce Housing Tax Credit program could help facilitate the View Pointe Development in our community. As a result, we are recommending approval of this resolution.

ATTACHMENTS: Resolution, Workforce Housing Tax Credit Announcement
REPORT PREPARED BY: City Administration
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve resolution

I. ORDINANCES

1. Ordinance No. 977 entitled, "AN ORDINANCE AMENDING WASTEWATER RATES IN THE CITY OF PELLA, IOWA."

De Jong moved to place ordinance no. 977 on its first reading, seconded by Schiebout.

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

It was moved by Bandstra that the statutory rule requiring said ordinance to be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, seconded by De Jong.

On roll call the vote was:

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

NAYS: 1 (Schiebout)

Motion carried.

Schiebout moved that ordinance no. 977 be adopted, seconded by De Jong.

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

Mayor DeWaard declared the ordinance duly passed and adopted.

BACKGROUND: This ordinance increases the wastewater rates of the City of Pella by 8% effective for utility bills due August 20, 2020 for July usage. Council discussed this rate increase during the Policy and Planning meeting on May 19, 2020, directing staff to proceed with formal consideration. As background, the FY 20-21 budget included this increase which is necessary to fund improvements required by the Iowa Department of Natural Resources (IDNR). These mandated improvements total an estimated \$6 million and are necessary to comply with the stringent ammonia, E. coli, and dissolved oxygen limitations established by the IDNR. Overall, staff believes wastewater rates will need to increase by 25% to 30% over the next several years in order to meet the new mandates.

Proposed Wastewater Rate Structure

The proposed rate increase of 8% would be effective for utility bills due August 20, 2020 for July usage. At that time, the base fee for the wastewater rate would increase from \$19.83 to \$21.42 per month. In addition, the cost per 1,000 gallons of water used would increase from \$4.96 to \$5.36.

Impact of Wastewater Rate Increases

The proposed rate increase of 8% would be effective for all customer classes. The following chart represents the impact of the rate increase for different customer types inside the City limits. For the average residential customer using 7,000 gallons per month, the proposed increase is \$4.39 per month. For the average commercial customer using 35,000 gallons per month, the proposed increase is \$15.59 per month. For the average industrial customer using 100,000 gallons per month, the proposed increase is \$41.59 per month.

Monthly Rate Comparison

	Minimum	7,000 Gallon Residential	35,000 Gallons Commercial	100,000 Gallons Industrial
Pella (Current)	\$ 19.83	\$ 54.55	\$ 193.43	\$ 515.83
Pella (Proposed)	\$ 21.42	\$ 58.94	\$ 209.02	\$ 557.42
Increase	\$ 1.59	\$ 4.39	\$ 15.59	\$ 41.59

Comparable Cities

The chart below compares the City of Pella's current and proposed wastewater rates against the surrounding cities of Knoxville and Oskaloosa. For all customer classes, even after the proposed increase, Pella's rates continue to be significantly lower than the neighboring communities.

Wastewater Rate Comparison - In City Limits

	Minimum	7,000 Gallon Residential	35,000 Gallons Commercial	100,000 Gallons Industrial
Knoxville	\$ 22.44	\$ 70.81	\$ 264.29	\$ 713.44
Oskaloosa	\$ 16.98	\$ 92.87	\$ 396.46	\$ 1,101.20
Pella (Current)	\$ 19.83	\$ 54.55	\$ 193.43	\$ 515.83
Pella (Proposed)	\$ 21.42	\$ 58.94	\$ 209.02	\$ 557.42

As previously stated, an increase in the wastewater rates is necessary to help fund IDNR mandates put into effect for the City's wastewater system. If Council approves this ordinance, the proposed 8% rate increase would be effective for utility bills due August 20, 2020 for July usage.

ATTACHMENTS: Ordinance
 REPORT PREPARED BY: Finance Department
 REVIEWED BY: City Administrator, City Clerk
 RECOMMENDATION: Approve ordinance

2. Ordinance No. 978 entitled, "AN ORDINANCE AMENDING WATER RATES IN THE CITY OF PELLA, IOWA."

Schiebout moved to place ordinance no. 978 on its first reading, seconded by Hopkins.

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

It was moved by Bandstra that the statutory rule requiring said ordinance to be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, seconded by De Jong.

On roll call the vote was:

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

NAYS: 1 (Schiebout)

Motion carried.

