

Regular Meeting Minutes – May 7, 2018
Ivan “Ike” Ackerman Council Chambers

A Regular Meeting of the Waverly City Council was held on May 7, 2018 at 7:00 P. M. at City Hall. Mayor Soash presided.

- A. Mayor Soash called the meeting to order.
- B. Roll Call
- Birgen, Drenkow, McKenzie, Rathe, and Sherer were present. Kangas and Waldstein were absent. Kangas arrived at 7:23 PM.
- C. Mayor Soash led in the Pledge of Allegiance
- D. Moved by McKenzie, seconded by Drenkow to approve the agenda as presented.
Motion passed. Yes: 5 No: 0 Absent: 2
- E. Moved by Drenkow, seconded by Rathe to approve the April 16, 2018 regular meeting minutes as amended by adding the words “within the next two (2) months” at Item M, Councilmember Birgen’s comments and to approve the April 23, 2018 study session minutes as presented.
Motion passed. Yes: 5 No: 0 Absent: 2
- F. Mayor and Council welcomed Waverly-Shell Rock Community School District, Junior, Malcom Newell as Guest Councilperson for May 7.
- G. Moved by Birgen, seconded by Rathe to approve a Proclamation that proclaims May, 2018 to be National Preservation Month in the City of Waverly, Iowa.
Motion passed. Yes: 5 No: 0 Absent: 2
- H. Public Hearing
1. This was the date, time and place for a public hearing on an Ordinance providing for rezoning of property on the northwest corner of 39th Street SE and Viola Drive from R-4 (Multiple Family Residential) to R-2 (One and Two Family Residential) District.
- There were no written public comments.
 - Beau Buchholz, attorney for the property owners (Bangle Investments and Beachwood Investments Properties) of property located in the Rolling Hills Subdivision, commented that this property was originally R-4 since it was planned to be condominiums, but over the past twenty (20) years that has not evolved. The property owner would like to develop a portion of this into more conventional residential neighborhoods with a subdivision that will have single-family lots that will match what is across the street. A preliminary plat approval will follow on another date and time.
 - **The hearing was then closed.**
- Moved by Birgen, seconded by Rathe to approve Second Reading of Ordinance 1035, an Ordinance providing for rezoning of property on the northwest corner of 39th Street SE and Viola Drive from R-4 (Multiple Family Residential) to R-2 (One and Two Family Residential) District.
Motion passed. Yes: 5 No: 0 Absent: 2
- 2nd Motion
- This rezoning seems appropriate. Fees were not waived for this request.
- Moved by Birgen, seconded by Drenkow to suspend the rules and go directly to a Third and Final reading of Ordinance 1035, an Ordinance providing for rezoning of property on the northwest corner of 39th Street SE and Viola Drive from R-4 (Multiple Family Residential) to R-2 (One and Two Family Residential) District.
Motion passed. Yes: 5 No: 0 Absent: 2
- Since there seems to not be conflict on this topic, it makes it easier to move directly into a Third reading.

2. This was the date, time and place for a public hearing on an Ordinance providing for rezoning of eight (8) lots within Omni Development First Addition subdivision on the northeast corner of 13th Avenue SW and 3rd Street SW from R-4 (Multiple Family Residential) to R-1 (One Residential) District.

- **There were no written or oral public comments.**

- **The hearing was then closed.**

- This is being brought forward by City Zoning staff for the rezoning of eight lots which contain single family residences within Omni Development First Addition. The City adopted zoning ordinance amendments which disallowed single family residences from being able to be constructed within R-4 districts. This zoning change is to accommodate new ordinances and to benefit existing and future homeowners on these lots.

Moved by Rathe, seconded by Birgen to approve the Second Reading of Ordinance 1036, an Ordinance providing for rezoning of eight (8) lots within Omni Development First Addition subdivision on the northeast corner of 13th Avenue SW and 3rd Street SW from R-4 (Multiple Family Residential) to R-1 (One Residential) District.

