



CITY OF PELLA

CITY COUNCIL OFFICIAL MINUTES

October 18, 2022

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 6:00 p.m., Mayor Don DeWaard presiding. Council members present were: Mark De Jong, Liz Sporrer, Lynn Branderhorst, Calvin Bandstra, Dr. Spencer Carlstone. Absent: Dave Hopkins.

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

Nine staff members and twenty-one members of the general public attended in person.

Five 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: 5, NAYS: None. Motion carried.

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

One comment was received and addressed.

D. APPROVAL OF CONSENT AGENDA

De Jong moved to approve the consent agenda, seconded by Branderhorst.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

The following items were approved:

1. Approval of Minutes
 - a. Official Council Minutes for October 4, 2022
 - b. Official Council Minutes for October 11, 2022
2. Report of Committees
 - a. Policy and Planning Minutes for October 4, 2022

PRESENT: Mayor Don DeWaard, Mark De Jong, Liz Sporrer, Lynn Branderhorst, Calvin Bandstra, Dr. Spencer Carlstone, Dave Hopkins

ABSENT: None

OTHERS: City staff and visitors

The Policy and Planning meeting began at 6:29 p.m.

The first agenda item was a discussion regarding the engineering phase of proposed improvements to the Community Center. The most recent facility assessment identified approximately \$5.5 million in needed improvements to extend the life of the facility for another 20 years. These funds have been dedicated as part of the city's base facility plan.

Staff recommended that a future use plan be developed during this process to identify likely city and community uses within the facility. The project engineer could be tasked with development of this plan. Council expressed agreement with this approach.

To assist with the project, staff recommended appointment of an ad-hoc committee. The following groups were suggested to have a representative on the committee: City Council, Community Services Board, Library Board of Trustees, Friends of the Community Center, and Union Street Players. Mayor DeWaard asked that those who are interested in serving on this committee send him an email to express their interest. The ad-hoc committee will be appointed by Council at a future meeting.

At the end of the discussion, staff was directed to proceed with the engineering selection process for this project. Below is the estimated project timeline:

- October to December 2022: engineering selection process
- May 2023: facility use plan approved by the City Council
- October 2023: financial contributions/donations for the project finalized
- December 2023: engineering design phase completed
- March 2024: City Council approves contractor
- June 2024 to September 2025: building renovations

The next agenda item was continued discussion regarding the city's ambulance service. The City of Pella is planning to be a Wellmark in-network provider meaning that Wellmark will make payments directly to the city on behalf of the patient; however, patients will be billed for additional charges up to their deductible limits. Below is the rate comparison:

Service Type	Wellmark	City of Pella
Basic Life Support	\$387	\$650
Basic Life Support – Emergent	\$620	\$750
Advance Life Support	\$480	\$900
Advance Life Support – Emergent	\$735	\$1,000
Mileage Reimbursement	\$13/mile	\$29/mile

To assist with ambulance service financials, Council member Carlstone inquired if staff has considered charging an annual fee to Pella Regional Health Center because of the service that is provided when transferring patients to other facilities. Ambulance Chief Greg Higginbotham responded that he hasn't pursued entering into this type of contract as the hospitals typically then expect a dedicated ambulance to be available at all times, placing one unit out of service.

The city intends to use the Income Offset Program to collect outstanding patient balances. Under the program, Iowa's Department of Administrative Services (DAS) maintains a procedure to collect against any claim owed to a state agency. The primary source of collecting funds comes from tax refunds, lottery winnings, casino jackpots, and payments to vendors for goods and services. To utilize the program, the city must sign an agreement with the DAS and make a good faith effort to attempt to collect the debt. If payment is not received, and the debt owed totals at least \$50, the city may then include the liability with the Income Offset Program.

Over the next month, staff will be meeting with government entities outside of our corporate limits who are currently receiving ambulance service from the City of Pella. Staff intends to discuss the costs involved with providing service to each jurisdiction as well as inquire what these entities can financially contribute towards the service. Once these details are known, staff anticipates scheduling another Policy and Planning session to discuss next steps with providing ambulance service to entities outside of our corporate limits.

