



CITY OF CLEAR LAKE

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Mayor
NELSON P.
CRABB

January 18, 2013

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

City
Administrator
SCOTT
FLORY

The next meeting of the Clear Lake City Council is scheduled for Monday, **January 21, 2013**, at 6:30 p.m., in the Council Chambers, a City Hall. Please refer to the enclosed agenda for the items discussed below.

COUNCIL MEMBERS

DANA
BRANT
Ward 1

TONY
NELSON
Ward 2

JIM
BOEHNKE
Ward 3

MIKE
CALLANAN
At Large

TERRY
UNSWORTH
At Large

ITEM #6A. City Attorney Contract & Appointment. At its November 19, 2012, regular meeting, the Council directed the preparation and distribution of a Request for Proposals (RFP) for City Attorney services. The City previously issued an RFP in June, 2004, following the retirement of then City Attorney Donald Goranson. In September of 2004, the City Council appointed Charles Biebesheimer a City Attorney. At that time, the proposed City Attorney contract described the appointment as for an initial term of two (2) years, followed by a subsequent renewal term of two (2) years, with an option for a final two (2) year term beyond that – for a maximum of six (6) years. Any additional term beyond that six (6) year period would require City Council reauthorization.

Following the dissemination of the RFP to law offices in both Clear Lake and Mason City, the City Council conducted interviews with applicants closed session, pursuant to Code of Iowa Section 21.5 (1)(i). A proposed contract for City Attorney services has been negotiated between the City and the successful applicant. After consideration and approval of the contract, the Oath of Office will be administered to the successful applicant by Mayor Nelson P. Crabb. The amount of the contract is a "not to exceed" \$28,000/annually.

ITEM #6B. Main Ave Water Tower Demolition Project. The roughly 150' tall Main Avenue Water Tower was originally constructed circa 1949. It is a 500,000 gallon elevated water storage tower, with exterior lead-based paint that is corroding. Previously, the City looked at the possibility of sand-blasting and re-painting the venerable old tower, which would require that the entire structure be encased in a



plastic wrap in order to contain the lead-based paint and would require several months to complete; but, at an estimated cost of roughly +\$500,000, it was determined to be more cost effective to construct a new and larger tower at another location in town. Additionally, the tower, being 64 years old, is nearing end of its anticipated life, which would be no more than another 10-15 years.

The proposed project also highlights and is made possible as a result of substantial recent improvements to the City's water distribution system. Specifically, these include: the 1 million gallon elevated water storage tower, constructed near the Interstate highway in 2009, and the water looping projects that were completed in 2010. Collectively, these projects represent roughly \$3.5 million worth improvements to the City's infrastructure.

The Main Avenue Tower has been "in-active" (i.e., all water drained) since roughly April of 2012. It is anticipated that the demolition process of the tower will be fairly short, requiring only 3-4 days. Removal of the concrete foundations/footings and piping will require additional time, however. The tower demolition process will involve torches and metal-cutting equipment, cutting the tower into pieces. Those pieces will be lowered by a crane and placed into a scrap truck and hauled away.

The Project bid letting was conducted on January 17th at City Hall. There were a total of two (2) bids received. The bid determined to be the lowest responsible responsive bid was submitted by Iseler Contracting, Romeo, MI. The engineer's estimate of cost was \$64,500. The bid from Iseler was \$35,928.50, which is roughly 44% below the engineer's estimate. The next lowest bid was submitted by Koslinski Contracting, Port Austin, MI, in the amount of \$50,977.75.

The anticipated start date is February 22, 2013 and the completion date is May 17, 2013. However, the start date is contingent upon the removal of all antennas.

ITEM #6C. **Rezoning – N. 35th Street Vicinity.** At the December

3, 2012, City Council meeting, the Council directed that a recent letter of request, regarding a prospective rezoning petition, that it had received from Aaron & Danika Marken, 3410 Main Avenue, be referred to the Planning & Zoning Commission for its study and recommendation. On December 18, 2012, the Commission reviewed the request for re-zoning and forwarded its recommendation to the Council for its consideration.

