

# City of Mt. Vernon, Iowa

<b>Meeting:</b>	<b>Mt. Vernon City Council Meeting</b>
<b>Place:</b>	<b>Mt. Vernon City Hall, 213 First Street NW, Mt. Vernon, Iowa 52314</b>
<b>Date/Time:</b>	<b>August 7, 2017 – 6:30 PM</b>
<b>Web Page:</b>	<b>www.cityofmtvernon-ia.gov</b>
<b>Posted:</b>	<b>August 4, 2017</b>

<b>Mayor:</b>	Jamie Hampton	<b>City Administrator:</b>	Chris Nosbisch
<b>Mayor Pro-Tem:</b>	Marty Christensen	<b>City Attorney:</b>	Robert Hatala
<b>Councilperson:</b>	Paul Tuerler	<b>Assis. Admin/City Clerk:</b>	Sue Ripke
<b>Councilperson:</b>	Scott Rose	<b>Deputy City Clerk:</b>	Marsha Dewell
<b>Councilperson:</b>	Tom Wieseler	<b>Chief of Police:</b>	Doug Shannon
<b>Councilperson:</b>	Eric Roudabush		

- A. Call to Order**
- B. Agenda Additions/Agenda Approval**
- C. Communications:**
  - 1. Unscheduled

If you wish to address the City Council on subjects pertaining to today's meeting agenda, please wait until that item on the agenda is reached. If you wish to address the City Council on an item **not** on the agenda, please approach the microphone and give your name and address for the public record before discussing your item. Each individual will be granted no more than five (5) minutes.

**D. Consent Agenda**

**Note:** These are routine items and will be enacted by one motion without separate discussion unless a Council Member requests separate consideration.

- 1. Approval of City Council Minutes – July 17, 2017 Regular Council Meeting
- 2. Approval of Liquor License – Palisades Cafe

**E. Public Hearing**

- 1. Public Hearing for an Ordinance to Vacate and Sell a Portion of a Sixteen Foot Alley ROW Located Adjacent to 517 and 519 2<sup>nd</sup> Street NW and 514 and 518 3<sup>rd</sup> Street NW, Within the City Limits of Mt. Vernon, Linn County, Iowa (**tabled July 3, 2017**)

**F. Ordinance Approval/Amendment**

- 1. Ordinance #7-3-2017A: An Ordinance Vacating and Selling a Portion of a Sixteen Foot Alley ROW Located Adjacent to 517 and 519 2<sup>nd</sup> Street NW and 514 and 518 3<sup>rd</sup> Street NW, Within the City Limits of Mt. Vernon, Linn County, Iowa (**tabled July 3, 2017**)
  - i. Motion to approve first reading and proceed with second reading (Council may suspend rules and proceed to third and final reading after vote of first reading)
- 2. Ordinance #7-17-2017A: An Ordinance Amending Chapter 166, Subdivision Regulations of the City of Mt. Vernon, Iowa
  - i. Motion to approve second reading and proceed with third and final reading (Council may suspend rules and proceed to the final reading after vote of the second reading)
- 3. Ordinance #7-17-2017B: An Ordinance Amending Chapter 136 Sidewalk Regulations of the City of Mt. Vernon, Iowa

- i. Motion to approve second reading and proceed with third and final reading  
(Council may suspend rules and proceed to the final reading after vote of the second reading)

**G. Resolutions for Approval**

1. None

**H. Mayoral Proclamation**

1. None

**I. Old Business**

1. None

**J. Motions for Approval**

1. Consideration of Claims List – Motion to Approve
2. Discussion and Consideration of Change Order #2, 10<sup>th</sup> and Palisades Intersection - Council Action as Needed
3. Discussion and Consideration of Change Pay Application #2, 10<sup>th</sup> and Palisades Intersection – Council Action as Needed
4. Discussion and Consideration of Engineering Services Agreement – 5<sup>th</sup> Ave and 1<sup>st</sup> Street West – Council Action as Needed
5. Discussion and Consideration of Engagement Letter for Municipal Advisory Services – Speer Financial - Council Action as Needed

**K. Reports to be Received/Filed**

1. None

**L. Discussion Items (No Action)**

1. Wells and Septic System Usage
2. Naming of Parks

**M. Reports of Mayor/Council/Administrator**

1. Mayor's Report
2. Council Reports
3. Committee Reports
4. City Administrator's Report

**N. Adjournment**

Pursuant to §21.4(2) of the Code of Iowa, the City has the right to amend this agenda up until 24 hours before the posted meeting time.

**If anyone with a disability would like to attend the meeting, please call City Hall at 895-8742 to arrange for accommodations.**

## **D. Consent Agenda**

The Mount Vernon City Council met July 17, 2017 at the Mount Vernon City Hall Council Chambers with the following members present: Roudabush, Wieseler, Christensen and Rose. Absent: Tuerler.

**Call to Order.** Mayor Jamie Hampton called the meeting to order at 6:30 p.m.

**Agenda Additions/Agenda Approval.** Mayor Hampton announced that Agenda item E-1 that was tabled at the last council meeting will remain tabled. Motion to approve the amended Agenda was made by Wieseler, seconded by Rose. Carried all. Absent: Tuerler.

**Consent Agenda.** Rose motioned to approve the Consent Agenda, seconded by Roudabush. Carried all. Absent: Tuerler.

Approval of City Council Minutes – July 3, 2017 Regular Council Meeting

Appoint Garret Reddish – Planning and Zoning Commission

Appoint MVFD Officers – Nathan Goodlove, Chief, Derek Boren, Assistant Chief, and Jacob Buster, Secretary

### **Public Hearing**

Public Hearing for an Ordinance to Vacate and Sell a Portion of a Sixteen Foot Alley ROW Located Adjacent to 517 and 519 2<sup>nd</sup> Street NW and 514 and 518 3<sup>rd</sup> Street NW, Within the City Limits of Mt. Vernon, Linn County, Iowa (tabled July 3, 2017). This agenda item remains tabled.

Public Hearing for an Ordinance Amending Chapter 166, Subdivision Regulations of the City of Mt. Vernon, Iowa. Mayor Hampton declared the public hearing open. As there were no comments from the public Mayor Hampton closed the public hearing.

Public Hearing for an Ordinance Amending Chapter 136 Sidewalk Regulations of the City of Mt. Vernon, Iowa. Mayor Hampton declared the public hearing open. As there were no comments from the public Mayor Hampton closed the public hearing.

### **Ordinance Approval/Amendment**

Ordinance #7-3-2017A: An Ordinance Vacating and Selling a Portion of a Sixteen Foot Alley ROW Located Adjacent to 517 and 519 2<sup>nd</sup> Street NW and 514 and 518 3<sup>rd</sup> Street NW, Within the City Limits of Mt. Vernon, Linn County, Iowa (tabled July 3, 2017). This agenda item will remain tabled. Motion to approve first reading and proceed with second reading (Council may suspend rules and proceed to third and final reading after vote of first reading)

Ordinance #7-17-2017A: An Ordinance Amending Chapter 166, Subdivision Regulations of the City of Mt. Vernon, Iowa. City Administrator Chris Nosbisch explained that this ordinance will establish the two mile extra territorial district for the City and also add a definition for public improvement design standards. It is recommended adopting the Statewide Urban Design and Specifications (SUDAS) manual which will allow staff to work with the most current version of SUDAS without amending the ordinance each time a statewide change is made.

Motion to approve first reading and proceed with second reading (Council may suspend rules and proceed to third and final reading after vote of first reading. Motion to approve the first reading of Ordinance #7-17-

2017A, an ordinance amending Chapter 166 Subdivision Regulations made by Rose, seconded by Wieseler. Roll call vote. Motion carries with a 4-0 vote. Absent: Tuerler.

Ordinance #7-17-2017B: An Ordinance Amending Chapter 136 Sidewalk Regulations of the City of Mt. Vernon, Iowa. Nosbisch explained that the current regulations need to be changed due to ADA requirements. V&K Engineering has made recommendations on the necessary changes to the existing sidewalk regulations. One item of note is the transition from four foot to five foot sidewalks for segments that are more than 75% non-compliant or do not currently exist. The reason for the extra foot in width has to do with an ADA requirement that a 5 X 5 foot pad is required for every 200 linear feet of sidewalk. Looking for clarification Roudabush asked if driveways can be taken into consideration when marking off for an ADA platform. Nosbisch said that could be used if the driveway did not slope.

Motion to approve first reading and proceed with second reading (Council may suspend rules and proceed to third and final reading after vote of first reading. Rose motioned to approve the first reading of Ordinance #7-17-2017B, an ordinance amending Chapter 136 Sidewalk Regulations of the City of Mt. Vernon municipal code, seconded by Wieseler. Roll call vote. Motion carries with a 4-0 vote. Absent: Tuerler.

### Motions for Approval

Consideration of Claims List – Motion to Approve. Motion. Motion made by Wieseler to approve the Claims List, seconded by Christensen. Carried all. Absent: Tuerler.