The last agenda item was a discussion regarding peddler permits. In May of this year, Council approved an ordinance temporarily removing the requirement for peddlers to obtain a design permit to operate within the Oskaloosa Street corridor through December 31, 2022. Council member Branderhorst requested to extend this waiver. Council was in agreement with this request, directing staff to place an ordinance extending the temporary design permit requirement to operate within the Oskaloosa Street corridor on a future Council agenda for formal consideration.

Currently, peddlers are only allowed to operate within commercially zoned districts. Council member Carlstone suggested potentially expanding this to include industrial and institutional zoning districts. Council member Sporrer agreed, stating Vermeer would like to have food truck peddlers operate in their parking lot for employees with short lunch breaks. Council member Branderhorst also expressed agreement, stating she has received a lot of positive feedback from those who have benefited from the food truck that has been operating in the Oskaloosa Street corridor this year.

City Administrator Mike Nardini commented that prior to making recommendations regarding changes to the peddler permit process, input from the business community should be sought through the Pella Area Community and Economic (PACE) Alliance. Council member Branderhorst added that the industries that are requesting for peddlers to operate for their employees should be contacted for input as well. At the end of the discussion, Mayor DeWaard summarized the next steps which include:

1. Seeking input regarding the peddler permit process from the PACE Alliance and industries.
2. Reviewing if allowable zoning districts for peddlers should be extended beyond commercially zoned districts.

The meeting adjourned at 7:35 p.m.

Respectfully submitted:

Mandy Smith
City Clerk

b. Library Board Minutes for September 13, 2022

I. Call to Order: President Brenda Huisman called the meeting to order at 4:00 p.m. Board members present were Suzy Card, Darath Fisher, Nathan Copeland, Kristi Leonard, Dayrel Gates, and Matt Van Gelder. Library Director Mara Strickler was present. Meeting held at the Pella Public Library – Heritage Room.

II. Recognition of Visitors and Visitor Comments: 1 community member present.

III. Approval of Agenda: The September meeting agenda was received by all Board members prior to the meeting. Kristi motioned that the agenda be approved as presented, Matt seconded the motion. Motion was unanimously approved.

IV. Disposition of Minutes: All Board members received the previous month's meeting minutes prior to the meeting. Darath motioned July and August's meeting minutes be approved with changes below, Kristi seconded the motion. Changes: July 12 Meeting Minutes: Revise: (Trustee Training Reports) Sept. 8th Marion County Board Training, Revise: (Personnel Committee). At approximately 5:00 p.m. The Vice-President announced the Board would enter closed session to conduct the annual evaluation of the Library Director. The Board exited closed session at 5:14 p.m. August 9 Meeting Minutes: Add Suzy Card to list of board members present. Motion was unanimously approved.

V. Approval of Bills: All Board members received the previous month's list of bills prior to the meeting. After a brief discussion and questions regarding the bills, Nathan motioned for the prior month's bills to be approved as presented, Suzy seconded the motion. Motion was unanimously approved.

Discussion: none.

VI. Unfinished Business:

Adoption of holiday and closing schedule. Kristi motioned to approve the Holidays and Closings Schedule as presented by the Library Director, Dayrel seconded the motion. Motion was unanimously approved.

VII. New Business:

1. Eat Greater Des Moines Community Refrigerator Program

2. Library Programming

VIII. President's Report and Announcements:

1. Thank you to everyone who attended the Marion County Training

2. City Council Meeting Schedule: September 20 – Brenda H., Oct. 4 – Kristi L., Oct. 18 – Dayrel G.

IX. Director's/Staff Report: Staff Transitions, Library Vendor Update, Statistics, EV Charging Station, Upcoming events, Summer reminder: Thursday Nights in Pella (have badges for board members).

X. Trustee Training Reports: Marion County Training feedback and information sharing. Suzy reminded the group: technique to review the Public Library Standards. Mara to send link to board.

XI. Committee Reports:

Committee Assignment.

Personnel/Nominating: No new business.

Governance/Policy committee. Policy Review: 3.3 Volunteer Policy. Suzy motioned to retain Policy 3.3 Volunteer Policy as presented, Kristi seconded the motion. Motion was unanimously approved.

