

**THE REGULAR MEETING
OF THE BLUE GRASS CITY COUNCIL
BLUE GRASS, IOWA FEBRUARY 6, 2018**

The Blue Grass City Council met in regular session at 7:00 p.m. on the 6th day of February 2018, in the City Council Chambers of City Hall, 114 N. Mississippi Street, pursuant to law, with Mayor Larry Guy presiding, with the Pledge of Allegiance and a moment of reflection. The following Council members were present: Bonnie Strong, Brad Schutte, Lisa Smith, Emilyne Slagle and Donna Kinzer. City Attorney William McCullough and City Engineer Mike Janecek were also in attendance.

APPROVAL OF AGENDA: Council member Slagle moved to approve the agenda as presented, seconded by Council member Strong. A roll call vote was taken: Slagle-aye, Strong-aye, Kinzer-aye, Smith-aye and Schutte-aye. Motion carried.

MAYORAL COMMENTS: Mayor Guy 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”.

COMMUNITY SERVICE AWARDS: Sergeant Jahns briefed the Council on a vandalism that occurred last month where Mr. Lonnie Robertson assisted the Blue Grass Police Department which lead to an arrest. Jahns presented a Community Service Award to Mr. Lonnie Robertson for going above and beyond the call of duty. Mayor and Council thanked Mr. Robertson for his due diligence. Sergeant Jahns said that the other Community Service Award goes to a resident that wishes to remain anonymous.

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

CONSULTATION SESSION: Blue Grass Urban Renewal Area (2018) Addition: Previously, the Council at the January 16, 2018 meeting set a consultation session with both the Scott and Muscatine County Board of Supervisors and the Davenport Community School District for Monday, February 5, 2018; however, due to inclement weather the session was moved to February 6, 2018 to discuss the Council’s intentions on amending the Blue Grass Urban Renewal Area to provide tax increment financing support to Sawgrass Partners, LLC in connection with the construction of certain sanitary sewer system and storm water management improvements necessary for the development of housing in the Prairie Woods Estates 3rd Addition.

Mayor Guy opened the consultation session for discussion. No one was present from either Scott or Muscatine County Board of Supervisors or the Davenport Community School District. McCullough further explained the process of amending the Blue Grass Urban Renewal Area and entering into a Developers Agreement with Sawgrass Partners, LLC as the City was required to hold a consultation session with the affected parties; therefore, letters were sent out on January 17, 2018 to both the Scott and Muscatine County Board of Supervisors and the Davenport Community School District giving notification of the Council’s intention on amending the Blue Grass Urban Renewal Area. He said that a public hearing date was set for Tuesday, February 20, 2018 at which time the Council will take formal action in amending the Blue Grass Urban Renewal Area. Council member Slagle expressed her concerns on residential Tax Increment Financing (TIF) as the tool was originally intended to create jobs and with residential TIF, it does not create jobs. She said that according to her research it indicates that any City that has had steady growth, commenting that Blue Grass has, and you establish a TIF you end up giving more money in TIF than you get back in taxes leaving the City responsible for the maintaining the roads and public infrastructure and leaving the Police Department with more coverage; therefore, the City will then have to eventually raise taxes in order to maintain this development. Ms. Slagle said it was her opinion that it was not a good idea; therefore,