AAA PEST CONTROL	PEST CONTROL-P&A	30.00
AIRGAS INC	CYLINDER RENTAL FEE-RUT,WAT,SEW	55.80
AIRLOGIC	LS ALARM SERVICE-SEW	1,440.00
ALL SECURE	SECURITY SYSTEM MONITORING-P&R	75.00
ALLIANT IES UTILITIES	ENERGY USAGE-POOL	4,809.22
ALLIANT IES UTILITIES	ENERGY USAGE-POOL	3,489.25
ALLIANT IES UTILITIES	ENERGY USAGE-WAT	3,361.88
ALLIANT IES UTILITIES	ENERGY USAGE-P&A	1,093.12
ALLIANT IES UTILITIES	ENERGY USAGE-P&REC	448.41
ALLIANT IES UTILITIES	ENERGY USAGE-SEW	428.63
ALLIANT IES UTILITIES	ENERGY USAGE-RUT	375.37
ALLIANT IES UTILITIES	ENERGY USAGE-FD	276.37
ALLIANT IES UTILITIES	ENERGY USAGE-P&A	171.05
ALLIANT IES UTILITIES	ENERGY USAGE-ST LIGHTS	84.39
ALLIANT IES UTILITIES	ENERGY USAGE-ST LIGHTS	60.77
ALLIANT IES UTILITIES	ENERGY USAGE-P&REC	30.02
ALLIANT IES UTILITIES	ENERGY USAGE-WAT	11.79
ALLIED GLASS PRODUCTS INC	DOOR,LOCK-FD	755.00
ALTORFER INC	GENERATOR MAINT-WAT	107.75
AUTO GLASS SOLUTIONS	2014 EXP/WINDSHIELD REPAIR-PD	60.00
AUTO WORX	FRONT SUSPENSION-PD	798.54
AUTO WORX	HEADLAMP,BATTERY-PD	323.74
AUTO WORX	AIR FILTER-RUT	107.84
BARNYARD SCREEN PRINTER LLC	T-SHIRTS-POOL	224.00
BARNYARD SCREEN PRINTER LLC	T-SHIRTS-POOL	51.00
BROWN SUPPLY COMPANY	SUPPLIES-WAT	640.00
BURROUGHS, RICHARD	CEMETERY MAINT	3,725.00
CADEN ESKELSEN	UMPIRE-P&REC	125.00
CAIDEN HAUSER	UMPIRE-P&REC	25.00
CAMPBELL SUPPLY CEDAR RAPIDS	EARPLUGS-RUT	53.66
CAMPBELL SUPPLY CEDAR RAPIDS	GLOVES-RUT	167.88
CAMPBELL SUPPLY CEDAR RAPIDS	GLOVES-RUT	35.92
CAREPRO PHARMACY	SUPPLIES-P&REC,POOL	90.16

CARQUEST OF LISBON	VEHICLE MAINT-PW	668.61
CARRICO AQUATIC RESOURCES INC	CHEMICALS-POOL	3,715.67
CARRICO AQUATIC RESOURCES INC	CHEMICALS-POOL	897.90
CARRICO AQUATIC RESOURCES INC	CHEMICALS-POOL	802.30
CARRICO AQUATIC RESOURCES INC	CHEMICALS-POOL	411.00
CENTRAL IOWA DISTRIBUTING	SUPPLIES-ALL DEPTS	280.20
CENTURY LINK	PHONE CHGS-PD	36.83
CLIFTON LARSON ALLEN	AUDITOR FEES-P&A	1,400.00
COLE KELLEY	DEPOSIT REFUND-WAT	9.12
CR SIGNS INC	DOG PARK SIGN	500.00
CR/LC SOLID WASTE AGENCY	RECY-SAW	100.49
CUSTOM HOSE & SUPPLIES INC	AIRLINE HOSE-RUT	61.23
D & D BODY SHOP	RES CASE RELATED 20170148	1,505.83
DIESEL TURBO SERVICES INC	RADIATOR,CLUTCH/HUSTLER-RUT	826.90
DIESEL TURBO SERVICES INC	F350 REPAIR-RUT	317.34
DIESEL TURBO SERVICES INC	LABOR/HUSTLER-RUT	262.50
DIESEL TURBO SERVICES INC	F250/EXHAUST SENSOR,BATTERIES	720.50
ELECTRIC PUMP	LS MODEM-SEW	625.63
FAT GUYS MOTOR SPORTS	2014 HUSTLER MAINT-RUT	41.20
FORTERRA	STORM PIPE FABRIC-ST WAT	173.00
FRANCESCA LEE THOMPSON	CLEANING SERVICE-P&A	60.00
FRANCESCA LEE THOMPSON	CLEANING SERVICE-P&A	60.00
FRANCESCA LEE THOMPSON	CLEANING SERVICE-P&A	60.00
GALLS INC	UNIFORMS-PD	59.14
GARY'S FOODS	CONC STAND-POOL	2,347.49
GARY'S FOODS	CONC-P&REC,POOL	113.68
GORDON LUMBER COMPANY	BLDG SUPPLIES-RUT	435.06
HAWKEYE READY MIX	STORM PIPE REPAIR-ST WAT	372.93
HBK ENGINEERING	WELLNESS CENTER SURVEY	3,319.00
IOWA DEPT OF NATURAL RESOURCES	WATER USE FEE-WAT	518.28
IOWA ONE CALL	LOCATES-WAT,SEW	180.90
IOWA SOLUTIONS INC	DBR BACKUP-ALL DEPTS	350.00
IOWA SOLUTIONS INC	QRTLTY MAINTENANCE-ALL DEPTS	225.00
IOWA SOLUTIONS INC	PATCH MGMT-PD	25.00
IOWA SOLUTIONS INC	EMAIL SETUP-P&A	217.50
IOWA SOLUTIONS INC	CONFIGURE FIREWALL, MISC-PD	125.00
IRON LEAF PRESS	SUPPLIES-P&REC	100.00
JAY A ARNOLD	UMPIRE-P&REC	125.00
JOAN BURGE	CLEANING SERVICE-P&A	60.00
JOAN BURGE	CLEANING SERVICE-P&A	60.00
JOAN BURGE	CLEANING SERVICE-P&A	60.00
JOE'S QUALITY WINDOW CLEANING	WINDOW CLEANING-P&A	175.00
KATEY FOREST	SUPPLIES-POOL	153.36
KATEY FOREST	SUPPLIES-POOL	10.69
KINGS MATERIAL INC	BUNKER BLOCKS-RUT	1,125.00
KONICA MINOLTA BUSINESS SOLUTIONS	MAINTENANCE PLAN/COPIES	411.19
KRISTEN SHOOK	SWIM LESSONS REFUND-POOL	40.00
LAURA HOLLADAY	DEPOSIT REFUND-WAT	16.91
LINN COUNTY PLANNING & DEV	BLDG PERMIT FEES/INSPECTIONS	2,568.00
LUKE WADE	UMPIRE-P&REC	150.00
LYNCH FORD	TIE ROD,ALIGNMENT-PD	259.89
LYNCH FORD	5K MI MAINT,BRAKE PAD/2014 EXP-PD	316.00
LYNCH FORD	5K MI MAINT/2013 EXP-PD	38.31
MARIA LEITZ	DEPOSIT REFUND-WAT	54.56
MARKET STREET TECHNOLOGIES INC	WEBSITE PROJECT-MVHPC	625.00

MATT SIDERS	MILEAGE-P&REC	90.42
MEGAN CASEY	SWIM LESSON REFUND-POOL	40.00
MIDWEST WHEEL CO	LISBON HYDROVAC HANDLE-RUT	19.66
MOORE MEDICAL CORP.	MEDICAL SUPPLIES-FD	325.35
MOUNT VERNON ACE HARDWARE	SUPPLIES-ALL DEPTS	1,655.79
MOUNT VERNON LISBON SUN	ADS/PUBLICATIONS-ALL DEPTS	1,081.70
MOUNT VERNON LISBON SUN	ADS/PUBLICATIONS-P&REC	431.88
NATHAN GOODLOVE	FIRE CHIEF PAY-FD	416.63
NEAL'S WATER CONDITIONING SERV	WATER/SALT-RUT,P&A	63.40
OPN ARCHITECTS	WELLNESS CENTER/STUDY PHASE I	7,276.50
PAYROLL	CLAIMS	92,702.06
PERSONAL TOUCH EMBROIDERY	UNIFORMS-PD	20.50
POSTMASTER	UTIL BILL POSTAGE-WAT,SEW,SW	363.92
ROBERT CAMPAGNA PHOTOGRAPHY	SLIDES DIGITIZED-MVHPC	317.44
ROTO-ROOTER	LYNCH LINE/GREASE FILLED-SEW	2,482.50
ROTO-ROOTER	CLEAN LINE/ELLIOTT-P&REC	120.00
ROTO-ROOTER	114 HILLTOP/CAMERA CRAWL MAIN	920.00
ROTO-ROOTER	10TH AVE/1ST ST CLEAN OUT	260.00
ROTO-ROOTER	ELLIOTT/TELEWISE MAIN LINE	140.00
SAM'S CLUB #8162	SUPPLIES-POOL	460.19
SITE ONE LANDSCAPE SUPPLY	EAB INJECTION PLUGS-RUT	142.50
STAPLES ADVANTAGE	SUPPLIES-P&A	102.88
STATE HYGIENIC LAB	TESTING-SEW	1,971.50
STUMP REMOVAL SERVICE	STUMP GRINDING-RUT	50.00
TREASURER STATE OF IOWA	SALES TAX	8,157.00
US CELLULAR	CELL PHONE-ALL DEPTS	322.92
US CELLULAR	CELL PHONE-PD	116.17
USA BLUE BOOK	SIGNS-SEW	355.57
UTILITY SERVICE INC	YR 5/QRTL PYMT	4,749.02
VAN METER INC	BLDG REPAIR-P&REC	106.78
VEENSTRA & KIMM INC	NATURE PARK TRAIL DESIGN	6,000.00
VEENSTRA & KIMM INC	10TH ST/PAL INTERSECTION GENERAL	4,000.00
VEENSTRA & KIMM INC	WASTEWATER FACILITY PLAN	2,020.21
VEENSTRA & KIMM INC	SIDEWALK REPAIR PROGRAM	1,778.75
VEENSTRA & KIMM INC	CITY ENGINEERING GENERAL	856.00
VEENSTRA & KIMM INC	10TH ST/PAL INTERSECTION PRINT	457.46
WAPSI WASTE SERVICE	GB,RECY,LEAF-SW	22,889.02
WAPSI WASTE SERVICE	RECY-SW	166.00
WENDLING QUARRIES	ROCK-RUT	88.53
WEX BANK	FUEL-PD,WAT,SEW	1,180.32
	TOTAL	216,404.27

Discussion and Consideration of Change Order #1, 10<sup>th</sup> and Palisades Intersection - Council Action as Needed. Nobsisch said that Change Order #1, in the amount of \$3,200.00 is for the installation of a private 4" sewer line that runs under the intersection. This will replace that pipe. Motion to approve Change Order #1 for \$3,200.00 made by Christensen, seconded Rose. Carried all. Absent: Tuerler.