The specific property that was the subject of the request is 3410 Main Avenue. However, the proposed re-zoning, as recommended by the Commission, includes the entire N. 35th Street vicinity. The area was originally platted as "Green Acres" subdivision and was located outside the City limits of Clear Lake, prior to enactment by the City of "extra-territorial" subdivision review procedures. Subsequently, the subdivision was annexed into the City, but the zoning map was never modified to reflect a change from the existing zoning, which remains "Light-Industrial".

The recommendation from the Commission is to amend the Official Zoning Map of the City to reflect this area being re-zoned from "Light-Industrial" to "Medium-Density Single-Family Residential". On January 7th, the Council set the date for a public hearing on the matter and authorized publication of notice in the newspaper and to the affected property owners.

ITEM#6D. **2013 G.O. Bond Refunding Loan Agreement.** At the January 7th meeting, the Council set the date for a public hearing on the proposal to enter into a loan agreement, in a principal amount not to exceed \$1,260,000, to refund three (3) outstanding City general obligation bond issues. The primary purpose of the transaction is to achieve approximately \$64,142 in total interest savings over the life of the bonds. The 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 proposed to be refunded range from 3.95% to 4.20%. The refunding of the outstanding bonds

will generate a net present value savings of 5.1% of the refunded bond principal. New interest rates range from .4% to .085% over the five (5) year term of the refunding.

These bonds will be sold at a negotiated sale, with Ruan Securities serving as the underwriter. Because of the flexibility it affords in a fluctuating market environment, as well as the size of this particular issue and the fact that it is "non-rated" support the use of the negotiated sale process.

Again, 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, January 21:

Council holds public hearing on General Obligation Refunding (resolution taking additional action)

Council considers approval of Preliminary Official Statement

Monday, February 4:

Council considers resolution approving of Bond Purchase Agreement (locks in interest rates on G.O. Refunding) and authorizing redemption of prior debt

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#6E. **HWY 18 Watermain Project (N 3rd St W to N 9th St W)**. One of the major capital improvement projects budgeted for in

FY 13 was the "US HWY 18 (N 3rd St W – N 9th St W) Watermain Improvement Project". This particular segment of watermain is significant to the overall distribution system in providing some necessary redundancy and aiding in the filling of the area's water tower. Additionally, it serves a number of commercial properties, 13 to be exact, along US Highway 18, including the City's single largest consumer – The Oakwood Care Center.

Redundancy in the water distribution system allows the City to provide water service from more than one direction. If a segment of watermain needs to be shut down temporarily, due to a break or new connection, etc., water can still be re-routed from another direction keeping a majority of the users still in service.

The Project entails the replacement of an existing 4" (1940's-1950's era) ductile watermain, which is located underneath a portion of US HWY 18. The proposed construction would entail placement of 2,500 LF of new 12" diameter watermain. Historically, this has been one of the most problematic watermains in the City's distribution system. There have been at least six (6) watermain breaks in this line over the past 5 years.

Obviously, with a 4" watermain, this primarily commercial area has been underserved for many years. This Project will "link" to the new 12" watermain that was constructed in 2010, from between N. 9th Street W. and Clark Road, as well as the 8" watermain that was constructed to the west of The Other Place restaurant a few years ago.

In August 2012, the Council approved a professional services agreement with Veenstra & Kimm for the Project. The current estimated cost of the Project is \$298,391. The Project schedule anticipates the bid letting to be conducted on February 14th, at 11:00 a.m., and the public hearing on the plans, specifications, form of contract, & estimate of cost, and award of contract to be considered at the February 18th City Council meeting. The anticipated start date for construction is April 1st and completion date is September 6th.

Please feel free to contact me if you have questions about any of the agenda items.

