

City of Elk Run Heights
Special Council Meeting
Located at Eddis Winstead Council Chambers
January 19, 2021 - 6:00 p.m.

Mayor Lundy called the meeting to order at 6:00 pm. All present recited the Pledge of Allegiance. Roll call of Council Members: Present –Ratchford, Wilson, Bass, Sallis, and Smock. Quorum present.

Wilson/Ratchford to approve of the January 19, 2021 Agenda. Ayes-Five. Motion carried.

Ratchford/Bass to approve request to enter into agreement with MSA Professional Services, Inc. for the engineering services for the Wastewater Treatment Plant Project in an amount not to exceed \$703,000; and authorization for Mayor to sign said agreement. Councilor Ratchford asked if this was the amount in whole. Mayor Lundy answered yes. It will be \$351,500 for Elk Run Heights. Ayes-Five. Motion carried.

FY22 Budget workshop: Council began by going over the quotes for road work that the Public Works Department is requesting to be addressed. Mayor Lundy asked if part of Dubuque Road will be fix with concrete and part with asphalt. Thomas James was explained that the area of Dubuque Road that is already asphalt is breaking up and should be fixed before it gets too bad. The area of road that needs concrete is further down by Town and County, which will get an overlay. Lundy asked why we would not have it relayed. James responded it is four to five times the cost. He stated there are some areas that will need to be relayed because of heaving and crumbling. Lundy pointed out that overlaying is only a short-term fix because what is covered up will come back. James stated the contractor said that will not happen with the materials they will use, and this option will last ten to fifteen years. Lundy and Eastman asked about the prices from a couple other companies. James stated he had not received additional quotes.

Lundy addressed the Lafayette Road/Gilbertville Road project, asking Council if they still plan on trying to complete the project. The grant is to be used in 2022 and is for 1.2 million but the City portion is going to be a million, and with the sewer plant going up we may not have debt capacity available. Eastman said that in the meeting with Speer Financial it was said that there will be some debt capacity left over, but does the Council want to use up all the debt in one year. Jordan Cooper with PeopleService asked what the scope of the project is. Lundy explained it will involve tearing out the entire roadway and putting in sidewalks. Cooper then stated the watermain on Gilbertville Road from Lafayette down to Elk Run Road is going to need replaced due to the pipes being made of transite, which contains asbestos. James stated if there is a new roadway going in there should be a new watermain put in first. Lundy stated that may be included in the project. Cooper added the DNR is at some point going to expect all cities to replace all pipes made from transite. Lundy pointed out this is not something the City has to do; they can turn down the grant if we do not have the funds to pay our portion. Councilor Smock interjected and stated she wants to see this project done; it is a safety issue for the community.

Clerk Eastman began going through the line items of regular expenditures noting the Police contract will only have a 2.5% increase, and there will need to be \$4,000 added to the Emergency Management line for the Disaster Recovery Plan. Eastman informed council the library contract has not been decided yet, so it was estimated. Most of the line items stay the same or have a minor increase, aside from wages which the increase is based off the reviews. Eastman explained she has added several line items that will recategorize several line items, putting them in a more specific department. James stated he has not gotten pricing for adding an electrical box at the park which should be included in the budget. Continuing there were adjustments made to the Christmas Decoration line and council/mayor meetings/conferences line.

Clerk Eastman asked if council would like to discuss the Mayor wages because there has been discussion on more than one year at budget time about raising it but was not done. Councilor Ratchford stated he felt it should be raised to at least \$7,500 which is fair for a town this size. Mayor Lundy stated the position is more of a volunteer position like Council. Councilor Smock agreed with the Mayor but stated the Mayor should be putting actual hours in and get paid for those hours. Councilor Wilson felt it should be left alone for now, but understands what Smock is stating. Councilor Sallis asked how long it has been since there was an increase. It was said to be at least 6 years. It was agreed to leave as is for this time.