Discussion and Consideration of Change Pay Application #1, 10<sup>th</sup> and Palisades Intersection – Council Action as Needed. V & K Engineering recommended the approval of pay application #1 for the 10<sup>th</sup> Avenue and Palisades intersection project in the amount of \$57,422.28. The project is on schedule. Wieseler motioned to approve pay application #1 on the 10<sup>th</sup> and Palisades project, seconded by Christensen. Carried all. Absent: Tuerler.

Discussion and Consideration of Wapsi Waste One Year Contract Extension – Council Action as Needed. The City is looking to extend the current waste contract with Wapsi Waste for one year. Wapsi Waste is asking for an increase in the monthly residential rate of 75 cents per residence. This is the first increase on the monthly residential rate in five years. This will not increase what is billed to residents. The City will absorb the increase for this year and look at options for future service. Motion to approve a one year contract extension with Wapsi Waste made by Christensen, seconded by Wieseler. Absent: Tuerler.

Discussion and Consideration of City Hall Additional Roofing Membrane Estimate – Council Action as Needed. Nobsisch said that he didn't have a formal estimate but it will be less than \$5,000.00 for the installation of an additional membrane on City Hall's roof. Staff asked Council for permission to move forward with this at a cost not to exceed \$5,000.00. The reason for this is because the warranty for the roof membrane that was installed a few years ago will nullify if the solar panels are installed but adding a second membrane will protect what is already there. Wieseler motioned to allow staff to move forward with the roofing membrane project with a not to exceed \$5,000.00 cost, seconded by Rose. Carried all. Absent: Tuerler.

### **Reports to be Received/Filed**

Mt. Vernon Police Report. In June there were 5 reported collisions and 23 reported incidents. They included but not limited to domestic assault, OWI, assault on police officer and harassment. Officers worked 22.5 hours of STEP. Supplementing police coverage for the City of Lisbon has resulted in 2,708 minutes of patrol, and 268 service call minutes. Total time for June is 49.6 hours / \$1,984.00. Officer Kelley has submitted his resignation as a full time police officer effective July 1, 2017. Officer Kelley is interested in remaining on the department as a part time police officer.

Mt. Vernon Public Works Report. Crews responded Sunday, July 2<sup>nd</sup> to a water main break on 5th Avenue SW. Lisbon's hydro-excavation trailer was borrowed which helped confirm the exact location of the break and prevent digging in the wrong area. A boil order was not necessary. Crews helped prepare for both the Nitty Gritty Antiques and Heritage Days festivals. Street sweeping in all quadrants has been completed. A storm sewer at the corner of 1<sup>st</sup> Street and 10<sup>th</sup> Avenue has been repaired.

Mt. Vernon Parks and Recreation Report. Summer staff has been working on various projects such as painting dugouts, repairing ball fields, and mulching as well as many other projects. The weather has been great; pool use is solid. Park and Rec Board will be touring the City's parks and making recommendations to the Master Parks Plan.

### **Discussion Items (No Action)**

Fireworks. Mayor Hampton explained that Council had decided to wait until after July 4<sup>th</sup> to discuss this. Nobsisch said that at the very minimum the nuisance ordinance has to be clarified because it lists fireworks in it and it's almost impossible to enforce. He has received four complaints regarding the noise and the length of time that is allowed to shoot fireworks is too long. Christensen asked if anyone received any positive comments about this to which Nobsisch replied that he had not. Roudabush pointed out that people will not take the time to say how much they love this but they will take the time if they hate it. Continuing he said that four complaints should not dictate fireworks use for every resident in town just because the silent majority hasn't voiced their approval. Wieseler said that the State is tabulating information regarding how much revenue was generated from the sale of fireworks. Mayor Hampton stated that he would like to see the Marion ordinance. Rose asked for the current legislation, specifically he was looking for the times at which fireworks are permitted. Nobsisch encouraged residents to share their concerns or enjoyment of the fireworks.

**Reports of Mayor/Council/Administrator**

City Administrator's Report. Nobsch said he will be out of the office starting July 28<sup>th</sup> until August 7<sup>th</sup>. Council members will be contacted over the next three weeks regarding NIMS training.

Adjournment. As there was no further business to attend to the meeting adjourned, the time being 7:24 p.m., July 17, 2017.

Respectfully submitted,  
Sue Ripke  
City Clerk

## Marsha Dewell

---

**From:** Licensing@IowaABD.com  
**Sent:** Tuesday, July 25, 2017 2:35 AM  
**To:** Marsha Dewell  
**Cc:** Licensing@IowaABD.com  
**Subject:** [POSSIBLE SPAM] Liquor License Pending Dram Shop

The following licensees have completed a renewal application and are awaiting dram certification:

License #	License Status	Business Name
	Pending Dram Shop	Palisades Cafe (117 1st St W Mount Vernon Iowa, 52314)

Please do not respond to this email. Contact the Division's Licensing Section with questions regarding the application process or application status toll-free at 866.IowaABD (866.469.2223) (select option 1), locally at 515.281.7400 (select option 1). For assistance by email contact [Licensing@IowaABD.com](mailto:Licensing@IowaABD.com)

## **E. Public Hearing**

**AGENDA ITEM # E – 1 & F – 1**

**AGENDA INFORMATION  
MT. VERNON CITY COUNCIL COMMUNICATION**

<b>DATE:</b>	August 7, 2017
<b>AGENDA ITEM:</b>	Public Hearing – Vacate and Sell
<b>ACTION:</b>	Motion

**SYNOPSIS:** At the time of this writing, I do not have new details for the Council. Matt will be able to provide me with updates upon my return.

**BUDGET ITEM:** N/A

**RESPONSIBLE DEPARTMENT:** City Administrator

**MAYOR/COUNCIL ACTION:** Possible Motion

**ATTACHMENTS:** None – See F-1

**PREPARED BY:** Chris Nosbisch

**DATE PREPARED:** 7/27/17

## **F. Ordinance Approval/Amendment**

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE VACATING AND SELLING A PORTION OF A SIXTEEN FOOT ALLEY LOCATED ADJACENT TO 517 AND 519 2<sup>ND</sup> STREET NW AND 514 AND 518 3<sup>RD</sup> STREET NW, WITHIN THE CITY LIMITS OF MT. VERNON, LINN COUNTY, IOWA.

SECTION 1: That portion of public property illustrated in Exhibit "A", and legally described in Exhibit "B" attached hereto and made a part thereof, be hereby vacated.

SECTION 2: The City of Mt. Vernon hereby approves the sale of the property listed in Section 1 and described in Exhibit "B", to the neighboring property owners for \$.50 a square foot plus \$350 in administrative fees per deed, subject to conditions listed in Exhibit "C", attached hereto and made a part thereof.

SECTION 3: The City Attorney shall prepare deeds based on the legal descriptions in Exhibit "B" and the Mayor is hereby authorized to execute such deeds transferring the ownership of the property contingent upon the conditions listed in Exhibit "C".

SECTION 4: SAVINGS CLAUSE. If any section, provision, sentence, clause, phrase or part of this Ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any provision, section, subsection, sentence, clause, phrase or part thereof not adjudged invalid or unconstitutional.

SECTION 5: EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage, approval and publication as provided by law.

Approved and adopted this \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
Jamie Hampton – Mayor

ATTEST:

\_\_\_\_\_  
Sue Ripke – City Clerk

I certify that the foregoing was published as Ordinance No. \_\_\_\_\_ on the \_\_\_\_ day of \_\_\_\_\_, 2017.

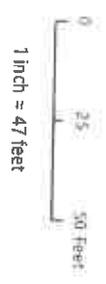


Linn County, Iowa

Linn County, Iowa Land Records

Date Printed: 6/16/2017 8:56:07 AM

Exhibit A



Linn County, Iowa  
 Department of Public Works  
 Linn County, Iowa  
 2017-2018  
 Linn County, Iowa  
 Department of Public Works  
 Linn County, Iowa  
 2017-2018

"Exhibit B, Property Description"

Beginning at the Northwest corner of Lot 1, Block 8 of Bowmans Second Addition to the Town of Mt. Vernon, thence easterly 132 feet to the northeast corner of Lot 2, Block 8 of Bowmans Second Addition to the Town of Mt. Vernon, thence northeasterly 16 feet to the southeast corner of Lot 8, Block 8 of Bowmans Second Addition to the Town of Mt. Vernon, thence northwesterly 66 feet along the lot line of Lot 8, Block 8 of Bowmans Addition to the Town of Mt. Vernon to a point, thence southwesterly 8 to a point in the center of the alley right of way, thence northwesterly 66 to a point, thence southwesterly 8 feet to the point of beginning.

"Exhibit C, Conditions"

1. Each property owner adjacent to the said alley described within this ordinance shall have the right of first refusal to purchase their portion. Those wishing not to purchase may sign a waiver indicating their desire to not purchase the property.
2. (Possible addition of easement for gas and/or electric)

**AGENDA ITEM # F – 2 & 3**

**AGENDA INFORMATION  
MT. VERNON CITY COUNCIL COMMUNICATION**

<b>DATE:</b>	August 7, 2017
<b>AGENDA ITEM:</b>	Ordinances – Chapters 166 and 136
<b>ACTION:</b>	Motion

**SYNOPSIS:** There have been no changes made from the first reading. Staff has not received any new verbal or written communication regarding the proposed changes.

**BUDGET ITEM:** N/A

**RESPONSIBLE DEPARTMENT:** City Administrator

**MAYOR/COUNCIL ACTION:** Motion

**ATTACHMENTS:** None – See F-2 & 3

**PREPARED BY:** Chris Nosbisch

**DATE PREPARED:** 7/27/17

Prepared by: City of Mt. Vernon, City Hall,  
Chris Nosbisch, City Administrator

213 First St. NW, Mt. Vernon, IA 52314  
(319) 895-8742

**ORDINANCE #7-17-2017A**

**AN ORDINANCE AMENDING CHAPTER 166 SUBDIVISION REGULATIONS OF THE CITY OF MT. VERNON MUNICIPAL CODE**

**BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF MT. VERNON, IOWA:**

**SECTION 1. AMENDMENT.** Chapter 166.03 Jurisdiction and Applicability, is hereby amended to include the following language: “c. Extra-Territorial Jurisdiction. Pursuant to Section 354.9 of the Code of Iowa, the City hereby establishes its authority to review and approve subdivisions located within two (2) miles of its corporate boundaries unless said review would be subject to the two (2) mile extra-territorial district of the City of Lisbon, Iowa.”