she will vote against it. McCullough explained that although those are all valid concerns; however, in this particular case the addition was abandoned by a previous developer and has had no development; therefore, Blue Grass is being conservative by not adding onto the City's Urban Renewal Area they are just amending the current Urban Renewal Area. The Clerk reported that when the City first established the Urban Renewal Area those were the same exact concerns the Council had at that time but the Council looked at the potential growth that these developments would bring to Blue Grass which Blue Grass had no growth at that time. She said that it was a risk the Council was willing to take knowing that the City's General Fund would be hit the hardest but knowing over time the property taxes would eventually be reverted back to the City; therefore, increasing the City's General Fund. The Clerk said that several of the TIF properties had already expired and each year another TIF project expires. Council member Schutte reported that he was on the Council at the time the TIF was first established stating that you had to look at the overall picture as the Council had a Developer that was willing to bring potential growth into the City which at that time there was no growth. He said the only alternative was that the City put the infrastructure in such as streets, utilities, etc. and that was not even financially feasible; therefore, leaving the City to decide either they want growth or not. Mr. Schutte said that the Council also took into consideration that the new residential development would not only benefit the City but would benefit the local businesses such as Casey's General Stores, Jeff's Market, etc. He also commented on the Scott County West Business Industrial Park being stagnant over the years but now has the potential to grow as all the lots are sold. McCullough added that the TIF expires in 2022 and while the City is not able to extend the residential TIF when it expires but they are able to extend both the Commercial and Industrial TIF areas only if they so choose too at that time. Council member Strong reminded the Council that this particular area has already included in the City's Urban Renewal Area and was approved for both multi-use residential and commercial but since the property was never developed, the City now has a developer that is willing to develop the area strictly for residential use. Further discussion was held on the pros and cons of TIF and the low-to-moderate set aside.

PLANNING & ZONING APPOINTMENTS: Mayor Guy appointed Chad Brus to fill Mr. Denkla's vacancy that expires December 31, 2018. Council member Schutte moved to approve the Mayor's appointment and appoint Chad Brus to fill the vacancy on the Planning & Zoning Commission expiring December 31, 2018, seconded by Council member Smith. A roll call vote was taken: Schutte-aye, Smith-aye, Kinzer-aye, Strong-aye and Slagle-aye. Motion carried. Mayor Guy reappointed Jack Stoffers who will serve another 5-year term expiring December 31, 2023. Council member Smith moved to approve the Mayor's appointment and reappoint Jack Stoffers to the Planning & Zoning Commission for a 5-year term expiring December 31, 2023, seconded by Council member Strong. A roll call vote was taken: Smith-aye, Strong-aye, Kinzer-aye, Schutte-aye and Slagle-aye. Motion carried.

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

- 1. Motion to approve the minutes of the January 16, 2018 Council meeting**
- 2. Motion to adopt Resolution 2018-07 ref: authorizing an expenditure from the accumulated Tax Increment Financing Reserve**
- 3. Motion to adopt Resolution 2018-08 ref: authorizing an expenditure from the Fire Township Fund**
- 4. Motion to adopt Resolution 2018-09 ref: authorizing an expenditure from the Road Use Fund and Local Option Sales Tax Fund and enter into a 3-Year Internal Loan Agreement**
- 5. Payment of claims**

A roll call was taken: Smith-aye, Strong-aye, Kinzer-aye, Slagle-aye and Schutte-nay. Motion carried.

FIRE DEPARTMENT:

- 6. Fire Department Report:** Council member Schutte gave the Fire Department Report for the month of January 2018 that consisted of 34 calls with 123.87 on scene man-hours recorded with a total of 34 year-to-date calls. The report also consisted of the following: members received their mandatory reporter training and Opioid class; trained on hose loads and fire ground tactics; reported that truck 7 had a front

steer tire blow while responding to an EMS call; therefore, had to have both front steer tires replaced; reported that truck 3 had to have its batteries replaced and that the Fire Chief was preparing year-end reports for 2017 for the upcoming Fire Township Trustees meeting scheduled for February 15, 2018.

BUILDING COMMISSIONER: Building Commissioner Jim Meyrer reported the following:

- 7. Building Commissioner Report:** The January 2018 report consisted of 3 new homes currently under construction; 5 building permits issued; reported all rental inspections are current; issued 3 Home Occupancy Permits; reported that 712 W. Mayne Street was progressing and reported that the vacated home at 915 S. Oak Lane was in the process of being sold; reported that Lot 15 in the Scott County West Business Park had been sold to John Wulf for potential development and that Lot 14 was being prepped for a temporary rock crushing area for the North Mississippi Street Project. Meyrer also reported that according to the Developer of the Prairie Woods 3rd Addition, they 3 lots are already sold.
- 8. Nuisance Abatement ref: vacated residential property:** Meyrer reported that there was a sale pending on the vacated property at 915 S. Oak Lane.

