

**ELY CITY COUNCIL
REGULAR MEETING
JANUARY 15, 2009
ELY CITY COUNCIL CHAMBERS**

Mayor Jim Doyle called the meeting to order at 7:00 p.m. Council members present: Tom Winkowski, Bill Grove, Mark Banowetz and Stephanie Mai; Bob Ballantyne participated via telephone. Also present: Jim Miller, Tom Tjelmeland, Dave Rasmussen, City Engineer Scott Pottorf and Clerk-Administrator Aaron Anderson. Mayor Doyle announced the meeting is being held this night due to postponement of the regularly scheduled meeting because of inclement weather.

Grove, second by Banowetz, moved to approve the Consent Agenda consisting of:

- Agenda.
- Minutes of the December 8, 2008 regular meeting.
- Treasurers Report for the period ended December 31, 2008.
- Bills Payable for January 2009 totaling \$86,569.46.

Motion carried – 5 to 0.

Treasurer’s Report (summary) for the period ended December 31, 2008

	Receipts	Disbursements	Transfers	Ending Balance
General	\$ 19,369.85	\$ 20,603.73		\$ 454,566.07
Road Use	7,812.36	7,284.53		14,753.13
TIF Fund	5,248.40			403,440.28
Debt Service	2,869.87	1,022.50		26,462.41
Other Projects				-85,96..85
Library Project				3,169.70
North End Infra		25.50		-165,128.77
Water Utility	15,606.74	4,066.72		286,077.74
Water/Sewer Reserve				100,00.00
Sewer Utility	166,618.76	145,547.61		169,548.20
Sewer Debt Service		45,811.46		-46,066.86
Sanitary Utility	6,698.81	5,562.43		50,750.48
PR Clearing	8,305.68	11.07		10,475.66
Totals	\$ 232,530.47	\$ 229,935.55		\$ 1,222,137.53

Communications: Mayor Doyle reported receiving the following communications: Public Works Director’s Monthly Report. Linn County Deputy Menze presented the Sheriff’s Office’s Monthly Activity Report.

Citizen Requests. Jim Miller stated the public works crew has done a great job with snow removal, Tom Tjelmeland agreed. It was the general consensus of the City Council that they agree with Mr. Miller, that the City public works crew performed well during snow removal.

Sanitary Sewer Use Fee

Public Hearing re: Ordinance No. 211, “An Ordinance to Revise Sanitary Sewer Rental and Use Rates”. Ballantyne, second by Banowetz, moved to open the public hearing at 7:18 p.m.; motion carried 5-0. Clerk/Administrator Anderson reported the

proposed ordinance would increase the monthly “minimum” sewer use fee for use of 0 to 1,000 gallons by \$2.00 per month, and add an additional \$1.50 per 1,000 gallons for all use over 3,000 gallons per month. Mr. Anderson reported the mathematical average user uses 4,500/month. Bob Ballantyne asked if the main purpose for the rate increase is to meet debt from the construction of the new sewage treatment plant. Mr. Anderson stated that is the case. Mr. Ballantyne stated while the new sewer plant is attractive that it was required by federal and state law. Mr. Anderson stated it is the case, Mr. Ballantyne stated it was an unfunded mandate.

Mark Banowetz asked if we had budgeted things to cover the sewer plant, and if the proposed sewer rate increase was needed to cover the Rogers Creek project. Mr. Anderson stated the last sewer rate increase was about 2 years ago and was based on estimated costs for the WWTP project. He stated that increase was in anticipation of the WWTP project, but not based on actual known construction costs, and that this increase reflects actual known costs for the WWTP and Rogers Creek trunk projects. Mr. Banowetz asked if the proposed increase is to bring the rate up to date, Mr. Anderson replied it is. Mr. Banowetz stated it would be a 10% increase.