**SECTION 2. AMENDMENT.** Chapter 166.05 Definitions, is hereby amended to include the following language: “80. Public Improvement Design Standards. Improvements, as defined in this chapter, shall be constructed according to the rules and regulations adopted by formal resolution of the Mt. Vernon City Council.”

**SECTION 3. SAVINGS CLAUSE.** If any section, provision, sentence, clause, phrase or part of this Ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any provision, section, subsection, sentence, clause, phrase or part hereof not adjudged invalid or unconstitutional.

**SECTION 4. EFFECTIVE DATE.** This Ordinance shall be in full force and effect from and after its passage, approval and publication as provided by law.

Approved and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

ATTEST:

\_\_\_\_\_  
Jamie Hampton - Mayor

\_\_\_\_\_  
Sue Ripke – City Clerk

I certify that the foregoing was published as  
Ordinance #7-17-2017A on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Sue Ripke, City Clerk

Prepared by: City of Mt. Vernon, City Hall,  
Chris Nosbisch, City Administrator

213 First St. NW, Mt. Vernon, IA 52314  
(319) 895-8742

### ORDINANCE #7-17-2017B

#### AN ORDINANCE AMENDING CHAPTER 136 SIDEWALK REGULATIONS OF THE CITY OF MT. VERNON MUNICIPAL CODE

#### BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF MT. VERNON, IOWA:

**SECTION 1. AMENDMENT.** Chapter 136.02 Definitions, is hereby amended to include the following language:

“2. (A.) Vertical separations equal to one-half (1/2) ~~three-fourths (3/4)~~ inch or more.

2. (C) Holes or depressions equal to one-half (1/2) ~~three-fourths (3/4)~~ inch or more and at least four (4) inches in diameter.

2. (D) Spalling over fifty percent (50%) percent of a single square of the sidewalk with one or more depressions equal to one-half (1/2) inch or more. This shall also include panels that have deteriorating damage over a majority of the surface area causing the panel to improperly drain.

2. (E) Spalling over less than fifty (50%) percent of a single square of the sidewalk with one or more depressions equal to one-half (1/2) ~~three-fourths (3/4)~~ inch or more.

2. (H) A change from the design or construction grade equal to or greater than ~~three-fourths (3/4) inch per foot~~ one (1) inch for every four (4) feet.”

**SECTION 2. AMENDMENT.** Chapter 136.08 Sidewalk Standards, is hereby amended to include the following language:

“6. Length, Width and Depth. Length, width, and depth requirements are as follows:

A. ~~Where residential sidewalks currently exist~~, residential sidewalks shall be at least four (4) feet wide and four (4) inches thick, and each section shall be no more than four (4) feet in length. ~~Where there are no sidewalks present, or more than sixty (75%) percent of the existing panels need replacement, sidewalks shall be five (5) feet wide, four (4) inches thick and no more than five (5) feet in length.~~”

9. Slope. ~~All sidewalks shall have a cross slope of 1.5%.~~

11. Finish. All sidewalks shall be finished with a “broom” or ~~“wood float”~~ finish.

12. Ramps for Persons with Disabilities. **Ramps required at the intersections shall be constructed to meet the Iowa DOT Design Manual for Accessible Sidewalk Design and inspected by City staff prior to construction.”**

**SECTION 3. SAVINGS CLAUSE.** If any section, provision, sentence, clause, phrase or part of this Ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any provision, section, subsection, sentence, clause, phrase or part hereof not adjudged invalid or unconstitutional.

**SECTION 4. EFFECTIVE DATE.** This Ordinance shall be in full force and effect from and after its passage, approval and publication as provided by law.

Approved and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

ATTEST:

\_\_\_\_\_  
Jamie Hampton - Mayor

\_\_\_\_\_  
Sue Ripke – City Clerk

I certify that the foregoing was published as  
Ordinance #7-17-2017B on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
Sue Ripke, City Clerk

## **J. Motions for Approval**

**AGENDA ITEM # J - 2**

**AGENDA INFORMATION  
MT. VERNON CITY COUNCIL COMMUNICATION**

**DATE:** August 7, 2017

**AGENDA ITEM:** Change Order #2

**ACTION:** Motion

**SYNOPSIS:** Change order #2 does not specifically deal with the 10<sup>th</sup> and Palisades intersection. Staff completed exploratory work just south of the intersection where a concrete street panel had started to sink. The panel was removed to verify that a larger underlying problem did not exist. Once staff was satisfied that there was not a larger issue present, we approached the engineer's about including this panel pour with the other portions of the intersection. The change order, in the amount of \$2,187, was approved by staff (this was necessary to keep the project moving forward). I will not have the engineer's certificate approving the change order until Monday of the meeting.

**BUDGET ITEM:** N/A

**RESPONSIBLE DEPARTMENT:** City Administrator

**MAYOR/COUNCIL ACTION:** Motion

**ATTACHMENTS:** Change Order #2

**PREPARED BY:** Chris Nosbisch

**DATE PREPARED:** 7/27/17



**HORSFIELD COMPANIES**  
 505 East Main Street  
 P.O Box 305  
 Epworth, Iowa 52045  
 Phone (563) 876-3335  
 Fax (563) 876-3487  
 www.horsfieldinc.com

## CHANGE ORDER PROPOSAL NO. 2

**TO:** Dan Boggs  
**DATE:** 7/21/2017  
**PROJECT:** 2017 Intersection Improvements  
**LOCATION:** Mount Vernon, Iowa

HCI is pleased to quote materials and labor to complete the following on the above mentioned project:

ITEM	DESCRIPTION	QTY	UNITS	UNIT PRICE	EXTENDED PRICE
2001	PATCHES, PCC, FULL DEPTH, 7"	24.30	SY	\$ 90.00	\$ 2,187.00

**TOTAL** ..... \$ 2,187.00

\* PRICE GOOD UNTIL TUESDAY JULY 25, 2017

This Proposal contains more than one page, including specific provisions listed on the "Additional Agreement Provisions" page. These provisions are considered part of this Proposal. Please read all pages before signing/initialing. Your signature implies that you fully understand all provisions, and therefore constitutes a binding contract.

Authorized Signature: \_\_\_\_\_ Chris Huss \_\_\_\_\_

Payment to be made within 30 days of date of invoice to avoid delinquency charges as outlined in the Additional Agreement Provisions. Proposal may be withdrawn if not accepted within 15 days.

**Acceptance of Proposal:** By signing below we certify that we have read and understand all parts of this Proposal document, including the Additional Agreement Provisions. We agree to comply with all parts of this document. You are authorized to do the work as specified.

Date of Acceptance \_\_\_\_\_ By \_\_\_\_\_

Initial Here After Reading \_\_\_\_\_

## ADDITIONAL AGREEMENT PROVISIONS

### NOTICE OF LIEN RIGHTS

CONTRACTOR HEREBY NOTIFIES OWNER THAT PERSONS OR COMPANIES FURNISHING LABOR OR MATERIALS FOR THE CONSTRUCTION ON OWNER'S LAND MAY HAVE LIEN RIGHTS ON OWNER'S LAND AND BUILDINGS IF NOT PAID. THOSE ENTITLED TO LIEN RIGHTS IN ADDITION TO THE UNDERSIGNED CONTRACTOR ARE THOSE WHO CONTRACT DIRECTLY WITH THE OWNER OR THOSE WHO GIVE THE OWNER NOTICE WITHIN SIXTY (60) DAYS AFTER THEY FIRST FURNISH LABOR OR MATERIALS FOR THE CONSTRUCTION. ACCORDINGLY, OWNER PROBABLY WILL RECEIVE NOTICES FROM THOSE WHO FURNISH LABOR OR MATERIALS FOR THE CONSTRUCTION, AND SHOULD GIVE A COPY OF EACH NOTICE RECEIVED TO THE MORTGAGE LENDER, IF ANY. CONTRACTOR AGREES TO COOPERATE WITH THE OWNER AND THE OWNER'S LENDER, IF ANY, TO SEE THAT ALL POTENTIAL LIEN CLAIMS ARE DULY PAID.

### ACCEPTANCE OF WORK

All labor and material is conclusively accepted as satisfactory unless excepted to in writing within seven (7) days of performance.

### PURCHASER'S RESPONSIBILITIES

PURCHASER acknowledges and understands that it shall be responsible for obtaining any and all permits which may be required in connection with the performance of this Proposal/Contract. Where applicable, PURCHASER shall also be responsible for backfilling areas that border along the newly-paved surface to eliminate potential cracking. PURCHASER assumes all liability for any damages done to underground utilities and/or structures unless CONTRACTOR has been notified, upon acceptance of this Proposal, as to the specific location and depth of any such buried utilities/structures.

### INCLEMENT WEATHER

Inclement weather may alter the completion of the paving work to be furnished hereunder. Furthermore, special consideration should be given if work is to be performed before May 1 or after November 15 in light of less than desirable weather conditions which could potentially impair the quality of the work performed hereunder.

### WARRANTY

All material is guaranteed to be as specified and all work is to be completed in a workmanlike manner according to standard practices. Due to Iowa winters and expansion and contraction of the ground, some cracking of the pavement may be experienced. There are no express or implied warranties of merchantability, quality, quantity or of fitness for any particular purpose, which extend beyond those specifically set out on this document. All warranties are void if payment is not made as stipulated.