XII. Adjournment: President, Brenda H. adjourned the meeting at 5:11 p.m. The next regularly scheduled Board Meeting is scheduled for October 11, 2022. Location: Heritage Room

3. Petitions and Communications

a. Renewal of Class E Liquor License with Class B Wine Permit, Class C Beer Permit, and Sunday Sales for Hy-Vee Wine & Spirits

BACKGROUND: Hy-Vee, Inc., DBA Hy-Vee Wine & Spirits located at 512 E Oskaloosa Street, has applied for renewal of their class E liquor license with class B wine permit, class C beer permit, and Sunday sales privileges. The term of the new license is 12 months and, if approved, would expire on December 12, 2023. The application has been completed online with the state, and staff is recommending approval.

ATTACHMENTS: None

REPORT PREPARED BY: City Clerk

REVIEWED BY: City Administrator

RECOMMENDATION: Approve renewal

- b. **Renewal of Class C Beer Permit with Class B Wine Permit and Sunday Sales for Dollar General Store #23989**
 BACKGROUND: Dolgencorp, LLC, DBA Dollar General Store # 23989 located at 710 Liberty Street, has applied for renewal of their class C beer permit with class B wine permit and Sunday sales privileges. The term of the new license is 12 months and, if approved, would expire on December 7, 2023. The application has been completed online with the state, and staff is recommending approval.
 ATTACHMENTS: None
 REPORT PREPARED BY: City Clerk
 REVIEWED BY: City Administrator
 RECOMMENDATION: Approve renewal

4. **Resolution No. 6502 entitled, “RESOLUTION DIRECTING THE MAYOR AND FIRE CHIEF TO SIGN THE IOWA MUNICIPALITIES WORKERS’ COMPENSATION ASSOCIATION CRITERIA FOR FIRE DEPARTMENTS”**

BACKGROUND: This resolution directs the Mayor and Fire Chief to sign the attached Criteria for Fire Departments required by the Iowa Municipalities Workers’ Compensation Association (IMWCA). As background, IMWCA is the city’s workers’ compensation carrier. They cover work-based illness and injury of all employees, including our volunteer firefighters. In response to a large number of claims involving firefighters from all customers, IMWCA has implemented new criteria with the goal of reducing firefighter incidents. Currently, IMWCA provides coverage to nearly 300 fire departments in Iowa.

To continue coverage in the IMWCA pool, the city must agree to follow new criteria, including:

- Implement training and policies in five applicable areas
- Comply with new firefighter physical guidelines that were updated to reflect IOSHA interpretations and to clarify what qualifies as an acceptable physical for IMWCA compliance as of October 1, 2022

It is important to note that the City of Pella’s Fire Department is currently adhering to the criteria as required by IMWCA.

In summary, staff is recommending approval of the attached resolution directing the Mayor and Fire Chief to sign the attached IMWCA Criteria for Fire Departments form agreeing to continue to follow the new criteria as a condition of workers’ compensation insurance coverage with IMWCA.

ATTACHMENTS: Resolution, IMWCA Form
 REPORT PREPARED BY: Human Resources
 REVIEWED BY: City Administrator, City Clerk
 RECOMMENDATION: Approve resolution

E. PETITIONS & COMMUNICATIONS

1a. **Special Event Permit Request for Holidays in Pella.**

Branderhorst moved to conditionally approve subject to Council approval of a temporary outdoor service extension on Liberty Street Kitchen’s liquor license during the event, seconded by De Jong.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: Visit Pella has requested a special event permit to host Holidays in Pella which includes the 2nd annual Kerstmarkt Dutch Christmas Market and the 59th annual Tour of Homes. These events are scheduled for Thursday, December 1, 2022 through Saturday, December 3, 2022. Set-up is requested to begin on Monday, November 21st with take down complete by Tuesday, December 6th.

Kerstmarkt Dutch Christmas Market

The Kerstmarkt features merchandise and food vendors selling their products from huts, tents, and mobile carts located on the Molengracht and Klokkenspel Plazas, as outlined on the attached map. In addition, the promoter is requesting to have tents available for performances, kid’s crafts, and social areas to enjoy foods, beverages, and warmth. If approved, the market would be open from 11:00 a.m. to 8:00 p.m. starting Thursday, December 1st through Saturday, December 3rd.

