

**THE REGULAR MEETING
OF THE BLUE GRASS CITY COUNCIL
BLUE GRASS, IOWA FEBRUARY 6, 2017**

The Blue Grass City Council met in regular session at 7:00 p.m. on the 6th day of February 2017, in the City Council Chambers of City Hall, 114 N. Mississippi Street, pursuant to law, with Mayor Timothy Brandenburg presiding, with the Pledge of Allegiance and a moment of reflection. The following Council members were present: Chuck Barton, Brad Schutte, Bonnie Strong, Lisa Smith and James Goodin. City Attorney William McCullough and City Engineer Mike Janecek were also in attendance.

APPROVAL OF AGENDA: City Attorney William McCullough requested that Item #27 be deleted from the agenda until he has had ample time to confer with other legal Counsel regarding that particular item. Council member Goodin requested that Item #25 be discussed after “comments and future agenda items” due to the fact that the Council will be going into closed session. Council member Strong moved to approve the Agenda with the deletion of Item #27 and to discuss Item #25 after “comments and future agenda items”, seconded by Council member Goodin. All ayes, motion carried.

MAYORAL COMMENTS: Mayor Brandenburg announced the following: “Welcome to your Blue Grass City Council meeting. If you are not a member of the Fire, Ambulance, or Police Department, please turn off or silence your cell phones, pagers, etc. It is your right to be heard; however, please ask to be recognized by the Mayor. After being recognized, please stand and state your name and address. In an effort to keep the meeting on task, please limit your comments or concerns to several minutes. Please have the courtesy to allow the person speaking to finish uninterrupted. Thank you”.

PUBLIC FORUM: From those in attendance, there were none.

CONSENT AGENDA: Council member Barton made a motion to approve the consent agenda as presented, seconded by Council member Goodin:

- 1. Motion to approve the minutes of the January 17, 2017 City Council meeting**
- 2. Motion to adopt Resolution 2017-04 ref: authorizing an expenditure from the accumulated Tax Increment Financing Reserve**
- 3. Motion to adopt Resolution 2017-05 ref: authorizing an expenditure with the construction project of the Rehabilitation of the North Mississippi Street Project**
- 4. Payment of claims**

Council member Schutte made a correction to a claim. The Clerk reported that at the request of Council member Goodin, that in the future when a regular vote is called that the Clerk clarify in her minutes that there were “4-eyes and 1-nay (listing that individual Council member or Council members)” rather than “all ayes, with Council member (listing that individual Council member) voting nay”. A roll call was taken: Barton-aye, Goodin-aye, Smith-aye, Strong-aye and Schutte-nay. Motion carried.

FIRE DEPARTMENT: Fire Chief Brian Seamer reported the following:

- 5. Fire Department report:** The January 2017 report consisted of 30 calls and 89.4 on scene man-hours reported. Seamer expounded on the activity during the month reporting the following: the Department had trained with Medic EMS about item location and procedures; during the month of February the Department would be training on standard operating procedure guidelines and HIPPA protocols; reported that one member that, unfortunately did not pass a certification test; however, would be going through the proper steps to obtain the required certification; the Department purchased a 16 foot enclosed trailer with their fundraising monies that will be used to haul their ATV and rope rescue equipment and that the Department will be performing in two live fire trainings during the month of March.

BUILDING COMMISSIONER: Building Commissioner Ray Daufeldt reported the following:

6. Building Commissioner Report: Mr. Daufeldt gave the Building Commissioner report for the month of January 2017 as follows: 5 new homes currently under construction; 4 building permits issued; 5 remodeling projects; 4 complete rental inspections and 1 scheduled; no activity on the new Relentless Rod and Custom Shop reporting that the building permit had expired on October 13, 2016 and that a stop work order was ordered on December 7, 2016; reported that the new car wash owners were upgrading their bays and reported that there has been no activity on the vacated home on South Oak Lane. McCullough reported that he had received a telephone call from a potential buyer for the vacated house on South Oak Lane along with the surrounding 22 acres.

