

City Council Meeting
City Hall – Paullina, Iowa
January 4, 2016

A regular meeting was called to order this date by Mayor Justin Stamer. Roll call was answered by Council Members Dennis Werkmeister, John Ihle, Charles Harper, Dan Schreck, and Jay Jones; Superintendent of Utilities Shawn Strubbe, City Clerk Sandy Fritz, Chief of Police Nathan Bremer. Also present: Laurie Struve, Amanda Tull, Terri Tesch, Brian Fisch, Brent Noteboom, Shawn Puhmann and Jeff Peters from Williams and Company.

The following proceedings were had, to-wit:

AGENDA Schreck moved and Werkmeister seconded the motion to approve the agenda for the January 4, 2016 regular meeting. Motion carried by all ayes.

MINUTES Schreck moved and Harper seconded the motion to approve the minutes of the December 7th and 21st regular meetings. Motion carried by all ayes.

CLAIMS LIST Werkmeister moved and Schreck seconded the motion to approve the Claims List for the month of December 2015. Motion carried by all ayes.

A & M Laundry, supplies	\$127.64
Acco, Blend, Chlorine	\$285.50
Aflac, December	\$190.30
Airgas, cylinder rent	\$45.00
Avesis, vision ins. - 2	\$124.68
Black Hills, Natural gas	\$973.34
Boundtree, ambulance supplies	\$266.59
Builders, hyd. Fluid - skid loader	\$190.87
Cenex, fuel	\$1,402.86
City of Paullina, payroll	\$26,089.14
City of Paullina, electric	\$5,520.60
City of Paullina, deposit refund to pay bill	\$250.00
Collection Services, child support	\$734.76
Colonial Life, supplemental ins	\$344.20
Compu Wiz, website maint.	\$86.00
Dan' s Electric, repair heater	\$128.10
Dearborn National, life insurance	\$116.40
Department of Energy	\$18,821.76
DGR, Maple Street - Engineering	\$18,245.48
DGR, Cannon Street, Engineering	\$1,947.00
DGR, Arc Flash Study	\$9,600.00
EFTPS, Federal withholdings	\$7,665.16
Emer.Appart., pump test & repair 2 fire trucks	\$1,717.55
First Financial. Credit card fee	\$105.46

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Foundation Anal. Testing	\$231.00
Granville Amb. Paramedic assists	\$1,200.00
Harry's Motor, wheel cylinder	\$468.00
Indoff, paper	\$47.94
IAMU, IUB filing	\$150.00
Iowa One Call, locates	\$19.10
IPERS, Dec.	\$4,675.26
Iowa Workforce Dev., unemployment tax	\$20.95
Itron, MVRs software and maint.	\$1,021.99
Jacks, police supplies	\$181.60
John Deere Financial, parts and repairs	\$581.55
K & L, UB overpayment	\$5.35
Kriz Davis, electric supplies	\$374.40
Mai Welding, welding wire	\$375.00
Metering Tech, water meter, gasket	\$775.37
Mid American Energy, electric	\$367.02
Midwest Fire, vehicle repair - fire	\$3,629.91
Missouri River Energy Service, purchase current & dues	\$16,844.85
Muller, J. energy rebate	\$250.00
NIPCO, move pole on Maple Street	\$1,776.19
Police Legal Science, training updates	\$240.00
Prairie Market, supplies	\$96.07
Puhrmann Excavating, storm sewer repair supplies	\$50.80
Secap, postage meter rent	\$322.83
Strubbe, S., cell phone, reimbursement	\$50.00
TCA, phone, internet, cells	\$446.91
Thrifty White, tabs	\$1.99
Treasurer State of Iowa, withholding	\$1,164.62
Town & Country, garbage	\$4,656.75
TriTech, ambulance billing	\$175.00
Verizon, pol cell	\$40.01
Wellmark, health ins	\$7,445.32
Williams & Co, FY 14-15 Audit	\$2,130.00
TOTAL CLAIMS	\$144,794.1