Scott Flory
City Administrator

SmartQuote: "If you can't write your idea on the back of my calling card, you don't have a clear idea." David Belasco – American theatrical producer, director, & playwright

TENTATIVE AGENDA
CLEAR LAKE CITY COUNCIL
CITY HALL – 15 N. 6TH STREET
MONDAY, JANUARY 21, 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 – January 7, 2013.
 - B. Approval of the bills & claims.
 - C. Licenses & Permits:
 - **Liquor License**: Class B Native Wine Permit (WBN) with Sunday Sales, Lake Coffee & Ice Cream; Class C Beer Permit (BC) with Carryout Wine & Sunday Sales, (renewal).
 - **Tree Trimmer's License**: Jim's Tree Service, Ventura, (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. Contract for City Attorney Services and Appointment of City Attorney:

- Review by Scott Flory, City Administrator.
 - **Motion** to approve contract for City Attorney Services and appointment of City Attorney.
 - Discussion and consideration of **Motion** by City Council.
 - Administration of the Oath of Office by Mayor Nelson P. Crabb.

B. Main Avenue Water Tower Demolition Project:

- Introduction by Scott Flory, City Administrator.
- Review of Project bid letting and recommendation, Jason Petersburg, P.E. V&K.
- Public Hearing.
- **Motion** to approve **Resolution #13-03**, “A Resolution approving plans, specifications, form of contract, & estimate of cost”.
- Discussion and consideration of **Motion** by City Council.
- **Motion** to approve **Resolution #13-04**, “A Resolution Making an Award of Contract”.
- Discussion and consideration of **Motion** by City Council.

C. Rezoning of 3410 Main Ave and N. 35th Street vicinity (generally described as the Green Acres Subdivision) from Light-Industrial (I-1) to Medium-Density Single-Family Residential (RS-8):

- Introduction by Scott Flory, City Administrator.
- Review of request and recommendation from Planning & Zoning Commission, John Marino, Building Director.
- Public Hearing.
- **Motion** to approve **Ordinance #806**, An Ordinance amending the Official Zoning Map of the City of Clear Lake by rezoning 3410 Main Avenue and the N.35th Street vicinity (generally known as Green Acres Subdivision) from Light-Industrial (I-1) to Single-Family Medium-Density Residential (RS-8).” (1st reading)

- Discussion and consideration of **Motion** by City Council.

D. 2013 General Obligation Bond Refunding Loan Agreement:

- Review by Scott Flory, City Administrator.
- Public Hearing.
- **Motion** to approve **Resolution #13-05**, “A Resolution authorizing a loan agreement and Preliminary Official Statement.”
- Discussion and consideration of **Motion** by City Council.

E. US HWY 18 (N. 9th Street W – N. 3rd Street W.) Water Main Project:

- Introduction by Scott Flory, City Administrator.
- Review of proposed plans & specifications, Jason Petersburg, P.E., Veenstra & Kimm.
- **Motion** to approve **Resolution #13-06**, “A Resolution fixing the date for a public hearing on plans, specifications, form of contract, and estimate of cost, and setting the bid letting date on the proposed ‘US Highway 18 Water Main Improvement Project’ for the City of Clear Lake, Iowa, and for the taking of bids therefor.”
- Discussion and consideration of **Motion** by City Council.

F. Set date for Special Council meeting for January 30, 2013:

- **Motion** to approve date for special Council meeting.
- Discussion and consideration by City Council.

G. Early Retirement Incentive Program:

- Review by Scott Flory, City Administrator.
- **Motion** to approve **Resolution #13-07**, “A Resolution to offer Retirement Incentive to City employees – January 1st - 31st, 2013
- Discussion and consideration by City Council.

7. Chief of Police’s Report:

8. Mayor’s Report:

- Re-appointment of At-large City Council Member Mike Callanan as Mayor Pro-Tem (1/1/13 – 12/31/13)

9. Public Works Director's Report:

10. City Administrator's Report:

- S. 20th Street Improvement Project review.

11. City Attorney's Report:

12. Other Business:

13. Adjournment.

NEXT REGULAR MEETING – FEBRUARY 4, 2013