7. Status of Variance Violation: Previously, the City Attorney, after further research reported that according to the Board of Adjustment meeting minutes and the City Council meeting minutes, it appears that Mr. Sampson's Variance request was to construct an accessory building on the land prior to constructing his primary residence. He had questioned whether the accessory building was built to City Code for a primary residence or not and whether an Occupancy Permit was issued to Mr. Sampson. Council requested that the City Attorney send Mr. Sampson a letter informing him of his violation and that Mr. Sampson request a meeting with the Zoning Board of Adjustment accompanied by the required meeting fee(s).

McCullough reported that he had sent Mr. Sampson a letter outlining the Councils' concerns requesting that he fill out an application requesting to meet with the Zoning Board of Adjustment. The Clerk reported that Mr. Sampson had picked up an application that Monday, February 6, 2017.

ENGINEER REPORT: City Engineer Mike Janecek reported the following:

8. Engineer Report: Janecek reported that he had provided documents listing any and all future improvements with cost estimates in reference to the City's water infrastructure at the request of the City.

9. North Mississippi Street Rehabilitation Project: After completion of the "Design Phase Engineering" of the rehabilitation of North Mississippi Street, the City was awarded grant monies through both the STP and TAP; however, these grants exclude any utility construction costs. Total project costs are estimated at \$2,744,887.95.

Janecek reported that the final plans were near completion and once complete, McClure Engineering would submit the final plans to the Iowa Department of Transportation and that the City would begin letting out for bids during the Fall of 2017 with a construction timeline of 2018.

10. Status of North Lift Station: The City Council awarded the contract to Hometown Plumbing & Heating in the amount of \$219,739.73 for the reconstruction of the North Lift Station with a completion date of May 31, 2016.

Janecek reminded the Council that the City was still holding a \$1,000.00 retainage on the job until Hometown Plumbing & Heating completes the grading and seeding in Spring of 2017. He said that prior to that, he would do a spot check inspection to see if any addition grading is needed or not.

11. Update: I.D.N.R. NPDES Permit: Previously the City had received notification from the Iowa Department of Natural Resources (IDNR) mandating that the City comply with the new regulatory reporting in regards to the City's NPDES Permit. The new requirements are creating a major financial hardship as the new permit requirements include the reporting of ammonia nitrogen limits and E. coli limits.

Janecek reported that McClure Engineering had received the IDNR's final comments so now McClure Engineering can begin the anti-degradation analysis and Facility Plan and submit to the IDNR adding that sometime in March, the plans should be finalized and approved. He said that according to the IDNR's timeline, the City is on schedule.

PUBLIC WORKS: Public Works Director Lonnie Robertson reported the following:

- 12. Public Works Department Report:** The January 2017 report consisted of the following: 3 Iowa-One Call locates; reported that a new pump had to be installed at the lagoons costing approximately \$3,100.00 as the old pump had approximately 150,000 recorded hours as they run 24/7; Public Works was near completing the sump-pump inspection program and updated the Council on the progress of the residents that were in violation and reported that the impellers at the West Lift Station were in need of being re-nosed; therefore, a loaner pump will be placed until the other pump is complete.
- 13. QC Analytical Services, LLC ref: 2017 Drinking Water Operator – 2017 Wastewater Operator:** Robertson reported that according to the Contract between the City of Blue Grass and QC Analytical Services that was approved February 2, 2015, the Contract would roll over every year unless either party sends a written notice. CEO/President Len Hoogerwerf reported that QC Analytical Services was a State Certified Lab and that he has been with the City since 2006 reporting that there has been no rate increase since and that he would like to keep the contracts the same until the sale of the water assets as he has always had a great relationship with the City. He said that he has been in contact with the City in regards to the sale of the water assets; therefore, once that is complete QC Analytical Services will continue to be the City's Wastewater Operator. The consensus of the Council was to continue with both the Water Operator and Wastewater Operator Contract. Mr. Hoogerwerf briefed the Council on how QC Analytical Services could possibly assist the City on meeting the IDNR's new NPDES permit regulations by installing low cost alternatives such as installing an aerator that uses pure oxygen which would eliminate any blowers and save the City quite a bit of costs on their electrical bill. He said that they are currently working with several other small towns on using an aerator. Further discussion was held.

