

October 25, 2010
CITY OF WINDSOR HEIGHTS REGULAR BUSINESS MEETING MINUTES
6:00 P.M. – Council Chambers
Unabridged version

Item 1: Roll Call

Mayor Jerry Sullivan called meeting to order at 6:00 p.m. Council present: Charlene Butz, Diana Willits Steve Peterson, David Jenison and Betty Glover. City Administrator Marketa George Oliver, City Treasurer Carrie Brannen, Police Chief Dennis McDaniel, Public Works Director Jason VanAusdall, Community Services Director Josh Heggen, Fire Chief Chris Cross and City Attorney Matt Brick present.

Item 2: Approval of the Agenda - Roll Calls 294 & 295

Mayor Sullivan noted the addition of item 6 (f) Appointments to the Keep Windsor Heights Beautiful Committee, the removal of item 7 and the updated language to items 12, 13 and 14, removing the word TAXABLE. Peterson moved approval with moving item 15 to the consent agenda.

Jenison moved that items 9, 10, 11, 12, 13 and 14 be removed from the agenda. He said recently disclosed questions have not been adequately answered. He said the citizens need more information. He said he would like to see more information given to the citizens and public information meeting held. He thinks the City should schedule a special audit with the State Auditor. Willits asked Jenison if there was something new since the Council's last breakout session that needed to be addressed. Jenison said that Willits had suggested at a meeting that there be a meeting on TIF and that has not happened. He wants the citizens to be allowed to have a question and answer session. Oliver noted that staff had prepared and was ready to present the TIF presentation that Willits had requested on tonight's agenda as part of those bond discussions.

Glover thanked Oliver for the question and answer sheet, but said it raised more questions for her. She does not understand what the rush is. We had talked about having the funds for June and she does not understand why that is needed. Willits asked if they have to approve the agenda before they ask for information from their financial advisors team. Brick said to make an informed decision it was, of course, permissible to call on anyone here. Oliver noted that staff is ready to re-present the information that was made at the September study session.

Butz said it is hard to make a decision because they are working with an old audit. Based on June 30, 2009, the City has around \$12 million in debt and this would take the city to \$16 million. Oliver noted the auditors were in the office the last couple weeks and the city should be getting a preliminary report soon. Jenison said more information needs to get to the citizens and have a TIF informational meeting, which is why he will continue to ask for the removal of these items for tonight. Brick asked if Glover was seconding Jenison's motion and she said yes. Oliver noted that Peterson had made a motion and Brick said no one had seconded it. Butz seconded Peterson's motion. The motion passed unanimously on a roll call vote. (RC 294)

Oliver asked Brick how to then handle Jenison's motion; if it should be handled when we get to those items on the agenda. Brick said maybe he should have stepped in before and told Jenison and Glover that the Peterson motion did not include Jenison's motion, so they had actually just adopted an agenda that did not include the changes they wanted. Brick requested in order to correct it, that they amend the agenda in order to accomplish their objective. Jenison moved to amend the agenda to remove items 9 through 14. Glover seconded.

Willits asked if the timing of these items were important. Pooler said part of this is refunding for refinance. She said that the timeline of issuing the bonds prior to June 1st could be achieved by either continuing or re-starting the process, so there is some time before the June deadline. Oliver said items 12, 13 and 14, the 2011 B, is simply a refunding for savings. Willits asked if it was correct if 2011B had nothing to do with the TIF portion. Oliver said it had nothing to do with the 2003 interfund loan. It is simply a refunding for savings. Willits said maybe we need to re-think the motion because some of it is to simply save money for the City. Jenison said nothing was published in the agenda to recognize the fact that we had talked about doing an informational meeting about this and the residents have a right to know what is going on and that has not taken place. Pooler said 2011B is around \$475,000. Willits said we are talking about two different refunding issues and it is fiscally responsible to do the 2011B now. Glover said rates do not fluctuate that much. Willits asked what the point of waiting is. We continually do these types of refunding. It is being fiscally responsible for the City. Glover said she respects what Willits is saying, but we need to talk about this because it is a lot of money. We need to inform our residents. She would like to see a history. Oliver asked if Glover would like the information presented in the study session repeated in another information session. Butz said 2003 was before her time and asked if that information included why the decision was made to make a loan out of the general fund in 2003 rather than do a bond at that time. Glover asked why there was so much money in the general fund. In 2003, there were discussions at the legislative level that caused the City to want to codify that loan into a certified debt obligation to ensure that the general fund could recover those funds from the TIF fund. The idea was that when the TIF fund got healthier, it would repay the general fund. The reason for turning it into a loan that became certified debt for the City, so we wanted to document that it was a loan that had to be repaid to the City's general fund, so that if any changes were made to the TIF program, the City would be able to recover the costs to the general fund that had been paid for TIF items.