A resolution is included with this request to close East 1st Street, from Franklin Street extending south to the alley by the Molengracht entrance. This closure is requested to occur from Wednesday, November 30th at 3:00 p.m. through Saturday, December 3rd at 10:00 p.m.

Finally, it is important to note that the promoter has asked Liberty Street Kitchen (LSK) to offer alcoholic beverages for sale during this event. In order for this to occur, the establishment must apply for/receive Council approval for a temporary extension of the outdoor service area of their liquor license. To-date, an application has not been submitted for this item; therefore, it will be included on a future agenda for Council’s consideration.

Christmas Tour of Homes

The Tour of Homes is proposed to be held during the following dates and times:

- Thursday, December 1st from 1:00 to 8:00 p.m.
- Friday, December 2nd from 10:00 a.m. to 8:00 p.m.
- Saturday, December 3rd from 10:00 a.m. to 2:00 p.m.

Home locations on tour this year include:

- 711 Kettland Kring (James and Paula Leach)
- 3030 Bos Ridge Road (Mike and Sarah Gerber)
- 669 210th Avenue (Ryan and Nichole Vos)
- 1112 Edgewater Drive (Marv and Vickie Van Wyk)

Directional signage is included with this request, and shown in the attached special event permit application, for the purpose of identifying the tour locations.

All pertinent city departments have reviewed this application and comments are attached. The fee and insurance certificate have been received.

Staff is recommending conditional approval of this special event permit and resolution pending the application and Council approval of a temporary outdoor service extension on LSK’s liquor license during this event.

ATTACHMENTS: Resolution, Application, Map, Department Comments
 REPORT PREPARED BY: City Clerk
 REVIEWED BY: City Administrator
 RECOMMENDATION: Conditional approval of special event permit and resolution pending receipt and approval of temporary outdoor service extension on Liberty Street Kitchen’s liquor license

1b. **Resolution No. 6503 entitled, “RESOLUTION TEMPORARILY CLOSING PUBLIC WAYS OR GROUNDS IN CONNECTION WITH A SPECIAL EVENT KNOWN AS HOLIDAYS IN PELLA.”**

Branderhorst moved to approve, seconded by Sporrer.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

2. Approve Filing of Citation with District Court for 813.5 Washington Street. De Jong moved to table consideration of this item to the next Council meeting on November 1, 2022, seconded by Branderhorst.

On roll call the vote was:

AYES: 4 (De Jong, Branderhorst, Carlstone, Sporrer)

NAYS: None

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

Motion carried.

BACKGROUND: On January 15, 2022, the building located at 813.5 Washington Street caught fire and was damaged beyond repair. After inspecting the property, staff determined that it was to be deemed a dangerous building per City Code criteria. On April 5th and July 19th, letters were served requiring the property owner to bring the structure into compliance. The property owner (A.G. Residential LLC) has been unresponsive to these notices. The mortgage holder is Leighton State Bank.

City Code: Dangerous Buildings

Chapter 145 of the City Code includes criteria regarding the designation of a dangerous building. In general, should a building become a hazard to those who could be inside of it or if it could present a hazard to other properties, the city can declare the property a dangerous building. The owners are to be notified and given an opportunity to abate the dangerous building; however, should the owners not remedy the problems, the city can order the dangerous building abated or demolished by seeking a court order to that effect. The city can then seek the costs for the abatement/demolition of the dangerous building from the property owner and, if need be, assess the affected costs to the property.

Citation

To-date, the property owner has not taken any steps to abate or remove the remains of the dangerous building; therefore, the next step is to file a citation with the District Court to order the property owner to abate the nuisance on the property. Filing of the citation requires approval of the City Council. The attached drafted citation includes a provision requesting the authority for the city to abate the nuisance if the property owner does not take action. Furthermore, the city requests the authority to bill the property owner for the cost of demolishing the property; staff estimates the cost to complete this action is approximately \$24,000. The demolition costs can be assessed against the property and property owner if permitted by court order. This citation will be subsequently indexed with a further action to notify lienholders and future buyers of the pending action and potential for assessment of costs. Once the costs are assessed, they will be collected via property taxes.

