Hiawatha City Council met in a work session on August 24, 2016 in Conference Room D. Mayor Bennett called the meeting to order at 5:30 P.M. Council Members Present: Marty Bruns, Dick Olson, Dennis Norton, Aime Wichtendahl, and Bob Rampulla. Staff present: City Administrator Kim Downs, Finance Director Cindy Kudrna, Fire Chief Mike Nesslage, and Police Chief Dennis Marks. Guests: Linn County Supervisor Ben Rogers, Barb Solberg from Cedar Rapids Economic Alliance, and Daniel Hoffmann.

Norton moved the approval of the agenda, second by Wichtendahl. Motion carried.

State Minimum Wage Increase

Linn County Supervisor Ben Rogers distributed handouts on the Linn County minimum wage issue and began discussion by stating the Linn County Board of Supervisors set up a study group to look at the minimum wage issue; this was done as a collaborative partnership.

Rogers explained the Linn County proposed minimum wage increase schedule is $8.25 by January 1, 2017, $9.25 by January 1, 2018, and $10.25 by January 1, 2019. Rogers said the county has data on $10.10; cities under home rule charter can choose a different amount than the county by ordinance. Rogers stated the county is currently in the process of drafting an ordinance and it will be available to the public on Monday, August 29.

Rogers said the county needs to find out if there is a separate wage rate for youth workers and there are exemptions under Iowa and federal law where businesses can qualify to not pay the minimum wage rate.

Rogers noted the challenges are dispelling myths that exist; some businesses are worried about compression. Rogers stated Polk County is recommending $10.25 and other counties are starting to form study groups.

City Administrator Downs said she asked the Linn County Attorney to attend the meeting but the Attorney didn't think she would be much help.

Council Member Rampulla asked about employees who earn tips. Rogers explained tipped employees can make 60% of the local minimum wage. Rogers continued to state there are approximately 18,400 people affected by minimum wage in Iowa and the state has not raised minimum wage in seven years. Rogers said there is a labor shortage in this community and it is also seen in the county; most businesses are already paying minimum wage or above.

Rogers explained once the minimum wage ordinance is available on Monday the tentative schedule for action on the ordinance is holding the first reading on August 31 at 9:00 a.m., second reading on September 5 at 9:00 a.m., and third reading on September 12 at 9:00 a.m.

Rogers said food and gas costs fluctuate in different cities and counties but minimum wage is the one cost we say has to be equal everywhere.

Council Member Olson commented the extra money people are going to earn as a result of the increase to minimum wage will go right back into the economy; people won't save that money.

Rogers stated the county is trying to keep open dialogue and cut through the challenges. Barb Solberg added the biggest concern is there will be different wages throughout the county; the only request is conformity amongst communities. Soleburg added she believes the Iowa Legislators will probably study the minimum wage issue this year prior to any approval.

Council Member Olson said after speaking to Hiawatha Economic Development Corporation (HEDCO) it appears the minimum wage increase is not an issue with any of their companies except for CCB Packaging. Downs added HEDCO prefers the state would take the lead on this matter to create conformity.

Council Member Bruns commented there are no businesses in Hiawatha that pay minimum wage with exception to a couple of restaurants.

Council Member Wichtendahl asked if it was appropriate for council to pass a resolution of support. Council Member Olson said once the city receives the minimum wage ordinance from Linn County Supervisor Rogers, City Council can act on it.

Satellite Fire Station / Public Safety Building

City Administrator Downs led discussion on the potential construction of a Satellite Fire Station / Public Safety Building, by reminding City Council of the fire station referendum that was voted down by a slim margin during the November 2015 election.

Downs said the original plan was to build a second fire station at 1550 Stamy Road to address the following needs:

- Longer response times; annexation to the north creating longer response times
- Growth in the area north of Boyson Road
- Congestion and logistical concerns with the interstate, railroad and future construction
- Space needs at existing fire station located at 60 10th Avenue; sleeping and living space for staff, equipment and vehicle storage, classroom and training, fitness area, and parking

Downs continued to explain, the original proposal for the second fire station was a 13,000 square foot building including a training room and storm shelter. Estimated cost of the facility $3.250 million using the following funding sources: $1 million in Local Option Sales and Service Tax (LOSST) dollars, $355,000 FEMA Grant for the storm shelter, $2.250 million sale of bonds with a 10 year payback.

Downs said the levy rate was a big consideration for City Council and the referendum vote was close but the measure did not receive the 60% needed to pass. Downs added if council wishes to put the second fire station up for vote to the residents, the next opportunity will be the fall ballot; in order to make this happen council would need to pass a resolution during the September 7 regular meeting. Downs informed City Council there may be a lengthy ballot this year; could be a two page public measure ballot with the county's conservation levy and Marion's facility additions.

Council Member Bruns expressed concern that passing a resolution next meeting and putting the measure on the fall election ballot may give the appearance of trying to hide something.

Council Member Wichtendahl stated her preference if there is going to be a bond reference to do it in November with the other public measures. Downs said the next opportunity after this fall would be March 7, 2017.

