

Regular City Council Meeting
City Hall, Cherokee, Iowa
August 26, 2014 – 7:00 P.M.

A regular meeting was called to order on this date by Mayor Murphy. Present: Council members Johnson, Brown, Miller, Peck, City Attorney Miller, Administrator Eikmeier, Clerk-Treasurer Taylor. Absent: Council member Pingel.

A motion by Brown, seconded by Miller, unanimously approved the following additions to the agenda. Item #4.02 – approve pay request #5 to Steve Harris Construction for \$292,824.77 for Doherty Addition Improvements; Item #5.04 – River Road Bridge Project – review change order and update on water line placement; Item #5.05 – authorize change order #1 for level and seal coating contract with Blacktop Service Co.

On a motion by Peck, seconded by Miller, the council adopted Resolution No. 14-23, appointing a registrar and paying agent for the \$595,000 G.O. Refunding Capital Loan Notes, Series 2014. Roll call was: AYES: All. NAYS: None.

A motion by Miller, seconded by Johnson, adopted Resolution No. 14-24 authorizing the issuance of \$595,000 G.O. Refunding Capital Loan Notes, Series 2014. Roll call was: AYES: All. NAYS: None.

A motion by Brown, seconded by Miller, the council approved the Tax Exemption Certificate for the \$595,000 G.O. Refunding Capital Loan Notes, Series 2014. Motion carried.

At 7:05 p.m., Mayor Murphy opened a public hearing on Amendment No. 2 to the Water Tower Southeast Urban Renewal Plan. The amendment removes the former Harley-Davidson property, 1450 N. 2nd St., from the urban renewal plan. As there were no oral or written comments, the Mayor closed the hearing at 7:08 p.m.

On a motion by Brown, seconded by Johnson, the council adopted Resolution No. 14-25, adopting Amendment No. 2 to the Water Tower Southeast Urban Renewal Plan and defining the area included in said Urban Renewal Plan; and designating such area as appropriate for urban renewal projects. Roll call was: AYES: All. NAYS: None.

A motion by Peck, seconded by Miller, approved the first presentation of an ordinance for the division of revenues under Iowa Code Section 403.19 for Amendment No. 2 to the Water Tower Southeast Urban Renewal Plan. Roll call was: AYES: All. NAYS: None.

On a motion by Brown, seconded by Miller, the council waived the second and third presentations of Ordinance No. 598, an ordinance for the division of revenues under Iowa Code Section 403.19 for Amendment No. 2 to the Water Tower Southeast Urban Renewal Plan, and ordered its publication. Roll call was: AYES: All. NAYS: None.

At 7:10 p.m., Mayor Murphy opened a public hearing on the adoption of the proposed Cherokee North 2014 Urban Renewal Plan. The area will include only the former Harley-Davidson property, 1450 N. 2nd St. As there were no oral or written comments, the Mayor closed the hearing at 7:11 p.m.

A motion by Miller, seconded by Brown, approved Resolution No. 14-26, adopting the Cherokee North 2014 Urban Renewal Plan and defining the area included in said Urban Renewal Plan; and designating such area as appropriate for urban renewal projects. Roll call was: AYES: All. NAYS: None.

On a motion by Brown, seconded by Johnson, the council approved the first presentation of an ordinance for the division of revenues under Iowa Code Section 403.19 for the Cherokee North 2014 Urban Renewal Plan. Roll call was: AYES: All. NAYS: None.

A motion by Johnson, seconded by Peck, waived the second and third presentations of Ordinance No. 599, an ordinance for the division of revenues under Iowa Code Section 403.19 for the Cherokee North 2014 Urban Renewal Plan, and ordered its publication. Roll call was: AYES: All. NAYS: None.

At 7:12 p.m., Mayor Murphy opened a public hearing on the proposal to enter into an agreement with KTJ 237, LLC. Paul Tucci with Oppidan, developer for Shopko, was present to answer any questions. The agreement, in part, provides that Oppidan will receive tax rebates on property taxes paid on approximately \$1,300,000 of improvements, to be made over a 10-year gradually decreasing basis. As there were no oral or written comments, the Mayor closed the hearing at 7:14 p.m.

On a motion by Brown, seconded by Miller, the council adopted Resolution No. 14-27, approving the Development Agreement with KTJ 237, LLC. Roll call was: AYES: All. NAYS: None.

The Mayor and Council welcomed Mr. Tucci and Shopko to Cherokee.

On a motion by Pingel, seconded by Brown, the council approved the second presentation of an ordinance adding the definition of "Substantial Damage" to the City Code. "Substantial Damage" is described as damages that will cost more than 50% of the value of the structure to repair. Roll call was: AYES: All. NAYS: None.

A motion by Peck, seconded by Brown, adopted Resolution No. 14-28, approving the Annual Street Financial Report. Roll call was: AYES: All. NAYS: None.

