

Committee of the Whole

June 2, 2015

Present: Mayor Mark S. Vulich, Council Members McGraw, Rowland, Gassman, Determann, Wilke, O'Neill, Allesee, City Administrator, City Attorney, City Clerk, Press and interested citizens.

1. HUD Abatement Grant (originally #2)– Mark Schneider

Mr. Mark Schneider, ECIA, advised the Council that HUD has \$48 million nationwide and anticipates making 16 \$3 million awards. The program is intended to identify lead-based paint hazards in privately owned homes, rentals or owner-occupants. There are income restriction and the program addresses houses with children under the age of 6 or houses where children may spend a significant amount of time. The City of Clinton is an eligible candidate and ECIA feels that Clinton should apply for this funding. Applications are due on June 23rd and awards will be announced in September, 2015.

Mr. Schneider stated that HUD hopes that applicants will also include an application for their Healthy Homes funding with an LBP application to allow for the assessment and remediation of other hazards within a home such as mold, radon, etc. HUD anticipates that the average Healthy Homes funding will be \$325,000 with each LBP award.

Mr. Schneider advised the Council that applications require a 10% local match. The match may be in cash, in-kind, CDBG and other. A \$3 million project would require a \$300,000 match. He stated that City Administrator Jessica Kinser indicated that the City might be able to consider a \$100,000 match using TIF funds. He continued in stating that the application will score much better if there are partnerships involved. By utilizing the City's TIF funding as a match, the project could be city-wide and address either rental or owner-occupied housing. ECIA would hope to work with the Clinton Housing Authority to identify properties in need of LBP and other hazard remediation assistance.

Councilmember Rowland inquired regarding whether Clinton is viewed as high risk with a lot of potential. Mayor Vulich stated that Clinton is high risk due to the number of older homes. Councilmember Rowland suggested that perhaps the Augustana program could be used as in-kind. City Administrator Kinser stated that she would ask Dr. Reisner how they would fit in the grant.

Mayor Vulich stated that the City could ask for \$1 million or \$3 million. City Administrator Kinser stated that there are TIF dollars set aside for LMI. She continued in stating that there would be over \$300,000 in the fund by June 30th. She further stated that discussion has also taken place about using this money for the Roosevelt School project and other owner-occupied housing grants. She proceeded to state that she feels comfortable with \$100,000. Councilmember Rowland inquired regarding the Housing Authority opinion. Administrator Kinser stated that lead is remediated in the housing they supply. The landlords want a grant which will target their properties and this one would.

Councilmember O'Neill stated that this is a worthwhile project; however, the City has had other proposals come in for LMI housing and he would hate to use all \$300,000 and then have no matching funds if some other LMI housing comes in.

Councilmember Determann inquired regarding whether there is a cap on each property. Mr. Schneider stated that there is no cap on properties. This program allows for the abatement of all lead based paint.

Councilmember Gassman stated that the \$100,000 level is a good program for the City. It is a chance to improve properties at a low cost.

Mayor Vulich inquired regarding whether the City would have to remit the entire \$300,000 if the \$3 million grant was awarded. Mr. Schneider stated that the City would have 3 years to pay the \$300,000. Councilmember Determann inquired if the City received the \$3 million and only needed \$2 million would only \$200,000 need to be paid. Mr. Schneider stated that \$200,000 would be all the City would need for a match.

Councilmember Gassman inquired regarding how the match would be funded and how it would affect the budget over three years. City Administrator Kinser stated that if Mr. Schneider is comfortable using \$200,000 from previous CDBG funds and \$100,000 from LMI then she is comfortable also.

M/S, Rowland-Gassman moved that a resolution approving application for the \$3 million HUD Lead Abatement Grant be forwarded to the next City Council agenda. On roll call, carried unanimously.

2. Surplus Property (originally #3) – Dennis Hart

Transit and Fleet Superintendent Dennis Hart advised the Council that three of the surplus property items are transit related; Two 1997 Orion II buses to dispose of and a 1992 Orion II parts bus. He stated that he also has a Drott Excavator which the Street Department has requested to get rid of.

