# Committee of the Whole June 9, 2015

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

#### 1. Fiscal Year 2016 Insurance Renewal – Tim Kearns

Tim Kearns, RJ Lee & Associates, advised the Council that the RFP process for the fiscal year 2016 insurance renewal had started back in November. He stated that the City received five proposals. He continued in stating that Wellmark came in with a decrease for re-insurance. He further stated that Wellmark has the best proposal and recommended that the City enter into an agreement with them.

Councilmember O'Neill inquired regarding how close the City is to the Cadillac plan. Mr. Kearns stated that using the 8% inflation rate, there could be a problem in 2018. He continued in stating that there is a lot of work to do between now and 2018.

M/S, Gassman-Wilke moved to forward the fiscal year 2016 insurance renewal with Wellmark to the next Council agenda. On roll call, carried unanimously.

# 2. Beaver Builders Development - Greg Jager

Mr. Greg Jager, Pasternak Law firm, advised the Council that Beaver Builders is proposing a 200 unit apartment complex in the Valley Bluff Horizon area.

Mr. Dennis Lauver, Howes & Jefferies Realtors, advised the Council that with the hiring of 1,100 new employees at the Thomson Prison there will be a need for market rate housing in the City of Clinton. He stated that many employees of the various manufacturers in the City have chosen to live elsewhere because of this problem. He continued in stating that the proposed area for the development is shovel-ready, the right size and close to shopping. He further stated that it is an attractive location for tenants of new retail.

Mr. Bob Buker, Beaver Builders, advised the Council that he started small and climbed up to developer. He stated that he has a good reputation because his homes are priced correctly and his products are superior. He continued in stating that he is proposing to build two story homes with attached garages below. He further stated that the opening of Thomson Prison is the reason he is in Clinton. He proceeded to state that the site is good and in close proximity to Wal-Mart. He stated that his proposal is for 200 units; however, that number could grow. He continued in stating that the development would include an exercise park. He further stated that the estimated rent for the townhouses would be \$1,190 and for a two bedroom without a garage \$900. He proceeded to state that he hoped to finish this project in one year and it will involve the work of many people. He stated that he would need hundreds of workers.

Councilmember McGraw inquired regarding whether Mr. Buker intended to use local contractors. Mr. Buker stated that it is possible for the smaller trades; however, the people needed are not in this area.

Councilmember O'Neill inquired regarding the owner of the property. Mr. Lauver stated that it is owned by Steve Howes and Dan Jefferies.

Mr. Jager stated that currently the land is zoned C2-M. Beaver Builders is requesting to change the zoning to C-2; however, C-2 does not allow for multi-family housing. He continued in stating that they are asking Council to consider putting multi-family back into C-2 to allow the start of the process. He advised the Council that the second issue is tax abatement. He stated that they were asking Council to direct staff to bring forward the establishment of an Urban Revitalization District. He continued in stating that this process takes four to six months. He further stated that they are asking Council to direct staff to look into a Planned Unit Development (PUD).

M/S, O'Neill-Allesee moved to direct staff to put multi-family use back into C-2 zoning. On roll call, carried unanimously.

In discussion before roll call, Councilmember Wilke inquired regarding why multi-family was taken out of C-2. Councilmember O'Neill stated that it changed when Howes & Jefferies developed the area. C2-M allowed for a better chance for manufacturing to come in.

M/S, Determann-Allesee moved to direct staff to begin the process for an Urban Revitalization District. On roll call, McGraw, Gassman, Determann, Wilke, Allesee – Yes; O'Neill – No. Motion carried.

In discussion before roll call, Councilmember O'Neill stated that there cannot be tax abatement in a TIF District. City Administrator Kinser stated that Ahlers & Cooney advised that the City could amend the Urban Renewal Area, pull out that portion of land if the developer agrees, and then put an Urban Revitalization District in. She continued in stating that Ahlers & Cooney also advised that TIF is not an option and if the City decides to incentivize it should be done through Urban Revitalization. Mr. Jager stated that they could not get the application on file until the District is in place. Councilmember O'Neill stated that Howes & Jefferies have had the benefit of a TIF and now are willing to give it up in order to get the benefit of an Urban Revitalization District. He requested that Mark Schneider, ECIA, advise regarding the benefits of an Urban Revitalization District and a PUD. Mayor Vulich stated that there are many places contributing to the Casino TIF and the TIF will be paid off by these new businesses.

M/S, O'Neill-Allesee moved to direct staff to look into a PUD. On roll call, carried unanimously.

Mayor Vulich inquired regarding where there is a PUD in the City. City Administrator Kinser stated that the strip mall on 13<sup>th</sup> Avenue North is in a PUD. Mr. Jager stated that they are asking for a C-2 with a PUD overlay for possible future use. Councilmember O'Neill stated that Mr. Buker builds fast and this would cut out the minutia. It is probably better to have just in case.