STREET COMMITTEE:

- 14. Preliminary discussion ref: rehabilitation of the West Mayne Street Corridor:** Robertson reported that the Street Committee had met on January 5, 2017 at which meeting the Committee discussed the rehabilitation of the West Mayne Street Corridor as the street was in desperate need of rehabilitating. He said that the project would entail milling out approximately 2 inches and put 3 inches down of asphalt with costs ranging from \$600,000.00 to \$650,000.00 and that it was the consensus of the Committee to proceed. Robertson continued to report that the Committee recommended that the City take out the turn lane and leave two lanes of traffic with a "share the road" 5 foot shoulder. Discussion was held on what infrastructure lies underneath Mayne Street. Mayor Brandenburg suggested that the City wait until the rehabilitation project of North Mississippi Street was complete as there may be additional costs involved that would create a financial burden and that in the meantime keep repairing/replacing what is needed to Mayne Street for the next 3 years until the City is ready to take on another project of such size. Council member Schutte added that while he realizes that both projects are a priority it is clear that the Mayne Street corridor needs be addressed now as the City is continuously dumping money into it by patching and repairing but in reality something more permanent needs to be done before something major happens; therefore, it was his opinion that the City proceed with the project and draw from a Note at the bank until both projects are complete and use whatever funds are needed to fund both projects. Resident Mark Wakefield asked that the Council reconsider and reroute traffic on Locust Street while North Mississippi Street is being reconstructed. Council member Schutte informed Mr. Wakefield that rerouting traffic on Locust Street was not even an option as it was a County Road and the only options are East Telegraph Road and West Laretta Street. Mr. Wakefield expressed concerns on what the additional traffic will do to West Laretta Street. Robertson added that the City can replace any repairs needed with asphalt on West Laretta Street. Mayor Brandenburg expressed financial concerns on the future of East Telegraph Road asking that the City take on one major project at a time and then move forward with the next project as there are far too many unknowns with the North Mississippi Street project. Further discussion was held. Council member Schutte moved to proceed with the rehabilitation of the Mayne Street corridor, seconded by Council member Smith. A roll call vote was taken: Schutte-

aye, Smith-aye, Strong-aye, Barton-aye and Goodin-aye. Janecek reported that he would proceed and put together an engineering proposal with plans and specifications.

SEWER COMMITTEE:

15. Lining & Grouting Project ref: Lining of Lamphere Drive and Grouting of Terrace Drive:

Robertson reported that the Sewer Committee had met on February 3, 2017 with both himself, the City Engineer and representatives from Visu-Sewer to discuss and review Visu-Sewer's tape of the sewer lines on both Lamphere Drive and Terrace Drive. He said that it was the recommendation of the Committee to proceed with the lining of Lamphere Drive and the grouting of Terrace Drive. Robertson read aloud a quote from Visu-Sewer to test and seal grout approximately 1,080 linear feet of 8 inch clay sewer main and install 1,238 linear feet of 8 inch National Liner and pressure grout 51 sewer later connections totaling \$77,667.10. The Clerk reported that she had budgeted \$75,000.00 for the project. Council expressed the need to proceed with the project to alleviate any issues in the future. Council member Strong moved to accept Visu-Sewer's quote to line Lamphere Drive and grout Terrace Drive, seconded by Council member Schutte. A roll call vote was taken: Strong-aye, Schutte-aye, Barton-aye, Goodin-aye and Smith-aye. Motion carried. Mayor Brandenburg asked that the Council be proactive and take a serious look at the City's sewer rates. He also recommended that during the construction that Visu-Sewer approach each homeowner about cleaning their portion of the pipe at a reduced price. Council member Schutte agreed; however, felt that that would be up to Visu-Sewer to approach the residents and not the Cities.