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Revenue and Expense Report – December, 2015

	Revenues	Expenses
GENERAL FUND	\$42,833.61	\$32,861.36
ROAD USE TAX FUND	\$ 0	\$ 1,613.26
LOCAL OPTION SALES TAX	\$10,229.92	\$17,677.78
DEBT SERVICE FUND	\$15,910.01	\$ 5,408.75
MAPLE STREET PROJECT	\$103,757.21	\$ 7,064.86
WATER FUND	\$15,914.48	\$16,440.11
SEWER FUND	\$12,263.56	\$13,432.73
ELECTRIC FUND	\$90,006.25	\$61,521.27
TELECOM	\$ 7,125.00	\$ 0
EMPLOYEE BENEFITS	\$ 4,193.75	\$3,961.78
WEST LOT	\$ 0	\$
TIF	\$ 2,939.42	\$ 0
EMERGENCY	\$ 461.52	\$ 0
TOTAL	\$305,634.73	\$159,981.90

INQUIRES FROM THE AUDIENCE None

REPORTS Mayor Stamer welcomed new Council Member Dennis Werkmeister to the council. Discussion was had on what should be done with the concrete from an upcoming elevator project.

FY 14-15 AUDIT REPORT Jeff Peters, from Williams and Company, reported to the Mayor and Council on the financial position of the City of Paullina after completing the FY 2014-2015 Audit. Overall the City of Paullina is financially stable but still needs to improve its General Fund cash flow. A new section pertaining to unfunded IPERS pension liability is also included in the audit. The FY 2014-2015 Audit for the City of Paullina is available for review at city hall.

2016 APPOINTMENTS

Schreck moved and Ihle seconded the motion to make the following city appointments for 2016:

Fire Chief – Brent Noteboom, City Clerk – Sandy Fritz,
Treasurer – Johnene Altman, Airport Mgr – Brian
Fisch, City Attorney – Tisha Halverson
Ambulance President Amanda Tull,
Newspaper – The Paullina Times

Motion carried by all ayes. Brent Noteboom then took the Oath of Office for Fire Chief for the Paullina Fire Department.

MAYOR COMMITTEES

The Mayor's Committee appointments were tabled until the January 18, 2016 meeting.

DEPOSITORIES

Schreck moved and Harper seconded the motion to approve the following depositories for 2016: Iowa State – 2.5 million, Security State – 3 million and Primghar Savings Bank – 2 million. Motion carried by all ayes.

PUBLIC HEARING
CDBG HOUSING

On January 4, 2016 a public hearings was held at 7:30 p.m. at the Paullina City Hall. Sandy Fritz, City Clerk, stated that the City of Paullina plans to submit a Housing Fund Grant application for \$197,000 to the Iowa Economic Development Authority on or before January 15, 2016. Total project costs are estimated to run \$212,000. The City will contribute a local match in the amount of \$15,000. The Housing Fund Grant will be used to rehabilitate six (6) owner occupied housing units in a target area bound on the North by Swanson Street, on the East by Wood Street, on the South by Mayme Street and on the West by Main Street.

The need for this project was based on results from the windshield survey and the pre applications collected. One hundred (100%) percent of the requested grant funds will benefit low –to-moderate income households. There will be no permanent displacement

of persons or businesses to complete the proposed activities.

Sandy Fritz stated that a notice of this public hearing had been published in the Paullina Times in a manner consistent with the requirements of the Iowa Code. Section 362.3. No written comments had been filed. They Mayor and the city council then called for any oral comments. There were no oral comments.

Council Member Schreck moved and Council Member Harper seconded the motion to close the public hearing at 8:05 p.m. Motion carried with all ayes.

HAZARD MITIGATION
PUBLIC HEARING

On January 4, 2016 a public hearing was held at 7:30 p.m. at the Paullina City Hall to discuss the Multijurisdictional Hazard Mitigation Plan. Sandy Fritz stated that a notice of this public hearing had been published in the Paullina Times in a manner consistent with the requirements of the Iowa Code. Section 362.3. No written comments had been filed. They Mayor and the city council then called for any oral comments. There were no oral comments.

