

City of Elk Run Heights
Regular Council Meeting
Located at Eddis Winstead Council Chambers
May 11, 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—Bass, Sallis, Smock, Ratchford, and Wilson. Quorum present.

Ratchford/Smock to approve of the May 11, 2021 Agenda. Ayes-Five. Motion carried.

Presentation from Maggie Burger with Speer Financial for preliminary options for financing the Wastewater Treatment Plant Project and the revising of water/sewer utility rates. Maggie began by explaining the intent is to split the funding between a General Obligation (GO) State Revolving Fund (SRF) and a Sewer Revenue SRF. She continued stating the total amount needed to borrow will approximately be \$5,795,500, which includes a contingency amount of \$250,000.00. The rate for the GO SRF will be 20 years at 2% and the Sewer Revenue SRF will be 30 years at 3%, which Maggie stated are exceptional rates. Based on this information the GO SRF will require a payment each year from the General Fund and/or the Local Option Sales Tax Fund in a varying amount of \$75,000 to \$90,000 per year. After paying down the bond with the nearly 1 million dollars from the Capital Project Fee that has been being collected since 2014 the Sewer Revenue SRF will require the Capital Project (CP) fee to be increased \$32.67 per month per user account. Councilor Ratchford asked for clarification of the total amount of the project, noting the bids came in at 9.754 million and with Elk Run paying half the amounts do not add up. Maggie explained the contingency, engineering, and legal costs are not included in the construction bid, so the total cost of the project is potentially \$11,358,526.00; with Raymond and Elk Run splitting this it is roughly 5.679 for each city. Additionally, the City will have the ability to pay the 30-year loan off early with any additional funds available after 10 years. She continued to explain circumstances that could potentially reduce the borrowing amount that would in turn lower the CP fee.

Presentation from Maggie Burger with Speer Financial for preliminary options for financing the Gilbertville/Lafayette Road reconstruction project. Maggie began by explaining the city has a debt capacity of 3.930 million. Granted the City is borrowing roughly 4.820 million only the GO SRF deducts from the debt capacity; so, there is plenty of room to borrow for the Gilbertville/Lafayette Road reconstruction. This bond will be for 15 years at 2.25%. Maggie continued to explain the repayment options and the effects on the residents. There were two options presented one would be implementing a debt service levy which would add \$1.91 per \$1000 (averaging \$107.56 per year) to the property taxes. Because there will be updating of water infrastructure included in the project the second option would be using a portion on the water revenues and the implementing of the debt service levy at \$1.59 per \$1000 (averaging \$89.84 per year). Maggie again mentioned there could be money from the government available at some point which would lessen the burden on the residents.

Ratchford/Wilson motion for the approval of Consent Agenda. a. Approve the April 13, 2021 regular meeting minutes b. City Clerk's Reports as of April 30, 2021: Budget Report, Treasurer's Report, Revenue Report, and Investment Report c. Approval of Building Inspection, Library, and PeopleService Sewer/Water. Ayes-five. Motion carried.

Ratchford/Smock to approve the resolutions calendar. a. Resolution 3070 authorizing the payment of bills and transfers b. Resolution 3071 approving the entering a contract to provide extra territorial services. Roll call vote. Ayes-five.

Ratchford/Smock to open the Public hearing for Fiscal Year 2020-2021 Budget Amendments at 6:40 p.m. Ayes-five. Motion carried. There are no public comments and proof of publication is on file. Wilson/Ratchford to close at 6:41 p.m. Ayes-five. Motion carried.

Smock/Ratchford to approve resolution 3072 approving the FY21 Budget Amendments. Roll call vote. Ayes-five.

Bass/Ratchford to open Public Hearing on proposal to enter into a Sewer Revenue Loan and Disbursement Agreement at 6:41 p.m. Ayes-five. Motion carried. There are no public comments and proof of publication is on file. Nancy Jacobs at 225 Toneff Drive expressed concerns with the sewer construction costs being higher than predicted once the project is underway. Council explain that was a valid concern, pointing out that change orders are inevitable but are voted on by the Council. Ratchford/Bass to close at 6:45 p.m. Ayes-five.

