

REGULAR CITY COUNCIL MEETING MINUTES  
APRIL 7, 2008, 5:30 P.M.  
CITY COUNCIL CHAMBERS

The City Council of Newton, Iowa met in regular session at 5:30 P.M. on the above date in the Council Chambers at 101 West 4th Street South. Mayor Allen presided. Present: Council members Plumb, Hansen, Ewing, Foreman, Morris, Mullan. Absent: None.

Mayor Allen proclaimed April 25, 2008 As Arbor Day In The City of Newton, Iowa. At Citizen Participation Dan Kelly and Cory Stout spoke in support of the upcoming ballot question for a Casino in Jasper County. Delores Antel visited about not having the annual spring clean up and noted an area in Newton that was a dumping ground.

- Moved by Foreman, seconded by Mullan to approve consent agenda items 3 - 5.
3. Approve March 17, 2008 Regular City Council meeting minutes and the March 24, 2008 Special City Council meeting minutes
  4. Approve Class C Beer Permit, Sunday Sales, West End, 1325 First Avenue West
  5. Approve Class C Beer Permits, Sunday Sales, Casey's # 2341, 3104 First Avenue East

AYES: Six. NAYS: None. Consent agenda items approved.

Mayor Allen recused himself from this next agenda item and handed the gavel over to Mayor Pro-Tem Hansen. Mayor Pro-Tem Hansen stated this was the time and the place for a public hearing on the Resolution Awarding Contract For The Maytag One Demolition Project Phase 2 – Utility Modifications. There had been no written comments and there was no public participation. Council Member Ewing expressed some concern with a couple of the alternates, still in discussions with Iowa Telecom. We should use separate contracts. Council Member Foreman concurred with Councilman Ewing. David Watson, City Administrator noted we are still waiting for the funding of this project and recommended at this time to not approve the resolution. Moved by Ewing, seconded by Foreman to close the public hearing. AYES: Six. NAYS: None. Public hearing closed. Moved by Foreman, seconded by Ewing to postpone this resolution. AYES: Six. NAYS: None. Resolution postponed. Mayor Allen resumed his position.

Mayor Allen stated this was the time and the place for a public hearing on the Resolution Awarding Contract For The Monroe Drive Box Culvert Drop Structure Project. There had been no written comments and there was no public participation. David Stewart, Public Works Director stated the low bidder was higher than the engineer's estimate; however, the bids were grouped closely together lending us to believe that the estimate was likely too low for the project. After speaking with the low bidder, the contractor reported that this project is an unusual project with a high risk factor, given the existing conditions, difficult access, etc. Had this project been a more standard project, the bids would have likely come in closer to the estimate with standard unit pricing. Moved by Hansen, seconded by Foreman to close the public hearing. AYES: Six. NAYS: None. Public Hearing closed. Moved by Mullan, seconded by Plumb to Introduce the Resolution Awarding Contract For The Monroe Drive Box Culvert Drop Structure Project. AYES: Six. NAYS: None. Resolution No. 2008 – 029 adopted.

Mayor Allen stated this was the time and the place for a public hearing on the Resolution Approving The Plant Two Economic Development Area Urban Renewal Plan. There had been no written comments and there was no public participation. Bryan Friedman, Community Development Director stated this resolution proposes to establish the Plant Two Economic Development Urban Renewal Area in the general vicinity of the intersection of North 19<sup>th</sup> Avenue East and East 8<sup>th</sup> Street North. This would provide the City with a tool that could potentially be used to facilitate the re-use and redevelopment of the former Maytag Plant Two manufacturing facility. The goals of the proposed Plant Two Urban Renewal Area and TIF District would point the City toward quality development and job creation. The proposed Urban Renewal Area is narrowly drawn to encompass only the western portion of the property with the intention

of attracting an immediate manufacturing prospect. Moved by Hansen, seconded by Plumb to continue the public hearing. AYES: Four. NAYS: Ewing, Mullan. Public hearing continued.