### DELINQUENCY CHARGE

Payment is due and payable upon receipt of invoice. If PURCHASER defaults on the payment required, PURCHASER will be liable for all costs of collection, including reasonable attorney's fees and a delinquency charge on the balance at the maximum rates allowed by law. PURCHASER understands and agrees that the Delinquency Charge rate shall be 1.5% per month (18% APR) plus all costs of collection, including reasonable attorney's fees. CONTRACTOR retains title to all merchandise covered by this Agreement until full payment is received according to the above terms of sale. PURCHASER consents in any action or legal proceeding relating to this Contract commenced by the CONTRACTOR to the personal jurisdiction of any court that is either a court of record in the State of Iowa or a court of the United States located in the State of Iowa.

### INDIVIDUAL LIABILITY

The undersigned PURCHASER agrees to be individually liable for all terms of the Agreement, regardless of whether he or she signs individually or as an agent for the owner of the property upon which the work is being performed or for any other individual, partnership, or corporation.

### SNOW REMOVAL AND SALT

Incomplete snow removal from pavement areas can lead to cracking due to differential temperatures in the pavement. Therefore, CONTRACTOR urges PURCHASER to remove snow completely from paved surface as soon as possible after it accumulates. Also, salting of the pavement during the first two winters after construction may cause spalling of the surface. CONTRACTOR cannot be held responsible for performance problems due to these two circumstances.

### BINDING EFFECT

This Agreement shall be binding upon the parties hereto, their heirs, personal representatives, successors and assigns.

### ENTIRE AGREEMENT

This written Proposal/Contract consisting of the Proposal itself and this provisions sheet contains the entire Agreement and understanding between the parties, and no provision, terms, warranties, representations or promises, either expressed or implied, other than those set forth herein are binding on either party.

**AGENDA ITEM # J - 3**

**AGENDA INFORMATION  
MT. VERNON CITY COUNCIL COMMUNICATION**

<b>DATE:</b>	August 7, 2017
<b>AGENDA ITEM:</b>	Pay Application #2
<b>ACTION:</b>	Motion

**SYNOPSIS:** Due to my vacation, this is a place holder. I will not have the amount or engineer's certificate until the meeting. Should I receive it prior, I will try to forward the information on to the Council. As they are nearly complete with the project, I would fully expect another pay application for this meeting.

**BUDGET ITEM:** N/A

**RESPONSIBLE DEPARTMENT:** City Administrator

**MAYOR/COUNCIL ACTION:** Motion

**ATTACHMENTS:** Pay Application #2

**PREPARED BY:** Chris Nosbisch

**DATE PREPARED:** 7/27/17

**AGENDA ITEM # J – 4**

**AGENDA INFORMATION  
MT. VERNON CITY COUNCIL COMMUNICATION**

<b>DATE:</b>	August 7, 2017
<b>AGENDA ITEM:</b>	Engineering Services Agreement
<b>ACTION:</b>	Motion

**SYNOPSIS:** V&K Engineering is proposing a services agreement with a \$35,000 not to exceed estimate of cost. This is for project development and design on the 5<sup>th</sup> Ave and 1<sup>st</sup> St West intersection improvements (lights). Staff has been waiting for the IaDOT contract as the City will receive over \$59,000 in grant funding for the project. The necessary paperwork has been executed by the Mayor and we are now able to proceed. The total estimated cost of the project is \$279,000.

**BUDGET ITEM:** N/A

**RESPONSIBLE DEPARTMENT:** City Administrator

**MAYOR/COUNCIL ACTION:** Motion

**ATTACHMENTS:** Agreement

**PREPARED BY:** Chris Nosbisch

**DATE PREPARED:** 7/27/17

## AGREEMENT

**MOUNT VERNON, IOWA**  
**Fifth Avenue & First Street West Traffic Signal**  
**TSF Project No. CS-TSF-5302(609)—85-57**  
**ENGINEERING SERVICES**

**THIS AGREEMENT**, made and entered into this \_\_\_ day of \_\_\_\_\_, 2017, by and between the **CITY OF MOUNT VERNON, IOWA**, hereinafter referred to as the **Owner**, or **City**, party of the first part, and **VEENSTRA & KIMM, INC.**, a corporation organized and existing under the laws of the State of Iowa, party of the second part, hereinafter referred to as the **Engineers**,

**WITNESSETH: THAT WHEREAS**, the City is now contemplating improvements to the intersection of Fifth Avenue & First Street West in Mount Vernon, and whereas the City desires to complete the design and construction services for the improvements. This project will include intersection improvements and signal installations consistent with the City's agreement with the Iowa Department of Transportation dated July 13, 2017 with said improvement being referred to as the **Project**, and

**WHEREAS**, the City desires to retain the Engineers to perform engineering services on the Project.

**NOW, THEREFORE**, it is hereby agreed by and between the parties hereto that the City does hereby retain the Engineers to act for and represent it in engineering matters on the Project. Such contract shall be subject to the following terms, conditions and stipulations, to wit:

- 1. SCOPE OF PROJECT.** It is understood and agreed upon the Project will include project development, design of and DOT procedural services for the improvements to the Project area. The Engineer will work with DOT staff and City staff as desired for the Project and help define the specific details and materials, permanent traffic control, required electrical system for the signals, phasing and staging requirements, construction documents and cost estimates and scheduling, interpretation of plans during construction, general services for administrating the contract, resident review and audit assistance and attend meetings as necessary.
- 2. SUBCONSULTANTS.** The Engineer shall coordinate the services of qualified professionals in the area of material testing. These subconsultants and their fees have not been included in the services.

3. **PERMITS AND LICENSES.** The Engineers shall provide copies of plans and specifications, explanatory letters of transmittal, completion of required application forms and other information necessary to obtain permits, licenses or other documentation required for securing permits, licenses or permissions necessary from governmental agencies for construction.

The Owner shall pay for all licenses and other costs associated with permits and licenses and said costs shall not be charged against the Engineer's maximum fee set forth hereinafter.

4. **ESTIMATES OF COST.** The Engineers shall prepare an Engineers' Estimate of Cost for the improvements to be constructed under the Project. The Engineers' Estimate of Cost is intended for the use of the Owner in financing the Project. The Engineers shall not be responsible if the contract(s) awarded for construction of the Project vary from the Engineers' Estimate of Cost.
5. **COMPENSATION.** The Owner shall compensate the Engineers for their services by payment of the following fees:
  - a. The fee for the design and construction services for the Project as set out in **1. SCOPE OF PROJECT, 2. SUBCONSULTANTS, 3. PERMITS AND LICENSES, and 4. ESTIMATES OF COST** shall be a maximum not to exceed amount of Thirty Five Thousand dollars (\$35,000). This represents the professional fees for the engineer for the design and construction services. For construction services fees, it is to include general services and review of shop drawings, staking of signal bases locations, resident review of critical construction tasks, and audit preparation and project close out. This does not include any materials testing or property survey for right-of-way or easement preparation.
6. **PAYMENT.** The fee for work set out in **5. COMPENSATION** shall be billed and payable monthly during the course of the rendering of the services. Monthly bills will be based on hours charged to this Project.
7. **TIME OF COMPLETION.** It is the Owner's intent to have the construction documents prepared and in place to facilitate a Winter 2017 targeted letting for the Project. Construction will commence Spring of 2018 with substantial completion driven by the manufacturing and installation of signals as specified. Variations in effort or duration may impact the fees associated with construction services. The engineer will not be held responsible for the contractor's ability to complete work in a timely manner.
8. **LEGAL SERVICES.** The Owner shall provide the services of the Owner's Attorney in matters pertaining to this Project. The Engineers shall cooperate with the Attorney and shall comply with his requirements as to form of contract documents and procedures relative to them.

- 9. SERVICES NOT INCLUDED.** Services not included under this Agreement are as follows:
- a. Determination and/or preparation of assessments and plats to property owners or related services of the Project.
  - b. Services related to or regarding arbitration or litigation of the construction contract between the construction contractor and the Owner regarding any part of the Project.
  - c. Services relating to the acquisition of right-of-way and easements, permanent or temporary construction.
  - d. Legal surveys, property surveys and easement surveys are not included in this Project cost.
  - e. Services relating to the televising of underground utilities and/or their services to property owner or other means as to assess the conditions of the City's utilities in the Project area. The Engineer will review said tapes as part of his design services.
  - f. Additional services required as a result of IDOT audits which identify deficiencies caused by others.
  - g. Testing materials during construction or soils borings and analysis prior to design.
  - h. Storm sewer or possible street reconstruction designs to avoid utility conflicts with signal placement or footing designs.
- 10. CHANGES.** If after approvals of the plans or portions thereof by the Owner, the Engineers are required to change the plan or said portions because of changes made by the Owner to limits or project intent, the Engineers shall receive additional compensation for making such changes. The compensation for such changes shall be based upon the standard hourly fees, plus expenses for personnel of the Engineers actually engaged in making the changes.
- 11. EXTRA WORK.** Fees stated in this Agreement cover the specific services outlined in this Agreement for the Project. If the Owner requires additional services of the Engineers in connection with the Project, or changes or modifications in the Project, the Engineers shall receive additional compensation for said services. Such additional compensation shall be at the standard hourly fees for personnel of the Engineers, plus expenses for personnel engaged in the authorized extra work.

**12. INDEMNIFICATION.** The Engineers shall and hereby agree to hold and save the Owner harmless from any and all claims, settlements, and judgments, to include all reasonable investigative fees, attorneys' fees, suit and court costs for personal injury, property damage, and/or death arising out of the Engineers' or any of its agents', servants', and employees' errors, omissions or negligent acts for services under this Agreement, and for all injury and/or death to any and all of the Engineers' personnel, agents, servants, and employees occurring under the Workers' Compensation Act of the State of Iowa.

**13. INSURANCE.** The Engineers shall furnish the Owner with certificates of insurance by insurance companies licensed to do business in the State of Iowa, upon which the Owner is endorsed as an additional named insured, in the following limits. It must be clearly disclosed on the face of the certificates that the coverage is on an occurrence basis:

General Liability**	\$1,000,000/2,000,000
Automobile Liability	1,000,000
Excess Liability (Umbrella)**	*1,000,000/3,000,000
Workers' Compensation, Statutory Benefits Coverage B	Statutory
Professional Liability**	*1,000,000/2,000,000

\* The Owner is not to be named as an additional insured.