ENGINEER REPORT: City Engineer Mike Janecek reported the following:

- 9. Engineer Report:** Janecek reported that he had attended one Council meeting during the month of January.
- 10. North Mississippi Street Rehabilitation Project:** Janecek reported that McClure Engineering had assisted the Iowa Department of Transportation (IDOT) in the bidding services during the bid phase answering the contractor's questions and assisted the IDOT during the bid letting process as bids were received January 17, 2018 at which time the IDOT reported that there were a total of 6 bids received. He reported that the lowest responsive bid received was from Langman Construction, LLC in the amount of \$2,047,794.74; therefore, the IDOT submitted the contract to the City so that they could formally award the bid and sign the contract. Janecek said that once the City awards the contract, a preconstruction meeting date will be set for late February with a March 2018 construction date. He also reported that MidAmerican Energy had requested that the right-of-ways be staked for pole relocation services and that Iowa American Water is in the process of permitting and bidding its water improvements and expects to begin its work March or April 2018.
- 11. Update: I.D.N.R. DPDES 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 at which time the City submitted an extension letter requesting an extension; however, the IDNR had denied the City's request.
Janecek reported that McClure Engineering Engineers Don Balas and Jack Kusek were in the process of drafting a letter to summarize their findings and request another extension with integrated planning; however, after speaking with representatives from the IDNR, they do not believe the City will be granted another extension because the IDNR feels that Blue Grass has a lack of evidence of improvements from their I & I project. He said that the IDNR was not interested in recent conversations to grant an extension due to needing time to research the Nan02 technology or dredging the existing lagoon. A rather lengthy discussion was held on how to proceed. Both Mayor and Council expressed their frustrations as this new mandate will financial burden the City. It was the consensus of the Council to either discuss the City's financial situation with the IDNR in Des Moines or via telephone conference as it was imperative that the IDNR understand the City's financial status if they were to meet the new mandates.
- 12. Preliminary Discussion ref: SUDAS:** Previously, Janecek reported that the City of Davenport, Bettendorf and Clinton were in the process of updating their specifications and adopt a "Statewide Urban Design and Specifications" (SUDAS) with a City supplement and asked that both Blue Grass and Buffalo participate to make everything uniform and simplify things for the contractor/consultants or any

other companies that may do work within the Scott County area. It was the consensus of the Council to proceed based on the City Engineer's recommendation.

Janecek reported that he has been in contact with the City of Davenport in regards to the process of adopting their "Statewide Urban Design and Specifications" (SUDAS) with a City supplement for the City of Blue Grass and that the City of Davenport has agreed to allow Blue Grass to adopt their SUDAS with a City supplement depending upon whether the City wants to do specific revisions to the City standards.

WASTEWATER:

13. QC Analytical Services, LLC ref: 2018 Wastewater Operator: The Clerk 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 until now as he, unfortunately, due to the market price analysis in order to meet the City's permit testing, he has to increase his rates. He said that after talking with both Mr. Robertson and the Clerk, he understands the City's financial situation; therefore, he reevaluated his rates and reduced the City's rate increase. Further discussion was held. It was the consensus of the Council to continue with QC Analytical Service's Contract.

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

14. Public Works Department Report: Robertson reported the following for the month of January 2018: 14 Iowa-One Call locates; daily sewer checks; serviced all the lift stations; ordered signs and posts that were approved by the All Town Signs Replacement Grant; yearly maintenance on the generator at the Public Safety Building; discussed the North Mississippi Street Project with the contractor; made sure all snow plows were in working order; following up on the status of the flag poles that were ordered; cleaned and serviced various equipment; plowed snow and salted streets; picked up new service truck; met twice with a prospective business interested in leasing the City Hall complex; met with owners of the Scott County West Business Park properties; process of obtaining bids for new budget and made repairs to the maintenance building's restrooms. Robertson added that he had received a quote from Ragan Mechanical for the repairs to the power ventilator exhaust fan that serves the laundry room at the Public Safety Building. It was the consensus of the Council to not proceed with the repairs.