In summary, staff is recommending a motion to approve filing the attached citation with the District Court to order the property owner to abate the nuisance at 813.5 Washington Street. Should the property owner not comply, the citation includes a request from the city for the authority to abate the nuisance and to assess the property and property owner accordingly with the assessed costs collected via property taxes.

ATTACHMENTS:

Citation

REPORT PREPARED BY:

Zoning Analyst

REPORT REVIEWED BY:

City Administrator, City Clerk, Planning and Zoning Director

RECOMMENDATION:

Motion approving filing of the attached citation with the District Court for 813.5 Washington Street

F. RESOLUTIONS

1. Resolution No. 6504 entitled, "RESOLUTION APPROVING PRELIMINARY PLAT FOR READY ADDITION."

Bandstra moved to approve, seconded by Sporrer.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: This resolution approves a preliminary plat for the Ready addition. As background, Allan and JoAnn Ready submitted a preliminary plat to subdivide one lot into three separate parcels along Neil Drive at Idaho Drive. This 1.62-acre site is currently developed and zoned Multiple-Family Residential (R3). Two of these parcels have existing homes on them and one parcel will be vacant.

VARIANCE REQUIRED AND APPROVED

This site currently contains two homes, two outbuildings, and a potential vacant parcel on one lot. The garage outbuilding next to 1802 Neil Drive was constructed within the front set back. City Code requires that proposed subdivisions must conform to all applicable City Codes before the Planning and Zoning Commission and City Council can approve the preliminary plat. With the garage being constructed in the setback, the applicant was required to remedy the issue by either tearing the garage down or obtaining a variance from the Board of Adjustment (BOA). The applicant applied for an obtained the necessary variance from the BOA on September 19, 2022.

PELLA CITY CODE REQUIREMENTS FOR SUBDIVISION PLATS

The subdivision ordinance states that the City Council shall review the preliminary plat for conformance with the Comprehensive Plan, zoning ordinance, and subdivision ordinance. Preliminary plats are required whenever the subdivider of any tract or parcel of land within the platting jurisdiction of the city wishes to make a subdivision. The preliminary platting process allows the City Council the opportunity to review the overall layout of the lots and street pattern, as well as compliance with all applicable city infrastructure and code requirements, after review by the Planning and Zoning Commission.

ZONING CLASSIFICATION

The property is zoned R3. This district intends to provide locations primarily for multiple-family housing with supporting and appropriate community facilities. It also permits some non-residential uses to permit the development of mixed-use neighborhoods.

PROPOSED DEVELOPMENT

The site would consist of three residential lots. Two of these parcels have existing homes on them and one parcel will be vacant.

LOT REQUIREMENTS

The proposed lot meets all R3 zoning district minimum requirements.

REQUIRED IMPROVEMENTS

The developer is required to make and install all public improvements identified in City Code sec. 170.13. The following is a review of those requirements:

Streets: The subdivider shall grade and improve all new streets between the property lines, within the subdivided area. The paving on such new streets shall be built according to the Design Standards.

STAFF COMMENT: The site would be served by Neil Drive. No new streets are required.

Storm Sewer and Drainage: The subdivider shall construct all storm water management structures including, but not limited to, storm sewers, drains, inlets, manholes, and drainage conveyances, to provide for the adequate removal of all surface drainage according to the Design Standards and Standard Specifications. Engineering calculations, including references to support all assumptions and recommendations, shall accompany all storm water management systems designs.

STAFF COMMENT: The city's engineering consultant and Public Works Director have had the opportunity to review and approve the development's storm water management plan and drainage calculations. The engineering consultant noted no issues with the existing systems on site.

Secondary Storm Sewer: Subdividers must provide a secondary storm sewer system with access to the system from all lots in a subdivision. The City Engineer may grant a waiver to this requirement based on the zoning of the subdivision or the topography or other site characteristics of each lot. Proposed secondary storm sewer system designs, including locations of conduit, grading, drainageways, and outlets, must be shown on the preliminary plat.