Councilmember Rowland inquired regarding what a Drott is. Superintendent Hart stated that it is a piece of equipment used to clear ditches similar to a hoe. He continued in stating that the ditches are no longer being dug out and he had been asked to get rid of it.

M/S, Determann-Wilke moved to place the surplus property on the next City Council agenda. On roll call, carried unanimously.

3. HDR Water Study Report (originally #1) – Dave Dechant

Dave Dechant, HDR, provided the Council with a presentation of the Water Study Report. The report included four alternatives for Council consideration; 1-A) Multi-Phase approach with initial on-site well capacity of 100,000 gallons per day, 1-B) Multi-phase approach with the initial on-site well capacity of 500,000 gallons per day, 1-C) Multi-phase approach with initial onsite well capacity of 1,000,000 gallons per day. 2-A) Non-potable reclaimed wastewater from Clinton RWRF, 1,000,000 gallons per day, 2-B) Non-potable reclaimed wastewater from Clinton RWRF, 2,000,000 gallons per day. 3-A) Reclaimed wastewater from Clinton RWRF treated to potable standard, 1,000,000 gallons per day, 3-B) Reclaimed wastewater from Clinton RWRF treated to potable standard, 2,000,000 gallons per day. 4) Potable water provided by Iowa American Water Company with minimum 500,000 gallons per day capacity.

Mr. Dechant stated that Alternatives 1-B and 4 are good. He continued in stating that number one's rates are attractive and number four has higher rates for end-users. He further stated that

option 2 would not count toward certification; however, the cost would be attractive to a user of non-potable water. He proceeded to state that the City could pursue alternative one with or without Low Moor and Camanche, pursue alternative four, proceed with alternative four for certification and one for a backup, and retain the rights to provide non-potable water needs at the Railpark.

Councilmember Rowland stated that he did not see the costs from Iowa American and the reference in the report states that it will be at no cost to the City. They will front the cost and put the debt on the users as a rate increase. Mr. Dechant stated that the reason they did not reference the capital costs for Iowa American is because they would be approximately the same as alternative #1.

Councilmember O'Neill stated that it is ludicrous to think that the cost will not come back on the customer's bill. The tower will cost at least \$8 million. My responsibility is to the people of Clinton and they will feel the bills. He continued in stating that the only way he would consider #4 is if it also goes to referendum. Mr. Dechant stated that HDR is not recommending Iowa American Water Company, they are reporting the facts. Councilmember O'Neill stated that if Iowa American has a capital investment they must recoup the cost. They must follow the regulations of the IUB. Councilmember O'Neill inquired regarding why the Iowa American costs were not in the report. Mr. Dechant stated that they would be approximately the same as Alternative #1. Councilmember O'Neill stated that a Jordan well will cost \$5 million. Mr. Dechant stated that HDR has estimated that it would cost \$3.5 million.

Councilmember McGraw stated that she liked the report. Iowa American has figured in the cost and the site would be certified. She continued in stating that we will not get anyone to come into the Railpark without water.

Councilmember Rowland stated that he would not vote unless the Council obtained a written statement from Iowa American declaring that they will not pass the cost on to the residents and businesses of Clinton.

City Administrator Kinser stated that the Council received legal opinions from Ahlers & Cooney, P.C. and Lync Dallas. Councilmember Rowland stated that the legal opinion from Lynch Dallas does give the cost or who will pay.

Mr. Dechant stated that the reason it costs money to provide non-potable water from the RWRP is because it must be disinfected and pipes must be laid. The estimate for this is \$2 million. He continued in stating that Alternative #3 for potable water would require much more treatment and would cost \$10 million.

Councilmember O'Neill inquired regarding the capacity of the well-constructed by Rail.One USA. Mr. Dechant stated that the capacity was 500,000 gallons. Councilmember O'Neill stated that this would provide enough water for current and future use. Mr. Dechant stated that if the use is not as much, yes; however, if use increases, no.