ORDINANCE(S)/RESOLUTION(S):

15. Resolution 2018-06 ref: awarding a contract for the construction project known as the North Mississippi Rehabilitation Construction Project: Council member Schutte introduced Resolution 2018-06. Council member Schutte moved to adopt Resolution 2018-06; however, Council member Strong requested a correction; therefore, Council member Schutte withdrew his motion. Council member Strong expressed concerns on the Resolution including "water main" as part of the project; therefore, she requested that "water main" either be taken out or written as such that it does not commit the City into constructing the water main. The Clerk explained that the reason why the water main was included in the Resolution at it was part of entire North Mississippi Street Rehabilitation Project reminding the Council that the Resolution was only to award a Contract that did not include the water main construction. McCullough further explained that the Resolution was simply identifying the "water main" as part of the entire project and that the water main was not part of the Contract; therefore, the Council could revise the Resolution if they so choose too. Council member Schutte expressed his concerns on taking the word "water main" out of the Resolution as the Resolution was only referring to the water main as part of the entire project. He said that it was his opinion that the Resolution does not commit the City into constructing the water main; therefore, if the Council chose to revise the Resolution, he would vote against it. Further discussion was held. Council member Smith moved to remove the word "water main" from Resolution 2018-06 and adopt Resolution 2018-06 as revised, seconded by Council member Strong. A roll call vote was taken: Smith-aye, Strong-aye, Schutte-nay, Slagle-aye and Kinzer-aye. Motion carried.

EMPLOYEE RELATION:

16. Scheduling of Employee Relation Committee meeting ref: Review/Revise Job Descriptions: An Employee Relation Committee meeting was tentatively set for February 21, 2018 at 4:00 p.m.

ECONOMIC DEVELOPMENT:

17. Scheduling of Economic Development Committee meeting: A Economic Development Committee meeting was tentatively set for March 8, 2018 at 6:00 p.m.

NUISANCE ABATEMENT(S):

18. Nuisance Abatement(s): Council member Smith referred to the “Concerned Citizens Log Book” reporting that there were no new logs. Mayor Guy reported that he had attended a Park Board meeting where the Board had discussed the Little League’s batters cage as it was deteriorating and becoming a nuisance and possibly a safety hazard. He said that the Board was going to make contact with the Little League to resolve the issue.

POLICY & ADMINISTRATION:

19. Iowa Open Meeting Law ref: Code of Iowa, Chapter 21: McCullough reported that since there was a new Mayor and new Council members he thought he should remind the Council of Iowa’s Open Meeting Law. He said that it was imperative that the Council communicate with the City Clerk if two or more Council members were to have a Committee meeting or a meeting to discuss City policy or City business. McCullough cautioned the Council on sending emails as there should be no decision making when emailing. Further discussion was held in regards to Chapter 21.

20. Status of Office Space for Lease: Mayor Guy reported that both he and the Clerk had met with a representative of a transport company that was very interested in leasing the office space. He said that the business claimed that they would start with possibly 5 employees and could be as many as 15 employees. Mayor Guy said that he would keep the Council abreast of any development.

21. Budget Timeline Review – set Finance Committee meeting: The Clerk gave a brief overview of the FY ’18-’19 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 would then contact the Finance Committee to schedule a budget workshop session with a representative from each Department; February 6, 2018: the City Council will set a public hearing date for March 5, 2018; 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 5, 2018: the Council will hold a public hearing and adopt the proposed Fiscal ’18-’19 City budget; March 15, 2018: final day to certify the City’s budget to the County Auditor and July 1, 2018: the fiscal ’18-’19 City budget will take effect. A Finance Committee meeting was tentatively set for February 12, 2018 at 9:00 a.m.

22. Set Public Hearing Date ref: Fiscal ’18-’19 City Budget: The Clerk reported a public hearing date of March 5, 2018 at which time the Council will hold the public hearing and adopt the Fiscal ’18-’19 City Budget. Council member Schutte moved to set the public hearing date of March 5, 2018 at 7:00 p.m. for the Fiscal ’18-’19 budget, seconded by Council member Slagle. A roll call vote was taken: Schutte-aye, Slagle-aye, Smith-aye, Strong-aye and Kinzer-aye. Motion carried. The Clerk reported that she would prepare the required public hearing notice for publication.