Motion passed. Yes: 5 No: 0 Absent: 2

2nd Motion

Moved by McKenzie, seconded by Birgen to suspend the rules and go directly to a Third and Final reading of Ordinance 1036, an Ordinance providing for rezoning of eight (8) lots within Omni Development First Addition subdivision on the northeast corner of 13th Avenue SW and 3rd Street SW from R-4 (Multiple Family Residential) to R-1 (One Residential) District.

Motion passed. Yes: 5 No: 0 Absent: 2

3. This was the date, time and place for a public hearing for the 20th Street NW Reconstruction: Railroad Crossing Improvements at 20th Street NW and 5th Avenue NW- 2018 project Plans, Specifications, Form of Contract, and Estimated Cost.

- There were no written public comments.

- Mary French urged the Council to not support the preservation of the existing railroad crossing.

- **The hearing was then closed.**

- This project will begin middle to late summer and will most likely carry into the spring of 2019.

Moved by Drenkow, seconded by Birgen to approve Resolution 18-72, Approving Plans, Specifications, Form of Contract and Estimated Cost of \$1,752,188 for the 20th Street NW Reconstruction: Railroad Crossing Improvements at 20th Street NW and 5th Avenue NW- 2018 project.

Motion passed. Yes: 5 No: 0 Absent: 2

3a. Moved by Rathe, seconded by Drenkow to approve Resolution 18-73, Awarding Contract for the 20th Street NW Reconstruction: Railroad Crossing Improvements at 20th Street NW and 5th Avenue NW- 2018 project to Croell, Inc. of New Hampton, Iowa for the bid amount of \$1,092,787.60.

Motion passed. Yes: 5 No: 0 Absent: 2

I. Public Comments on Items Not on the Agenda

- **Councilmember Kangas arrived at 7:23 PM**

- Mayor and Council presented Ernie Brandt with a Certificate of Appreciation for 30 years of service on the Civil Service Commission.

- There were no further public comments.

J. Consent Calendar

1. Pay Request from McClure Engineering Co. for the 20th Street NW Reconstruction 2018 for \$28,740.00.
2. Pay Request from Cramer and Associates, Inc. for the Cedar River Parkway (East) Improvements 2018 for \$323,282.27.
3. Pay Request from Cramer and Associates, Inc. for the Cedar River Parkway (East) Improvements 2018 for \$174,114.65.
4. Pay Request from Modern Builders, Inc. for the Waverly Municipal Airport Bulk Hangar Improvements 2017 for \$19,838.50.
5. Setting the Public Hearing date for May 21, 2018 at 7:00 p.m. in the Council Chambers of City Hall to amend the Fiscal Year 2018 Budget.
6. Class B Native Wine Permit for Renewed Purpose.
7. Class C Liquor License for WaterStreet Grill.

Moved by Sherer, seconded by Drenkow to approve the Consent Calendar.

Motion passed. Yes: 6 No: 0 Absent: 1

K. Regular Business.

1. Moved by Birgen, seconded by Rathe to approve Resolution 18-60, Approving a contract with Community Foundation of North East Iowa to establish a Leisure Services Foundation and Quasi Foundation with the donations of \$10,000.00 each.

- Development Director of the Community Foundation of Northeast Iowa, Elizabeth Hackbarth explained to Council that Marquette & Associates is the investment management company that the foundation currently uses. The foundation also has an investment committee that is made up of local professionals such as wealth advisors and investment managers. The target investments for the funds are determined by the investment committee and the investment manager. The City of Decorah has established an endowment fund and a quasi-endowment fund. The endowed fund is a long-term sustainable fund for Leisure Services and Decorah is using the quasi-endowment fund as a cash reserve fund. The quasi-endowment fund is more liquid and allows the opportunity to receive an investment return. The funds are invested in for a full year before any disbursement is made in order to get a full rate of return. For example: if it were invested in today, the first available disbursement would be January, 2020; since they are processed on a calendar year basis. The endowment funds are permanent. The quasi-endowment funds can be accessed by the Leisure Services Department and all monies could be withdrawn and the account could be closed. The donations of \$10,000 each are not coming from City funds/budget. They are donations from private citizens who want to get this program going. Any donation of any amount can be contributed to the endowments once they are established. There will be a plan in place for soliciting the donations.

