



# CITY OF PELLA

## CITY COUNCIL OFFICIAL MINUTES

June 29, 2022

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

The City Council of the City of Pella, Iowa, met in special session at the Public Safety Complex (614 Main Street) at 6:00 p.m., Mayor Don DeWaard presiding. Council members present were: Mark De Jong, Liz Sporrer, Lynn Branderhorst, Calvin Bandstra, Dr. Spencer Carlstone, Dave Hopkins (via phone with the exception of from 6:02 p.m. to 6:04 p.m.). Absent: None.

City Administrator Mike Nardini and City Clerk Mandy Smith were present.

Seven staff members and four members of the general public attended in person.

Three members of the general public attended via conference call.

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

1. Approval of Tentative Agenda.

Bandstra moved to approve, seconded by Sporrer.

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

Hopkins disconnected from the conference call at 6:02 p.m.

2. Appointments to the Ambulance Service Temporary Advisory Board.

Branderhorst moved to approve, seconded by De Jong.

On roll call the vote was: AYES: 5 (Branderhorst, De Jong, Bandstra, Carlstone, Sporrer), NAYS: None.

Motion carried.

BACKGROUND: On June 7, 2022, Council adopted ordinance no. 1012 establishing a city ambulance service. Included in the ordinance was the creation and appointment of a temporary advisory board to oversee the initial operations of the ambulance service.

The approved ordinance calls for six member appointments to the temporary advisory board, with terms beginning on July 1 extending through December 31, 2022. Similar to other city boards and commissions, the positions are appointed by the Mayor, subject to City Council approval. All proposed board members, as listed below, are currently serving on the non-profit Pella Community Ambulance Board and have agreed to serve on this temporary advisory board: Dave Beukelman, Jonathan De Reus, Marty Racheter, Ryan Thoreson, Steve Van Wyk, Mike Vermeer.

The Ambulance Director and City Administration would provide staff support to the committee.

ATTACHMENTS:

None

REPORT PREPARED BY: City Administration

REPORT REVIEWED BY: City Administrator, Ambulance Chief, City Clerk

RECOMMENDATION: Approve appointments

Hopkins reconnected to the conference call at 6:04 p.m.

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

No comments were received.

### **D. RESOLUTIONS**

1. Resolution No. 6457 entitled, "A RESOLUTION APPROVING THE AGREEMENT AND PLAN OF DISTRIBUTION AND DISSOLUTION AND THE TRANSFER, ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF PELLA AND THE PELLA COMMUNITY AMBULANCE SERVICE."

De Jong moved to approve, seconded by Branderhorst.

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

BACKGROUND: This resolution approves the Agreement and Plan of Distribution and Dissolution and the Transfer, Assignment and Assumption Agreement with the Pella Community Ambulance (PCA). The intent of these agreements is to transfer the PCA's assets to the City of Pella so they can be used for operations of the city's ambulance service, which are scheduled to begin on July 1, 2022.

Pella Community Ambulance Background: As background, the PCA has provided critical care paramedic emergency medical service within our community for 40 years. The number of calls received by the entity has continued to increase over the past few years, reaching nearly 1,900 in the last year. The higher call volume coupled with a decreasing volunteer/part-time labor pool has resulted in the need for the PCA to hire full-time staff. In addition to the increased call volume, a larger percentage of the service calls are Medicaid or Medicare patients which generate a lower reimbursement rate versus privately insured patients. The combination of these factors has created a financial hardship for the entity. In addition, as a non-profit entity, the PCA is not eligible for state grant reimbursements which would help offset the lower reimbursement rates for Medicaid or Medicare patients. The above factors have decreased the PCA's financial reserves, which has created on-going concerns regarding the viability of continued operation of the PCA as a non-profit entity.

Transfer, Assignment and Assumption Agreement: Through this agreement, PCA will be required to transfer all tangible and intangible property, cash, and investments to the city. In exchange, the city will accept the assumption of obligations from PCA. Both the asset transfer and the assumption of liabilities will be in accordance with the Agreement and Plan of Distribution and Dissolution. As of this date, staff believes PCA's existing cash and investment accounts will be adequate to cover any outstanding liabilities associated with the non-profit entity.

Agreement and Plan of Distribution and Dissolution: This agreement establishes the dissolution process for PCA. Key points in the agreement include:

1. All debts, obligations, and liabilities of PCA, except for those assumed by the city pursuant to the terms of the Agreement, shall either be paid and discharged, or adequate provision shall be made.
2. Assets held by PCA which are required to be returned, transferred, or conveyed upon dissolution of PCA shall be returned, transferred, or conveyed in accordance with such requirements.
3. All remaining assets of PCA that remain after the provisions of Sections 1 and 2 of the Agreement have been carried out, shall be distributed to the city.

