



# CITY OF PELLA

## CITY COUNCIL OFFICIAL WORK SESSION MINUTES

December 11, 2018

### **A. CALL TO ORDER BY MAYOR AND ROLL CALL**

The City Council of the City of Pella, Iowa, met in special work session at the Public Safety Complex meeting room at 6:00 p.m., Mayor Jim Mueller presiding. Council members present were: Mark De Jong, Lynn Branderhorst, Bruce Schiebout, Larry Peterson. Absent: Tony Bokhoven, Harold Van Stryland. City Administrator Mike Nardini and City Clerk Mandy Smith were present. One staff member and five members of the general public signed the register.

### **B. MAYOR'S COMMENTS**

1. Approval of Tentative Agenda.  
De Jong moved to approve, seconded by Peterson.  
On roll call the vote was:  
AYES: De Jong, Peterson, Branderhorst, Schiebout.  
NAYS: None.  
Motion carried.
2. Announce closed session pursuant to Iowa Code Chapter 21.5 1(j) to discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property.

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

No comments were received.

### **C. PETITIONS & COMMUNICATIONS**

1. Council held a work session to discuss the following items, with no formal Council action taken:

- a. Pella Memorial Building

BACKGROUND: The purpose of this agenda item is to continue discussion regarding acquisition of the Pella Memorial Building. As background, the Board of Supervisors has expressed interest in donating this building to the City of Pella. City Administration and the City Attorney have been working with the American Legion (Van Veen - Van Hemert Post #89) in discussing the transition of the property from Marion County to the City of Pella. Listed below is background information on this item.

History of Building

The Pella Memorial Building was originally constructed by the American Legion in 1919. Due to financial issues, the building was transferred by the American Legion to Marion County in 1923. After accepting the building from the American Legion, Marion County established the facility as a Memorial Hall under Chapter 37 of the Iowa Code.

It is important to note, since 1923, the American Legion has operated and maintained the Pella Memorial Building.

Iowa Code Chapter 37 Requirements

Listed below is a summary of Iowa Code Chapter 37 requirements prepared by City Attorney Kristine Stone:

Iowa Code Chapter 37 defines the manner in which Memorial Buildings are created, funded and operated.

Pursuant to that chapter, counties and cities may create memorial buildings and monuments to commemorate the service rendered by veterans of the United States. The chapter sets forth a petition and election procedure, as well as authorization for issuing bonds to pay for construction of such facilities. An annual tax levy is also authorized for maintenance and operation of the building or monument. The uses to which a memorial hall or monument may be put include: county or city hall offices for any county or municipal purpose, community house, recreation center, memorial hospital, and municipal coliseum or auditorium. (Iowa AG Opinion No. 93-9-2)

The following uses are identified as appropriate uses for memorial buildings: (Iowa Code § 37.18)

- a. The special accommodations of soldiers, sailors, marines, nurses, and other persons who have been in the military or naval service of the United States.
- b. For military headquarters, memorial rooms, library, assembly hall, gymnasium, natatorium, club room, and rest room.
- c. County or city hall offices for any county or municipal purpose, community house, recreation center, memorial hospital, and municipal coliseum or auditorium.
- d. Similar and appropriate purposes in general community and neighborhood uses, under the control and regulation of the custodians thereof.
- e. Athletic contests, sport and entertainment spectacles, expositions, meetings, conventions and all food and beverage services incident thereto.

Position of American Legion

Listed below is staff's understanding of the position of the American Legion:

- a. The American Legion would like for the City to maintain and be financially responsible for the facility. This would include scheduling rentals for the facility.

- b. If the Pella Memorial Building is transferred to the City with the Chapter 37 requirements in place, the American Legion would like to continue to nominate its members to serve as Commissioners for the facility.
- c. If the Pella Memorial Building is transferred to the City without the Chapter 37 requirements in place, the American Legion would like to have a use agreement with the City. A copy of this proposed agreement is included with the staff report and summarized below.

**Proposed Use Agreement**

The proposed use agreement with American Legion would only be required if the Pella Memorial Building is transferred to the City without the Chapter 37 requirements in place. It is important to note, the reason this agreement is being proposed is to ensure the American Legion has a designated facility for its membership meetings and functions.