STAFF COMMENT: The site consists of three lots. The city's engineering consultant and Public Works Director have had the opportunity to review and approve the development's storm water management plan and drainage calculations.

Sanitary Sewer: The subdivider does not have to construct sanitary sewers in conformance with the Design Standards and Standard Specifications, as they already exist. The subdivider shall provide a connection for each lot to the sanitary sewer and appropriate easements. The sanitary sewer shall be in operation prior to occupancy of any building.

STAFF COMMENT: The site will be connected to the public sanitary sewer within the site. The city's engineering consultant and Public Works Director have had the opportunity to review and approve the development's sanitary sewer plan and new required easements.

Water Mains and Fire Hydrants: The subdivider is not required to construct water mains and fire hydrants in the subdivided area as they already exist.

STAFF COMMENT: The site is served by a six-inch public water main running along Neil Drive. Each individual lot is set up to have their own water service per the applicants' construction plan.

Sidewalks: Sidewalks are normally required to be installed in accordance with the Design Standards and Standard Specifications.

STAFF COMMENT: Sidewalks will not be required for the site. As this is an existing neighborhood, sidewalks were not originally installed at this location.

Erosion Control Measures: The subdivider shall construct and maintain erosion and sediment control measures in accordance with the Design Standards.

STAFF COMMENT: The city's engineering consultant and Public Works Director have reviewed the preliminary plat and expressed no concerns with the site's erosion control measures.

Electric Service: The property is currently served by the Pella Electric Department.

STAFF COMMENT: The applicant is required to make sure each property has its own service line and appropriate easements.

COMPREHENSIVE PLAN

City Code sec. 170.06.2 tasks the Planning and Zoning Commission and City Council with reviewing preliminary plats for conformance with the Comprehensive Plan. The Comprehensive Plan's Future Land Use Map identifies this site as Low-Density Residential. The proposed use complies with this designation. The Comprehensive Plan also calls for increased housing in the community, which this project helps satisfy.

SUMMARY AND STAFF RECOMMENDATION

In summary, staff finds that this preliminary plat meets the minimum requirements of the zoning and subdivision ordinances while also conforming to the Comprehensive Plan. Based upon the findings, staff recommends the preliminary plat be approved as submitted. Finally, it is important to note that the Planning and Zoning Commission approved this preliminary plat on September 26, 2022.

ATTACHMENTS: Resolution, Application, Aerial Map, Preliminary Plat

REPORT PREPARED BY: Planning and Zoning Director

REPORT REVIEWED BY: City Administrator, City Clerk

RECOMMENDATION: Approve resolution

2. Resolution No. 6505 entitled, "RESOLUTION APPROVING AND AUTHORIZING A FORM OF LOAN AGREEMENT AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$1,420,000 GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2022A, AND LEVYING A TAX TO PAY SAID NOTES; APPROVAL OF THE TAX EXEMPTION CERTIFICATE."

Branderhorst moved to approve, seconded by De Jong.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: This resolution approves and authorizes a form of loan agreement for \$1,420,000 of General Obligation Capital Loan Notes, Series 2022A. Additionally, the resolution approves a tax exemption certificate. As background, the purpose of these notes is for construction of road improvements to Prairie Street (Truman to South Street) and Monroe Street (Oakwood to W. 3rd Street).

Uses of Funds

The following is a breakout of fund utilization for this item:

Monroe Street	\$ 300,000
Prairie Street	1,050,237
Capitalized interest	31,587
Cost of issuance	<u>38,167</u>
Total costs	<u>\$ 1,420,000</u>

Key Terms

Over the past several months, the city worked with its underwriter/placement agent, D.A. Davidson, to identify the most cost-effective way to secure the necessary funding for these projects. After a review of potential pricing in the bond market, D.A. Davidson was able to find more favorable pricing through direct investment with Truist, the financial institution that resulted from a merger between SunTrust and BB&T. While local institutions were solicited and prioritized, the Truist offer ultimately provided the most favorable terms for the city's financing.