\*\*Occurrence/Aggregate

**14. TERMINATION.** Should the Owner abandon the Project before the Engineers have completed their work, the Engineers shall be paid for the work and services performed until the date of termination.

**15. ASSISTANTS AND CONSULTANTS.** It is understood and agreed that the employment of the Engineers by the Owner for the purposes aforesaid shall be exclusive, but the Engineers shall have the right to employ such assistants and consultants, as they deem proper in the performance of the work.

**16. ASSIGNMENT.** This Agreement and each and every portion thereof shall be binding upon the successors and assigns of the parties hereto.

The undersigned do hereby covenant and state that this Agreement is executed in duplicate as though each were an original, and that there are no oral agreements that have not been reduced to writing in this instrument.

It is further covenanted and stated that there are no other considerations or monies contingent upon or resulting from the execution of this Agreement, nor have any of the above been implied by or for any party to this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have subscribed their names on the date first written above.

**CITY OF MOUNT VERNON, IOWA**

**ATTEST:**

By \_\_\_\_\_  
Mayor

By \_\_\_\_\_

**VEENSTRA & KIMM, INC.**

**ATTEST:**

By \_\_\_\_\_

By \_\_\_\_\_

**AGENDA ITEM # J – 5**

**AGENDA INFORMATION  
MT. VERNON CITY COUNCIL COMMUNICATION**

<b>DATE:</b>	August 7, 2017
<b>AGENDA ITEM:</b>	Engagement Letter
<b>ACTION:</b>	Motion

**SYNOPSIS:** Staff has met with Speer Financial and is asking the Council to proceed with a service agreement. They propose a flat fee of \$5,200 plus 3/10 of 1% of municipal securities issued in excess of \$1,000,000. The proposal is to work with staff on the potential recreation center borrowing. Additional service fees for Ahlers Law firm will also be necessary for the project. These fees will be incorporated into the overall costs of the projects.

**BUDGET ITEM:** N/A

**RESPONSIBLE DEPARTMENT:** City Administrator

**MAYOR/COUNCIL ACTION:** Motion

**ATTACHMENTS:** Engagement Letter

**PREPARED BY:** Chris Nosbisch

**DATE PREPARED:** 7/27/17

KEVIN  
McCANNNA  
*Chairman*

DANIEL  
FORBES  
*President*

DAVID  
PHILLIPS  
*Executive VP*

RAPHALIATA  
McKENZIE  
*Senior VP*

MAGGIE  
BURGER  
*Senior VP*

ANTHONY  
MICELI  
*Senior VP*

LARRY  
BURGER  
*Vice President*

MARK  
JERETINA  
*Vice President*

July 13, 2017

Mr. Chris Nosbisch, City Administrator  
City of Mount Vernon  
213 First St. NW  
Mount Vernon, IA 52314

Re: City of Mount Vernon, Linn County, Iowa  
Issuance of General Obligation Bonds (Local Option Sales Tax and Urban Renewal) for the  
construction/completion of a community center for the City.

Dear Chris:

Speer Financial, Inc. ("Speer") is pleased to provide this Engagement Letter to the City of Mount Vernon, Iowa (the "Client") for our services as Municipal Advisor in connection with the issuance of the securities referenced above (the "Bonds"). The purpose of the issuance of the Bonds, briefly stated, is to provide for construction/completion of a Community Center (the "Project").

Speer is providing this Engagement Letter to you to memorialize the terms of our engagement (the "Engagement") as your Municipal Advisor with respect to the Project. This Engagement Letter is required under current Federal securities law and serves to provide certain additional information to the Client, such as disclosures of services, fees, terms and termination, conflict of interest and any material disciplinary actions. The Client and Speer have previously entered into a Contract entitled Financial Services Agreement and dated December 1, 2014 (the "Existing Contract"). The purpose of this engagement Letter is to supplement and not amend any of the terms of the Existing Contract.

**Services.** Speer agrees to provide to the Client the municipal advisory services (the "Services") set forth in the attached **Exhibit A**. Certain limitations to Speer's Services are set forth in the attached **Exhibit B**. The Client, as an issuer of municipal securities, is also subject to certain other terms as it relates to the issuance of securities and Speer's Engagement. These terms are detailed in the attached **Exhibit C**.

**Authorization.** It is Speer's understanding that the CITY ADMINISTRATOR/MAYOR/CITY CLERK of the Client (the "Client Contacts") are authorized to receive this Engagement Letter and discuss with Speer the terms and disclosures of this Engagement Letter. Speer may also rely on the authority of such Client Contacts when receiving direction from such Client Contacts in the course of Speer providing its Services.

**Term and Termination.** Speer's Engagement shall remain in effect until terminated by the Client or Speer upon at least thirty (30) days written notice to the other party. If the Client terminates the Engagement prior to the issuance of the Bonds, Speer expects to negotiate with the Client a mutually agreeable compensation for the Services provided by Speer prior to such termination.

**Compensation.** Speer's compensation for Services on the Bonds is set forth below.

Speer's compensation for Services with respect to issuance of the Bonds is set forth in the Existing Contract. Speer shall receive a fee based upon the par amount of the Bonds issued, calculated as follows:

**Financial Advisory Services:                    \$5,200 plus 3/10 of 1% of the municipal securities issued in excess of \$1,000,000.**

**Financial Advisory Services:                    \$5,900 plus 3/10 of 1% of the municipal securities issued for Revenue and/or Refunding Bonds in excess of \$1,000,000.**

This fee is the same regardless of the method of sale of the Bonds and is contingent on the sale of the Bonds.

This fee does not include the payment of Speer's out-of-pocket costs as further described in **Exhibit B**. See the attached **Exhibit D** for a description of the conflicts of interest in connection with each form of compensation.

**Representations of Client.** The factual representations contained in the documents which are prepared by Speer in the course of its Engagement, and the factual representations which may also be contained in any other documents that are furnished to Speer by the Client, are essential for and provide the basis for Speer's municipal advice. Accordingly, it is important for the Client to read and understand the documents Speer provides to the Client because the Client will be confirming the truth, accuracy and completeness of matters contained in those documents. Speer's Engagement does not include the verification of the truth or accuracy of such factual representations, as further described in the attached **Exhibit C**.

**Required Disclosures.** MSRB Rule G-42 requires that Speer provide the Client with disclosures of material conflicts of interest and information regarding certain legal events and disciplinary history. Such disclosures are provided in the attached **Exhibit D**. Should the Client have any questions or concerns with this disclosure, the Client should promptly contact Speer.

**Risk Disclosure.** Each form of financing has particular financial characteristics and inherent risks. Provided in the attached **Exhibit E** is a general description of the most commonly used security structures of fixed rate municipal bonds in Iowa as well disclosures on the risks of each structure known to Speer at this time. Should the Client have any questions or concerns with this disclosure, the Client should promptly contact Speer.

We sincerely appreciate this opportunity to be of service, and look forward to working with you.

Sincerely,

SPEER FINANCIAL, INC.

By: Maggio Burger

Its: Sr. Vice President

Telephone: 319-291-2077

Email: [mburger@speerfinancial.com](mailto:mburger@speerfinancial.com)

**EXHIBIT A**

**SPEER FINANCIAL, INC. MUNICIPAL ADVISOR SERVICES FOR  
CITY OF MOUNT VERNON**

**Financial Planning Services**

1. *Orientation*: Reviewing the Client's current financial position, statutory authority, and financing capabilities, including whether a refunding or defeasance of any outstanding debt is appropriate.
2. *Coordination*: Coordinating financial planning and issuance details with the Client's staff, bond counsel, paying agents, rating agencies and other transaction participants.
3. *Consultation*: Consulting with the elected and key appointed officials and staff regarding the various phases of the development and implementation of a financing plan.
4. *Public Relations*: Responding to inquiries from the general public or news media relating to municipal issuance related matters.
5. *Planning*: Developing a debt financing plan that includes all or some of the following:
  - a. Maturity Schedules - Alternative maturity schedules relating to the financing. These schedules may "wrap" around existing debt to provide stable tax rates, level debt service payments, or meet other policy or cash flow requirements as may be requested by the Client.
  - b. Market Receptivity - An evaluation of potential market receptivity for each debt issuance and recommend the most suitable sale option.
  - c. Tax Law - Consultation with bond counsel as to the ramifications of Federal tax law on the financing plan.
  - d. Credit Rating and/or Insurance - A costs and benefits analysis regarding whether to obtain any available credit enhancements and/or a credit ratings.
  - e. Competitive and Negotiated Sale of Debt Securities - An analysis and corresponding recommendation regarding the method of sale to be used in connection with the financing plan.
  - f. Financing Timeline - A tentative financing timeline to guide officials regarding the timing of various aspects of the financing plan.

**Competitive Sale Services**

1. *Authorizing Resolutions/Ordinances* - Assist the Client's attorney and/or bond counsel with regard to the financial provisions to be included within the Client's authorizing resolutions/ordinances relative to the securities issuance.
2. *Credit Rating and/or Insurance* - When applying for a credit rating and/or bond insurance, Speer will submit the necessary data and documents to the selected rating agency(ies) and/or insurance company(ies).

3. *Disclosure Document, Notice of Sale and Bid Form:*
  - a. Preparation of Documents - Prepare a preliminary Official Statement, Term Sheet, Statement of Facts or Limited Offering Memorandum (each a "Disclosure Document"), Notice of Sale and Bid Form. Following the award of the securities, Speer shall prepare the final Disclosure Document corresponding to the Project. The Disclosure Document will describe the securities being issued and will contain detailed information provided by the Client and bond counsel.
  - b. Notice of Sale Publication - Notify certain prospective purchasers of the sale and prepare, as necessary, a Notice of Sale.
  - c. Encouragement to Bidders - Circulate the preliminary Disclosure Document to certain potential purchasers, including as appropriate, investment institutions, banks and underwriters, to solicit bids from such firms for the Client's securities. Provide copies of the preliminary Disclosure Document and Official Bid Forms, as applicable, for each sale to the Client for distribution to local banks and elected officials.
  - d. Bid Opening, Analysis and Recommendations - Conduct each sale, examine the bids submitted for completeness and compliance with the applicable bidding requirements, evaluate the bids for accuracy, and recommend a proposed course of action relative thereto.
4. *Preparation, Registration and Delivery of Securities* - Conduct all necessary undertakings in order to complete the financing, including monitoring the preparation, registration and delivery of the securities being issued.
5. *Debt Service Schedule* - Provide the Client with a final debt service schedule and other financial materials pertinent to the securities sale.