In summary, staff believes the PCA provides an essential service to the community. As a result, we believe it is imperative the service continues and is adequately funded. Furthermore, we believe it is appropriate for the non-profit entity to transfer all its assets to the city in support of continued ambulance service. As a result, staff is recommending approval of this resolution which approves the necessary agreements to facilitate the transfer of PCA assets to the City of Pella.

ATTACHMENTS: Resolution; Agreement and Plan of Distribution and Dissolution; Transfer, Assignment and Assumption Agreement  
 REPORT PREPARED BY: City Administration  
 REVIEWED BY: City Administrator, City Clerk  
 RECOMMENDATION: Approve resolution

**2. Resolution No. 6458 entitled, “RESOLUTION APPROVING AMBULANCE SERVICE FEES.”**

Branderhorst moved to approve, seconded by Sporrer.

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

BACKGROUND: This resolution approves ambulance service fees. As background, on June 7, 2022, Council adopted an ordinance establishing a city ambulance service. The ordinance authorized the establishment of fees by resolution.

**Proposed Fees**

As required by the approved ordinance, staff has included a resolution that sets the following fees based on comparisons with neighboring communities and providers:

Basic Life Support (BLS)	\$650
Basic Life Support (BLS) – Emergent	\$750
Advanced Life Support (ALS)	\$900
Advanced Life Support (ALS) – Emergent	\$1,000
Advanced Life Support 2 (ALS) (Multiple High-Level Skills)	\$1,200
Specialty – More than 1 ALS Provider	\$1,500
Per Mile Charge	\$29 per mile
Secure Car Transfer Loaded	\$4 per mile
Secure Car Unloaded	\$1 per mile
Event Dedicated Ambulance Standby	\$100 per hour
Event Non-Dedicated Ambulance Standby	\$50 per hour
Event Dedicated UTV	\$50 per hour
Continuing Educational Classes	\$75 per hour
Hospital Transfer/Procedures Standby	\$48 per hour
CPR and First Aid Certification	\$50 per certification
Treat and No Transportation	\$225
Lift Assist (beginning on second request)	\$100
Additional EMS Caregiver (transfer)	\$50
Paramedic Tier with BLS Ambulance	\$125

It should be noted that the proposed fees do not cover charges billed by federal government programs (Medicare and Medicaid). The federal government statutorily sets the fees for service through these programs. Staff believes that the proposed rates will result in an estimated \$300,000 over the 2023 fiscal year, which was included as a contingency in the adopted budget.

Comparison: The included fees attempt to balance the required financial subsidy of the ambulance service with reasonable and comparable rates. The following are the proposed fees in comparison with surrounding areas and communities:

	City of Pella Proposed Rates	City of Knoxville Rates	Mahaska County Rates	City of Newton Rates
Basic Life Support	\$650	\$1,000	\$533	\$412
Basic Life Support – Emergent	\$750	\$1,000	\$684	\$659
Advanced Life Support	\$900	\$1,200	\$956	\$494
Advanced Life Support – Emergent	\$1,000	\$1,200	\$1,325	\$782
Advanced Life Support 2	\$1,200	\$1,300	\$1,868	\$1,132
Specialty (more than 1 ALS provider)	\$1,500	\$1,600	\$-	\$1,338
Per Mile Patient Charge	\$29	\$17	\$31	\$14

Staff believes the proposed fees are reasonable for the level of service provided by the department and should be reviewed annually for competitiveness and to evaluate the impact on the city’s finances.

In summary, staff recommends approval of this resolution which approves ambulance service fees that staff believes are in line with surrounding communities and will result in a financial impact in accordance with the city’s adopted fiscal year 2023 budget.

ATTACHMENTS: Resolution  
 REPORT PREPARED BY: City Administration  
 REPORT REVIEWED BY: City Administrator, Ambulance Chief, City Clerk  
 RECOMMENDATION: Approve resolution

**3. Resolution No. 6459 entitled, “RESOLUTION AUTHORIZING CITY STAFF TO PROCEED WITH THE OFFER OF EMPLOYMENT TO CURRENT PELLA COMMUNITY AMBULANCE EMPLOYEES.”**

Sporrer moved to approve, seconded by Branderhorst.

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

BACKGROUND: This resolution authorizes city staff to proceed with offers of employment to current employees of the Pella Community Ambulance (PCA). As background, after discussing the proposed transition of the PCA from a non-profit entity to a city department during the Policy and Planning meeting on June 7, Council directed staff to proceed with placement of a resolution on a future agenda for formal consideration.