Listed below is a summary of the agreement:

**Term:** The initial term of the agreement would be for 10 years. However, this agreement would automatically renew for successive 10-year periods. In addition, the American Legion would have the ability to cancel the agreement.

**Exclusive Space:** The American Legion would be entitled to exclusive and unrestricted use of the following spaces:

- 1. Board Room
- 2. Museum Space
- 3. Storage Areas on the east side of the first floor adjacent to the Museum Space
- 4. The East Room in the basement

**Use Fee:** The American Legion proposes to pay the City \$100 per year for use of the exclusive spaces.

**Priority Use of Non-Exclusive Space:** The American Legion and Veterans of Foreign Wars would have first priority for scheduling the non-exclusive spaces of the facility for their respective monthly meetings.

**Hours of Operation:** Establishing the facility's hours of operation would be the right of the City, including the public restrooms.

**Replacement Space:** The City would have the right to relocate the American Legion to a comparable space as long as the following conditions were met:

**Exclusive Use Space:**

- 570 square feet for the American Legion's Board Meetings
- 600 square feet for the American Legion's museum and weapons storage

**Non-Exclusive Use Space:**

- Assembly area, kitchen food preparation area, and restroom facilities with no less capacity than those in the Pella Memorial Building
- Adjacent parking of not less than 50 spaces

**Public Restrooms:** The City reserves the right to make improvements to the facility's restrooms.

**Estimated Annual Operational Costs**

City staff estimates the operating costs for the facility to be between \$10,000 to \$15,000 annually. This estimate includes utilities, cleaning and maintenance costs, and insurance. In addition, a portion of these costs may be offset by rental income of the facility.

**Potential Improvements to the Pella Memorial Building**

While the facility is in remarkably good shape for its age, the City will likely incur capital expenditures related to structural repairs. In addition, there will likely be other building code related expenditures needed to ensure safe access for the public. Please note, the facility assessment was previously provided to the City Council.

**Other Items to Consider**

Listed below are important items to consider in the potential acquisition of the Pella Memorial Building:

The building abuts the current City Hall. Therefore, any significant facility issues associated with the Pella Memorial Building would likely impact City Hall. As a result, the City has an inherit interest in the Pella Memorial Building.

The building could support City functions in the future. In addition, the Pella Memorial Building's parking lot could help support additional operations at City Hall. For instance, if the City would proceed with establishing a telecommunications utility, it would be beneficial to have additional areas for employee parking.

**Council Direction**

In summary, staff is seeking Council direction on the following items:

- 1. Does the City want to accept the Pella Memorial Building from Marion County?
- 2. If the answer to question #1 is 'yes,' does the City wish to accept the Pella Memorial Building from Marion County with the Chapter 37 requirements in place?
- 3. If the answer to question #2 is 'no,' staff would like to know if the proposed use agreement with the American Legion is acceptable.

**ATTACHMENTS:** Drafted Use Agreement

**REPORT PREPARED BY:** City Administration

**REVIEWED BY:** CITY ADMINISTRATOR

CITY CLERK

**RECOMMENDATION:** Seeking Council direction

**b. Oost Poort Alley**

**BACKGROUND:** The purpose of this agenda item is to continue discussion regarding the proposed Oost Poort Alley reconstruction project. The proposed project would include the following:

- Reconstruction of the Oost Poort Alley from Main Street to E. 1st Street.
- Resurfacing the Oost Poort Alley with a brick surface. In addition, we also intend to seek an alternate bid for a concrete alleyway.
- Installation of storm sewers in the Oost Poort Alley. This will also involve the collection and rerouting of existing roof drains in this area.
- Installation of an underground storm water detention basin for the public parking lot located at the intersection of Washington Street and E. 1st Street. The underground detention basin is tentatively planned to be located at the northeast corner of the existing parking lot.
- Resurfacing the current public parking lot located at the intersection of Washington Street and E. 1st Street. In addition, we will also be paving the current gravel public parking lot located towards the north side of the block.
- Replacement of the public water main in the alleyway. This will also likely involve replacing individual water service connections.
- Replacing and rerouting the existing sanitary sewer main which serves the businesses in this area.