Continuing it was agreed to transfer out of the General Fund \$50,000 for the Gilbertville/Lafayette Rd project, \$10,000 for the Vehicle Replacement Fund, and \$125,00 for the Mayor's Park project. It was agreed not to continue getting a CD for the Office Equipment. There was discussion of purchasing a new dump truck, which was agreed to wait until another time.

Discussions continued to the Road Use portion of the budget. Mayor Lundy asked Council if they plan on hiring a full-time employee in public works. Councilor Wilson stated yes, he and Councilor Sallis had been tasked with looking at information from similar sized cities to come up with a wage amount. Wilson stated this person will be doing building inspections and code enforcement in addition to public works, which are all different titles and pay rates. After discussions Council agree to offer \$21.00 per hour and offer upgrades in pay as they get educated for the other positions.

Council then discussed the transfers out for the Local Option Sales Tax funds and agreed to transfer \$50,000 to Waste Water Treatment Plant project and \$90,000 to the Lafayette/Gilbertville Road. The Council began discussing the road projects James had brought quotes in for on Dubuque Road, it was agreed to put \$159,000 in that fund. James began going over the costs and options for replacing the windows in the community room and council chambers, which are original with the building. It was agreed this can be paid out of the FY21 budget. Moving to the Mayor's Park Project section it was acknowledged the same numbers need to be budgeted for FY22, \$20,000 in engineer fees and \$618,000. It was noted there will need to be engineer fees for the Lafayette/Gilbertville Rd added to this budget, Smock will contact Mike Dryden to get costs.

Jordan Cooper with PeopleService then began going through the list of possible repairs and maintenance he recommends for the Water Fund. There are four valve replacements that need done which could cost up to \$14,040. There is also a water main extension needed on McCoy Road, due to water just sitting and becomes stale, which can potentially grow bacteria; this costing roughly \$41,220. Council discussed and asked City Clerk to look at FY21 budget to see if we can cover either of those projects, otherwise there are CD's in the water depreciation fund that could possibly be used. Cooper went through the Sewer Fund for Council's consideration. There are serious issues with some manholes and lift stations. Additionally, he recommends increasing the sewer line repair/maintenance budget so to ensure funds for cleaning sewer lines for 1/3 of the City and doing this each year until it is complete.

Council went through the sewer budget and discussed the current deficit, City Clerk Eastman pointed out there was a generator that was budgeted for in FY20, but we were not billed. So that generator was paid for in FY21 budget, and we will still be billed for the other generator that was budgeted for this year. Additionally, there have been several issues arise this year that has affected the budget including lift station problems and sewer line backups. Council considered the list of potential repairs provided from Cooper. It was decided to increase the sewer line repair/maintenance line to \$41,000 to cover half of the city's sewer line cleaning. The lift station maintenance line was increased to \$39,000 to replace the second pump at the Sutton lift station. Cooper stressed the importance of the rehab for the lift station stating the presented repairs cost is much less than replacement and if the City waits much longer, they will need to replace this lift station due to corrosion. Eastman informed the Council of the predicted interest payments that were added to the budget for the new sewer plant equaling \$125,000; also, there was \$600,000 added for engineering and \$2,000,000 for construction which will be paid from the loans.

Lastly Mayor Lundy asked Council about the money owed to Black Hawk County Engineers office for the work done on South Elk Run Road. Councilor Smock suggested paying them over 2 years. Lundy agreed suggesting paying \$20,000 this year and \$37,000 next year. Councilor Ratchford offered \$25,000 each year or 50/50. Smock pointed out we must see what we have available. Lundy stated there should be Road Use funds left over this year, but not next year due to the projects. Lundy pointed out there is a balance left in the Capital Project Street Project Funds and the payment can come from that line. Eastman was asked to look at current budget to see if there are funds to pay this off this year.

Ratchford/Bass to adjourn at 8:53 p.m. Ayes-Five. Motion carried.