Schreck moved and Harper seconded the motion to close the public hearing at 8:07 p.m. Motion carried by all ayes.

RESOLUTION TO ADOPT
THE HAZARD MITIGATION
PLAN

Schreck introduced Resolution No. 16-01 entitled “RESOLUTION ADOPTING THE MULTIJURISDICTIONAL HAZARD MITIGATION PLAN 2015” and moved that the Resolution be adopted. Harper seconded the motion to adopt. The roll was called and the vote was as follows:
AYES: Harper, Ihle, Werkmeister, Jones, Schreck
NAYS: None
The Mayor declared the measure duly adopted.

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BUDGET REQUEST
FY 16-17

Fire Department – \$2729.46 – tools, radios, light bars
Girl’s Softball - \$3,000 Boy’s Baseball - \$3,000
Upper Des Moines - \$740
Swanson Complex - \$7,000 + irrigation water over
\$1,000
Lions – lifeguard fund - \$2,500
Paullina Airport – same as last year
Paullina Police Department -\$174,532.91
Paullina Utilities – \$386,350
Paullina Ambulance - \$1,000 wage increase
Paullina Library - \$57,475
Paullina Economic Development - \$5,000

GARBAGE RATES

The council reviewed the garbage collection data collected by Town and Country. City Clerk Fritz will work on a new commercial garbage fee schedule.

AMBULANCE EMT

The council reviewed the figures on what it would cost to hire a full time EMT to take day call. The council then asked City Clerk Fritz to review the current ambulance fees and report back at the next meeting.

SIEH NUISANCE

Werkmeister moved and Harper seconded the motion to proceed with the removal of the house and garage at 223 N Main Street. Motion carried by all ayes.

GARBAGE FEE
EXEMPTION

Werkmeister moved and Harper seconded the motion to allow a garbage fee exemption for Dr Tim Wester and Greg and Jeanne Vogel which will begin when their garbage carts are returned to City Hall. Motion carried by all ayes.

BUNKERS LAWN CARE

Schreck moved and Harper seconded the motion to approve BFS Lawn Care Proposal for 2016 at a rate of \$2,094.94. Motion carried by all ayes.

MOSQUITO CONTROL

Werkmeister moved and Jones seconded the motion to approve the Mosquito Control bill for 2015 for \$4,120.00. Motion carried by all ayes.

CONSIDERATION OF
AMENDMENTS TO S-1
AGREEMENT AND
RELATED DOCUMENTS
AND RESOLUTION

Council Member Dan Schreck introduced the Resolution entitled “RESOLUTION TO APPROVE AMENDMENTS RELATING TO THE MISSOURI BASIN MUNICIPAL POWER AGENCY d/b/a MISSOURI RIVER ENERGY SERVICES POWER SALE AGREEMENT (S-1), AND ASSOCIATED TRANSMISSION AGREEMENTS” and moved its adoption. Council Member John Ihle seconded the motion to adopt.

The members of the Council discussed the motion and amendments to the power supply and transmission contracts identified in the Resolution. Joni Livingston, Director, Member Services and Communications, on November 7, 2015, gave a presentation highlighting the reasons for the changes to the power supply and transmission arrangements, the proposed changes, and the schedule for completing consideration and approval of the agreements. Joni Livingston answered questions and explained how the amendments will impact the City of Paullina.

The Resolution came to a vote, the roll was then called, and the votes were as follows:

Ayes/Voting in favor of adoption of the Resolution:
Charles Harper, John Ihle, Dan Schreck, Jay Jones

Nays/Voting against adoption of the Resolution:
Dennis Werkmeister

The Mayor declared the following Resolution duly adopted on the 4th day of January, 2016.