Schiebout moved that ordinance no. 978 be adopted, seconded by De Jong.

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

Mayor DeWaard declared the ordinance duly passed and adopted.

BACKGROUND: This ordinance increases the water rates of the City of Pella by 5% effective for utility bills due August 20, 2020 for July usage. Council discussed this rate increase during the Policy and Planning meeting on May 19, 2020, directing staff to proceed with formal consideration. As background, the FY 20-21 budget included this increase which is necessary to provide sufficient funding to support the ongoing maintenance of the City's new reverse osmosis treatment system.

Reverse Osmosis System

While the transition from treating water with the old lime softening system to the new reverse osmosis system undoubtedly produces the highest quality of water, the system does require additional capital expenditures in the form of membranes and filters. The life of the reverse osmosis membranes are roughly three to five years, with a cost of nearly \$283,000. Based on the cost of maintaining the system and the useful life of the asset, staff believes a 5% increase will provide sufficient funding to continue to produce the high-quality water the community expects.

Proposed Water Rate Structure

The proposed rate increase of 5% would be effective for utility bills due August 20, 2020 for July usage. At that time, the base fee for inside the City limits would increase from \$19.02 to \$19.97 per month. In addition, the cost per 1,000 gallons would increase from \$4.59 to \$4.82.

Impact of Water Rate Increases

The proposed rate increase of 5% would be effective for all customer classes. The following chart represents the impact of the rate increase for different customer types inside the City limits. For the average residential customer using 7,000 gallons per month, the proposed increase is \$2.56 per month. For the average commercial customer using 35,000 gallons per month, the proposed increase is \$8.98 per month. For the average industrial customer using 100,000 gallons per month, the proposed increase is \$23.90 per month.

Monthly Rate Comparison

	Minimum	7,000 Gallon Residential	35,000 Gallons Commercial	100,000 Gallons Industrial
Pella (Current)	\$ 19.02	\$ 51.15	\$ 179.67	\$ 478.02
Pella (Proposed)	\$ 19.97	\$ 53.71	\$ 188.65	\$ 501.92
Increase	\$ 0.95	\$ 2.56	\$ 8.98	\$ 23.90

Comparable Cities

The chart below compares water rates of similar sized cities in our region. The average residential and commercial users in Pella would continue to pay slightly more than the City of Knoxville and significantly less than the City of Oskaloosa. For the industrial user, the City of Pella would continue to remain very competitive with the City of Knoxville and continue to be significantly less than the City of Oskaloosa.

Water Rate Comparison - In City Limits

	Minimum	7,000 Gallon Residential	35,000 Gallons Commercial	100,000 Gallons Industrial
Knoxville	\$ 9.00	\$ 31.50	\$ 157.50	\$ 450.00
Oskaloosa	\$ 15.84	\$ 74.12	\$ 370.58	\$ 1,058.82
Pella (Current)	\$ 19.02	\$ 51.15	\$ 179.67	\$ 478.02
Pella (Proposed)	\$ 19.97	\$ 53.71	\$ 188.65	\$ 501.92

It is important to note that when comparing our rates to others in the region, one must consider the service level provided by the utilities. For instance, there are utilities who perform minimal water treatment. In comparison, our water treatment process is a significant component of our rates. In order to compensate for the lack of water treatment, their customers will often need to install additional filtration systems to obtain a higher quality of water. Unfortunately, these costs are typically not included in water rate comparisons.

As previously stated, an increase in the water rates is necessary to support the ongoing maintenance of the City's new reverse osmosis treatment system. If Council approves this ordinance, the proposed 5% rate increase would be effective for utility bills due August 20, 2020 for July usage.

ATTACHMENTS: Ordinance
 REPORT PREPARED BY: Finance Department
 REVIEWED BY: City Administrator, City Clerk
 RECOMMENDATION: Approve ordinance

I. CLAIMS

1. Abstract of Bills No. 2056.
 Schiebout moved to approve, seconded by De Jong.
 On roll call the vote was: AYES: 6, NAYS: None. Motion carried.

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

Comments were received and addressed.

L. CLOSED SESSION – None

M. ADJOURNMENT

There being no further business claiming their attention, Hopkins moved to adjourn, seconded by Branderhorst. On roll call the vote was: AYES: 6, NAYS: None. Motion carried.
 Meeting adjourned at 8:02 p.m.