NUISANCE ABATEMENT(S): Nuisance Committee Chair Chuck Barton reported the following:

16. Nuisance Abatement(s): Chair Barton referred to the "Concerned Citizens Log Book" reporting that there were no new logs. The Clerk reported that on December 14, 2016 the City sent a certified letter to Mr. Jason Ahrens in regards to a nuisance abatement and as of today, the nuisance has not been abated. Mayor Brandenburg reported that both he and the Building Inspector had met with Mr. Ahrens in regards to his stop work order at which time Mr. Ahrens said that he would get the property cleaned up. Council member Schutte expressed concerns on the City sending a notice to abate and not following through with the abatement. It was the consensus of the Council to contact Mr. Ahrens and give him until Monday, February 13, 2017 at 8:00 a.m. to abate the nuisances defined in the letter. Mayor Brandenburg agreed to contact Mr. Ahrens. Council member Schutte referred to the City's prior nuisance abatements with the vacated home on South Oak Lane that still remains a nuisance.

LICENSING & RENEWAL(S):

17. Liquor License renewal ref: BP/JLEE OIL, LLC: The Clerk reported that the Alcoholic Beverage Division confirmed that the BP/JLEE OIL, LLC had successfully completed their liquor license renewal application; therefore, were submitting the liquor license to the City for local jurisdiction approval adding that according to Sergeant Jahns, there were no issues with the license renewal. Council member Schutte moved to approve BP/JLEE OIL, LLC liquor license renewal, seconded by Council member Strong. 4-ayes with Council member Smith voting nay. Motion carried.

18. Liquor License renewal ref: American Legion Post #711: The Clerk reported that the Alcoholic Beverage Division confirmed that the American Legion Post #711 had successfully completed their liquor license renewal application; therefore, were submitting the liquor license to the City for local jurisdiction approval adding that according to Sergeant Jahns, there were no issues with the license renewal. Council member Schutte moved to approve the American Legion Post #711 liquor license renewal, seconded by Council member Goodin. All ayes, motion carried.

RESOLUTION(S)/ORDINANCE(S):

19. Second reading of Ordinance Amendment 2017-01 ref: an Amendment to Chapter 15.50 Housing Code, Section 15.50.090 Requirement for Rental Property: Council member Schutte gave a synopsis of the second reading of Ordinance Amendment 2017-01 commenting that the Amendment was on file at

City Hall for review. Council member Schutte moved to accept the second reading of Ordinance Amendment 2017-01, seconded by Council member Barton. A roll call vote was taken: Schutte-aye, Barton-aye, Strong-aye, Goodin-aye and Smith-aye. Motion carried.

- 20. Resolution 2017-03 ref: extending the 3-Year Moratorium for a 1-year period in reference to the West Scott County Business Park:** Previously, the Street Committee had requested that the Trail Moratorium be extended for another 1-year period due to the rehabilitation of the Mayne Street Corridor Project. Council member Goodin introduced Resolution 2017-03 commenting that the Resolution was on file at City Hall. Council member Goodin moved to adopt Resolution 2017-03, seconded by Council member Barton. A roll call vote was taken: Goodin-aye, Barton-aye, Schutte-aye, Strong-aye and Smith-aye. Motion carried.

POLICY & ADMINISTRATION:

