

COUNCIL PROCEEDINGS
May 29, 2108

Charles City city council met in a planning session on May 29, 2018 at 6:00 pm in council chambers. Mayor Dean Andrews presided and the following council members were present: Keith Starr, Jerry Joerger, DeLaine Freeseaman, Michael Hammond, and Dan Mallaro. Also present were city administrator Steve Diers, city engineer John Fallis and city attorney Brad Sloter.

Broadband commission members, Eric Lampland from Lookout Point Communications and Curtis Dean from Smartsources were on hand to discuss with the council the progress of the potential project of providing "fiber to the home". Eric started with a review of what has been done. He stated that the feasibility study is done and there are three phase in front of the council. Those three phases are Design and Engineering, Building the network, and operation. From the study we learned that it was important to the community to have access to high speed capabilities and residents were not satisfied with current choices. Goals and objectives that should be pursued are ubiquitous coverage, reliability, high speed internet service, reasonable cost and advanced architecture. The infrastructure could be built by ourselves or we could share the infrastructure with someone who already has equipment. Conversations have been had with possible partners. Broadband committee felt that model 4 was the best option. Model 4 consisted of shared services. Right now New Hampton is also working on the same project and Eric related that there is significant benefit for us to work with them. 44% take rate for residential and 35% take rate for business was used in model 4. Models broke even at 37% take rate. Capital Expenditures for model pursued were \$11.8 million. Bonding of \$11 million needed. Difference in figures is the revenue coming in for services. Bond assumption was for 25 years at a 5% interest rate. Worse case model bond 11.5 million but capital expenditures were less due to less households. Entering in to Phase III- Design Engineering, Marketing and Financing, would include specific build costs on design engineering specifications, final business plan, assisting with job descriptions, seeking and evaluating potential technical staff, developing an implementation plan for the build-to-operation stage, and initiate marketing programs and early sign-ups. Same is true with outside plant. Cost for Phase III are \$381,979. These cost would be rolled into the bond costs if you follow through with the project. Josh Mack and Danny Wilson from the broadband commission spoke on their support of the project. Administrator Diers has been working with Paul Donna and John Danos on the financing aspects of the project. Diers stated that most communities that have done a project like this also own an electric utility. Since the City does not own an electric utility it make the financing a little more challenging. Council was in consensus that they need to look at what is best for the community and is this the right investment for the community. Curtis Dean from Smartsources spoke about a complimentary process to Eric's process. He is looking at doing a request for information for partners that are interested in working with Charles City on this project. He has worked with the City of Vinton on this same process. Diers likes the idea of having many sets of eyes on this project. Council member Freeseaman asked how the initial costs would be funded. Diers stated it would possible a short term borrow, but that would be part of the next discussion on this project. Council member Star asked if we needed to do 25 year financing. Diers thoughts were that we could always pay the debt off early without any penalties. Eric stated that there could be some savings on the \$75,000 quote if council decided to share some of that process with New Hampton.

Bob Ingram has provided information about cyber coverage and cost. Bob state that this coverage is something that is fairly new. Bob provided two quotes. One was a group coverage that has a \$1,000,000 per occurrence and has a \$10,000,000 aggregate limit. Annual cost of policy is \$2,000. He made a point of concern was the \$10,00,000 aggregate limit- if there are 11 \$1,000,000 claims in one year the

\$10,000,000 aggregate is used up and there is no money available for future claims. The second quote is a standalone policy and limits are \$1,000,000 per occurrence with a \$1,000,000 aggregate limit. Annual cost of this policy is \$3,636. Bob recommendation would be to but the standalone policy if the council decides to purchase coverage. Starr asked if this would cover the communication systems we have in place. Bob will research and get back to the council. Also concerns were expressed about our cloud based information and who needs to protect that information.

In the FY19 budget \$14, 000 was included in the water department for the purchase of a mobile meter reading system. We currently are using a handheld to read the new badger meters and itron readers. Purchasing the designed mobile unit will offer faster pickup speeds, continual data pull and improved readout functionality. The cost of the unit is quoted at \$19,099. There is room in the water department funds to absorb the additional cost.

Midland GIS has completed GIS mapping for the City's water main and sanitary sewer systems. We would now like them to map the storm sewer system. Midland will field locate manholes and intakes and obtain the x and y coordinates as well as elevation of the tops of the storm sewer structures. Once field work is completed, information will be entered into a geodatabase layer and placed into the City's web-based GIS program. The price to obtain the field survey information and prepare the GIS mapping is a lump sum price of \$60,000. City Engineer Fallis related that having this information gives staff a high level of confidence when giving out information to contractors, relators or anyone else who is asking for that type of information.

It is now time to begin preliminary engineering work on a new bridge for the Charley Western Trail. This engineering design phase services will include surveying and mapping, preliminary design and plan preparation for a 10 foot wide 390 foot long bridge, submittals to the US Army Corps of Engineers for permitting, submittals to the Iowa DOT for review, and geotechnical engineering investigation. Calhoun Burns has prepared an agreement with an estimated fee of \$71,400. This preliminary engineering work can process simultaneously together with applications for various funding resources. This preliminary engineering will help determine a more accurate cost estimate for funding applications. It will also allow us to use the causeway that is will be constructed during the demolition project to obtain boring in the river channel. Council felt it is important to get information out to the community to gain support of the project.

City Administrator Diers reported that have hired a new Foster Grandparent Director. Her name is Sarah Merrifield. She will be starting June 18th. She will have a couple weeks to work with Mary. Steve also mentioned that code enforcement has been working on sending letters out for grass that has not been mowed. To date 71 letters have been sent out. Bad reminded the council that the timeframe has shorten up for addressing reoccurring nuisance claims. John informed the council that the 1st avenue bridge will be closed starting Monday.

Being there was no further business the meeting was adjourned.

Dean Andrews, Mayor

Attest:

Virginia Titus, Deputy Clerk

