

June 1, 2020

The regular meeting of the Decorah City Council was called to order by Mayor Borowski at 5:45 p.m.

The meeting was held electronically as meeting in person was impossible or impractical due to COVID19 regulations.

The Pledge of Allegiance was waived due to meeting being held electronically.

Members present: Emily Neal, Ross Hadley, Kirk Johnson, Andy Carlson, Steve Luse, Johanna Bergan, Randy Schissel

Motion by Carlson, second by Bergan to approve the items of the consent agenda as presented.

- a. Minutes of the May 6, 11 & 18, 2020 meetings
- b. Claims
- c. New Class B Beer Permit for Snap Marketing
- d. Resolution 3089, setting a date for a public hearing on an easement agreement with Woolen Mill for parking
- e. Resolution 3090, a Resolution setting a Public Hearing on Proposed Plans and Specifications, Estimate of Cost and Proposed Form of Contract for the Construction of the Commerce Drive-Decorah 2020 Street Improvements Project and Directing the Engineer to Post Notice for Taking of Bids; *July 6, 2020 at 5:45pm*
- f. Resolution 3091, accepting the 2019 Ridge Road Improvement Project (Lower) as complete and releasing final retainage in the amount of \$8,522.91

Roll call vote. All voting aye. Motion carried.

Councilperson Neal requested agenda Item 8, Discussion and possible action on final draft of complaint documents to the Iowa Utilities Board and comments and response to Community Action Plan regarding electric utility provider, be moved to above agenda Item 4.

Mayor Borowski declined the request saying items are in the order discussed in the past and would prefer to leave it that way.

Motion by Luse, second by Neal to move the item as requested. Voting aye: Luse, Neal, Carlson, Johnson, Hadley, Bergan. Voting nay: Schissel. Motion carried.

Attorney Anderson then advised the agenda can only be re-ordered at the discretion of the Mayor with council approval per the adopted Council Rules of Procedure.

After considerable discussion Luse stated his protest of council action being denied. Believes it to be an inaccurate procedure.

City Manager Bird clarified only a single action regarding the franchise agreement is being considered tonight – the first reading, and the agenda order should not cause concern. If approved, it just begins the process.

Mayor Borowski announced her decision that the agenda remains as prepared and published.

This being the date and time for a public hearing on the proposed utility franchise fee revenue purpose statement the hearing was opened.

City Manager Bird explained the Revenue Purpose Statement simply defines what the fee may be used for. This is the same process used for the Black Hills Energy fee. It requires a public hearing and approval of a Resolution.

Kent Klocke, 702 Decorah Ave., asked for clarification on how the fee is collected.

Bird explained the fee is collected with the utility bill and paid by the rate payer to be used within the confines of the Revenue Purpose Statement.

There being no further comment the hearing was closed.

Motion by Hadley, second by Carlson, to adopt Resolution 3085 approving the proposed utility franchise fee revenue purpose statement. Roll call vote. Voting aye: Hadley, Carlson, Schissel, Neal, Johnson, Luse. Voting nay: Bergan. Motion carried.

This being the date and time for a public hearing on a proposed utility franchise agreement with Alliant Energy the hearing was opened.

Jim Martin-Schramm, 104 Spring Street, stated he does not understand why Alliant will make 5, 7 and 12 years out but not 3? Does not agree with their argument that they need 5 years to re-coup expenses. Believes they will re-coup their money if the city municipalizes.

Bird read statements from Jody Niess, 303 W. Water St. and Steve Knipe, 509 Fifth Avenue, both wanted their statements read and both encouraged the council to move forward with approving the agreement.

Bird also stated he had received comments from Haywood Stowe, Operations Directors for Collins Aerospace, and Kent Klocke, 702 Decorah Ave., and Marla Klocke, 702 Decorah Ave. All supporting approval of the franchise agreement.

There being no further comment the hearing was closed.