Total amount:	\$1,420,000
Interest rate:	3.85%
Closing date:	November 3, 2022
Maturity date:	June 1, 2037

Annual Payments

In order to minimize the financial impact on the current fiscal year (FY), the first annual principal payment was limited to \$10,000 and the initial interest payment will be paid utilizing capitalized interest. Formatting the debt service schedule in this way will provide the city the flexibility necessary to make the annual debt service payments without the need to make material adjustments to the FY 22-23 budget.

In the future, the annual debt service payments for this bond will be included in the financial preparation of the FY 23-24 budget process. Staff believes that the budget can sustain the proposed debt service schedule of the bonds without increasing property taxes, but Council will make the final determination of the funding source and annual city tax rate certification through the preparation of all future city budgets.

In summary, the city's underwriter/placement agent worked diligently to identify the lender and source who provided the city the lowest cost of borrowing to provide the necessary funding for the two important street projects. After review of the alternatives, a private placement with Truist returned the most favorable terms for the size and scale of the borrowing needs under current market conditions.

Staff is recommending approval of this resolution which approves and authorizes a form of loan agreement for \$1,420,000 of General Obligation Capital Loan Notes, Series 2022A. This resolution also approves a tax exemption certificate which sets out in detail a number of facts and obligations which must be met and agreed to for these Notes to be maintained as tax exempt.

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

3. Resolution No. 6506 entitled, “RESOLUTION APPROVING AND AUTHORIZING A FORM OF LOAN AGREEMENT AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$2,155,000 TAXABLE GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2022B, AND LEVYING A TAX TO PAY SAID NOTES.”

De Jong moved to approve, seconded by Bandstra.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

BACKGROUND: This resolution approves and authorizes a form of loan agreement for \$2,155,000 of General Obligation Capital Loan Notes, Series 2022B, for the purpose of fulfilling the city’s financial obligation for the Prairie Ridge Commercial Development Area.

Uses of Funds

The following is a breakout of fund utilization:

UR incentives	\$2,000,000
Capitalized interest	97,949
Cost of issuance	52,856
Contingency	<u>4,194</u>
Total costs	<u>\$2,155,000</u>

Key Terms

Similar to Series 2022A, over the past several months the city worked with its underwriter/placement agent, D.A. Davidson, to identify the most cost-effective way to secure the necessary funding for these projects. After a review of potential pricing in the bond market, D.A. Davidson was able to find more favorable pricing through direct investment with Truist, the financial institution that resulted from a merger between SunTrust and BB&T. While local institutions were solicited and prioritized, the Truist offer provided the most favorable terms for the city’s financing. For a taxable financing, this option has been consistently more attractive over the last two months as compared to the bond market.

Total amount:	\$2,155,000
Interest rate:	4.93%
Closing date:	November 3, 2022
Maturity date:	June 1, 2038

Annual Payments

Given that incremental tax revenues from the Prairie Ridge Commercial project will be utilized to fund the debt service payments associated with the borrowing, the proposed debt service includes smaller upfront principal payments. This should help minimize any required contributions from the city while the valuation from the development begins to generate the necessary funding to support the debt service schedule.

Based on the projected TIF model, the city will advance funding in FY 22-23 and FY 23-24 to cover the annual debt service payments, but will be made whole at the back end of the schedule or as soon as additional valuation/increment becomes available.

In summary, the city’s underwriter/placement agent worked diligently to identify the lender and source of the lowest cost of borrowing to provide the necessary funding to fulfill the city’s contractual agreements for commercial development of the Prairie Ridge Commercial District. After review of the alternatives, a private placement with Truist returned the most favorable terms for the size and scale of the city’s borrowing needs under current market conditions.

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

G. ORDINANCES

1. Ordinance No. 1018 entitled, “AN ORDINANCE AMENDING SECTION 122.03 OF THE CITY CODE OF THE CITY OF PELLA, IOWA, FOR THE PURPOSE OF EXTENDING THE TEMPORARY REMOVAL OF THE REQUIREMENT TO OBTAIN A DESIGN PERMIT TO OPERATE AS A PEDDLER WITHIN THE OSKALOOSA STREET CORRIDOR.”

Branderhorst moved to place ordinance no. 1018 on its first reading, seconded by Sporrer.