### **Negotiated Sale Services**

1. *Authorizing Resolutions/Ordinances* - Assist the Client's attorney and/or bond counsel with regard to the financial provisions to be included within the Client's authorizing resolutions/ordinances relative to the securities issuance.
2. *Credit Rating and/or Insurance* - When applying for a credit rating and/or bond insurance Speer will submit the necessary data and documents to the selected credit rating agency(ies) and/or insurance company(ies).
3. *Disclosure Document and Proposals:*
  - a. Preparation of Documents - Prepare or assist in the preparation of a preliminary Disclosure Document, Request for Proposals (RFP) or Request for Qualifications (RFQ) if requested by the Client, and, following the award of the securities, the final Disclosure Document.
  - b. Proposal Analysis and Recommendations - Review and examine any proposals submitted for completeness and compliance with the applicable RFP/RFQ requirements, evaluate the proposals for accuracy, and recommend a proposed course of action relative to the proposals received.
4. *Negotiation of Terms* - Negotiate with the selected underwriter(s)/purchaser(s) relative to interest rates, terms and conditions of the securities issuance.

5. *Preparation, Registration and Delivery of Securities* - Conduct all necessary undertakings in order to complete the financing, including, monitoring the preparation, registration and delivery of the securities being issued.
6. *Debt Service Schedule* - Provide the Client with a final debt service schedule and other financial materials pertinent to the securities sale.

#### **Private Placement Services**

1. *Authorizing Resolutions/Ordinances* - Assist the Client's attorney and/or bond counsel with regard to the financial provisions to be included within the Client's authorizing resolutions/ordinances relative to the securities issuance.
2. *Disclosure Document and Proposals:*
  - c. Preparation of Documents - Prepare or assist in the preparation of a preliminary Disclosure Document, Request for Proposals (RFP) or Request for Qualifications (RFQ) if requested by the Client, and, following the award of the securities, the final Disclosure Document.
  - d. Proposal Analysis and Recommendations - Review and examine any proposals submitted for completeness and compliance with the applicable RFP/RFQ requirements, evaluate the proposals for accuracy, and recommend a proposed course of action relative to the proposals received.
3. *Advise on Financing Terms* - Advise the client on the terms of the financing including the interest rate offered and the covenants required by the intended purchaser.
4. *Preparation, Registration and Delivery of Securities* - Conduct all necessary undertakings in order to complete the financing, including, monitoring the preparation, registration and delivery of the securities being issued.
5. *Debt Service Schedule* - Provide the Client with a final debt service schedule and other financial materials pertinent to the securities sale.

*With respect to all private placement Services, Speer will always serve as municipal advisor to the Client and as such will not specifically identify investors/purchasers in a securities offering or negotiate specific terms with the investor/purchaser of the Client's securities. Speer will not negotiate terms to directly place an issuance of securities with an investor. Any investors contacted or solicited will be identified by the Client and contacted on behalf of the Client.*

**EXHIBIT B**

**LIMITATIONS TO SPEER'S MUNICIPAL ADVISOR SERVICES**

Speer's duties as Municipal Advisor are limited to the Services detailed in **Exhibit A**. Among other things, Speer's Engagement does not include:

1. Giving any advice, opinion or representation as to the fiscal prudence or policy priority of issuing the securities or any other aspect of the securities transaction, including, without limitation, the undertaking of any project to be financed with the proceeds of the securities, as those are the Client's policy decisions.
2. Giving any opinion or advice on the legality of the securities or the tax status of the securities.
3. Preparing any of the following: requests for tax rulings from the Internal Revenue Service, blue sky or investment surveys with respect to the securities, state legislative amendments, or pursuing test cases or other litigation.
4. Undertaking rebate calculations for the securities or anything related to monitoring investments of securities proceeds or expenditure of securities proceeds, as that is a specialty service provided by others when appropriate.
5. Participating in the underwriting of the debt, as prohibited by Federal securities law.
6. Monitoring the actual use of proceeds, the timely expenditure of proceeds and the project completion status.
7. Verifying the accuracy of audited and unaudited financial statements.
8. Giving advice on the investment of securities proceeds.
9. Monitoring ongoing obligations and covenants entered into by the Client with respect to the securities, as these tasks are performed by the Client.
10. The Services do not include the payment by Speer of its "out of pocket" expenses, including but not limited to, the utilization of a bidding platform (*SpeerAuction* or *SpeerBids*), verification services as requested by the Client, mailing, overnight and messenger delivery and printing and copying costs.
11. Filing material events notices or otherwise assisting the Client with its continuing disclosure obligations, as such assistance is to be provided under a separate written agreement. Nothing in this Engagement Letter obligates Speer to provide, or the Client to pay for, any such continuing disclosure services.

**EXHIBIT C**

**OTHER TERMS OF THE SPEER ENGAGEMENT**

Please note the following with respect to the Client's role in connection with each issuance of securities.

1. It is important for the Client to read and understand the documents Speer provides to the Client because the Client will be confirming the truth, accuracy and completeness of matters contained in those documents at the issuance of the securities. If the documents contain incorrect or incomplete factual statements, the Client must call those to Speer's attention. Speer will not perform an independent investigation or verification to determine the accuracy, completeness or sufficiency of any such document or render any advice, view or comfort that the Disclosure Document or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading. Any information in such documents does not constitute a review, audit or certified forecast of future events and any such financial information may not conform to accounting principles applicable to compilations of financial information. Any untruth, inaccuracy or incompleteness may have adverse consequences affecting either the tax exemption of interest paid on the securities or the adequacy of disclosures made in the Disclosure Document under State and Federal securities laws, with resulting potential liability for the Client. During the course of its Engagement, Speer will assume and rely on the Client to provide Speer with complete and timely information on all developments pertaining to any aspect of the securities and their security. Speer understands that the Client will cooperate with Speer in this regard.
2. To the extent that during the course of Speer's advising the Client a relevant matter comes to Speer's attention which appears to be contrary to what is contained in the transaction documents including any representations in the transaction documents or in the Disclosure Document, Speer may ask the Client about such apparent divergence of the facts; but to the extent that the facts and representations stated in the documents Speer provides to the Client, and are not corrected by the Client, Speer is then relying upon the Client's signed certifications for their truth, accuracy and completeness.
3. Issuing the securities as "securities" under State and Federal securities laws and on a tax-exempt basis is a serious undertaking. As the issuer of the securities, the Client is obligated under that State and Federal securities laws and the Federal tax laws to disclose all material facts. The Client has a duty to exercise "due diligence" in determining the accuracy and completeness of the information used in the Disclosure Document and the information upon which legal opinions related to the securities are based. The Client's lawyers, accountants and advisors can assist the Client in fulfilling these duties, but the Client in its corporate capacity, including the Client's knowledge, has the collective knowledge of the facts pertinent to the transaction and the ultimate responsibility for the presentation and disclosure of the relevant information.
4. Requirements of issuing debt include that the Client is current in its annual continuing disclosure obligations, including material events notices, and current in its arbitrage rebate obligations. These requirements are the obligation of the Client and not of Speer or bond counsel.

**EXHIBIT D**

**REQUIRED DISCLOSURES**

**1. DISCLOSURE OF CONFLICTS OF INTEREST**

**A. Various Forms of Compensation**

The Municipal Securities Rulemaking Board (MSRB) requires us, as your municipal advisor, to provide written disclosure to you about the actual or potential conflicts of interest presented by various forms of compensation. We must provide this disclosure unless you have required that a particular form of compensation be used. You should select a form of compensation that best meets your needs and the agreed upon scope of services.

The forms of compensation for municipal advisors vary according to the nature of the engagement and requirements of the Client, among other factors. Various forms of compensation present actual or potential conflicts of interest because they may create an incentive for an advisor to recommend one course of action over another if it is more beneficial to the advisor to do so. This document discusses various forms of compensation and the timing of payments to the advisor.

**Fixed fee.** Under a fixed fee form of compensation, the municipal advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the Client and the advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the municipal advisor's fee is contingent upon the successful completion of a financing, as described below.

**Hourly fee.** Under an hourly fee form of compensation, the municipal advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the Client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (e.g., a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described below.

**Fee contingent upon the completion of a financing or other transaction.** Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the Client, it presents a conflict because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the Client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

**Fee paid under a retainer agreement.** Under a retainer agreement, fees are paid to a municipal advisor periodically (*e.g.*, monthly) and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis (*e.g.*, a fixed fee per month regardless of the number of hours worked) or an hourly basis (*e.g.*, a minimum monthly payment, with additional amounts payable if a certain number of hours worked is exceeded). A retainer agreement does not present the conflicts associated with a contingent fee arrangement (described above).

**Fee based upon principal or notional amount and term of transaction.** Under this form of compensation, the municipal advisor's fee is based upon a percentage of the principal amount of an issue of securities (*e.g.*, bonds) or, in the case of a derivative, the present value of or notional amount and term of the derivative. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the Client to increase the size of the securities issue or modify the derivative for the purpose of increasing the advisor's compensation.

### **B. Other Material Conflicts of Interest**

The MSRB requires us, as your municipal advisor, to provide written disclosure to you about material conflicts of interest. The following represent Speer material conflicts of interest known to Speer as of the date of this Representation Letter.

As of the date of this Engagement, Speer is unaware of any material conflicts of interest.

## **2. DISCLOSURE OF LEGAL EVENTS AND DISCIPLINARY ACTION**

The MSRB requires us, as your municipal advisor, to provide written disclosure to you of any legal or disciplinary events material to your evaluation of Speer or the integrity of Speer's management or advisory personnel.