Downs informed City Council after conducting the fire department strategic plan; staff learned fire volunteers were not 100% on board with a second fire station. Downs continued to state the fire chief is forming committees to assess the needs of the fire department; a second fire station would also be unique in a community Hiawatha's size.

Downs added the concerns with a second station are operating costs, need for additional staff and budget capabilities of handling the extra expense. Downs said there is no argument the fire department needs more space and room for equipment and vehicles; the committees will provide the necessary input on the matter.

Fire Chief Nesslage explained there were really four to five fire volunteers who dug in hard against the station; there was support from a good number of volunteers and the department continues to receive a lot of support. Nesslage added the space needs are there and the department has a plan to move forward with.

Council Member Rampulla inquired what the volunteer complaints were. Nesslage answered the volunteers against the second station said they did not have adequate information, but Nesslage had their names on the sign in sheets for the information meetings. Nesslage felt fear was a lot of the problem with the volunteers who were against the second station.

Downs announced staff has prepared an alternate solution to alleviate the space needs issues, training facility needs and provide benefits to the three departments including police, fire, and community development.

Downs said the proposed alternate solution is to build a 16,120 square foot hybrid fleet storage and training facility at 405-409 Clark Street across the street from city hall at an estimated cost of $2.048 million. Downs explained the city already owns the land across the street on Clark Street. Downs said Solum Lang Architects prepared the preliminary drawings for the proposed fleet storage and training facility.

Downs spoke of several advantages of having a facility across the street such as the police department has training mats that they currently roll up and place under the stairs when not in use; with the new facility, the police department would no longer need to do this because the mats could stay out. The proposed fleet storage and training facility would provide nine to 10 interior parking spaces for vehicles.

Chief Nesslage noted the fleet storage and training facility would not be a staffed fire station; it would be a place to store equipment and hold training. Nesslage added additional benefits are the station would be located on the other side of the railroad tracks and allow storage of back up fire gear. Nesslage said this facility will not improve response times so there is a clear need for a second station in the future; when this need arises, the fleet storage and training facility can be revised.

Downs stated the facility could easily be repurposed with the parks and recreation department. Parks and recreation could move over to the facility in the future to free up space at the maintenance shop and become more centralized to the parks where they perform a majority of their work.

Council Member Wichtendahl questioned if the fleet storage and training facility would be good choice if council is trying to optimize spending; might be better to do a referendum next year. Nesslage said the city will need a second station but the problem is supporting a second station in a city the size of Hiawatha.

Nesslage stated in the Capital Improvement Plan (CIP) the fire department asked for a consultant to prepare a 10 to 15 year master plan for the fire department. Nesslage said he was not happy with the strategic planning process because it was not geared to fire in his opinion; need an expert in the field to determine the feasibility and need for a second station.

Nesslage explained the fire department looked at five different options for expanding the current station on 10th Avenue but all of the options require property acquisition of the neighboring residential properties.

Funding for the fleet storage and training facility would come from $1 million in Local Option Sales and Service Tax (LOSST) dollars budgeted in the CIP and $1,048 million in General Obligation Bonds. This alternative would allow the city to maintain the levy rate.

Finance Director Kudrna explained building the second station on Stamy Road would be a bond issue in the amount of $2 million all by itself; with the fleet storage and training facility on Clark Street, the City can include the funding on the spring bonding issue at the normal $2 million level.

Downs said the fleet storage and training facility would serve more than one department and allows the removal of the brown storage building on Emmons Street which is prime property as it sits on the corner.

Council Member Olson questioned whether it was necessary to spend $2 million; maybe staff could scale down the project. Downs said the building is a free spanning building that is not fancy by any means; this is the cheapest way to fulfill the space requirements.

Police Chief Marks added the fleet storage and training facility will allow police parking inside and fulfill training needs; the police department currently uses the community center for training. Marks said the training classroom in the new facility holds approximately 70 people so it is large enough to train police and fire; the new training classroom would allow staff to bring in outside training as well. Marks added the new facility would provide storage for larger evidence items. Marks continued to state the new facility would accommodate three departments in one building whereas it would cost approximately $4 million to build separate facilities for each department; this is the cheapest way to accommodate all three departments.

Council Member Rampulla inquired how long it would take before the city must build a second fire station; need timelines and support information to make appropriate decisions. City Council needs perspective on how to move forward; requires looking at the CIP.
Downs noted the city is waiting for development to get on the books; without this information there is no way to know the city's position. Downs added City Council expressed the need to hold the levy rate but must make a decision if response time matters because if it does, a second station will require an increase in the levy rate. Downs said another thing to note if the decision is to move forward with a second station, the city will not be able to fund the library expansion at the same time.

There being no further discussion. Bob Rampulla moved to adjourn at 7:08 p.m., second by Aime Wichtendahl. Motion carried.

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Mayor, Bill Bennett

ATTEST:

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City Clerk, Kelly Kornegor