

REGULAR CITY COUNCIL MEETING MINUTES
AUGUST 3, 2009, 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 Pro-Tem Hansen presided. Present: Council members Plumb, Julius, Morris, Mullan. Absent: None

There was no citizen participation.

Moved by Plumb, seconded by Morris, to approve consent agenda items 2 and 3.

2. Approve July 20, 2009 Regular City Council Meeting Minutes
3. Approve Class C Beer Permit, Sunday Sales, Petro Shop, 404 South 11th Avenue West and Class C Beer Permit, Sunday Sales, Dezi's Quick Shop, 702 First Avenue East

AYES: Five. NAYS: None. Consent agenda approved.

Mayor Pro-Tem Hansen stated this was the time and the place for a Public Hearing on the Resolution Approving Contract And Bond And Making Award Of Contract For The Leachate Collection – 1975 SLF Project At The Newton Sanitary Landfill. There had been no written comments and no public input. Moved by Plumb, seconded by Julius, to close the public hearing. AYES: Five. NAYS: None. Public Hearing closed. Moved by Mullan, seconded by Morris to adopt the above Resolution. AYES: Five. NAYS: None. Resolution No. 2009 – 095 adopted.

Mayor Pro-Tem Hansen stated this was the time and the place for a public hearing on the sale of property located in the 600 and 700 blocks of First Street South in Newton through the City of Newton's Dangerous and Dilapidated Building Program. There had been no written comments and no public input. Council Member Morris stated he would be abstaining from the voting on this agenda item. Bryan Friedman, Community Development Director stated in 2007, the Council approved the acquisition of several properties located in the 600 and 700 Blocks of 1st Street S. The City has now received a proposal from Kading Properties to purchase seven of the eight properties for \$44,000 and construct seven duplex buildings. The City's acquisition costs for these seven lots was \$99,870. With the City's demolition costs added, the total City investment in these lots is approximately \$135,000.

The purchase and redevelopment agreement requires Kading Properties to show a value of at least \$770,000 for the project. The agreement also requires aesthetic improvements to be made to each building to provide for individuality from unit to unit. Kading proposes to achieve some variation in each building's appearance by including partial brick or stone fronts, architectural shingles on the roof, and by planting a 2 – 3" caliper shade tree in each yard as shown in the attachments to the purchase and redevelopment agreement. The proposed development does not require the closing of the 1st Street South and South 8th Avenue intersection.

The proposed residential buildings would be eligible for tax abatement. Once the abatement period is over, the property would generate \$15,000 to \$20,000 in total property taxes per year.

The Kading offer is very consistent with the goals of the D & D program, will provide additional residential units within Newton, and will replenish the D&D funds so that the City can further pursue the removal of the Hatchery building.

Through City action, low-value properties that detracted from its neighborhood will be replaced by new housing, which builds the tax base and improves the community. My recommendation is to approve the Kading offer. Moved by Plumb, seconded by Julius, to close the public hearing. AYES: Four. NAYS: None. ABSTAIN: Morris. Public Hearing closed. Moved by Plumb, seconded by Julius, to introduce a Resolution Approving Sale Of Property Located At 709, 711, 713, 715, 721, And 728 1st Street South And 100 South 8th Avenue West Through The City of Newton Dangerous And Dilapidated Building Program To Kading Properties. AYES: Four. NAYS: None. ABSTAIN: Morris. Resolution No. 2009 – 096 adopted.

Moved by Plumb, seconded by Julius, to introduce on first consideration an Ordinance Amending The Code Of Ordinances, City of Newton, Iowa, 1993, Title 2, Chapter 11, Article 8, Other Traffic Offenses – Stops, By Adding Sections 11.0802.5(F). It was noted a stop sign at this intersection, stopping all traffic traveling Northbound on East 5th Street North, would make this intersection safer for vehicle traffic. AYES: Five. NAYS: None. First consideration of the above ordinance passed. Moved by Mullan, seconded by Plumb, moved to suspend the rules and waive the second and third considerations of the above ordinance. AYES: Five. NAYS: None. Ordinance passed second and third considerations. Moved by Plumb, seconded by Mullan, to adopt the above Ordinance. AYES: Five. NAYS: None. Ordinance No. 2139 adopted.