#### 3. Solid Waste Fund review – Anita Dalton

Finance Director Anita Dalton provided the Council with an overview of Fund 542 and what was spent on solid waste equipment. She stated that every year \$200,000 was set aside for equipment until 2006. She continued in stating that an RFP was sent out for trucks and cans and came back with an original quote of \$1,269,168; however, the actual purchases came to \$1,526,035. She further stated that initial can purchase was over budget by \$256,867. Along with the truck purchase, can purchase, RFID reader and other equipment the projected fund balance for May, 2012 was -\$753,561.54. She proceeded to state that there was an additional cart purchase in July, 2012 which brought the fund balance to -\$1,113,899.00.

Mayor Vulich stated that the Council knew that there a \$700,000 deficit; however, the concern is who approved the \$250,000 overage. This should have never happened. Mayor Vulich inquired regarding how many cans a person is allowed. Finance Director Dalton stated that residents are allowed to purchase additional cans at the City's cost. If a can is stolen, a report is made to the Police Department and the resident receives another can. Mayor Vulich inquired regarding whether the City is registering the number on the can with the owner. City Administrator Kinser stated that there is an RFID number; however, the City is not tracking the carts. Mayor Vulich suggested that the City get a group of people to catalog the cans. City Administrator Kinser stated that cans may have been picked up and delivered to someone else. She continued in stating that if the Council wishes that the cans be tracked, please direct staff to do so, but please approve additional staff for this task.

M/S, Gassman-Allesee moved that the Council direct staff to look into a way of tracking the cans. On roll call, carried unanimously.

Councilmember O'Neill stated that the City needs to get the money back from Elliott and then start solving the problem.

Finance Director Dalton advised the Council that the second part of her presentation shows options to clear the deficit. She stated that in Option # 1 the City could borrow the money to pay off the deficit with a 5-year payback schedule paid by user fees or in Option #2 the City could clear the deficit without borrowing; but having the deficit cleared by the 5<sup>th</sup> year using the Springsted rates through 2019. She continued in stating that the Equipment Replacement fund would be fully funded by year #6 with both scenarios.

Mayor Vulich inquired regarding the present rate. Finance Director Dalton stated that the present rate is \$15.89; \$6.22 for solid waste and \$9.67 is for City Services. Using the Springsted rates the cost would be \$19.65; \$8.21 for solid waste and \$11.44 for City Services. A rate increase of \$3.76.

M/S, Wilke-Gassman moved to forward Scenario #2 to the next Council agenda. On roll call, carried unanimously.

#### 4. State Recreational Trail Grant Application—Jason Craft

City Engineer Jason Craft advised the Council that if the City is successful in receiving this grant, the next step would be to complete the bike path loop around town on Millcreek Parkway. He stated to go off road 10 to 12 feet would be expensive and take a lot of work; however, paving a 6' wide shoulder with a 4' bike lane and a 2' rumble strip would work. This would be a \$1 million project and would likely be graded well by the IDOT. He continued in stating that the City can apply for 75% of the cost and could bond for the \$250,000 match. He further stated that he is coming before the Council to request permission to write the grant. Councilmember Determann inquired regarding whether the bike path could be made 10' wide. Engineer Craft stated that it could; however, the cost would be approximately \$1.5 Million and the most they fund is \$850,000. Councilmember Gassman stated that 6' on both sides would be the most cost effective.

M/S, Gassman-Determann moved to place a resolution approving application for a State Recreational Trail Grant on the next agenda. On roll call, carried unanimously.

## 5. Transportation Alternative Programs Grant Application – Jason Craft

City Engineer Craft advised the Council that the funds for this grant are consolidated at the state level and then distributed to six regions. The RPA voted to open up funding and the City would be competing with many counties. He stated that there are different types of alternatives available such as trail, scenic byway, etc. He continued in stating that he would like to apply for two projects Downtown, similar to the Main Avenue project with permeable pavement and street lights. He further stated that they give high points to projects for regional development with green applications. He proceeded to state that the cost would be \$400,000 and he would like to apply for \$250,000 with a \$100,000 City match and possibly a \$4,000 match from Downtown Development.

Engineer Craft stated that a second option is the Safe Routes to School Project. He continued in stating that the installation of a traffic signal at 13<sup>th</sup> Avenue North and North 14<sup>th</sup> Street would not score as high. It is a \$150,000 project; however, we could do either.

M/S, O'Neill-Allesee moved to place a resolution approving application for a Transportation Alternative Programs Grant on the next agenda. On roll call, carried unanimously.

## 6. Mayor & Council Member Updates

Mayor Vulich advised that there would be a walking tour of Downtown on Saturday, June 13<sup>th</sup> from 10:00 AM to 12:30 PM.

Councilmember O'Neill advised that there would be a public forum on June 20<sup>th</sup> from 9:30 AM to 11:00 AM at the Ericksen Community Center.

Councilmember Determann reminded everyone of the Eagle Point Lodge Project. He stated that the public can contribute funds to this project. He handed out contribution cards to the Mayor, Councilmembers and staff at the dais.

Respectfully Submitted,

Pat Van Loo City Clerk