



# CITY OF CLEAR LAKE

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Mayor  
NELSON P.  
CRABB

February 28, 2014

HONORABLE MAYOR & CITY COUNCIL MEMBERS:

City  
Administrator  
SCOTT  
FLORY

The next meeting of the Clear Lake City Council is scheduled for Monday, **March 3, 2014**, 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

DANA  
BRANT  
Ward 1

TONY  
NELSON  
Ward 2

JIM  
BOEHNKE  
Ward 3

MIKE  
CALLANAN  
At Large

GARY  
HUGI  
At Large

**ITEM #6A. FY 15 Municipal Budget proposal.** The proposed tax rate for the City of Clear Lake for the 2015 fiscal year, which begins July 1, 2014, and end June 30, 2015, is \$10.54/\$1,000 of taxable valuation. This marks the 4<sup>th</sup> consecutive year that the City's tax rate has remained unchanged, since the \$0.50/\$1,000 of taxable valuation rate increase in FY 12 made necessary as the result of the voter-approved \$2.3 million general obligation bond referendum for the fire station building project. Prior to FY 12, the tax rate had remained unchanged at \$10.04/\$1,000 of taxable valuation for five (5) consecutive fiscal years. Once again, Clear Lake will feature one of the lowest tax rates in Iowa for cities with a population of greater than 5,000 in population.

The taxable valuation for FY 15 (1/1/13) continues the positive trend of growth in the Community. The taxable valuation for FY 15 is \$501,810,176, which is a 2.8% increase from FY 14. The proposed FY 15 budget reflects total expenditures among the various programs of \$14,827,906; of which \$7.2 million is directed towards operations & maintenance; \$6.4 million towards capital; and \$1.25 million towards debt service. The remaining schedule for budget consideration is as follows:

- March 3<sup>rd</sup> Conduct public hearing and adopt a final budget
- March 15<sup>th</sup> Certify budget to County Auditor.

**ITEM #6B. Purchase of single-axle plow truck & snow equipment.** The purchase of a replacement single-axle plow truck, wi



snow removal equipment package (plows, hydraulics, pre-wet system, box, and sander), was budgeted for in the FY 14 capital budget. The new truck will replace a 1994 single-axle plow truck, which will be disposed of by trade-in or outright sale. The City budgeted \$180,000 for the purchase. In order to receive the truck cab & chassis and complete the installation of the snow removal equipment package in time for the 2014-15 snow season, it is necessary to order the equipment in March 2014. The purchase is being funded entirely by Road Use Tax Fund revenues.

A request for sealed bid proposals was distributed to prospective bidders on February 6<sup>th</sup>. Responses were due to the Public Works Director on February 24<sup>th</sup>. A total of three (3) responses were submitted for the truck chassis & cab and a total of four (4) for the snow removal equipment package.

The City specifications for this truck included several recommendations from City snow removal operators. One of the recommendations was to have plow trucks with a rear wing plow and an underbody scraper. City staff also consulted with other public entities in Cerro Gordo County to learn more about their snow removal operations and recent like capital equipment purchases. The new style of plow truck would allow one truck to plow from center line to curb in a single-pass on most Clear Lake residential streets.

The truck cab & chassis was bid using Iowa DOT State bid compact purchasing pricing. The snow removal equipment package was bid separately from the truck cab & chassis for that reason. Based upon the City's specifications and consultation with other public entities in Cerro Gordo County who have recently made similar capital equipment purchases, the Public Works Director is recommending that the City purchase the 4x2 single-axle cab chassis plow truck chassis & cab from Interstate Motor Trucks (Mason City) in the amount of \$70,660 and the snow removal equipment package from Crysteel Truck Equipment (Lak Crystal, MN) \$100,620.

ITEM #6C. **N. Shore Drive STP Street Reconstruction Project.** At

its February 17, 2014 meeting, the City Council conducted the required public hearing and then approved the proposed plans & specifications, form of contract, and estimate of cost for the Project. The City has been awarded a Federal-aid Surface Transportation Project (STP) grant from the Iowa Department of Transportation (DOT) in the amount of \$638,000 for the Project. A grant agreement between the City and the Iowa DOT was approved by the Council on November 18, 2013. Under the terms of the Agreement, the Project bid letting was conducted by the Iowa DOT on February 18<sup>th</sup>.

The engineer's estimate of the probable cost of construction was \$2,195,192. A total of three (3) bids were received from a total of six (6) general contractors holding plans on the project. The bids ranged from 6.2% to 17.4% over the engineer's estimate of the probable cost of construction. The lowest responsible responsive bid was submitted by Wicks Construction (Decorah) in the amount of \$2,331,187.78 (\$136,000 over the engineer's estimate).

Construction on the underground infrastructure improvements will begin on approximately July 8, 2014, and is anticipated to be completed by late-November. Construction activities related to the "above-grade" and paving improvements will begin on or around April 6, 2015, and are anticipated to be completed by June 12, 2015.