- 21. High-Speed Internet Services:** The Clerk reported that in regards to the City's recent computer upgrade at the Police Department that in order for the backup system to read into the City's server the City has to upgrade their internet speeds. She reported that she had spoken with both United Private Network Services and CenturyLink and unfortunately, the City is unable to have a Mediacom IP address read into another cable service IP address; therefore, presented a 3-year contract from Mediacom for \$99.95 a month for 20 MG download and 2 MG upload high speed for City Hall. Further discussion was held. Council member Goodin moved to accept Mediacom's 3-year contract for \$99.95 a month, seconded by Council member Barton. A roll call vote was taken: Goodin-aye, Barton-aye, Strong-aye, Smith-nay and Schutte-aye. Motion carried.
- 22. Budget Timeline/Report:** The Clerk gave a brief overview of the FY '17-'18 budget timeline as follows: January/February: the Clerk will begin putting together preliminary budget projections and once she had successfully received the property tax figures from both Scott and Muscatine Counties, she will then contact the Chair of the Finance Committee to schedule a budget workshop session with a representative from each Department; February 6, 2017: the City Council will set a public hearing date for March 6, 2017; the Clerk will then prepare and publish the required public hearing notice at least 10 days before the final budget hearing and 20 days before final date for certification and post such notice as required; March 6, 2017: the Council will hold a public hearing and adopt the proposed Fiscal '17-'18 City budget; March 15, 2017: final day, the City Clerk files the City's certified budget to the County Auditor on/or before March 15, 2017; June 15, 2017: the Iowa Department of Management certifies taxes back to the County Auditor and July 1, 2017: the new fiscal '17-'18 City budget will take effect.
- 23. Set Public Hearing Date ref: Fiscal '17-'18 City Budget:** The Clerk reported a public hearing date of March 6, 2017 to hold the public hearing and adopt the Fiscal '17-'18 City Budget. Council member Schutte moved to set the public hearing date of March 6, 2017 at 7:00 p.m. for the Fiscal '17-'18 budget, seconded by Council member Goodin. All ayes, motion carried. The Clerk reported that she would prepare the required public hearing notice for publication as required. A Finance Committee meeting was tentatively set for February 13, 2017 at 9:30 a.m.
- 24. Progress Report: ref: Sale of Water Utility ref: Iowa American Water Company:** McCullough previously reported that the Iowa Utilities Board had recommended that the Office for Consumer Advocate be consulted and involved in the purchase of the City's water utility to decide whether the purchase of the water utility not only benefits the City of Blue Grass but benefits all of IAWC's customers; therefore, the Council requested that the City Attorney draft a letter in support of IAWC's purchase and submit to the Iowa Utilities Board.
- McCullough reported that evidently the terms in the Agreement between the City of Blue Grass and IAWC stipulating a 3-year rate freeze are holding up the sale. He said that the Office for Consumer Advocate had requested that the City submit any and all documents given to the Blue Grass residents and/or published in regards to the sale of the water utility; therefore, together, between himself, the City

Engineer and City Clerk, he was able to file the documents as requested by Friday, February 10, 2017. McCullough said that according to the Office for Consumer Advocate, the argument in question is whether IAWC's purchase is fair to all the IAWC's customers as they will have to subsidize the 3-year rate freeze even though IAWC claims that the purchase will not have impact any of their customers as they plan on utilizing their set aside reserves. Further discussion was held.

COMMENTS AND FUTURE AGENDA ITEMS: The Clerk reminded the Council that in observance of the Presidents' Day Holiday, the City Council meeting will be Tuesday, February 21, 2017. She also reminded the Council of their upcoming Committee of the Whole meeting set for Wednesday, February 15, 2017 at 7:00 p.m. for their annual Fire Township meeting at the Public Safety Building.

Council member Smith asked that the Library signs in the City Hall parking lot be removed since the Library is no longer in the City Hall complex.

Council member Schutte requested that a closed session be held with the Mayor, City Council and City Attorney to work out their issues.

RECESS: Council member Schutte moved to take a 5-minute recess, seconded by Council member Strong. All ayes, motion carried. The meeting recessed at 8:44 p.m.

Council member Schutte moved to return from recess, seconded by Council member Smith. All ayes, motion carried. The meeting reconvened at 8:50 p.m.

25. Progress Report ref: Mediacom Franchise – upon request – Closed Session, Section 21.5 (c) Code of Iowa: Mediacom previously notified the City that they were ceasing to collect and remit franchise fees to the City as they feel that there is competition with both DISH Network and DirecTV; therefore, netting in a loss of revenues for the City totaling approximately \$14,000.00 a year.

Mayor Brandenburg referred to Section 21.5 (c) of the Code of Iowa, announcing that the Council would be going into closed session. Council member Goodin moved to close the regular meeting and go into closed session, seconded by Council member Schutte. A roll call vote was taken: Goodin-aye, Schutte-aye, Smith-aye, Barton-aye and Strong-aye. Motion carried. The regular meeting was closed at 8:50 p.m.

Council member Goodin moved to reopen the regular meeting, seconded by Council member Schutte. A roll call vote was taken: Goodin-aye, Schutte-aye, Smith-aye, Strong-aye and Barton-aye. Motion carried. The regular meeting reconvened at 9:08 p.m.