Peterson said there are two separate pieces of business. One of them we should be prudent and take our time, but the other one is a prudent and expeditious way to save money. We are paying off high interest loan w a low interest loan. After costs we are still saving around \$28,000. Pooler said rates may not change drastically in the next 60 days. Also, the city is getting some economy of scale by selling the bonds at the same time, so it might be best to delay both items together. The cost of issuance the City would save would likely overcome any rise in interest rates. Issuing the larger amount saves some money. Willits thanked Pooler.

Jenison said he does not object to moving forward with 12-14, however given the timeline and the number of questions that have been brought to his attention by residents who do not understand this, he does not see how one more week in order to get information to people directly affected makes that much of a difference. Oliver asked Attorney Mark Cory about the public hearing notification. Is it possible for the City to delay the public hearing for a week in order to not have to republish. He said as long as the mayor announces the time, place and date for the public hearing, the city would be okay and not have to republish. He would have to open the public hearing and then issue a continuance to the next meeting. If there was no continuance, the city would most likely not be able to publish in time before the next meeting on November 1st. Since it is the same amount of money, the city would not need to republish. Butz asked if it would be better to open both public hearings. Cory said he

would hate to open it if it would take a few weeks to filter through. Cory further noted that the 2011B is debt that the City took on in 1997 and the proposed reduction is from a 5.2% to anywhere between .85 and 1.87%. One idea is to open the hearing on that one and continue it to the next week. The issues can be combined for purposes of sale.

Glover asked what the bond rating is based on. Pooler said it is based on the city's ability to raise funds, history of payment of debt, valuation, ability to raise other funds, cash reserves, etc. Glover asked if that information would come from the 2009 audit. Pooler said they look at the most recent audit, plus update fund balances. Pooler said the city is in the AA category. She indicated another reason for packaged the bond issues together was that the City does not want to open up its credit rating for a new score until the city has a plan to resolve deficit fund balances that exist. Brick asked Jenison if based on that information, he would want to change his motion. Jenison clarified that changing his motion would leave it on the agenda. Oliver noted it would then be possible to open and continue the hearing. Jenison said he was amendable to that. Glover, who was the second for the motion said she was not. Willits then seconded Jenison's motion. Oliver said the motion on the table would remove items 9, 10, 11, 13 and 14, with the understanding that the Mayor would open the hearing on item 12 and continue it. The motion passed on a roll call vote, with Glover voting no. (RC 295)

Item 3: Good of the Order

Mayor Sullivan recognized Tyler Weig, Executive Director of Everyone Wins Iowa, who spoke about Everybody Wins! Iowa Power Lunch Week, which the Mayor proclaimed for Oct 24-30.

Mayor Sullivan read a proclamation for Sam's Club in appreciation for their support towards city special events and other city projects.

Mayor Sullivan also recognized Lieutenant Ryan Rupiper as he retires from the Fire Department. Chief Cross presented Rupiper with a plaque and thanked him for everything he's done. Rupiper thanked everyone for the opportunities he received in the fire department.

Item 4: Approval of the minutes - Roll Call 296

Glover moved approval of the October 4, 2010 minutes. Peterson seconded approval. Voice vote passed unanimously.