ITEM #6D. **Clear Lake Consolidated Urban Renewal Area Economic Development (regional warehouse & distribution center) Project**. At its regular meeting on February 17<sup>th</sup>, the City Council set the date for a public hearing on a proposed General Obligation Economic Development Loan Agreement with Windmill Realty, LLC for the general corporate purpose of undertaking an economic development project (regional warehouse & distribution facility) in the Larry Luker Memorial Industrial Park (Lots 6 & 7). Notice of hearing was published in the newspaper on February 19<sup>th</sup>, as required by law.

Windmill Realty, LLC serves primarily as an interim "placeholder" for the ultimate occupant and owner of the facility, which is a current "Fortune

100" Company. Upon completion of Project construction, which is estimated at approximately 18 months, the parent company's identity will be publicly released and Windmill Realty, LLC shall be dissolved and its rights under the Development Agreement shall be assignable to the parent company, subject to Council approval, in accordance with the terms of the Agreement.

The Project shall be comprised of an approximately 340,000 square foot warehouse and distribution facility. The Development Agreement proscribes a conservative new minimum property tax base to be created as the result of this project of not less than \$12,000,000. The current tax base on the property is roughly \$30,000. The estimated total capital investment is \$65 million. The Development Agreement also imposes certain employment requirements upon the Project, including establishing and maintaining a workforce of not less than 164 full-time employees, with minimum average annual salaries of \$39,000, by no later than October 1, 2018. Total annual payroll shall not be less than \$6,500,000.

Scott Flory  
City Administrator

Smart Quote: **"Democracy is the recurrent suspicion that more than half of the people are right more than half of the time."**

-- E.B. White, American writer

TENTATIVE AGENDA  
CLEAR LAKE CITY COUNCIL  
CITY HALL – 15 N. 6<sup>TH</sup> STREET  
MONDAY, MARCH 3, 2014  
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 17, 2014.

B. Approval of the bills & claims.

C. Licenses & Permits:

- Amusement License: Rookies, (renewal).
- Tree Trimmer's License: Affordable Arbor Tree Service, (new).
- Excavator's License: McKiness Excavating, (renewal).
- Liquor License: Class B Liquor License (LB) (Hotel/Motel) with Sunday Sales, Best Western Holiday Motor Lodge; Special Class C Liquor License (BW) (Beer/Wine) with Sunday Sales, (renewals).

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. FY 2015 Municipal Budget proposal:

- Review by Scott Flory, City Administrator.
- Public Hearing.
- **Motion** to close the Public Hearing.
- Discussion and consideration of **Motion** by City Council.
- **Motion** to approve **Resolution #14-22**, "A Resolution amending the current budget for the fiscal year ending on June 30, 2014 and adopting a budget for the fiscal year ending on June 30, 2015."
- Discussion and consideration of **Motion** by City Council.

B. Purchase of a 2015 single-axle 4x2 truck chassis & cab and associated snow equipment for the Public Works Department:

- Introduction by Scott Flory, City Administrator.
- Review of bids and recommendation, Joe Weigel and Dave Whitehurst, CL Public Works Department.
- **Motion** to authorize the Purchase of a 2015 single-axle 4x2 truck chassis & cab and associated snow equipment for the Public Works Department.
- Discussion and consideration of motion by City Council.

C. North Shore Drive STP Street Reconstruction Project:

- Introduction by Scott Flory, City Administrator.
- Review of bid tabulation and recommendation, Jason Petersburg, P.E. Veenstra & Kimm.
- **Motion** to approve **Resolution #14-23**, “A Resolution Making an Award of Contract.”
- Discussion and consideration of **Motion** by City Council.

D. Clear Lake Consolidated Urban Renewal Area Economic Development (Regional Warehouse & Distribution Center) Project:

- Introduction and review of request by Scott Flory, City Administrator and Brent Willett, President - NICEDEC.
- Public Hearing.
- **Motion** to close the Public Hearing.
- Discussion and consideration of **Motion** by City Council.
- **Motion** to approve **Resolution #14-24**, “A Resolution expressing intent to enter into a General Obligation Economic Development Loan Agreement and approving a Preliminary Official Statement.”
- Discussion and consideration of **Motion** by City Council.

E. Appointment of Rex McChesney as Interim Police Chief:

- Introduction by Scott Flory, City Administrator.
- Review of request by Mayor Nelson P. Crabb.
- **Motion** to approve Employment Agreement and appointment.
- Discussion and consideration of **Motion** by City Council.

7. Chief of Police’s Report:

8. Mayor’s Report:

9. Public Works Director's Report:

- Traffic signal repairs at 1<sup>st</sup> Ave N. & N. 8<sup>th</sup> Street.
- Update regarding watermain breaks

10. City Administrator's Report:

11. City Attorney's Report:

12. Other Business: Review and update of proposed 2<sup>nd</sup> Amendment to Intergovernmental Agreement creating the Cerro Gordo County Area Solid Waste Agency by 2<sup>nd</sup> Ward City Council Member Tony Nelson.

13. Adjournment.

NEXT REGULAR MEETING – MARCH 17, 2014