Chip Schultz, Senior Vice President, Ruan Securities stated he would like to review the winning bid received today regarding the City's \$1,115,000 General Obligation Bonds, Series 2009A and the \$6,300,000, Taxable Series 2009B.

Five bidding syndicates representing six underwriters / financial institutions submitted bids for the competitive sale of the Series 2009A Bonds held at 10:00 A.M. Central Time, with the best bid submitted by D.A. Davidson & Co. of Denver, Colorado. D.A. Davidson is the parent company of Ruan Securities. The D.A. Davidson bid reflects an average rat [as measured by True Interest Costs ("TIC")] of 2.78 percent.

Seven bidding syndicates representing nine underwriters / financial institutions submitted bids for the competitive sale of the Taxable Series 2009B Bonds held at 10:00 A.M. Central Time, with the best bid also submitted by D.A. Davidson & Co. of Denver, Colorado. The D.A. Davidson bid reflects an average rate [as measured by true Interest Cost ("TIC")] of 4.65 percent.

Schultz went on to explain the City's downgrade by Moody's from an A1 to A2, but went on to note a very successful sale of bonds. It was also noted on the refinancing portion the City would see an overall savings of \$118,000.

Moved by Morris, seconded by Mullan to Introduce a Resolution Directing Sale Of General Obligation Bonds, Series 2009A. AYES: Five. NAYS: None. Resolution No. 2009 – 097 adopted.

Council Member Mullan moved that the form of Tax Exemption Certificate be placed on file and approved. Council member Julius seconded the motion. The roll was called and the vote was, AYES: Five. NAYS: None. Motion passed.

Council Member Morris moved that the form of Continuing Disclosure Certificate be placed on file and approved. Council Member Mullan seconded the motion. The roll was called and the vote was, AYES: Five. NAYS: None. Motion passed.

Moved by Morris, seconded by Julius, introduced the following Resolution entitled "Resolution Authorizing And Providing For The Issuance Of \$1,115,000 General Obligation Bonds, Series 2009A, And Levying A Tax To Pay Said Bonds. AYES: Five. NAYS: None. Resolution No. 2009 – 098 adopted.

Moved by Julius, seconded by Mullan to Introduce a Resolution Authorizing The Redemption Of Outstanding General Obligation Bonds, Series 1999A, Of The City of Newton, Iowa, And Directing Notice Of Redemption. AYES: Five. NAYS: None. Resolution No. 2009 – 099 adopted.

Moved by Mullan, seconded by Morris, to Introduce a Resolution Appointing Bankers Trust Company, N.A. Of Des Moines, Iowa, To Serve As Paying Agent, Registrar, And Transfer Agent, Approving The Paying Agent And Registrar And Transfer Agent Agreement And Authorizing The Execution Of The Agreement. AYES: Five. NAYS: None. Resolution No. 2009 – 100 adopted.

Moved by Plumb, seconded by Julius, Introduced a Resolution Directing Sale Of General Obligation Bonds, Taxable Series 2009B. AYES: Five. NAYS: None. Resolution No. 2009 – 101 adopted.

Council Member Plumb moved that the form of Continuing Disclosure Certificate be placed on file and approved. Council Member Morris seconded the motion. The roll was called and the vote was, AYES: Five. NAYS: None. Motion passed.

Council Member Mullan introduced the following resolution entitled "Resolution Authorizing And Providing For The Issuance Of \$6,300,000 General Obligation Bonds, Taxable Series 2009B, And levying A Tax To Pay Said Bonds" and moved that it be adopted. Council Member Morris seconded the motion to adopt, and the roll being called thereon, the vote was as follows: AYES: Five. NAYS: None. Resolution No. 2009 – 102 adopted.

Moved by Julius, seconded by Plumb, Introduced a Resolution Authorizing The Redemption Of Outstanding General Obligation Bonds, Taxable Series 1999B, Dated June 1, 1999; General Obligation Bonds, Taxable Series 2001B, Dated May 1, 2001; General Obligation Bonds, Taxable Series 2003B, Dated March 1, 2003; General Obligation Capital loan Notes, Taxable Series 2004C, Dated September 15, 2004; And Urban Renewal Tax Increment Revenue Bond, Taxable Series 2006A, Dated February 1, 2006, Of The City Of Newton, Iowa, And Directing Notices Of Redemption. AYES: Five. NAYS: None. Resolution No. 2009 – 103 adopted.

