

JOHNSTON CITY COUNCIL  
Worksession No. 17-10  
Johnston City Hall, 6221 Merle Hay Road  
May 1, 2017  
6:00 p.m.

1. CALL TO ORDER

Mayor Dierenfeld called the meeting to order at 6:06 p.m.

2. ROLL CALL

Present: Clabaugh, Lindeman, Brown, Cope

Absent: Temple

3. PRESENTATION OF PUBLIC FINANCIAL MANAGEMENT (PFM) FUNDING MODEL AND RATE CONSIDERATIONS FOR THE WATER AND SEWER ENTERPRISES

Finance / Human Resources Director Teresa Rotschafer introduced this item. Rotschafer stated that the Finance Committee met prior to this work session to discuss the utility funding model and rate considerations. Rotschafer stated that Financial Advisor Matt Stoffel would summarize the cash flow for the utilities and rationale for the proposed rates in order to meet all the utility obligations. Rotschafer stated that the Committee is recommending a multiple year rate ordinance, which will still be reviewed each year and if changes are needed the ordinance can go through the three readings and if no adjustment is made, then the rates will be all set.

Stoffel then went over the supporting documents, including the memorandums, cash flows and projections. Stoffel discussed the volatility of the irrigation revenues and how it can affect the cash flow. Stoffel stated that the most difficult part of predicting the water fund will be what Des Moines Water Works (DMWW) does. Last year DMWW came in at 5% and not the 10% that was originally being considered. A large portion of water debt will come off the books in 2020 and that is a primary driver when examining the water fund. The water fund has numerous capital improvements that will be undertaken over the course of the next few years. There is approximately \$7.5M in capital improvements in the water fund compared to \$2.5M in the sewer fund.

Stoffel stated that because of the irrigation variance the City should have 6-9 months of reserves. The proposal for a multi-year rate increase would be 7.5% for the first two years and then the two subsequent years would be 5%, with potential changes depending on what happens with the capital projects.

Councilmember Clabaugh inquired about the State Revolving Fund (SRF) requirements. Stoffel explained the process and where the calculation is located on the spreadsheets for the 1.1 ratio, and how it is derived. Stoffel explained that the City is obligated to budget at that rate, but if the City falls short it needs to be corrected during the corresponding year. After further discussion, Stoffel stated that he and staff built in the minimum rate increase proposal for proper coverage, keeping in mind one year of low irrigation revenue can have a significant impact.

Stoffel then provided some background on the sewer utility. Stoffel stated that usage is up 6.4% year to date through March, which is similar to the water usage less irrigation. 25% of the sewer rates are driven by the Water Reclamation Association (WRA) and its Capital Plan. The City is paying between \$4- \$500,000 for the three SRF loans annually. Based on flow growth, there was a three percent assumption, which is conservative and provides the City a level of comfort. The sewer primary driver is keeping the coverage stable, which ranges between a 1.28 and 1.43, with a goal of staying near 1.3. The requirement is 1.1, however Stoffel explained that 1.3 offers greater stability and flexibility. There is no future debt built into the rates. Everything in the Sewer CIP is being factored in with paying by cash.

Councilmember Cope inquired about the storm water impact on the sewer funding and the rates from the WRA. Stoffel stated that whether it is a wet or a dry year, Johnston is not impacted with separate storm and sanitary sewers, but the impact is based on a percentage overall on infiltration other communities may have. Stoffel mentioned the City could increase its sewer usage, but costs decrease based on other municipalities on a proportionate basis.

Mayor Dierenfeld summarized by inquiring if the Council was comfortable with the rates proposed and if a four-year ordinance is supported. Council members indicated support of the multi-year ordinance and rates proposed.

4. PRESENTATION OF THE TERRA LAKE PHASE 5 PLAY AREA CONCEPT PLAN

Park and Recreation Director John Schmitz introduced this item and provided background. Schmitz stated that at the last meeting it was requested of him to bring the final design concept of Terra Lake Phase 5 forward for final review and discussion. Schmitz mentioned that phase 5 is the playground area and then went over the concept and how it flows. The design includes shade structures, various ways parents can be involved and accessibility features for wheel chairs.

Schmitz mentioned one of the key components of the design is to keep the kids active, learning, discovering and moving. The playground will be bordered by a six foot wide path which is wheelchair accessible. The base floor will be a safe rubber material which is durable and extremely safe.

There is a meeting Thursday at which time the project timeline will be settled on. Councilmember Brown stated that he is happy with the progress and the ADA accessibility and mentioned that he received weed complaints in Green Meadows and near 100th. Brown mentioned that he did not want to give the impression that all the City resources were being expended at Terra Lake at the expense of all other City parks. Schmitz responded that they are actively working on finalizing the project at Green Meadows.

Councilmember Brown suggested perhaps that enhanced communication could help, including reiterating that the City is still focused on the projects outside of Terra Lake. Schmitz mentioned that they are doing their best to make sure Terra does not get the only focus and that they are working on the other neighborhood parks. Schmitz stated that they will work on the perception and are working with the complainant in regard to Green Meadows.

There were some questions regarding the timeline and remaining steps for the fishing pier. Schmitz stated that they should be filling back up within a week and a half and the project will hopefully be completed mid-June.

There was also discussion about the prairie grasses and security within the playground area. Schmitz mentioned the platforms are higher and there are great lines of sight from the platforms and throughout.

Staff Comments:

With some time left prior to the Council meeting, City Administrator Jim Sanders updated the Council with regard to a couple of items. Sanders stated the he and Emily Price have been working with DART to create a survey to determine additional bus services throughout the day and if there is a need for more stops above just the express routes along Merle Hay Road. The survey should go out within a week, including the new complex residents. In an effort to keep the bus moving, the route would no longer go down Pioneer Parkway, so those who use the bus would need to utilize the stop right on

Merle Hay and Pioneer Parkway. Sanders mentioned the survey is going out to 2,500 residents, and they are communicating to businesses as well.

Sanders stated that he wanted to recognize and thank the police department for their drug take back program efforts. Sanders stated it was a popular program which gets prescription drugs back to a safe place.

Mayor Dierenfeld provided an update on the final report from the governance task force and recommendations for DART. The task force voted unanimously to change the governance and have an aggressive timeline to make the proposed changes. The DART Commission will now consider and it is believed will result in support for the proposal.

Mayor Dierenfeld discussed the individual recommendations on the final report. Mayor Dierenfeld stated there was considerable discussion with regard to weighted voting. She mentioned that she opposed weighted voting. The consensus was to have weighted voting but only for budget and service related items upon request of a member with seven days' notice and  $\frac{3}{4}$  of a quorum would be necessary.

The meeting adjourned at 6:58 p.m.

\_\_\_\_\_  
ATTEST:

Paula S. Dierenfeld, Mayor

\_\_\_\_\_  
Cyndee Rhames, City Clerk