COMMENTS AND FUTURE AGENDA ITEMS: Council member Smith requested that costs be obtained to install security cameras in both the parking lot and City Hall.

Discussion was held on the future development of the Scott County West Business Industrial Park and what prospects are being developed.

The City Clerk reported that one of the office computers had to be replaced and that the State Auditors are scheduled to arrive February 13, 2018 to audit the FY '16-'17. She also reminded the Council that in observance of the Presidents Day Holiday, the Council meeting will be Tuesday, February 20, 2018.

ADJOURNMENT: Council member Schutte made a motion to adjourn, seconded by Council member Smith. A roll call vote was taken: Schutte-aye, Smith-aye, Strong-aye, Slagle-aye and Kinzer-aye. Motion carried. The meeting adjourned at 9:04 p.m.

Mayor Larry Guy

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

CLAIMS REPORT

ALPEN FORD INC., RON	VEHICLE PURCHASE	36,845.00
AT&T	TELEPHONE/FAX	144.89
BLUE GRASS SAVINGS	VEHICLE PAYMENT	9,000.00
BP	VEHICLE OPERATIONS	804.05
CENTRAL STATES H & W FUND	HEALTH INSURANCE	8,478.00
CENTURYLINK	TELEPHONE/FAX/INTERNET	397.38
CODE4	FUNDRAISING EXPENSES	400.00
DECCO	TRAFFIC LITE REPAIRS/MAINTENANCE	398.48
DICK-N-SONS LUMBER INC.	BLDG & GROUNDS MAINTENANCE	195.13
DOWNING, ROBERT	TELEPHONE REIMBURSEMENT	15.00
EASTERN IA LIGHT & POWER	UTILITIES	1,730.24
GENESIS OCCUPATIONAL HEALTH	MEDICAL	20.00
HENNING, KEVIN D.	TELPEHONE REIMBURSEMENT	15.00
HOPKINS & HUEBNER P.C.	LEGAL SERVICES	4,240.00
IA MUNICIPAL FINANCE OFFICERS	TRAINING/TRAVEL/SAFETY	50.00
KELTEK INCORPORATED	EQUIPMENT OPERATIONS	176.22
MCCULLOUGH, WILLIAM T.	LEGAL SERVICES	2,655.00
MENARDS - MUSCATINE	BLDG & GROUNDS MAINTENANCE	221.98
MEYRER, JIM	TRAVEL	134.04
MIDAMERICAN ENERGY	UTILITIES	5,564.15
MODERN MARKETING	EQUIPMENT OPERATIONS	156.95
OFFICE MACHINE CONSULT	COMPUTER PURCH/MAINTENANCE	724.91
QC ANALYTICAL SERVICES LLC	TESTING	2,028.96
RACOM CORPORATION	EQUIPMENT OPERATIONS	308.00
RAGAN MECHANICAL	BLDG & GROUNDS MAINTENANCE	1,736.62
REPUBLIC SERVICES #400	GARBAGE/RECYCLING	7,956.85
ROBERTSON, LONNIE	TELEPHONE REIMBURSEMENT	25.00
SCHMIDT, ANN	TELEPHONE REIMBURSEMENT	25.00
SSAB IOWA	REIMBURSE PSB DEPOSIT	25.00
TC AUTO INC.	VEHICLE OPERATIONS	415.76
VERIZON WIRELESS	TELEPHONE/FAX/INTERNET	383.99
***** REPORT TOTAL *****		85,271.60

FUND TOTALS

GENERAL FUND	44,537.66
RESERVE FUND: POLICE DEPT.	400.00
FIRE TOWNSHIP FUND	9,000.00
ROAD USE FUND	10,000.00
EMPLOYEE BENEFITS FUND	7,264.00
TAX INCREMENT FINANCING	720.00
SEWER FUND	5,393.09
SANITATION FUND	7,956.85
FUND TOTALS:	85,271.60