Moved by Plumb, seconded by Mullan, Introduced a Resolution Appointing Bankers Trust Company, N.A. Of Des Moines, Iowa, To Serve As Paying Agent, Registrar, And Transfer Agent, Approving The Paying Agent And Registrar And Transfer Agent Agreement And Authorizing The Execution Of The Agreement. AYES: Five. NAYS: None. Resolution No. 2009 – 104 adopted.

Moved by Plumb, seconded by Mullan, Introduced a Resolution Approving An Agreement With The Newton School District For The Newton Police Department To Provide School Crossing Guards And DARE Instruction For The 2009 – 2010 School Year. AYES: Five. NAYS: None. Resolution No. 2009 – 105 adopted.

Moved by Plumb, seconded by Mullan, Introduced a Resolution Authorizing Publication Of Notice Of Public Hearing On Department Of Transportation federal Aviation Administration (FAA) Memorandum Of Agreement For Improvements For FAA Owned Navigation, Communication And Weather Aids At the Newton Municipal Airport. AYES: Five. NAYS: None. Resolution No. 2009 – 106 adopted.

Moved by Morris, seconded by Julius to Introduce a Resolution Approving Modification To Maytag Demolition Project Phase 3. AYES: Five. NAYS: None. Resolution No. 2009 – 107 adopted.

The next agenda item was the Resolution Approving Appointment To Vacant At Large City Council Seat. Mayor Pro-Tem Hansen read a statement that he would be abstaining from the vote of the above resolution this evening. He had a conflict of interest. He would chair this portion of the meeting, but would not enter into conversation. Darrin Hamilton, City Attorney stated should you follow the process used in March 2007 when four applicants sought appointment your first round of voting would have each council member voting for two candidates and then an agreed upon certain number of applicants would drop off. Even though this At Large council seat is vacant, it is counted for voting purposes, and therefore four votes will be required for a candidate to be chosen for the vacancy and with Mayor Pro-Tem Hansen abstaining, due to a conflict, then three votes will be needed to choose a candidate. It was agreed they vote for two candidates. Hamilton stated, he had prepared ballots and Council Members should vote for their top two candidates. The ballots would be passed to him and read aloud.

The first round of voting went as follow:

Plumb voted for Jeremy Hearberlin and James Klier. Hansen abstained, Julius voted for David Aldridge and Jeremy Hearberlin. Morris voted for David Aldridge and Richard Atwood. Mullan voted for David Aldridge and Jeremy Hearberlin.

Hamilton announced the top two candidates were David Aldridge and Jeremy Hearberlin. Council Member proceeded to a second round of voting and were instructed to vote for one candidate.

Second round of voting went as follows:

Plumb voted for Jeremy Hearberlin. Hansen abstained. Julius voted for Jeremy Hearberlin. Morris voted for David Aldridge. Mullan voted for David Aldridge.

Hamilton announced the candidate would need three votes.

Third wound of voting went as follows:

Plumb voted for Jeremy Hearberlin. Hansen abstained. Julius voted for Jeremy Hearberlin. Morris voted for David Aldridge. Mullan voted for David Aldridge.

Hamilton again announced the candidate would need three votes. Mayor Pro-Tem Hansen asked if anyone from the audience wished to speak in a positive manner. No public comments.

Fourth round of voting went as follows:

Plumb voted for Jeremy Hearberlin. Hansen abstained. Julius voted for David Aldridge. Morris voted for David Aldridge. Mullan voted for Jeremy Hearberlin.

Once again, the vote was tied. David Aldridge asked to be recognized by the chair. David Aldridge asked that his name be withdrawn and went on to note he had no qualms about withdrawing his name.

Moved by Plumb, seconded by Morris to Introduce a Resolution Approving Appointment To Vacant At Large City Council Seat and to fill in the blank space that Jeremy Heaberlin is hereby appointed. AYES: Four. NAYS: None. ABSTAIN: Hansen. Resolution No. 2009 – 108 adopted.

There was no new business come before the Council.

Under old business, Julius wanted to know when the sale of the RSVP building would come back to Council. It was noted another public hearing would be held at the August 17th Council meeting

Moved by Morris, seconded by Mullan, to adjourn the meeting at 6:50 p.m. Motion unanimously carried by voice vote.

Charles Allen, Mayor

Candice Van Zee, CMC
City Clerk