Motion passed. Yes: 6 No: 0 Absent: 1

2. Moved by McKenzie, seconded by Drenkow to approve Resolution 18-57A, Option 3, a Resolution approving the extension of Champions Ridge fundraising deadline, as stated in Resolution 17-30, to December 31, 2018.

Moved by McKenzie, seconded by Birgen to amend Resolution 18-57A as follows:

THEREFORE, BE IT RESOLVED that the City Council provide that Resolution 17-30 is hereby amended by replacing the fundraising deadline of December 31, 2017, with an updated date of December 31, 2018, allowing fundraising activity by

the Champions Ridge Governing Board to continue through 2018 with a fundraising report ~~due~~ at the end of each fundraising period from the Governing Board to Council with final fundraising report no later than the second council meeting in January of 2019 with all other provisions of Resolution 17-30 remaining unchanged. (Red strikethrough is a deletion and highlighted underlined areas are additions.)

Motion passed. Yes: 6 No: 0 Absent: 1

The original motion with an amended resolution was then voted on.

Motion passed. Yes: 6 No: 0 Absent: 1

- Councilmember McKenzie gave an overview of discussions regarding this topic over the last month with the Bremer County Fair Association and the Waverly Softball Association. The Bremer County Fair Association and the Waverly Softball Association are operating as one board for Champions Ridge on fundraising and cultivating the lead gifts. The site plans have been finalized. There is a renewed commitment to challenge them to push this across the finish line. Benchmarks have been stipulated. The benchmarks may be of value while going through strategic planning in the fall.
- Fred Ribich informed the Council that if the first benchmark of September 21 in the amount of \$500,000 is not met, the committee will have to take a look at whether they were close, and if not, there is likely no point of going forward. Mr. Ribich added that there is an updated fundraising plan. He feels confident that contributions will be secured by the end of December. The contributions can be in the form of cash and written commitments, no in-kind contributions will count. An amount to complete Phase I would be estimated at \$4 million. The committee is working on a community fundraising plan that would be below the lead donor level. The purchase of foundation search software will help to identify granting sources that would have an interest in supporting a project like Champions Ridge. They will ramp up public relation's efforts in order to promote the project and educate members of the public. They are willing to address the City's contributions within the fundraising campaign. There is hesitation with presenting a Plan B since it is difficult to raise money when people know there is a Plan B.
- Bremer County Board of Supervisor Tim Neil commented that the Fair Association has the full support for this project from the Board of Supervisors. In addition to \$20,000 each year that the Bremer County Board of Supervisors allocate to the Fair, the Fair also received a \$120,000 lump sum contribution for the purchase of land, at this point there are no further funds budgeted for this project from the Board of Supervisors.
- Champions Ridge Fundraising Director Terry Hinrichs commented on how hard fundraising is and how much time it consumes. Mr. Hinrichs has had talks with Vision Iowa regarding a grant for \$1 million to \$1.5 million. They are possibly eligible for \$100,000 with the Water Quality Initiative Program with the D.N.R.
- Ball player and T-ball Coach Shannon Meyer requested continued support from the City of Waverly and noted problems of youth ball diamonds flooding at times of high water and being in need of major improvements.
- Executive Champions Ridge Board Member Brenda Meyer addressed the Council with comments that she agrees that having a Plan B is can be distracting to fundraising, the committee is not looking for more contributions from the City and would just like the Council to say they support the project. Fundraising is the only thing left on the list before construction can take place.