Smock/Ratchford to approve resolution 3073 taking additional action on proposal to enter into a Sewer Revenue Loan and Disbursement Agreement. Roll call vote. Ayes-five.

Wilson/Ratchford to open Public hearing on proposal to enter into a General Obligation Sewer Improvement Loan and Disbursement Agreement at 6:46 p.m. Ayes-five. Motion carried. There are no public comments and proof of publication is on file. Ratchford/Smock to close at 6:47 p.m. Ayes-five. Motion carried.

Ratchford/Bass to approve resolution 3074 authorizing and approving a Loan and Disbursement Agreement, providing for the issuance of \$1,500,000 General Obligation Sewer Improvement Bonds, Series 2021 and providing for the levy of taxes to pay the same. Roll call vote. Ayes-five.

Smock/Wilson to table resolution 3075 approving contract and performance and/or payment bonds for the Elk Run Heights and Raymond WWTF Project. Ayes-five. Motion carried.

Wilson/Ratchford to approve resolution 3076 Adopting and Approving Tax Compliance Procedures Relating to Tax-Exempt Bonds. Roll call vote. Ayes-five.

Ratchford/Bass motion to adopt Ordinance 270 Amending the Code of Ordinances of The City of Elk Run Heights, Iowa, by amending chapter 13.16, wastewater treatment user charge. Mayor Lundy stated this raises the Capital Project fee from \$50 to \$60 per quarter. Roll call vote. Ayes-five.

Ratchford/Wilson to approve Ordinance 273 an ordinance of the City of Elk Run Heights, IA, amending chapter 13.24, sanitary disposal of garbage and refuse, section 13.24.160, schedule of fees, rates, and charges to \$13.25 per month, second reading. Roll call vote. Ayes-five.

Ratchford/Smock to approve request to have Weikert Contracting Inc. of Cedar Falls, Iowa provide crack sealing to the streets and City Hall parking lot. Ayes-five. Motion carried.

Ratchford/Smock to approve request from Jamie Mether to add signage to existing pole to deter trucks and traffic from turning around in his storage unit's drive on Gilbertville Road. This can ultimately cause very costly damages to his property. Councilor Ratchford recommended adding signs for property owner to save money on repairs. Councilor Smock stated she had drove down there and recommends adding two signs because there is no distinct notice as to where the turnaround is. Ayes-five. Motion carried.

Ratchford/Bass to approve request to consider and approve the location and instillation of a light pole at the end of Lafayette Road. Ayes-five. Motion carried.

Discussion/Possible action: Council to discuss Lot 2 located on Gray Street and how to list the lot for sale. Councilor Bass mentioned the realtor who previously had it listed had access to more of an advertisement platform, stating it would be harder for the City to sell it by word of mouth. City Clerk Eastman stated she felt the previous realtor was not interested in listing the lot because the sign was removed without contact to City Hall or the Mayor. Council agreed to list the lot for sale on multiple online locations and go through attorney for closing. Ayes-five. Motion carried.

Public Discussion: City Clerk Eastman read a letter addressed to Council from John Nagel from 253 Michigan Drive discussing his opinion of a potentially dangerous dogs on Michigan Drive. It was agreed according to the City Code the homeowner in question is not in any violation. Ron Pint of 441 Amber Lane asked about the future dog park and if someone's dog bites his dog, who would be responsible. Councilor Smock answered to dog owner would be responsible. It was then explained there will be a sign when entering the dog park stating the City is not responsible for any incidences, and relinquishing liability.

Mayors/Council/Engineer Reports-Councilor Wilson discuss the epidemic with dead trees throughout the city. Mayor Lundy explained the City does not get involved with cutting down residential trees. Adding it is the property owner's responsibility and the City can send them a letter requiring that it be done. Wilson stated there are organizations and groups that will sometimes cut down trees for people so they can keep the wood. City Clerk Eastman asked Wilson to get her a list of the organizations and we can get that information out to the public.

Ratchford/Sallis to adjourn at 7:10 p.m. Ayes-Five. Motion carried.

Attest:

Kristi Lundy, Mayor

Julie Eastman, City Clerk