As further background, the PCA currently operates with twelve full-time employees. These employees are supplemented with nearly 25 paid per call or part-time employees. Given the value of the service to the community, the attached resolution continues employment for all full-time and part-time/per call staff at their current rate plus a wage increase of 3.2%, the corresponding cost-of-living adjustment for current city employees.

Staff believes this approach will cause the least amount of service disruption and give the city an opportunity to include all ambulance service positions in the proposed employee compensation review. Once the review is complete, the ambulance employees will be placed into the city's compensation plan.

In addition, the proposed resolution honors years of service for the ambulance employees as it relates to the city's vacation and sick leave schedules. Regarding the ambulance's full-time employees, it is staff's understanding that a majority have less than four years of service with PCA; therefore, staff does not believe this will be a material item for the City of Pella.

Summary: Staff is recommending approval of the attached resolution which authorizes city staff to proceed with offers of employment to all current PCA employees at their current wage rate plus a 3.2% wage increase, which, if approved, would be effective as of July 1, 2022. Furthermore, the resolution provides credit for transitioning employees' years of service as it relates to vacation and sick leave benefits.

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

4. Resolution No. 6460 entitled, "RESOLUTION APPROVING FIRST AMENDMENT TO THE SOUTHWEST TRUNK SEWER EXTENSION COST SHARING AGREEMENT BY AND BETWEEN THE CITY OF PELLA AND RDP HOLDINGS, LLC."

De Jong moved to approve, seconded by Carlstone.

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

BACKGROUND: This resolution approves a first amendment to the Southwest Trunk Sewer Extension cost sharing agreement with RDP Holdings, as discussed with Council on June 21. As background, Council originally approved the cost sharing agreement for this project in 2021. The purpose of this project is to extend the city's sanitary sewer system to serve the Prairie Ridge commercial development and properties to the west of this location.

Southwest Trunk Sewer Extension Project: This project involves construction of a 5,124 LF 12-inch sanitary sewer main from just northwest of the Prairie Ridge commercial development to the Southwest Trunk Sewer located north of the Dingeman Estates subdivision, as shown on the attached map. This project would serve Prairie Ridge Plat 3, the remaining properties owned by RDP Holdings, and other abutting properties in the drainage basin.

City of Pella Long-term Sanitary Sewer Plan: In the early 2000s, the City of Pella constructed the Southwest Trunk Sewer, lift station, and associated force main. One of the reasons for constructing the trunk sewer was to be able to accommodate future development of the western side of our community. The Southwest Trunk Sewer project is in alignment with this plan developed by the City of Pella in the early 2000s.

Estimated Project Costs: When the cost sharing agreement was approved in August of 2021, the estimated costs for the project were \$866,432. As a result, the cost sharing agreement required RDP Holdings to pay the total project costs up to \$900,000. Furthermore, the agreement stated that in the event the actual cost exceeds \$900,000, the parties would work together to address the cost overruns.

The current project costs are estimated to be \$1,210,000 as itemized below:

Construction contract bid	\$1,051,466
Engineering	105,600
Easements (temporary & permanent)	25,493
Legal/contingency	<u>27,441</u>
Total estimated costs	<u>\$1,210,000</u>

First Amendment: The amendment under consideration states that the parties agree to split any project costs above \$900,000 equally. If approved, the total project costs would be allocated as follows:

RDP Holdings financial allocation	\$1,055,000
City of Pella financial allocation	<u>155,000</u>
Total estimated project costs	<u>\$1,210,000</u>

It is important to note that the amendment states that if project costs exceed \$1,210,000, the parties agree to work together in good faith to address the cost overruns.

Summary and Staff Recommendation: Staff is recommending approval of this resolution and first amendment to the cost sharing agreement with RDP Holdings for the Southwest Trunk Sewer Extension project. Staff believes that this project is in conformance with the city's long-term sanitary sewer plan. Additionally, approximately 45% of this project is outside of the property boundaries of RDP Holdings which is considerably higher than the city's proposed 14% financial contribution to the overall project costs.

ATTACHMENTS: Resolution, Original Cost Sharing Agreement, First Amendment  
REPORT PREPARED BY: City Administration  
REVIEWED BY: City Administrator, City Clerk  
RECOMMENDATION: Approve resolution

5. Resolution No. 6461 entitled, "RESOLUTION MAKING AWARD OF CONTRACT FOR THE PRAIRIE RIDGE WEST SANITARY SEWER PROJECT."

De Jong moved to approve, seconded by Branderhorst.