2nd Motion

- While in favor of such a project, Council expressed concerns for the cohesive mission and direction from the groups. Constituents are concerned for the lack of “gel” on this project. The need for a backup plan was discussed. Council added that it would be a good idea to put in “Right of First Refusal” into the deed in case the fair ever sold the property, the City would have the first opportunity to buy it back from them.

Moved by McKenzie, seconded by Kangas to approve Resolution 18-57B, Option 4, a Resolution accepting final payment by the Bremer County Fair Association in satisfaction of the financial provisions of Real Estate Contract for Parcel O.

Motion passed. Yes: 6 No: 0 Absent: 1

- The extension of the Fairgrounds lease with the City should be taken up at a separate time for consideration since this is not tied directly to the Champions Ridge project. There is a group from the Fair Board that will be contacting the City to set up meetings.

3. Moved by Kangas, seconded by Sherer to approve Resolution 18-74, Approving Amendment No. 2 to the Agreement for Engineering Services with McClure Engineering Company of Clive, Iowa for the Railroad Crossing Improvements at 20th Street NW and 5th Avenue NW- 2018 project for the not-to-exceed amount of \$65,000.00.

Motion passed. Yes: 6 No: 0 Absent: 1

4. Moved by McKenzie, seconded by Birgen to approve Resolution 18-75, Approving a Development Agreement between the Waverly Historic Lofts, LLC and the City of Waverly providing up to 3% of the project costs in the amount of \$236,371 to be rebated over ten years through the use of incremental tax revenues.

Motion passed. Yes: 6 No: 0 Absent: 1

- Cohen-Esrey Affordable Partners, LLC (CEAP) through its new company, Waverly Historic Lots, LLC, has secured tax credits for the acquisition and redevelopment of the former CUNA Building. The City’s participation was necessary to secure those tax credits. The total pledged was 4% of the project cost of approximately \$7,879,036 or \$315,162. The City provided 1% through the installation of a new water main which cost in excess of \$78,791. The remaining 3% will be paid through TIF rebates, if and only if, incremental taxes are generated by the project. If valuations were assessed at the base fee, the company would have received up to 100% of the \$23,637 per year for ten (10) years. The base valuation for the property is at about \$745,000 and is not expected to change due to tenant restrictions. Each of the ten (10) will be re-evaluated at the time. The intent of this project is to process on a tax increment rebatement, and not an abatement of taxes. The City’s participation has been more than 1% since the City installed a water main at that location and the water main does serve that southeast neighborhood.

5. Moved by Birgen, seconded by Rathe to approve the First Reading of Ordinance 1038, an Ordinance providing for rezoning of lots 56 through 67 in the Stonehaven V Subdivision from R-4 (Multiple Family Residential) to R-2 (One and Two Family Residential) District and Setting May 21, 2018 at 7:00 P.M. in the Council Chambers of City Hall as the date, time, and place for a Public Hearing.

Motion passed. Yes: 6 No: 0 Absent: 1

- These lots were originally designed to accommodate one (1) and two (2) family dwelling units. The rezoning request is from R-4 Multiple Family Residential to R-2, One and Two Family Residential District. This request follows the City amending the “R” districts to disallow one (1) and two (2) family residential dwelling units in the R-4

zoning districts. There are existing homes and future homes planned for this development. Prior to issuing a building permit for construction, the R-2 district needs to be in place to be in compliance. There is currently one at Lot 51 as mentioned in Regular Business Item number eight (8). This is an effort to simplify and make the zoning codes clearer.