26. To Strategize the sale and/or purchase of real estate – Closed Session, Section 21.5(j) Code of Iowa: Mayor Brandenburg referred to Section 21.5 (j) of the Code of Iowa, announcing that the Council would be going into closed session. Council member Schutte moved to close the regular meeting and go into closed session, seconded by Council member Goodin. A roll call vote was taken: Schutte-aye, Goodin-aye, Smith-aye, Barton-aye and Strong-aye. Motion carried. The regular meeting was closed at 9:09 p.m.

Council member Schutte moved to reopen the regular meeting, seconded by Council member Goodin. A roll call vote was taken: Schutte-aye, Goodin-aye, Smith-aye, Strong-aye and Barton-aye. Motion carried. The regular meeting reconvened at 9:14 p.m.

27. DELETED FROM AGENDA

ADJOURNMENT: Council member Schutte made a motion to adjourn, seconded by Council member Goodin. All ayes, motion carried. The meeting adjourned at 9:14 p.m.

Mayor, Timothy Brandenburg

Attest: Ann M. Schmidt, CMC, City Clerk/Financial Officer

CLAIMS REPORT

ACME SIGN	BLDG & GROUNDS MAINTENANCE	225.00
AT&T	TELEPHONE/FAX/INTERNET	133.17
BLUE GRASS FEED & SEED	BLDG & GROUNDS MAINTENANCE	88.60
BOUND TREE MEDICAL	EQUIPMENT OPERATIONS	16.75
BP	VEHICLE OPERATIONS	301.76
BUSINESS RADIO	RADIO EQUIP/REPAIRS	429.65
CENTRAL STATES H & W FUND	HEALTH INSURANCE	8,203.00
CENTURYLINK	TELEPHONE/FAX/INTERNET	441.82
CHOHAN, MS. JOAN	REFUND REF: SNOW REMOVAL	75.00
DAUFELDT, RAY	TELEPHONE/FAX/INTERNET	25.00
DOWNING, ROBERT	TELEPHONE/FAX/INTERNET	15.00
EASTERN IA COMM. COLLEGE	TRAINING/TRAVEL/SAFETY	1,529.50
ELECTRIC COS, REPUBLIC	EQUIPMENT OPERATIONS	422.50
ELECTRIC PUMP	LIFT STATION-REPAIRS	1,160.54
GRAINGER	BLDG & GROUNDS MAINTENANCE	192.75
HENNING, KEVIN	TELEPHONE/FAX/INTERNET	15.00
IOWA ONE CALL	PROFESSIONAL FEES	4.50
MCCLURE ENGINEERING ASSOC.	ENGINEERING	6,875.71
MCCULLOUGH, WILLIAM	LEGAL SERVICES	1,642.50
MIDAMERICAN ENERGY	UTILITIES	7,169.91
NAPA AUTO PARTS	EQUIPMENT OPERATIONS	47.74
OFFICE MACHINE CONSULT	EQUIPMENT OPERATIONS	133.35
OTERO DOOR WORKS	BLDG & GROUNDS MAINTENANCE	8,937.50
PANTHER UNIFORMS	OPER SUPPLIES/UNIFORM	157.35
PD AIR SYSTEMS	EQUIPMENT OPERATIONS	3,165.00
QC ANALYTICAL SERVICES	TESTING	2,579.80
RAGAN MECHANICAL	BLDG & GROUNDS MAINTENANCE	345.28
ROBERTSON, LONNIE	TELEPHONE/FAX/INTERNET	25.00
SANDRY FIRE SUPPLY	OPERATING SUPPLIES	414.00
SCHMIDT, ANN	TELEPHONE/FAX/INTERNET	25.00
VERIZON WIRELESS	TELEPHONE/FAX/INTERNET	368.21
***** REPORT TOTAL *****		45,165.89

FUND TOTALS

GENERAL FUND	19,735.64
RESERVES: STREET IMPROV FUND	926.26
TAX INCREMENT FINANCING	570.00
EMPLOYEE BENEFITS FUND	5,855.00
ROAD USE FUND	27.50
WATER FUND	3,440.53
SEWER FUND	9,799.21
SEWER IMPROVEMENT FUND	4,811.75
****	45,165.89