Mayor Allen stated this was the time and the place for a public hearing on the Resolution Approving An Amendment To The Development Agreement With Newton Food & Fuels, LLC, For A Gas Station / Convenience Store / Restaurant On Property Located Within The Prairie Fire Economic Development Area. A written comment had been filed from the developer that had made this request for an amendment to the agreement. The developer has proposed that all of the relevant dates from the original Agreement be amended to reflect the later-than-anticipated start on the project. Under this proposal, as reflected in the Resolution and Amendment, the completion date would be changed to August 1, 2008, and the Minimum Assessment would be delayed until January 1, 2009, instead of 2008. All of the incentives would slide back one year and the length of the Agreement would be extended by one year. Council member Hansen noted this falls in line with other amendments we have done. Moved by Morris, seconded by Mullan to close the public hearing. AYES: Six. NAYS: None. Public hearing closed. Moved by Morris, seconded by Ewing to Introduce the Resolution Approving An Amendment To The Development Agreement With Newton Food & Fuels, LLC, For A Gas Station / Convenience Store / Restaurant On Property Located Within The Prairie Fire Economic Development Area. AYES: Six. NAYS: None. Resolution No. 2008 – 030 adopted.

Moved by Mullan, seconded by Hansen to Introduce on second consideration an Ordinance Amending The Code of Ordinances, City of Newton, Iowa, 1993, Title 2, Chapter 11, Article 10, Parking Offenses, By Adding Section 11.1008.121, West Side From South Ninth Avenue East To South Thirteenth Avenue East. AYES: Six. NAYS: None. Second consideration of the ordinance passed. Moved by Hansen, seconded by Foreman to suspend the rules and waive the third consideration of the above Ordinance. AYES: Six. NAYS: None. Third consideration of the ordinance passed. Moved by Mullan, seconded by Ewing to adopt the above ordinance. AYES: Six. NAYS: None. Ordinance No. 2120 adopted.

Moved by Hansen, seconded by Plumb to postpone the second consideration of an Ordinance Vacating And Disposing Of Certain Real Estate Consisting Of 1300 Feet By 66 Feet Of North/South Street Right-of-Way In The 1500 Through 1800 Blocks Of East 8<sup>th</sup> Street North, City of Newton, Jasper County, Iowa. AYES: Six. NAYS: None. Ordinance postponed.

Moved by Mullan, seconded by Hansen to Introduce a Resolution Ordering Bids, Approving Plans, Specifications And Form of Contract And Notice TO Bidder, And Ordering City Clerk To Publish Notice And Fixing A Date For Receiving The Same, And For A Public Hearing On Plans, Specifications, Form Of Contract And Estimate Of Costs For The Addition To The Newton Public Library Project. AYES: Six. NAYS: None. Resolution No. 2008 – 031 adopted.

Moved by Ewing, seconded by Mullan to Introduce a Resolution Approving The Purchase of A Replacement 1-Ton Truck With Box And Hoist For The Parks Department. Denny Slings, Park Director stated this particular vehicle is the backbone of the Parks Department truck fleet. It is used on a daily basis to haul bulk materials including soil, sand, gravel, mulch, brush, etc. This truck is also used to collect and haul trash and garbage from all park areas to the Landfill for disposal and used in conjunction with the brush chipper in tree trimming, tree removal, and storm damage cleanup operations. The existing 1-ton truck has experience multiple mechanical failures over the past few years with the box and hoist unit showing considerable metal fatigue, cracking, and deterioration. The existing truck would be made available for sale through the Iowa DOT State Vehicle Auction program. The low bidder, Noble Ford, needs order verification by April 10, 2008 to meet the factory production deadline for this current model year. Funding for this capital equipment purchase would come from the Capital Fund. AYES: Six. NAYS: None. Resolution No. 2008 – 032 adopted.