Mark Banowetz asked if Ely would be using any TIF money. Mr. Anderson stated the financial plan includes using \$35,000 in TIF funds per year; Ely incurred roughly \$2,600,000 in debt for the WWTP and Rogers Creek projects, creating debt service of roughly \$180,000 per year, with operational costs that average \$100,000 per year. Operating margin over the last three years has averaged \$100,000 per year, which will not meet debt service costs. Mr. Banowetz asked if we would maintain the same operating margin levels. Mr. Anderson replied operating margin would be basically nothing after the rate increase. Jim Doyle stated the possibility of a lower interest rate was investigated, and that a lower rate is not available at this time.

There was discussion regarding number of customers who routinely use “minimum” levels, and what “average” use is. Jim Miller stated it seemed odd to increase the rate for using higher sewer use after adding to the minimum base rate. Bob Ballantyne stated the average user is below the median use.

Tom Winkowski stated the proposed sewer rate would certainly encourage conservation. Mark Banowetz stated that in the past the City Council has considered establishing lower commercial rates. Mr. Anderson stated that could be looked at. There was general discussion about the need to meet debt service costs. Tom Tjelmeland stated rate increases were started several years ago in anticipation of the WWTP. Jim Doyle asked if the proposed rate increase would be enough for several years. Mr. Anderson stated it would if the final loan payment agreement results in basically level annual payments.

Bob Ballantyne asked if Ely’s likely to fall into a difficulty of raising fees and property tax rates. Mr. Anderson stated he does not think the City Council would favor raising sewer fees to offset property tax revenue losses. Mark Banowetz stated we need to make sure we are looking at ways to cut expenses in any way we can. Tom Tjelmeland stated the debt is a revenue bond that is to be paid by user sewer revenues and that it seems most fair to have customers who use the service the most to pay for it. Tom Winkowski noted that Ely offers irrigation meters so customers do not pay sewer costs for water used to irrigate lawns.

Bob Ballantyne asked if water conservation would affect the revenue from the rate increase. Mr. Anderson stated it likely would. Tom Winkowski noted that even if people use less water and rate revenue decreases, there would be less cost for operating and maintenance. Tom Tjelmeland stated it seems appropriate for higher use customers to pay more. There was general discussion regarding the impact of water conservation.

Ballantyne moved to close the public hearing, second by Mai. Motion carried 5 to 0; Mayor Doyle declared the public hearing closed at 7:32 p.m.

First Reading Ordinance No. 211, “An Ordinance to Revise Sanitary Sewer Rental and Use Rates”. Ballantyne, second by Mai, moved to introduce and approve the first reading of Ordinance No. 211, “An Ordinance to Revise Sanitary Sewer Rental and Use Rates”.

Aye: Ballantyne, Mai, Banowetz, Grove, Winkowski

Nay: None

Absent: None

Mayor Doyle declared the resolution approved - 5 to 0

Discuss Dangerous/Vicious Animal Ordinance. Mayor Doyle reported Mark Lansing, 1525 Broadview Court, asked to discuss the portion of the Ely Dangerous Domestic Animal ordinance that prohibits owning or keeping a pit-bull terrier dog in Ely. Mayor Doyle authorized Mr. Lansing to participate via telephone because the regularly scheduled meeting was postponed due to inclement weather. Mr. Lansing discussed the breed specific prohibition of owning a pit-bull terrier dog with Mayor Doyle and the City Council; Topics discussed include, but are not limited to: perceived and actual traits of the pit-bull terrier breed, Ely’s recent experiences regarding dangerous dogs and dogs roaming at large, and the appropriateness of reconsidering this item at this time.

Mai, second by Grove, moved to schedule a public hearing for 7:00 p.m. February 9, 2009 regarding an ordinance to revise the dangerous/vicious domestic animal ordinance to allow ownership of pit-bull terrier dogs in Ely by removing all breed-specific references in the definition of “dangerous” or “vicious” animals. Motion carried 3 to 2: Mai, Grove and Ballantyne in favor; Banowetz and Winkowski opposed.

Splendid Villa Subdivision, Sun Development, LLC. Tom Tjelmeland presented a version of a preliminary plat that is different from the preliminary plat approved August 11, 2008 for general discussion with the City Council on behalf of Sun Development LLC. Items discussed include, but are not limited to: the “revised” plat replaces a sanitary sewer lift station with gravity flow; the proposed revision includes only single-family homes and does not reflect use of any lots for two-family residential structures; most common areas would be planted with prairie grass and trees to maintain both aesthetic appeal and runoff management functionality; street right of way would be extended south to the Weineke property, the revised plat has more lots; and that 6-foot wide sidewalk would be installed on both sides of Glendale Lane. Mr. Tjelmeland reported the Louis Field 3rd Addition Homeowners Association has initiated legal action regarding the dam across Rogers Creek, and that the developer is strongly considering a water-fall feature on the east side of the creek.

Annual Business.

Resolution No. 09-0112-01, Designating Official Newspaper. This resolution would again name the Cedar Rapids Gazette as Ely's official newspaper for publication of notices and other official business as required by State Code. Banowetz, second by Mai, moved to approve Resolution No. 09-0112-01.

Aye: Ballantyne, Mai, Banowetz, Grove, Winkowski

Nay: None

Absent: None

Mayor Doyle declared the resolution approved - 5 to 0

Resolution No. 09-0112-02, Approving Contract for Law Enforcement Services with Linn County Sheriff's Office. This resolution would approve a contract for the Linn County Sheriff's Office to provide 25 hours per week of law enforcement at a rate of \$25.00 per week. Banowetz, second by Winkowski, moved to approve Resolution No. 09-0112-02.

Aye: Ballantyne, Mai, Banowetz, Grove, Winkowski

Nay: None

Absent: None

Mayor Doyle declared the resolution approved - 5 to 0

Resolution No. 09-0112-03, City Policy for Mileage Reimbursement Rate. This resolution would adopt a mileage reimbursement policy which would allow reimbursement for official city use of personal vehicles at the rate set by the United States Internal Revenue Service for business miles driven,

Aye: Ballantyne, Mai, Banowetz, Grove, Winkowski

Nay: None

Absent: None

Mayor Doyle declared the resolution approved - 5 to 0

Resolution No. 09-0112-04, Authorizing Internal Transfer of Funds from TIF Fund to North End Infrastructure and Park Development Fund. This resolution would authorize the internal transfer of \$250,000 from the Tax Increment Finance Fund to the North End Infrastructure and Park Development Fund as shown in the FY 08-09 budget. Banowetz, second by Grove, moved to approved Resolution No. 09-0112-04.

Aye: Ballantyne, Mai, Banowetz, Grove, Winkowski

Nay: None

Absent: None

Mayor Doyle declared the resolution approved - 5 to 0

Preparation of FY 2009-10 Budget. City Council discussed a preliminary version of the FY 09-10 budget with Clerk/Administrator Anderson, and then scheduled a workshop meeting for 6:00 p.m. Tuesday January 27, 2009 at Ely City Hall.

Water System Improvements Project.

Motion to Begin Closed Session to Discuss the Purchase of Real Estate, per §21.5(j) Code of Iowa. Grove, second by Banowetz, moved to conduct a closed session to discuss purchase of real estate as site for a new water tower due to reasonable expectation premature disclosure of details would increase the price the City pays, per §21.5,j Code of Iowa, 2007, as amended, at 8:58 p.m. Motion carried – 5 to 0. Mayor Doyle declared the meeting in closed session at 8:58 p.m.

Winkowski, second by Grove, moved to end the closed session at 9:14 p.m.; motion carried – 5 to 0. Mayor Doyle declared the closed session ended and meeting in regular open session at 9:14 p.m.

The City Council took no action regarding negotiations for the purchase of land for the water tower.

Winkowski, second by Grove, moved to adjourn. Motion carried – 5 to 0. The meeting adjourned at 9:14 p.m.

James E. Doyle Jr., Mayor

Attest:

Aaron Anderson, Clerk/Administrator