Item 5: Public Comment

Allen Sydnes, 2012 66th Street, noted he has read a copy of the study session unabridged minutes when the bonding was discussed. He noted the city's lost valuation of \$2.1 million and the almost \$3 million valuation from Hickman Road purchases. He said he does not have a total understanding of TIF. He said he was prepared to support the bond issues to help remedy past decisions made. He suggested having an independent body review all the TIF decisions in the city and how they have affected the city to see the advantages of TIF. He suggested an economist or an auditor. He said Oliver did a good job, but he still did not understand TIF. He questioned the council's use of TIF funds to make Hickman Road purchases. He suggested putting unabridged minutes in the Windsor Heights Living Magazine. He also suggested getting the minutes to the council the Friday before the meeting so they can make updates to the minutes before the council meeting.

John Thompson, 6300 School St, #222, stated that he believed the claims and payroll should be printed on the back of the agenda for everyone to see and the purpose of each bill. Glover said she appreciated his remarks and said the city can do better job. She said there are some computer limitations on putting details in the claims. Brannen noted that the City's software provided would have to program a special report. Thompson said no one knows how much the park has costs and asked what the total was for the community center. Willits asked how other cities handle claims and payroll. Butz asked if a specialized report could be made. Willits asked if we could get a quote on the software design. Brannen said yes.

Betty Koepsel, 2250 70th Street, asked that the city's debt is. Oliver said right around \$14 million. Brannen noted that this is not new debt being issued; it would just be moving the debt from an in-house loan to an external bond. Willits asked what debt level is considered too high. Is \$14 million too high? Pooler said that is not out of line at all for a city of Windsor Heights' size and bond rating. Willits asked if the city has exceeded the self imposed 85% debt level. Butz asked what the 85% was from. Pooler said the city has a constitutional debt limit, which is 5% of the total valuation in the city. The city has a self imposed limit of 85% of that 5%.

Item 6: Consent Agenda - Roll Calls 297-303

Peterson moved Willits seconded approval: September Police Report, September Public Works Report, September Nuisance Report, September Clerk and Investments report, Claims and Payroll. , Appointments to Keep Windsor Heights Beautiful and Item 15, liquor license for Krueger's Amoco. Voice vote passed unanimously.

Item 7: REMOVED FROM AGENDA

Item 8: Public Hearing on FY 2010-2011 Budget Amendment #1 and Consideration of Resolution adopting said amendment. Roll Call 304

Mayor Sullivan opened the public meeting at 7:00 pm. Oliver said she had received no oral or written comments. No one present wished to speak. Mayor Sullivan closed the public meeting at 7:01 pm. Brannen explained each of the budget adjustments. Peterson moved approval, Jenison seconded. Roll call vote passed unanimously.

Item 9: REMOVED FROM AGENDA

Item 10: REMOVED FROM AGENDA

Item 11: REMOVED FROM AGENDA

Item 12: Public Hearing on the authorization of a Loan Agreement and the issuance of Notes to evidence the obligation of the City thereunder for not to exceed \$475,000 General Obligation Refunding Capital Loan Notes, Series 2011B. Roll Call 305

Mayor Sullivan opened the public meeting at 7:01 pm. Brannen noted this was the refinancing of the 1997 A series bond. Sullivan closed the meeting at 7:04. Willits moved for a continuance of the public hearing to Monday, November 1st at 6:00 p.m. in the council chamber during the next council meeting. Butz seconded the motion. Roll call vote passed unanimously.

Item 13: REMOVED FROM AGENDA

Item 14: REMOVED FROM AGENDA

Item 15: Approval of liquor license request for Krueger's Amoco –moved in agenda order to good of the order, under item 6.