Ordinance 1249 approving the proposed utility franchise agreement with Alliant was introduced and read for the first time. Motion by Schissel, second by Johnson, to approve the first reading with no franchise fee.

Hadley stated he will be voting no because he doesn't like the order of the agenda.

Neal stated she is unhappy with how Alliant has treated Decorah. They have been less than forthcoming with us and we are paying the highest utility rates of any city in the state. She has no special interest of her own but is representing residents of Decorah.

She feels a franchise fee could be helpful in many areas and we can't have it without a franchise agreement. She feels forced to sign and forced by the agenda order.

Johnson asked "are you willing to pay 1.5 million more to underground lines.

Neal responded saying she doesn't believe those numbers are real. Believes we need to file a grievance before we make a decision.

Carlson stated he will begrudgingly vote yes. He agrees with Emily and Ross but understands Alliant does have the power to charge us.

Schissel stated we are not being rushed into a decision. Negotiations with Alliant stated in 2016.

After considerable discussion Johnson stated to be clear he wants to pass this but feels it will have a better chance with a discussion about adding the franchise fee. He withdrew his second to enable council to consider adding the franchise fee at this time.

Hadley stated collection of a franchise fee would be beneficial and thinks that discussion should be had. Bergan and Neal agreed.

Mayor Borowski reminded the council a vote can be put before the public in two years. A vote can be held before the 5-year window. She would like the council to consider the value of the franchise fee for that 5-year period. It will take at least a year or two to get to IUB.

Neal stated we would be signing the agreement under duress and wants to know from the Utility Board we have been told the truth.

Borowski responded saying she is also frustrated with paying more for a street because we won't sign. Alliant has answered every questions council has asked. She further stated while 1/2 of the residents supported municipalization 1/2 plus 3 did not.

Neal responded saying the election didn't pass because we had misinformation from Alliant. She doesn't trust Alliant.

Johnson stated no city has less than a 5-year out window in their contract.

Bergan stated two primary concerns –

1. Has seen movement at the negotiation table from Alliant but it is not enough. We need to establish trust again and need to ask for more.
2. The learning process with Alliant has been very uncomfortable. Believes discussions have been in favor of Alliant and their shareholders. Doesn't think there is a partnership with the City.

Johnson stated Sheila Tipton herself said it's at least 2 years before we can have a vote and another 2.5 to get through the IUB – there is the 5 years. The vote lost 2 years ago and doesn't have a super majority to move forward. Further, we will need the franchise fee to get thru the process.

Hadley stated it is difficult to enter into an agreement with there is mistrust. He is also concerned with the 30% margin of error in Alliant costs.

Bird clarified the 30% margin was in regards to simply moving the poles out of our way. It did not apply to the undergrounding of services which is estimated at \$1,000,000 for the section being completed.

Roll call vote. Voting aye: Schissel, Johnson, Carlson. Voting nay: Neal, Bergan, Hadley, Luse. Motion failed.

Motion by Luse, second by Neal to send comments and response on the Community Action Plan to the Iowa Utilities Board. Voting aye: Luse, Neal, Bergan, Carlson, Hadley. Voting nay: Schissel, Johnson. Motion carried.

Hadley spoke of the complexity of the complaint issue. Given that complexity, motion was made by Hadley, seconded by Luse, to table action on the complaint document pending further review. Roll call vote. All voting aye. Motion carried.

Motion by Hadley, second by Luse to adopt Resolution 3086 approving a collateral assignment of the Rowley Aviation Properties, Inc. Hanger Lease. Roll call vote. All voting aye. Motion carried

Ordinance 1247 related to Junk Vehicles was introduced and read for the first time. Motion by Luse, second by Bergan to approve the first reading. Roll call vote. All voting aye. Motion carried.

Bird reviewed thoughts on opening city facilities. No formal action taken.

Meeting adjourned on motion.



Wanda Hemesath, MMC
City Clerk, Tr.