**Resolution to Approve Amendment 5 to the S-1 Power Sale Agreement, and Missouri Basin Municipal Power Agency Power Sale Agreement (S-1).
(as amended and restated effective January 2, 2017)**

WHEREAS, the City Council of the City of Paullina (“City”), Iowa is currently purchasing all electric power and energy it requires to meet the needs of its customers in excess of City’s firm power allocation from the Western Area Power Administration (“WAPA”) (“Supplemental Power”) from Missouri Basin Municipal Power Agency d/b/a Missouri River Energy Services (“MRES”), pursuant to the terms and conditions of the Power Sale Agreement (S-1) (“S-1 Agreement”) for a term extending through December 31, 2045; and

WHEREAS, the S-1 Agreement requires that MRES physically deliver Supplemental Power to City over the Integrated System (“IS”) transmission facilities administered by WAPA; and

WHEREAS, WAPA joined the Southwest Power Pool (“SPP”) Regional Transmission Organization (“RTO”) effective October 1, 2015, and the IS transmission facilities were moved into SPP (which now has functional control over those facilities) and, as a result, MRES can no longer physically deliver power and energy over the IS transmission facilities. Further, because all MRES members are now in the footprint of either the SPP market or the Midcontinent Independent System Operator, Inc. (“MISO”) market where power and energy are financial (and no longer physical) transactions, the S-1 Agreement no longer accurately reflects how power supply and the delivery of that power and energy are actually transacted in the RTOs. The RTOs, including SPP and MISO, operate energy markets and transmission networks that have fundamentally changed the way MRES provides power and energy to its Members under the S-1 Agreement; and

WHEREAS, these market changes require that Supplemental Power must be separated from Transmission Service because all MRES Members are located in one of two different RTOs that operate markets for energy (and capacity), and the physical delivery of power and energy (i.e. transmission service) is now separate from those actual commodities; and

WHEREAS, it is mutually beneficial to all parties that the base term of the S-1 Agreement which currently continues to 2046 be extended until 2057 to facilitate future financing of projects on the most advantageous terms and with the least impact on the wholesale power costs of City and other MRES Members; and

WHEREAS, other changes proposed to the S-1 Agreement will enable MRES to meet the new transmission service and energy market demands of the changing electric utility industry in a way that enhances the ability of MRES to effectively and economically provide Supplemental Power and Transmission Service to City, will provide clarification to

the existing obligations of the parties, will provide flexibility for City to provide for a limited amount of its customers' needs from its own local renewable resources, and will address the privacy and security of information on individuals; and

WHEREAS, the City of Paullina desires that MRES continue to plan for, provide, and arrange for delivery of all Supplemental Power and Transmission Service needed by City.

NOW THEREFORE BE IT RESOLVED by the City of Paullina that:

(1) The "Amendment 5 to the Missouri Basin Municipal Power Agency Power Sale Agreement (S-1)" among MRES, Western Minnesota, and City is approved in the form presented; and

(2) The "Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) (as amended and restated effective January 2, 2017)" and "Schedule A" among MRES, Western Minnesota, and the City are approved in the form presented.

IT IS FURTHER RESOLVED that each of the Mayor Justin Stamer and City Clerk Sandy Fritz shall be, and each of them acting individually hereby is, authorized and directed to execute and deliver to MRES each of the foregoing documents on behalf of the City of Paullina, Paullina, Iowa.

Upon calling of the roll, the votes were as follows:

Voting for adoption of the Resolution: Charles Harper, John Ihle, Jay Jones, Dan Schreck

Voting against adoption of the Resolution: Dennis Werkmeister

Whereupon, the Mayor declared the Resolution duly adopted on the 4th day of January, 2016. Resolution # 16-02

FY 2016-2017 Budget

Discussion was had on projects that should be included in the FY 2016-2017 Budget.

ADJOURNMENT

The time being 9:30 p.m. Schreck moved and Ihle seconded the motion to adjourn. Motion carried by all ayes.

Justin Stamer, Mayor

Attest:

Sandy Fritz, City Clerk

SEAL:

