



CITY OF CLEAR LAKE

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Mayor
NELSON P.
CRABB

February 15, 2013

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

City
Administrator
SCOTT
FLORY

The next meeting of the Clear Lake City Council is scheduled for Monday, **February 18, 2013**, at 6:30 p.m., in the Council Chambers, at City Hall. Please refer to the enclosed agenda for the items discussed below.

COUNCIL
MEMBERS

ITEM #6A. Cemetery Expansion Area Site Grading Project. One of the major capital improvement projects budgeted for in FY 13 was the site grading of the area designated for future expansion of the Clear Lake Municipal Cemetery. The site is approximately 5 acres. Over the years the City has accumulated approximately 11,000 cubic yards of excavated fill material, which has been stock piled on-site. This was done in anticipation of the need to increase the elevation of the property for future development and expansion of the City's municipal cemetery. Essentially, there is enough excavated fill material to elevate the site approximately 18".

DANA
BRANT
Ward 1

TONY
NELSON
Ward 2

JIM
BOEHNKE
Ward 3

MIKE
CALLANAN
At Large

The City has budgeted \$90,000 for the project. Basically, the project scope involves the removal of the existing top soil and stock piling it on site; distribution and grading of the on-site excavated fill material; distribution of the stockpiled top soil; and seeding. The engineer's estimate of the probable cost of construction is \$86,250. It is proposed to set the date for a public hearing and bid letting on the project for March 18th, at 6:30 p.m., and March 13th, at 11:00 a.m., respectively. The anticipated date to commence construction is in early- April and the completion date is June 7th.

TERRY
UNSWORTH
At Large

ITEM #6B. HWY 18 Watermain Improvement Project. A professional engineering services agreement for this project was entered into by the City and Veenstra & Kimm in August, 2012. The project entails the replacement of an existing 4" (1940-50's era) ductile iron watermain. The watermain is located under a portion of US HWY 18. Construction includes the placement of 2500 LF of new 12" diameter watermain. Historically, this watermain has been one of the



more problematic watermain within the City's distribution system. Over the course of the past 5 years alone, there have been six (6) watermain breaks along this segment.

Obviously, with a 4" watermain, this primarily commercial area has been underserved for many years. There are 13 properties currently served by the segment of watermain, including Oakwood Care Center the City's single largest water consumer. This project serves as a next between the 12" watermain that was constructed in 2010, from Clark Road to N. 9th St W., and with an 8" watermain that was constructed about the same time and extended to approximately N. 3rd St. W.

At its regular meeting on January 21st, the City Council set the date for a public hearing on the proposed plans & specifications, form of contract, & estimate of cost; as well as fixed the date for a bid letting on the proposed "US HWY 18 (N. 3rd St W. – N. 9th St W.) Watermain Improvement Project". Notice of hearing was published in the newspaper, as required by law.

The results of the bid letting, conducted on February 14th, are detailed in the packet. The engineer's opinion of the probable cost of construction was \$298,391. The lowest responsive responsible bid was submitted by North Iowa Septic Solutions, Mason City, in the amount of \$279,620.71. This is approximately 6.6% below the engineer's estimate of the probable cost of construction. City staff and the project consulting engineer have reviewed the bid tabulation and recommend that the project be awarded to North Iowa Septic Solutions, Mason City.

The anticipated start date for construction is April 1st and completion date is set for September 6th.

ITEM #6C. **2013 G.O. Bond Refunding Loan Agreement**. At the February 4th meeting, the Council approved a "Loan and Bond Purchase Agreement", in the principal amount of \$1,260,000, to refund three (3) of the City's outstanding general obligation bond issues. The primary purpose of the transaction is to achieve approximately \$65,247 in total interest savings over the life of the

bonds. Authorization of the refunding bonds does NOT result in the City incurring NEW debt, but simply provides for the refinancing of outstanding debt.

The interest rates on the outstanding bonds to be refunded range from 3.95% to 4.20%. The refunding of the outstanding bonds will generate a net present value savings of 5.178% of the refunded bond principal. Generally speaking, a Net Present Value Savings of 3% is what issuers will target. New interest rates range from .4% to .8% over the five (5) year term of the refunding. The average coupon on the refunded bond issue is .69% vs the current issue debt of 4.16%.

The proceeds from this issuance will be used to refund the existing debt from three (3) prior bonds issued by the City that are now "callable". Those were as follows: 2006 Capital Improvement Projects (\$1.2M); 2006 City Beach & Aquatic Center Projects (\$900k); and 1st Ave S. & Luker Memorial Industrial Park Projects, 2007 (\$1.1M). The remaining schedule is as follows:

Monday, February 18:

Council considers resolution authorizing issuance / legal documents associated with 2013 G.O. Refunding Bonds

Thursday, March 7:

Closing / delivery of funds

ITEM #6D. **FY 2014 Municipal Budget proposal**. The proposed tax rate for the City of Clear Lake for the 2014 fiscal year, which begins, July 1, 2013 and ends June 30, 2014, is \$10.54/\$1,000 of taxable value. This would mark the 3rd year in a row that the City taxed at the rate. In FY 12, the tax rate increased from \$10.04/\$1,000 of taxable valuation to \$10.54/\$1,000 of taxable valuation due to voter approval of a \$2.3 million dollar general obligation bond to fund the construction and equipping of a new fire station. Prior to FY 12, the tax rate had

remained at \$10.04/\$1,000 of taxable value for five (5) consecutive fiscal years. Once again, however, Clear Lake will continue to feature one of the lowest tax rates in Iowa for cities with a population of greater than 5,000.

The taxable valuation for FY 14 (1/1/12) continues the positive trend of growth in the Community. The taxable valuation for FY 14 is \$488,007,177, which is roughly a 4.4% increase from FY 13. The proposed FY 14 budget reflects total expenditures among the various programs of roughly \$15 million; of which, \$6.9 million is directed towards operations, \$1.1 million to debt service; and \$7 million to capital.

The remaining schedule for budget consideration is as follows:

February 18 th	City Council adopts a "preliminary budget" and sets a public hearing date for March 4 th
February 20 th	Notice of public hearing is published in newspaper.
March 4 th	Conduct public hearing and adopt a final budget.
March 15 th	Certify budget to County Auditor.

ITEM #6E. **S. 20th St (Main Ave – 2nd Ave S.) Improvement Project**. In November 2009, Veenstra & Kimm completed a preliminary engineering report regarding S. 20th Street, between Main Ave & 2nd Ave S. The purpose of the report was to assist City officials determining the scope and nature of any future physical improvements to the roadway. Additionally, a "Pavement Condition Index" rating that was determined by Snyder & Associates consulting engineers, under a separate analysis (Circa 2005), concluded that the pavement was in "very poor" condition.

This segment of street was constructed Circa 1969, as a 24' roadway (from edge of pavement to edge of pavement). Ten (10) years later, it

42" PCC curb & gutter section was added and the property owners were specially assessed for that component. The City's watermain was upgraded in 1975 and is not located underneath the street pavement; water services were also upgraded at that time. Generally speaking, the sanitary sewer services are located in the rear yards; however, there are a few that will need to be relocated in anticipation of future paving improvements.

The primary culprit that has contributed to the failed pavement is the lack of adequate stormwater drainage. Additionally, there is no sub-drain on either side of S. 20th Street in this segment. The average daily traffic on S. 20th Street in this segment is 1,500 vehicles per day, with 5% of those being trucks.

The proposed project would entail the complete reconstruction of the following intersections: south portion of S. 20th St & Main Ave and the full intersections of S. 20th St and 1st & 2nd Aves S. Additionally, private water and sanitary sewer service laterals would be replaced, if necessary. Lastly, sidewalks would be constructed on the west side of this segment of S. 20th St; as well as between S. 14th St & S. 20th St, along 2nd Ave S., on the north side only. The proposed sidewalk would be 5' in width and the property owners would be specially assessed for the costs associated with construction of 2' of sidewalk width only, including legal and engineering. It should be noted that the pavement design for the reconstruction of the S. 20th St. intersections takes into consideration the potential for a future "milling & street re-surfacing" project for the segments of the street in between the intersections.

The estimated cost of construction is \$335,312; with an additional \$84,800 in "indirect" (engineering, legal, and administrative) costs, bringing the total estimated project cost to \$420,192. Indirect costs represent approximately 25% of the estimated cost of construction. Special assessments against the benefited property owners are estimated to represent roughly 15% (\$62,468) of the total project cost with the City's share of the cost being the remaining 85% (\$357,748).

The Project schedule calls for the Council to initiate the special

assessment process at its February 18th meeting. A public hearing on the proposed Resolution of Necessity would be held at the regular Council meeting on March 18th. Notices to affected property owners will be mailed on February 27th. The Project bid letting will be conducted on April 11th. Issuance of a "Notice to Proceed" with construction is anticipated for late-May or early-June, with completion of construction activities set for late-September.

Scott Flory
City Administrator

SmartQuote: "I've learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel."

--Maya Angelou, American author and poet

TENTATIVE AGENDA
CLEAR LAKE CITY COUNCIL
CITY HALL – 15 N. 6TH STREET
MONDAY, FEBRUARY 18, 2013
CITY HALL – COUNCIL CHAMBERS
6:30 P.M.

1. Call To Order by Mayor Nelson P. Crabb.
2. Approval of Agenda.
3. Consent Agenda:
 - A. Minutes – February 4, 2013.
 - B. Approval of the bills & claims.
 - C. Licenses & Permits:
 - Excavator's License: McKiness Excavating, Mason City; YohnCo., Clear Lake; Brian Nettleton Excavating, Joice; and Groves Contracting & Sales, Forest City, (renewals).
 - Tree Trimmer's License: Blanchard Tree Services, Mason City; Cutting Edge Tree Services, Mason City; (renewals).
 - Solid Waste Hauler License: Waste Management, Mason City (renewal).

4. Citizen's opportunity to address the Council on items not on the agenda:

- In conformance with the City Council's Rules of Procedure, no action can occur on items presented during the Citizens Forum.
- Please walk to the lectern, state your name (spell last name), address, and subject of your discussion.
- Speakers are limited to a maximum of five (5) minutes per person.

5. Unfinished Business:

6. New Business:

A. Future Cemetery Expansion Area Site Grading Project:

- Introduction by Scott Flory, City Administrator.
- Review of proposed plans & specifications, Mike Danburg, Yaggy Colby Associates.
- **Motion** to approve **Resolution #13-11**, "A Resolution fixing the date for a public hearing on plans, specifications, form of contract, & estimate of cost, and setting the date for a bid letting on the proposed 'Future Cemetery Expansion Area Site Grading Project' for the City of Clear Lake, Iowa, and for the taking of bids therefor."
- Discussion and consideration of **Motion** by City Council.

B. HWY 18 (N. 3rd St W. – N. 9th St W.) Watermain Improvement Project:

- Introduction by Scott Flory, City Administrator.
- Review of 2/14/13 bid letting and recommendation regarding award of contract, Jason Petersburg, P.E., Veenstra & Kimm.
- Public Hearing.
- **Motion** to approve **Resolution #13-12**, "A Resolution approving plans, specifications, form of contract, and estimate of cost - HWY 18 (N. 3rd St W. – N. 9th St W.) Watermain Improvement Project."
- Discussion and consideration of **Motion** by City Council.
- **Motion** to approve **Resolution #13-13**, "A Resolution Making an Award of Contract."
- Discussion and consideration of **Motion** by City Council.

C. 2013 General Obligation Bond Refunding Loan Agreement:

- Review by Scott Flory, City Administrator.

- **Motion** to approve **Resolution #13-14**, “A Resolution authorizing issuance
- Discussion and consideration of **Motion** by City Council.

D. 2014 Clear Lake Municipal Budget Proposal:

- Review by Scott Flory, City Administrator.
- **Motion** to adopt a “Preliminary Budget” and set March 4, 2013, at 6:30 p.m., as the date and time for a public hearing thereon.”
- Discussion and consideration by City Council.

E. S. 20th Street Intersection & Stormwater Drainage Improvement Project:

- Introduction by Scott Flory, City Administrator.
- Review of proposed project plans & specifications and preliminary special assessment plat & schedule, Jason Petersburg, P.E., Veenstra & Kimm.
- **Motion** to approve **Resolution #13-15**, “A “Preliminary” Resolution for the construction of street, water, sanitary sewer, storm sewer, and other public improvements in the City of Clear Lake, Iowa.”
- Discussion and consideration by City Council.
- **Motion** to approve **Resolution #13-16**, “A Resolution fixing value of lots.”
- Discussion and consideration by City Council.
- **Motion** to approve **Resolution #13-17**, “A Resolution adopting preliminary plat & schedule; estimate of cost; and proposed plans & specifications for the construction of the S. 20th Street (Main Ave- 2nd Ave S.) Intersection and Stormwater Improvement Project.”
- Discussion and consideration by City Council.
- **Motion** to approve **Resolution #13-18**, “A Resolution of Necessity (proposed).
- Discussion and consideration by City Council.

7. Chief of Police’s Report:

8. Mayor’s Report:

- Clear Lake/Mason City Joint Advocacy Trip to Washington D.C.

9. Public Works Director’s Report:

10. City Administrator’s Report:

- Proposed 2013 Main Avenue Street Resurfacing and Intersection Sidewalks ADA Compliancy Project (8th Street to 20th Street).

11. City Attorney's Report:

12. Other Business:

13. Adjournment.

NEXT REGULAR MEETING – MARCH 4, 2013