Below is a summary of the estimated project costs:

Proposed Engineering Contract	\$150,500
Engineer's Opinion of Probable Costs	<u>868,050</u>
Estimated Project Total	<u>\$1,018,550</u>

Staff is tentatively planning to commence this construction project in May of 2019, shortly after the 2019 Tulip Time. As a result, we are seeking Council input and would like to address any questions before proceeding with an engineering agreement for the project.

ATTACHMENTS: None  
REPORT PREPARED BY: City Administration  
REVIEWED BY: CITY ADMINISTRATOR  
CITY CLERK  
RECOMMENDATION: Seeking Council direction

**c. Compensation for Elected Officials**

BACKGROUND: The purpose of this agenda item is to continue discussion regarding compensation for elected officials. As background, compensation amounts for elected officials in the City of Pella have not increased since 2008. Prior to that date, the compensation amounts had not been changed since 1986, as detailed below:

Year	Annual Mayor Compensation	Annual Council Compensation
1986 to 2007	\$2,500	\$600
2008 to 2019	\$7,200	\$2,400

**Comparable Research**

To assist with determining the amount by which to increase compensation for elected officials, staff compiled research from other cities in Iowa. When comparing against 14 Iowa cities with annual budgets between \$45-99M, the City of Pella's Mayor compensation ranked 5th lowest, with annual compensation ranging between \$3,600 and \$91,197. The City of Pella's Council compensation ranked 3rd lowest, with annual compensation ranging between \$1,200 and \$7,400. This data is included as a memo attachment.

Furthermore, in considering compensation for elected officials, it is important to understand that most cities have separate boards that handle the operations of their utilities. However, for the City of Pella, the City Council is responsible for our utilities. This is important in analyzing compensation, as utilities such as our electric utility add complexity and require additional oversight by the City Council.

**Elected Official Responsibility**

Elected officials estimate they currently spend between 5 and 30 hours per week on City business including interacting with citizens, attending Council meetings, and attending other meetings. The number of hours elected officials spend on City business is expected to increase in the near future if the City proceeds with the addition of a new municipal telecommunications utility. The City Council, not a separate utility board, would provide oversight for the new utility.

**Recommendation**

After reviewing the data outlined above, staff recommends increasing elected official compensation to the following amounts:

Mayor compensation: \$13,500 per year effective January 1, 2020  
\$18,000 per year effective January 1, 2021  
Council compensation: \$6,000 per year effective January 1, 2020  
\$9,000 per year effective January 1, 2021

In addition, in order to keep compensation current in the future, staff recommends increasing elected official compensation annually using a specified index that would account for cost of living adjustments.

**Summary**

If Council chooses to increase compensation for elected officials, an ordinance would need to be adopted prior to November of 2019, in accordance with Iowa Code Chapter 372.13(8). Based on state law which governs Mayor and Council compensation, the earliest date that elected officials could become eligible for compensation increases is January 1, 2020.

ATTACHMENTS: Research  
REPORT PREPARED BY: City Administration  
REVIEWED BY: CITY ADMINISTRATOR  
CITY CLERK  
RECOMMENDATION: Seeking Council direction

**d. Oskaloosa Street Corridor**

BACKGROUND: The purpose of this agenda item is to continue discussion regarding the Oskaloosa Street corridor; during the meeting staff intends to update Council on the status of this project.

ATTACHMENTS: None  
REPORT PREPARED BY: City Administration  
REVIEWED BY: CITY ADMINISTRATOR  
CITY CLERK  
RECOMMENDATION: Seeking Council direction

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

No comments were received.

**E. CLOSED SESSION**

1. At 7:40 p.m., Branderhorst moved to enter into closed session pursuant to Iowa Code Chapter 21.5 1(j) to discuss the purchase or sale of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property or reduce the price the governmental body would receive for that property, seconded by Peterson.

On roll call the vote was:

AYES: Branderhorst, Peterson, De Jong, Schiebout.

NAYS: None.

Motion carried.

At 8:00 p.m., De Jong moved to reconvene to regular session, seconded by Schiebout.

On roll call the vote was:

AYES: De Jong, Schiebout, Peterson, Branderhorst.

NAYS: None.

Motion carried.

No action was taken regarding this closed session.

#### **F. ADJOURNMENT**

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

On roll call the vote was:

AYES: De Jong, Schiebout, Peterson, Branderhorst.

NAYS: None.

Motion carried.

Meeting adjourned at 8:04 p.m.