**Material Legal or Disciplinary Event.** There are no legal or disciplinary events that are material to the Client's evaluation of Speer or the integrity of Speer's management or advisory personnel disclosed, or that should be disclosed, on any Form MA or Form MA-I filed with the SEC.

**How to Access Form MA and Form MA-I Filings.** Speer's most recent form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at:

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001606944>

**Most Recent Change in Legal or Disciplinary Event Disclosure.** Speer has not made any material legal or disciplinary event disclosures on Form MA or any Form MA-I filed with the SEC.

## **3. FUTURE DISCLOSURES**

As required by MSRB Rule G-42, the Required Disclosures found in this Exhibit D may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Speer. Speer will provide the Client with any such supplemental or amended information as it becomes available through the term of the Municipal Advisory Relationship.

## EXHIBIT E

### FINANCIAL CHARACTERISTICS AND RISKS OF MUNICIPAL BONDS IN IOWA

The following is a general description of the financial characteristics, security structures and risks of municipal fixed rate bonds ("Municipal Bonds") issued in Iowa. The risks being disclosed in this Exhibit E are those that are known to Speer at this time and should be considered by the Client prior to deciding whether to issue Municipal Bonds. If you have any questions or concerns about any disclosure made, please notify Speer immediately.

#### **Financial Characteristics**

***Maturity and Interest.*** Municipal Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities. Maturity dates for Municipal Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Municipal Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

***Redemption.*** Municipal Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all of the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Municipal Bonds will be subject to optional redemption only after the passage of a specified period of time, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Municipal Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

#### **Security**

Payment of principal of and interest on a municipal security, including Municipal Bonds, may be backed by various types of pledges and forms of security, some of which are described below. The description below regarding "Security" is only a brief summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with your bond counsel for further information regarding the security for the bonds.

***General Obligation Bonds.*** "General obligation bonds" are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. All taxable property in the taxing body is subject to the levy of taxes to pay the same without limitation as to rate or amount. General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

**Debt Certificates.** You may issue "debt certificates" to evidence your payment obligation under an installment contract or lease. Your governing body may provide for the treasurer, comptroller, finance officer or other officer of the governing body charged with financial administration to act as counterparty to the installment contract or lease, as nominee- seller or lessor. The installment contract or lease is then executed by your authorized officer and is filed with and executed by the nominee-seller or lessor. As contracts for the acquisition and construction of the project to be financed are executed (the "Work Contracts"), the governing body orders those Work Contracts to be filed with the nominee-seller or lessor. The nominee- seller or lessor identifies the Work Contracts to the particular installment contract or lease. Such identification permits the payment of the Work Contracts from the proceeds of the debt certificates.

Debt certificates are paid from your lawfully available funds. You are expected to agree to annually budget/appropriate amounts to pay the principal of and interest on the debt certificates. There is no separate levy available for the purpose of making such payments.

Debt certificates constitute a debt. In the event of default in required payments of interest or principal, the holders of the debt certificates cannot compel you to impose a tax levy, but you have promised the holders of the debt certificates that you will pay the debt certificates and they can proceed to file suit to enforce such promise.

**Industrial New Jobs Training Certificates.** "INJT Certificates" are authorized by the State of Iowa Code Section 260E and allow Community Colleges to enter into agreements with area employers to use INJT Certificate proceeds to fund training, program costs, tuition, student fees or special charges for those employers. Repayment of INJT Certificates may be paid from one or a combination of the following sources:

- i) Incremental property taxes to be received or derived from an employer's business property where new jobs are created as a result of the project.
- ii) New jobs credit from withholding to be received or derived from new employment resulting from the project.
- iii) Tuition, student fees or special charges fixed by the board of directors to defray program costs in whole or in part.
- iv) Guarantee of payments to be received under any of the above.

The Iowa Department of Economic Development in consultation with the Department of Education shall coordinate the new jobs training program. The Iowa Department of Economic Development shall adopt, amend and repeal rules under Iowa Code chapter 17A that the community college will use in developing projects with new and expanding industrial new jobs training proposals. The department is authorized to make any rule that is adopted, amended, or repealed effective immediately upon filing with the administrative rules coordinator or at a subsequent stated date prior to indexing the publication, or at a stated date less than thirty-five days after filing, indexing and publication.

**Revenue Bonds.** "Revenue bonds" are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds.

Revenue bonds may, however, be subject to a reverse referendum. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

Some revenue bonds, referred to as conduit revenue bonds, may be issued by a governmental issuer acting as conduit for the benefit of a private sector entity or a 501(c)(3) organization (the obligor). Conduit revenue bonds commonly are issued for not-for-profit hospitals, educational institutions, single and multi-family housing, airports, industrial or economic development projects, and student loan programs, among other obligors. Principal and interest on conduit revenue bonds normally are paid exclusively from revenues pledged by the obligor.

Unless otherwise specified under the terms of the bonds, you are not required to make payments of principal or interest if the obligor defaults.

**Tax Increment Financing.** "TIF" provides a means for municipalities, after the approval of a "redevelopment plan and project," to redevelop blighted, commercial/industrial or housing areas. IA Code Sections 15A, 403 and 404 further describe; use of public funds to aid economic development projects, urban renewal and urban revitalization areas. The municipality is authorized to issue tax increment bonds payable from, and secured by, incremental property tax revenues expected to be generated in the TIF project area. Incremental property tax revenues are derived from the increase in the current assessed/taxable of the real property within the TIF area over and above the certified initial base valuation for such project area.

Before entering into an obligation related to TIF, necessary steps must be completed, include the project in the urban renewal plan for the municipality/county. Public hearings are required to be held to adopt such plan amendments, only after the time of these hearings can the municipality/county enter into a TIF agreement

Tax increment bonds may be secured by the full faith and credit of the municipality. The issuance of general obligation tax increment bonds is subject to a "reverse referendum," rather than a direct, referendum. Tax increment revenues may also be treated as a "revenue source" and be pledged to the payment of the bonds, similar to Revenue Bonds described above.

### **Risk Considerations**

Certain risks may arise in connection with your issuance of Municipal Bonds, including some or all of the following (generally, the obligor, rather than you, will bear these risks for conduit revenue bonds):

**Issuer Default Risk.** You may be in default if the funds pledged to secure your bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds.

If the bonds are revenue bonds or INJT Certificates, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

**Redemption Risk.** Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

**Refinancing Risk.** If your financing plan contemplates refinancing some or all of the bonds at maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict your ability to refund the bonds to take advantage of lower interest rates.

**Reinvestment Risk.** You may have proceeds of the bonds to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as "negative arbitrage."

**Tax Compliance Risk.** The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

## **L. Discussion Items (No Action)**

**AGENDA ITEM # L – 1**

**AGENDA INFORMATION  
MT. VERNON CITY COUNCIL COMMUNICATION**

<b>DATE:</b>	August 7, 2017
<b>AGENDA ITEM:</b>	Wells and Septic System Usage
<b>ACTION:</b>	None

**SYNOPSIS:** Chad Pelley has submitted a request to City Hall to allow for septic and well services within the city limits. The City Code relating to sewers does allow the use of septic systems by special exception. However, the Code states that individual's water wells shall not be allowed and any existing wells are to be phased out. There are some other considerations that need to be discussed regarding the current water usage language as well. At this time, staff is asking the Council whether they have any interest in making changes to the existing codes.

**BUDGET ITEM:** N/A

**RESPONSIBLE DEPARTMENT:** City Administrator

**MAYOR/COUNCIL ACTION:** None

**ATTACHMENTS:** Letter

**PREPARED BY:** Chris Nosbisch

**DATE PREPARED:** 7/27/17

July 20, 2017

Chris Nosbisch  
City Administrator, City of Mount Vernon  
213 1<sup>st</sup> Street NW  
Mount Vernon, IA 52314

Re: Wolf Farm, Country Club Drive

Mr. Nosbisch:

I would like to thank you for taking the time to meet with me and discuss the Wolf farm property located at the southern boundary of the City. As you are aware, I have recently placed the property under contract to purchase with the intent to subdivide into 3 large lots (5 acres +) that will remain zoned agricultural. It is extremely difficult, as well as expensive, to extend City sanitary sewer and water main to the subject site. It would also require disturbance to many of the existing trees and natural creek located on the property that I intend to protect and preserve. I recently met with the adjacent property owners and they are not willing to grant easements required for the sanitary sewer extension. With all of these factors in consideration, I formally and respectfully request the City of Mount Vernon allow the use of onsite well and septic systems in lieu of City services for the property.

If you have any questions or concerns, please feel free to give me a call. Thank you.

A handwritten signature in black ink, appearing to read 'Chad Pelley', written in a cursive style.

Chad Pelley



**AGENDA ITEM # L – 2**

**AGENDA INFORMATION  
MT. VERNON CITY COUNCIL COMMUNICATION**

**DATE:** August 7, 2017

**AGENDA ITEM:** Park Naming

**ACTION:** None

**SYNOPSIS:** The parks and recreation board has been discussing names for area parks. I have asked Matt to present those to the Council in a discussion format first before we consider adoption by resolution.

**BUDGET ITEM:** N/A

**RESPONSIBLE DEPARTMENT:** Parks and Rec

**MAYOR/COUNCIL ACTION:** None

**ATTACHMENTS:** None

**PREPARED BY:** Chris Nosbisch

**DATE PREPARED:** 7/27/17

## **M. Reports Mayor/Council/Admin.**

---

**CITY OF MT. VERNON  
CITY ADMINISTRATOR  
REPORT TO THE CITY COUNCIL  
August 7, 2017**

---

- The Mt. Vernon Housing Commission held their first meeting on Monday, July 24, 2017. I will be distributing the affordable housing study from 2006-2007 for their review.
- The interviews for the by-pass consultants will take place on August 9, 2017. Three firms will be interviewed, and we hope to have a recommendation to Council on the 21<sup>st</sup>.
- Staff will be meeting with representatives from V&K on August 11, 2017 to discuss the nutrient reduction strategies for the City as part of our permit renewal.
- The City will be transitioning to Mediacom cable and phone over the coming months as we try to increase speed at our various locations.