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

BACKGROUND: This resolution awards the contract for the Prairie Ridge West Sanitary Sewer project. As background, this project includes all labor, material, and equipment to construct 5,112 linear feet of 12-inch diameter sanitary sewer in open cut installation, 17 manholes, excavation, backfill, manhole connection to existing sewer, and miscellaneous associated work, including cleanup. The Prairie Ridge West sanitary sewer is located north of West Washington (Highway G-28), west of Fifield Road, as shown on the attached map.

The following bids were accepted by Council on June 21, 2022:

Contractor	Location	Bid
J & K Contracting, LLC	Urbandale, IA	\$1,051,466
Synergy Contracting, LLC	Des Moines, IA	\$1,200,714
AVR Excavating, Inc.	Prairie City, IA	\$1,221,193
Vanderpool Construction Inc.	Indianola, IA	\$1,494,415
Rognes Corporation	Ankeny, IA	\$1,881,583

After reviewing the bid proposals and checking references, Veenstra & Kimm, the project engineer, recommends awarding the contract to the lowest responsive, responsible bidder, J & K Contracting, in the total amount of \$1,051,466. This bid is roughly 7.6% higher than the engineer's opinion of probable costs of \$977,174; however, the construction costs for utility projects are currently increasing at a noticeable rate due to increases in material, fuel, and labor costs. At the present time it appears underground utility project costs are increasing at a rate of 3% to 5% per month. Also, several material suppliers have indicated there will be a mid-year price increase effective on or about July 1st. The extent of price increases has generally not been announced; however, bidders are reflecting that concern in their recent pricing. The engineer believes it's unlikely

rebidding the project at a future date would result in lower pricing as lower pricing is not likely in the foreseeable future. Staff is in agreement with the engineer's recommendation.

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

- Notice to proceed issued (approximate): July 5, 2022 to no later than February 1, 2023
- Final completion: May 31, 2023

In summary, staff is recommending conditional approval of this resolution subject to approval of an amendment to the cost sharing agreement with RDP Holdings (agenda item D-4). This resolution awards the contract for this project to J & K Contracting, as listed in the amount of \$1,051,466.

ATTACHMENTS: Resolution, Engineer's Recommendation, Bid Tabulation, Project Map

REPORT PREPARED BY: Public Works Department

REVIEWED BY: City Administrator, City Clerk

RECOMMENDATION: Conditional approval subject to approval of the amendment to the cost sharing agreement with RDP Holdings (agenda item D-4)

## 6. Resolution No. 6462 entitled, "RESOLUTION APPROVING PERPETUAL AND TEMPORARY EASEMENTS AND EASEMENT PAYMENTS FOR THE PRAIRIE RIDGE WEST SANITARY SEWER PROJECT."

Bandstra moved to approve, seconded by Sporrer.

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

BACKGROUND: This resolution approves temporary and perpetual easements and easement payments for the Prairie Ridge West Sanitary Sewer project. As background, to complete this project, the city will need to secure temporary and perpetual easements from four property owners as outlined below:

Property Owner	Type of Easement	Easement Payment
RDP Holdings	Temporary	\$0
RDP Holdings	Perpetual	\$0
Arvin and Laura Vos	Temporary	\$1,260
Arvin and Laura Vos	Perpetual	\$2,100
Ronald and Janet Gross	Temporary	\$6,120
Ronald and Janet Gross	Perpetual	\$9,800
Doug and Kayla Flanders	Temporary	\$2,588
Doug and Kayla Flanders	Perpetual	\$3,625
<b>Total Easement Costs</b>		<b>\$25,493</b>

Perpetual easement payments were calculated using 50% of the land values. Temporary easements were calculated using 15% of the land values estimated at \$20,000 to \$25,000 per acre in this area.

Cost Sharing Agreement: In 2021, Council approved a cost sharing agreement for this project which stated that RDP Holdings was responsible to pay the total project costs (including easements) up to \$900,000. If the actual cost exceeds \$900,000, the parties agreed to work together to address the cost overruns. The current project costs are estimated to be \$1,210,000; therefore, Council is considering a first amendment to the cost sharing agreement to address the cost overrun.

In summary, due to the project costs exceeding the \$900,000 referenced in the approved cost sharing agreement, staff recommends conditional approval of this resolution subject to approval of an amendment to the cost sharing agreement with RDP Holdings (agenda item D-4).

ATTACHMENTS: Resolution, Easement Documents

REPORT PREPARED BY: Public Works Department

REVIEWED BY: City Administrator, City Clerk

RECOMMENDATION: Conditional approval subject to approval of the amendment to the cost sharing agreement with RDP Holdings (agenda item D-4)

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

No comments were received.

## **F. ADJOURNMENT**

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

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

Meeting adjourned at 6:40 p.m.