Councilmember O'Neill stated that certification is not important. We need to take a look at Iowa American and if they are the best, it should go to referendum.

M/S, O'Neill-Rowland moved that Alternative #4, Iowa American Water Company as provider of water at the Railpark be placed on the ballot for the November, 2015 election. On roll call, Rowland, O'Neill – Yes; McGraw, Gassman, Determann, Wilke, Allesee – No. Motion failed.

In discussion before roll call, Councilmember McGraw inquired regarding what would be done about the certification. Mayor Vulich stated that the City would not be certified by June. Councilmember O'Neill stated that his number one priority is the citizens. If the site is not certified it is not the end of the world. If the voters want Alternative #4 so be it.

Councilmember Determann stated that he totally disagreed. Certification can be done with the Iowa American option. The certification is being paid by the State of Iowa. This would not commit us to anything. It will give us a year or two to explore other options. The state cannot promote the Railpark if it is not certified and if we do not get certification it will be like telling the State that we do not need their help. Councilmember O'Neill stated why not put two options on the ballot. Certification is not the driving force.

City Attorney Patrick O'Connell stated that he has not examined option #4 as being eligible to be placed on the ballot. He continued in stating that he would need to provide a legal opinion. Councilmember O'Neill stated that when the City is going to pass cost on to the citizens it must go for referendum. He continued in stating that the cost would be at least \$7 or \$8 million.

Councilmember Determann stated that he does not see where the City is committing to anything by using Iowa American as a place-holder. Councilmember Rowland stated that at some point we will be faced with the question of putting water out there. Option one is probably the best but the City does not have the money. Every dollar out there is a tax dollar and the question was never asked regarding whether the citizens wanted to fund the Railpark. He continued in stating that he did not see it as a threat to talk to the voters, but to deny them is bad.

City Administrator Kinser stated that the City should refer to the legal opinion from Ahlers & Cooney, P.C. regarding essential corporate purpose and general corporate purpose and what goes for referendum. Councilmember Rowland stated that the City has the Home Rule Charter and can put anything on the ballot. Councilmember O'Neill stated that essential corporate purpose is a way to bypass the citizens. City Attorney O'Connell stated that he would want to be prepared with a legal opinion and would want to know what is being proposed. He further stated that he would like to provide the Council with legal advice in a confidential manner. Councilmember Determann stated that he would support site certification for jobs for Clinton.

Councilmember O'Neill stated that the citizens must have input. Councilmember Rowland stated that he could not believe that the lack of certification would prevent a company from coming into the Railpark. Councilmember Determann stated that without certification the State would not put the Railpark in front of any client.

Councilmember Wilke stated that he has not seen what Iowa American has proposed and cannot vote to send it to referendum. He continued in stating that what is being discussed is an engineering report with options.

M/S, Determann-McGraw moved to forward a resolution of support for Iowa American Water for the Lincolnway Railpark site certification application. On roll call, McGraw, Gasman, Determann, Allesee – Yes; Rowland, Wilke, O'Neill – No. Motion carried.

In discussion before roll call, Councilmember Wilke stated that he is not comfortable with voting without knowing what the agreement is and without the City Attorney's legal opinion. City Attorney Steve Leidinger inquired regarding what the question is to the City Attorney. Councilmember Rowland state that the question is; will Iowa American Water charge customers for water at the Railpark. City Attorney Leidinger stated that their firm is not in a position to say. Councilmember

Rowland inquired regarding whether the law does or does not allow Iowa American to put up a tower without charging the customers. City Attorney O'Connell stated that it would depend on what the IUB says.

M/S, Gassman-Determann moved to proceed with investigating the permitting of a well at the Lincolnway Railpark. On roll call, Rowland, Gassman, Determann, Wilke, O'Neill, Allesee – Yes; McGraw – No. Motion carried.

4. Mayor & Council Member Update

There were no updates.

M/S, Determann-Wilke moved to adjourn. All in favor.

Respectfully Submitted,

Pat Van Loo
City Clerk