6. Moved by Drenkow, seconded by Birgen to approve the First Reading of Ordinance 1039, an Ordinance providing for rezoning of lots 1 through 50 and lot 53 in Stonehaven IV Subdivision from R-3 (Multiple Family Residential) to R-1 (Single Family Residential) District and Setting May 21, 2018 at 7:00 P.M. in the Council Chambers of City Hall as the date, time, and place for a Public Hearing.
Motion passed. Yes: 6 No: 0 Absent: 1
7. Moved by Rathe, seconded by Birgen to approve the First Reading of Ordinance 1040, an Ordinance providing for rezoning of lots 12,13,14, and 15 in the Stonehaven III Subdivision from R-4 (Multiple Family Residential) to R-1 (Single Family Residential) District and Setting May 21, 2018 at 7:00 P.M. in the Council Chambers of City Hall as the date, time, and place for a Public Hearing.
Motion passed. Yes: 6 No: 0 Absent: 1
8. Moved by Sherer, seconded by Birgen to approve the First Reading of Ordinance 1041, an Ordinance providing for the rezoning of lot 51 in the Stonehaven IV Subdivision from R-3 (Townhome Residential) to R-4 (Multiple Family Residential) District and Setting May 21, 2018 at 7:00 P.M. in the Council Chambers of City Hall as the date, time, and place for a Public Hearing.
Motion passed. Yes: 6 No: 0 Absent: 1
9. Moved by Drenkow, seconded by Birgen to approve the First Reading of Ordinance 1042, an Ordinance providing for the rezoning of specified lots in Rolling Meadows Subdivision from R-4 (Multiple Family Residential) to R-2 (One and Two Family Residential) District and Setting May 21, 2018 at 7:00 P.M. in the Council Chambers of City Hall as the date, time, and place for a Public Hearing.
Motion passed. Yes: 6 No: 0 Absent: 1
10. Moved by Birgen, seconded by Rathe to approve the First Reading of Ordinance 1043, an Ordinance providing for the rezoning of lots 1 through 27 in Omni Development Second Addition on 1st Street SE from R-4 (Multiple Family Residential) to R-2 (One and Two Family Residential) District and Setting May 21, 2018 at 7:00 P.M. in the Council Chambers of City Hall as the date, time, and place for a Public Hearing.
Motion passed. Yes: 6 No: 0 Absent: 1
 - Planning and Zoning Commission member, Kathryn Payne informed Council that she was not able to speak as to why this vote was Yes: 2, No: 3 and Absent: 4.
 - It seemed to Ms. Payne that the members all saw different perspectives of this item. The City created this property as R-4 when completing the City Zoning Maps. At that time, a multiple family area was foreseen. Also, at that time different types of housing could be built on an R-4 zoned property. A new developer wanted to create smaller lot sizes that were not allowed in an R-1 District which was an 80-foot wide lot. Other communities have been successful at creating small lot sizes and making them more affordable. A R-2 District requires smaller lot sizes; however, it was not created at the time. The design standards have changed. An R-2 District now requires a wider street of 37 feet wide. The property in question is not located where there is a 37-foot street. A smaller street means there is only parking on one side of the street. There have been some twin homes built within the single-family district. Twin homes were

not allowed anywhere within the City before then. This is very similar to Rolling Meadow Subdivision. If attorneys are preparing a title opinion, it might be a red flag to them and appear more restrictive as to what they can build on a given property within the district.