On roll call the vote was: AYES: 5, 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 Sporrer.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

Bandstra moved that ordinance no. 1018 be adopted, seconded by Branderhorst.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

Mayor DeWaard declared the ordinance duly passed and adopted.

BACKGROUND: This ordinance extends the temporary removal of the requirement to obtain a design permit to operate as a peddler within the Oskaloosa Street corridor. After discussing this item during the Policy and Planning meeting on October 4th, Council directed staff to place the ordinance on a future agenda for formal consideration.

Current Requirements for Peddler Permits

Peddler permit requirements are outlined in City Code Chapter 122. Currently, peddlers are permitted to operate only in commercial zoning districts (CBD, CUC, CC, CPD). Peddlers must have an approved design permit for their vehicle/structure that they use for selling merchandise. The design must be consistent with the Design Review District Design Manual parameters for peddlers. Peddlers exceeding 30 days per calendar year (consecutive or nonconsecutive) are required to have a Dutch theme. In addition, peddlers need to be aware of the following requirements:

- Selling must occur on private, not public, property.
- If selling in a parking lot, the off-street parking requirements must be reviewed by the Planning and Zoning staff to ensure they are not reduced below the required number of spaces.

Ordinance Temporarily Removing Design Permit Requirements

In May of this year, Council approved an ordinance temporarily removing design permit requirements for peddlers in the Oskaloosa Street corridor through December 31, 2022. The attached ordinance extends this by one year, through December 31, 2023. It is important to note that, if approved, all other requirements for peddlers, as outlined in City Code Chapter 122, would remain in effect. The only aspect that would be waived under this ordinance is the requirement to obtain a design permit to operate within the Oskaloosa Street corridor. For the purposes of this ordinance, the corridor includes properties which abut Oskaloosa Street between the intersections of Main/Oskaloosa and SE 16th/Oskaloosa, as outlined on the attached map. Staff recommends approval of the attached ordinance which extends the temporary removal of the requirement to obtain a design permit to operate as a peddler within the Oskaloosa Street corridor by an additional year. If approved, this waiver will be extended through December 31, 2023.

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

2. Ordinance No. 1019 entitled, "AN ORDINANCE AMENDING MUNICIPAL TELECOMMUNICATION UTILITY RATES IN THE CITY OF PELLA, IOWA."

De Jong moved to place ordinance no. 1019 on its first reading, seconded by Branderhorst.

On roll call the vote was: AYES: 5, 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 Branderhorst.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

Branderhorst moved that ordinance no. 1019 be adopted, seconded by Sporrer.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

Mayor DeWaard declared the ordinance duly passed and adopted.

BACKGROUND: This ordinance amends the previously approved municipal telecommunication utility rates. The proposed rates are for new services not currently available to customers. If approved, staff will begin providing the associated services upon final passage of the attached ordinance:

Voice Service Rates

Description	Fee
SIP Voice per Call Path	\$30.00
DID Block of 20	\$5.00

Design Services

Description	Fee
Port Charge	\$150.00
Redundant Routing	\$75.00
Layer 2 Handoff	\$75.00
IP Allocation (29)	\$10.00
IP Allocation (28)	\$8.00
IP Allocation (27)	\$5.00

Local Video Service Rates

Description	Fee
Part-time Leased Access Handling	\$40.00
Part-time Leased Access Airing	\$10.00
Video Production	\$120.00/hour (1 hour minimum)
Commercial Airing	\$10.00/30 seconds
Short-term Display Advertising	\$20.00/week, \$60.00/month, \$600.00/year
Ad Creation Package	\$300.00

A brief summary of the services noted above can be found as a memo attachment.

In summary, staff recommends approval of this ordinance which amends the municipal telecommunication utility rates as outlined above.

ATTACHMENTS: Ordinance, Service Summaries
REPORT PREPARED BY: City Administration
REVIEWED BY: City Administrator, City Clerk
RECOMMENDATION: Approve ordinance

H. CLAIMS

1. Abstract of Bills No. 2113.

De Jong moved to approve, seconded by Branderhorst.

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

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

Comments were received and addressed.

J. ADJOURNMENT

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

On roll call the vote was: AYES: 5, NAYS: None. Motion carried.

Meeting adjourned at 6:43 p.m.