Administrator Eikmeier reported that years ago police officers of Cherokee (as well as police and fire employees in many other Iowa cities) opted out of the Social Security program and redirected their contributions towards a separate retirement plan. Some of these employees would like the opportunity to be allowed to reenter social security. The first step is to adopt a resolution to ask the Governor to initiate the information process. IPERS representatives will then meet with the officers after which the officers could vote to pursue the Social Security coverage agreement. A motion by Johnson, seconded by Miller, adopted Resolution No. 14-29, a resolution related to Social Security and/or Medicare coverage for eligible police and fire positions. Roll call was: AYES: All. NAYS: None.

A motion by Peck, seconded by Brown, unanimously approved the following under "Consent Business". City council minutes of July 22nd, July 29th, August 12th, and August 20th. Pay request #5 to Steve Harris Construction for \$292,824.77 for Doherty Addition Improvements.

Dr. John Chalstrom, Cherokee Community School District Superintendent, was present to report on activities within the school district that may be of interest to the City. Dr. Chalstrom reported that school and city representatives met jointly to discuss possible solutions to the tennis court problems. When the courts were built 14 years ago, the soil was not compacted properly and there have been ongoing problems with cracking. The edging at the northeast corner of the courts is also beginning to deteriorate. Architects indicate that the only way to correct the situation is complete reconstruction. Both the school and city face financial challenges. Other considerations include choosing a new site and estimated costs. Denison recently bid an 8-court tennis facility that came in at \$850,000. Even if built smaller (the current facility is 6 courts), it poses a financial challenge. The school and city will have to see how this will fit into their priorities. In the meantime, the parties will have to decide whether and how much to continue with repairs. Joint discussions will continue. Dr. Chalstrom thanked the Park & Rec. Departments for hosting 400 elementary students at the aquatic center last week. We have a beautiful facility and the students had a great time. He also thanked the Police Department for facilitating an important relationship with the school. We are very fortunate to have this type of relationship, as they are very responsive to the schools' needs. Dr. Chalstrom thanked the Fire Department volunteers who toured the schools to familiarize themselves with the facilities. He appreciates all the city does for the school.

Dave Wilberding, PSS, was present to review options for storm sewer improvements south of Victory Dr. and east of Greta St. The project will consist of an underground culvert system starting at Victory Dr. and extending south to a point just south of Coyote Dr. where the draw turns west and crosses Greta St. The

estimated cost is \$50,00-\$60,000. If the storm sewer crosses Greta St. with an additional inlet, the cost would be \$60,000-\$70,000. The project will be bid both ways in order to see the difference in costs. The project will take approximately 10 days, except for the Greta St. crossing. A motion by Brown, seconded by Peck, authorized going to bid on the storm sewer project. Motion carried.

As there is a need to clarify bids for the removal of flood silt and sand from Westcott Park and the disc golf course west of Hwy. 59, this item was tabled until the September 9th meeting.

A motion by Brown, seconded by Johnson, approved Change Order #1 to Christensen Bros. for not to exceed \$12,000 for approximately 55 cubic yards of concrete grout to eliminate washout of the rip rap upstream and downstream of the River Road Bridge Project. Motion carried.

Administrator Eikmeier, along with Dave Wilberding, reported that the water line replacement in conjunction with the River Road Bridge Project was not placed deep enough on the northwest side. Two engineers, the inspector, the contractor, and the IDOT apparently missed this. All parties share fault, however none have accepted responsibility. The cost to redo the water line completely is approximately \$50,000 and would entail closing the road for another 4 months, tearing up portions of the bridge culvert and underlying rock, and going under the creek bed, all of which could result in additional problems. An acceptable solution is to expose the portion of water line in question, wrap it with insulation, cover it with 3'-4' of dirt, and protect it with rip rap and concrete grout. The contractor has agreed to do this at no additional cost to the city and would provide a 5-year warranty. Dave isn't concerned with the line freezing, nor does he feel the change would constrict the flow of the creek, as the new culvert is many times larger than the previous bridge. The council discussed their options. They would like to see a written agreement that states if there are any deficiencies during the 5 years that the water line is rebuilt to the original design at no cost to the city. In order for the City Attorney to review the matter, a motion by Johnson, seconded by Miller, tabled this item until the September 9th meeting. Motion carried.

A motion by Brown, seconded by Peck, authorized Change Order #1 to Blacktop Service Co. for \$9,540.82, removing Park Ave. from the level and seal coating contract and adding Spruce St. from just east of Dakota St. to just west of Park Ave. Motion carried.

Mary Jo Ruppert, Library Director, presented her quarterly report to the Council. She reported that after the second half of the roof was completed a new leak appeared in a new area, and Nohava repaired it at no cost; Park Dept. employees brought in scaffolding to repair the ceiling tiles; the Children's Librarian is retiring Oct. 1st and advertising for this part-time position is underway; new board members, Don Witcombe and Tony Hunt started July 1st; 100 children attended the summer reading programs that were held at the Sanford Museum; Iowa Workforce Development provided staff training as many residents use the Library for these services; library furniture was cleaned and Friends of the Library paid the costs; a future project will be a new computer for the heating and cooling system.

The meeting was adjourned at 8:40 p.m.

News media – Paul Struck, *Chronicle Times*; Nikki Thunder, KCHE.

Mark Murphy – Mayor

ATTEST:

Debra Taylor
City Clerk-Treasurer