Moved by Foreman, seconded by Hansen to Introduce the Resolution Approving The Purchase Of Two Squad Cars From Noble Ford Of Newton, Iowa In The Amount Of \$44,562. AYES: Six. NAYS: None. Resolution No. 2008 – 033 adopted.

Mullan moved to introduce the Resolution Authorizing Telephone System Purchase For Public Works / Community Development Office. Resolution died for lack of second to the motion.

Moved by Morris, seconded by Hansen to Introduce a Resolution Waiving The City of Newton's Right Of Review For The Final Plat Of Newell's 1<sup>st</sup> and 2<sup>nd</sup> Additions Located In Jasper County, Iowa. It was noted City Staff has reviewed the submittal from CGA. The City Engineering Department originally expressed safety concerns regarding individual driveways for each of the five lots, as the visibility at this location is poor due to the topography. The site engineer from CGA stated that each of the proposed lots would be accessed from a single, shared driveway. A 20' wide hatched easement area is shown on the face of the plat as well as a note indicated the use of a shared driveway. AYES: Six. NAYS: None. Resolution No. 2008 – 034 adopted.

Mayor Allen recused himself from this next agenda item and handed the gavel over to Mayor Pro-Tem Hansen. Moved by Ewing, seconded by Mullan to Introduce a Resolution Approving Consultant Services Agreement For The Maytag Dem Project. Mayor Pro-Tem Hansen stated previously, the City Council approved Shive Hattery as the engineering consultant for the Maytag Demolition project and agreed to engineering services for what is now known as Phase 2 (Utility). Attached to the resolution is the Proposal for Services for all outstanding engineering services needed for the Maytag Demo Project. This new agreement generally includes work for the asbestos mitigation, demolition, and construction administration and inspection for all phases of work per the redevelopment agreement. Some of this work has been completed by the consultant prior to this approved agreement at the consultant's own risk in order to stay on schedule with the project. The proposed fee for all remaining services includes \$325,000 plus reimbursable expenses estimated at \$25,000 for a total cost of \$350,000. These services and costs are included within the project funding and eligible for CDBG reimbursement. AYES: Six. NAYS: None. Resolution No. 2008 – 035 adopted. Mayor Allen resumed his position.

Moved by Foreman, seconded by Ewing to Introduce a Resolution Approving Acceptance Of Real Estate Deeds And A Public Utility Easement From Newton Development Corporation And Johnson Property Located In Section 2, Township 79 North, Range 19 West of The 5<sup>th</sup> PM. AYES: Six. NAYS: None. Resolution No. 2008 – 036 adopted.

The next agenda item was a discussion on the hotel /motel tax distribution. Kim Didier, Executive Director for the Newton Development Corporation was the first presenter. Ms Didier stated the Newton Development Corporation's presentation overview would cover their role in the community, use of hotel/motel tax and other revenue sources. NDC's role has three basic functions: recruiting new businesses, supporting existing businesses and encouraging entrepreneurial start-ups. Dan Skokan presented the use of hotel/motel taxes along with other revenues. Dave McNeer finished the NDC presentation by stating he was a business owner and was here as one of the investors, McNeer noted he believed in what NDC stands for and went on to note the businesses and private investors match almost what the hotel/motel tax revenue brings into NDC. Linda Bacon, Executive Director for the Newton Convention and Visitors Bureau stated the hotel/motel tax are for marketing Newton in the areas of tourism, meetings, conventions and special events. Other revenue the Newton CVB receives is ½ of 1% from the City of Colfax's 7% hotel/motel tax, advertising dollars for those advertising their business on our website. The CVB also applies for grants within the tourism industry to help offset some of the expenses incurred. Lastly she noted the hotel/motel tax does go for the salary of the executive director and one part time staff person. Denny Slings, Park & Recreation Director stated the current use and accounting of H/M taxes: The Golf Division completed a Front 9 Redesign and Reconstruction Project in 1997 which was funded by a \$456,000 General Obligation Bond Issuance. Prior to that time the Newton City Council had passed a resolution appropriating 18 % of the 5% Hotel/Motel Tax receipts to the Golf Division for the purpose of paying the annual debt service on this bond. At that time the annual debt service on the 15-year bond totaled approximately \$42,000. Since that time, the percentage of Hotel/Motel Tax appropriated to the Golf Division was changed by City Council action on two different occasions and the annual debt service amount has been

