The Hiawatha City Council met in a work session in Conference Room D on the upper level of City Hall on October 10, 2016. Mayor Bill Bennett called the meeting to order at 5:30 P.M. Council members present: Bob Rampulla, Dick Olson, Dennis Norton and Aime Wichtendahl. Marty Bruns was absent. Staff present: City Administrator Kim Downs, Finance Director Cindy Kudrna and City Engineer John Bender. Guests: None.

Rampulla moved the approval of the agenda, seconded by Wichtendahl. Motion carried.

Review and discussion of the first draft of the Capital Improvement Plan (CIP) FY2017-FY2021

City Administrator Downs gave the following introductory overview of the draft Capital Improvement Plan (CIP) FY2017-FY2021:

City Administrator Downs expanded the project list from five years to seven year and after due to larger projects coming down the pipeline and to monitor the debt service levy.

The following projects are committed projects in FY 2017 to be bonded for in Spring 2017:

Project Name	**Funding Source / Project Cost**	
	General Obligation Bonds	**Tax Increment Financing Bonds**
Dry Creek/Indian Creek Sanitary Sewer Project with Cedar Rapids	$150,000	
Boyson Road / I-380 widening and signal	$150,000	
Edgewood Road repairs grading and culverts	$150,000	
Emmons Street / railroad repairs and drainage	$100,000	
Emmons Street / Robins Road / N Center Point Road reconstruction	$1,450,000	$1,450,000

Street projects were identified through FY 2019 to determine which projects are more urgent than others. The goal is to keep the project costs in the $3 to $3.5 million bonding capacity as recommended by Speer Financial based on General Obligation debt and obligations. The Tower Terrace Road Interchange project is scheduled for FY 2020 and this is the year the city will need to look for additional funding; options are to ask the Metropolitan Planning Organization (MPO) for more money or split into two (2) fiscal years.

The first four (4) to five (5) years of the CIP showed needed projects such as Tower Terrace Road and Boyson Road improvements, not wish list projects. Projects such as irrigation, burying electric lines north to Stamy Road and switching to LED lighting on Center Point Road are listed in future projects and are not top priority.

The library expansion project is listed in FY 2018; the project will not move forward until the library raises $2 million in funding to offset the project costs and prior to referrendum. Council Member Olson said the library has currently raised $575 thousand and they have grant opportunities in the works.

The public safety building line item remained in FY 2019, and remains unchanged as staff continues to look at the second station as presented to council previously. Staff did not add the second fire station to the CIP as this would be a second bond issue; This matter requires more discussion to determine the city's best interest in moving forward with a public safety building or a second fire station.

Council Member Wichtendahl questioned the overall levy tax rate and the effect of going out for referendum for the fire station and library. Wichtendahl wondered if it made sense to have a Plan B in place or build one facility and not the other. Downs explained the library expansion is built into the debt service but the fire station is not; there would have to be a separate bond referendum for each facility.

Council Member Rampulla said there is no urgent need for the fire station and it could be pushed back a couple of years.

Finance Director Kudrna stated the city has the ability to borrow up to $1.7 million without raising the levy; it is included in the CIP for debt service levy. Kudrna added the cost of the library expansion is $4.2 million; if the library is able to raise $3 million of the total project cost and the city's portion of cost is $700,000 or less, this would not require a

referendum vote to build the expansion. Local Option Sales and Service Tax (LOSST) dollars may need to be included in determining the need for a referendum.

Downs said in order to stay in the $3.25 million range for total project costs, the city would not be able to fund the second fire station. Kudrna stated the city's financial advisor, Speer Financial determined the city could bond up to $5 million without an issue. Citizens will vote to increase the city's levy rate if the station is added.

Downs said the library should have a better handle on their fund raising status by summer 2017, and the fire chief will need this time to put his plans together for the second fire station.

November 7 was previously scheduled as a work session date for council to review the second draft of the CIP. Council members directed staff to cancel the November 7 meeting and move forward with placing the draft CIP on the November 4 regular meeting agenda, setting a public hearing.

There being no further discussion, Rampulla moved to adjourn at 6:05 P.M., second by Wichtendahl. Motion carried.

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Bill Bennett, Mayor

ATTEST:

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Kelly Kornegor, City Clerk