11. Moved by Rathe, seconded by Birgen to approve the First Reading of Ordinance 1044, an Ordinance amending Section 104.4.01 Fireworks of the Waverly Municipal Code and Setting May 21, 2018 at 7:00 P.M. in the Council Chambers of City Hall as the date, time, and place for a Public Hearing.
Motion passed. Yes: 5 No: 1 (Kangas) Absent: 1
 - Councilmembers Kangas and McKenzie expressed concern that this is fixing a problem that is not broken.
 - Councilmembers Rathe and Sherer noted that they have heard from citizens that would like to have them eliminated completely.
 - Councilmember Birgen voiced that a June 23 through July 8 timeline is a good first step and it can always be changed if the timeframe is not working. Mr. Birgen added that there does seem to be a push to decrease the number of days allowed.
12. Moved by Kangas, seconded by McKenzie to approve the First Reading of Ordinance 1045, an Ordinance amending Chapter 7 by adding Section 7.8 Elected Officials-Removal Procedures to the Waverly Municipal Code.
Motion passed. Yes: 6 No: 0 Absent: 1
 - Some of the proposed procedure was taken directly from the Iowa Code and some is from suggested procedures. Paragraphs four (4) and six (6) regarding voting was discussed that if the petition pertained to a member of the Council that member would vote. There were concerns expressed regarding the strength of the petition. However, there is some protection in the fact that it can only be brought up once in a twelve (12) month period and that within fourteen (14) days of the petition the Mayor shall determine if the petition should go forth to Council. The Iowa law provides for this action; however, it does not provide for the procedures.
13. Moved by Birgen, seconded by Rathe to approve the Second Reading of Ordinance 1037, an Ordinance Amending Chapter 100, Section 100.4.03.4 of the City Code governing residence allowances to be rebuilt in the R-2 (Residential), R-3 (Multiple Family Residential), and R-4 (Multiple Family Residential-Transitional) Districts and Setting May 21, 2018 at 7:00 P.M. in the Council Chambers of City Hall as the date, time, and place for a Public Hearing.
Motion passed. Yes: 6 No: 0 Absent: 1
 - The public hearing will be held on the Third and Final reading of the ordinance.
14. Moved by Sherer, seconded by Rathe to approve the purchase and installation of a new pool pump from Cahoy Pump of Sumner, Iowa for \$18,392.00 for the Municipal Pool.
Motion passed. Yes: 6 No: 0 Absent: 1
 - Financing will come from dollars budgeted to re-do the sound system in the Council Chambers and in the Civic Center and the purchase of a pool vacuum was delayed.
15. Moved by Birgen, seconded by McKenzie for the Postponement of the July 2, 2018 meeting until July 9, 2018.
Motion passed. Yes: 1 (Kangas) No: 5 Absent: 1
 - This item was placed on the agenda early in spring/summer season so that the selling of bonds could be scheduled since the July 2 date is close to a holiday.

- L. Reports from Boards and Commissions
1. Senior Calendar; May, 2018; Received into record.
- M. Staff Comments
• There were none.
- N. City Council Comments
• Councilmember Rathe noted the grand opening of the Community Gardens will be Saturday, May 12, beginning at 9:00 AM and Tuesday evening, May 8, is the Go-Hawk Scholarship Fund annual award ceremony.
• Councilmember Kangas commented regarding the baby being hit with a softball. He added that major league baseball is now requiring netting to go beyond the dug-outs to try to prevent bats being thrown, over-throws, and etc. Staff informed Council that this was a very odd angled throw and staff was unsure whether there would be a different placement of the bleachers that wouldn't be in line of a throw.
• Councilmember Birgen said that it was brought up to him that the stop light for south bound traffic at the library (15th St. NW) has a "No Right Turn on Red" restriction. The stop light for north bound traffic at 16th St. SW and Bremer Ave. does not have that restriction. It was questioned if the sign at 15th St could be moved to 16th St. There is a sidewalk on the south side of 16th St. and there is no sidewalk on the south side of 15th St. There is also a crossing guard at 16th St. Staff informed Council they would look into this.
• Staff informed Councilmember McKenzie that the IDOT is not yet willing to put a 4-way stop at 8th Street and East Bremer vs. the U-turn at 9th St. at this time. Mr. McKenzie noted that the public would like the discussion of 3-lane vs. 4-lane on Bremer Ave on the agenda for the June Study Session.
- O. Mayor's Comments
• Mayor Soash requested that the police department check on traffic on Cedar Lane since he has had concerns about bikers, joggers, and walkers along that street. He also extended sympathies to the Ray Mehmen and the Marv Walston families due to the recent passing of both.
- P. Moved by Rathe, seconded by Kangas to adjourn. Motion passed and Council meeting adjourned at 9:28 P.M. **Yes: 6 No: 0 Absent: 1**

Dean Soash, Mayor

ATTEST:

Carla Guyer, City Clerk