lowered due to the bond refinancing. Any Hotel/Motel Tax Revenue exceeding the annual debt service amount is placed into Golf revenue and is utilized in paying for general golf operational expenses. Accounting for both revenue and expenses is completed through the City of Newton budget and accounting system. Future Use Of H/M Taxes: The Newton Park Board is very appreciative of the financial support provided by the Newton City Council by the appropriation of a portion of the Hotel/Motel Tax revenues to the Golf Division for the purpose of bond repayment. The Park Board has identified a number of future Capital Improvements needed within the Golf Division designed to keep the Municipal Golf Course a competitive and viable operation. It is proposed that these capital improvements be funded by a future General Obligation Bond Issue and that the debt service on this bond be again paid with Hotel/Motel Tax Revenues. It is proposed that this issuance take place just before or at the time the original bond sunsets in FY 2011 – 12. Other revenue Sources and their function: The Golf Division operates as an Enterprise Fund. As such it is required to operate on the revenues it produces. Those revenue sources include memberships, annual and daily cart rentals, annual and daily cart trail fees, private cart storage fees, practice range receipts, punch passes, daily greens fees, merchandise and concession sales, locker rentals and golf club repairs. These revenues are used to pay for general golf course operations including personnel wages and benefits, fuel, utilities, insurances, chemical, fertilizer, topdressing and seed supplies, building and grounds supplies and repairs, resale merchandise etc. Are taxes used for salaries: Not directly. As earlier stated the Hotel/Motel Tax revenue is applied toward debt service payment. Because any excess H/M tax revenue is placed into the Golf Division general revenues it could be construed that some Hotel/Motel Tax is used for salaries but the same could be said for fuel, insurance or any other operational expense. Conclusion: The Hotel/Motel Tax Revenue credited to the Golf Division is an important revenue source allowing the Golf Division to fund major improvements otherwise not possible utilizing golf course generated revenues only. Keeping Westwood Municipal Golf Course competitive in the golf marketplace is key to attracting the golfing public and insuring the financial stability of this City owned facility. Foreman stated he would like to see a resolution on an upcoming agenda for the Hotel/Motel tax distribution.

Under new business Morris stated he had driven by Aurora Park and had noticed the new skateboard park equipment.

Moved by Hansen, seconded by Morris to go into To Discuss Strategy with Counsel in Matters that Are Presently in Litigation or Where Litigation is Imminent Where its Disclosure Would be Likely to Prejudice or Disadvantage the Position of the Governmental Body in that Litigation, Which Discussions are Exempt from the Open Meetings Law Pursuant to the Provision of Section 21.5(1)(c), Code of Iowa 2007. AYES: Six. NAYS: None. Motion passed. Mayor Allen called for a five-minute recess to clear the council chambers.

At 7:59 p.m. with all council members present they returned to open session. Moved by Hansen, seconded by Foreman to go into closed session to Evaluate The Professional Competency Of An Individual Whose Appointment, Hiring, Performance Or Discharge Is Being Considered When Necessary To Prevent Needless And Irreparable Injury To That Individual's Reputation And That Individual Request A Closed Session. Pursuant To The Provisions Of Section 21.5(1)(i), Code of Iowa 2007. AYES: Six. NAYS: None. Motion passed.

At 9:21 p.m. with all council members present they returned to open session. Moved by Hansen, seconded by Foreman to adjourn the meeting at 9:22 p.m. Motion unanimously carried by voice vote.

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Charles Allen, Mayor

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Candice Van Zee City Clerk