Roll Call 306: Oliver asked if Council wanted staff to proceed with the prepared presentation of wait until the next meeting. Willits asked if it was for TIF. Oliver said it was for TIF and the bond. Willits wants to have it where we can announce it and have a lot of people come and maybe it is at the Community Center. She wants people to understand what TIF is and why it was started. Glover said everyone needs to know what the steps were and what property was purchased and when. Oliver said she wished to clarify that TIF is not solely for economic development. TIF paid for University Avenue, Buffalo Bridge, and 63rd Street. The majority of projects the City has paid for with TIF are essential corporate projects. Butz asked how those things generate revenue to pay for the bonds. Oliver said you are creating a base level and then any increment in the value, the City is able to levy the full consolidated rate, which is anywhere between from \$33 - \$42 per thousand, depending on the school district. Butz does not see how 63rd Street would increase in value. Oliver said the district includes the property surrounding the street, not just the street itself, which would naturally go up in value.

Oliver said she has all the breakdowns from all of the TIF districts showing the bases and the increments. Glover asked if Windsor Heights is the norm or is Windsor Heights different in how we treat TIF and what we use it for. Oliver said cities have used TIF for a variety of projects, including housing projects, streets, economic development projects, city halls, community centers. TIF has been used for anything that the State law allows it to be used for. Glover said the Des Moines Library used TIF. Willits suggested bringing back Don Steele and Dave Knau to talk about how they have used TIF. During her first term on the Council, Windsor Heights was cited for how well they used TIF to revitalize the community. Glover said at some point it will be outlawed. Willits said they have been trying to outlaw it for years, likely because some cities have not used it correctly. Oliver said it is the most widely-used economic development tool because beyond just general levying, it is basically the only tool cities have. For example, if the City did the projects that have been done with TIF funding and it was paid for with general levying instead of TIF, the average home owner in Windsor Heights would pay \$592.24 more each year in debt service levy. Oliver thinks the Community Center would be fantastic with the big screen there. She asked if Council wished to have the presentation and council meeting there.

Willits moved to have Mayor Sullivan reopen the public hearing under item 12, Peterson seconded. Motion passed unanimously on a roll call vote. (RC 306) Sullivan opened the public meeting at 7:12 pm. Willits would like a continuance of the public hearing to Monday, November 1st at 6:00 pm in the Community and Events Center (6900 School Street) during the next council meeting with a special community presentation at 5:00 regarding tax increment financing. Glover wondered if 5:00 p.m. would make it too difficult for people getting off work. She suggested having the presentation at 5:30 and the council meeting at 6:30. Willits said she would like to continue the public hearing to Monday November 1st at 6:30 p.m. in the Community and Events Center at 6900 School Street. Sullivan closed the public hearing at 7:15 until November 1st.

Item 16: Staff updates:

VanAusdall reminded everyone that one-day garbage collection began on the first day in December.

Chief McDaniel said the city received 16 applications for the open officer position and narrowed the list to 10. By the end of November the list should be down to 5 and hopefully someone will be hired by the end of the year.

Item 17: Council member comments:

Peterson reminded everyone about the hazardous waste cleanup at the Clive Aquatic Center this Saturday from 8 to noon. Glover asked who was in charge of cleaning the community center. She suggested charging people extra if they use equipment like the popcorn machine because of the labor involved in cleaning the machine. Oliver said the cleaning company does basic cleaning, sweeping, restroom etc, but if something is seen as dirty or in need of extra cleaning, Tracy Levine, Parks and Special Events Coordinator would be responsible for getting it cleaned either by the cleaning company or public works. Jenison said he would like to see the popcorn machine completely taken apart and cleaned. Willits said she appreciated the revenue report from the community center and asked if they could also get an expense report. Jenison thanked everyone who helped clean the community center last Friday.

Item 18: Mayor's inquiries.

Mayor Sullivan thanked the Windsor Heights Foundation for the \$1,000 contribution towards the Blue Band playing during Oktoberfest.

Item 15: Adjournment - Roll Call 307

Jenison moved Glover seconded to adjourn to 6:30 p.m. on Monday, November 1, 2010 at the Community and Events Center, 6900 School Street. Roll call vote passed unanimously.

ATTEST:

Marketa George Oliver, City Administrator/Clerk

Jerry Sullivan, Mayor