

CITY OF SIGOURNEY, IOWA
MINUTES OF REGULAR CITY COUNCIL MEETING OF
WEDNESDAY, JULY 6, 2022

The Sigourney City Council met in regular session in the Council Chambers at City Hall on Wednesday, July 6, 2022, with Mayor Morlan presiding and the following Council members answering roll call: Lentz, Tish, Clark, Conrad, McLaughlin and Iosbaker. Others present were: Paul Horak, Horak Insurance; Jerry Wohler; Don Northup, Director of Public Works I; and Angie Alderson, City Clerk.

The meeting was called to order at 6:00 p.m. Council member Conrad moved, seconded by Council member Lintz, to approve the tentative agenda. Upon the roll being called, the following voted Ayes: Lentz, Tish, Clark, Conrad, McLaughlin and Iosbaker. Nays: None. Motion approved.

Council member McLaughlin moved, seconded by Council member Iosbaker, to approve the following items on the Consent Agenda: minutes of regular Council meeting of June 15, 2022; Council accounts payable claims in the amount of \$114,168.54; Liquor License Application for Brother's Market 8, LLC (DBA: Brother's Market) at 118 South Main Street for Class E Liquor License, Class C Beer Permit, Class B Wine Permit and Sunday Service; Liquor License Application for Brother Market 8, LLC (DBA: Brother's Market Wine and Spirits) at 110 South Main Street for Class E Liquor License, Class C Beer Permit, Class B Wine Permit and Sunday Sales; Community Betterment Requests - \$5,000.00 for 95 feet of concrete for curb and gutter on South Shuffleton Street and \$15,000.00 additional to finish fixing the street on South Stuart Street; credit card report; and the time and place for the July 20, 2022 regular Council meeting will be at 6:00 p.m. at City Hall. Upon the roll being called, the following voted Ayes: Lentz, Tish, Clark, Conrad, McLaughlin and Iosbaker. Nays: None. Motion approved.

Additional City Business: Paul Horak, Horak Insurance, was present to review the City's property, liability, workers compensation and boiler insurance policies. Mr. Horak gave a summary of the current insurance rates. ICAP (Iowa Community Assurance Pool) is a self-assurance pool that means it is member owned. IMWCA (Iowa Municipal Workers Compensation Association) which is a 28E agreement with public entities in Iowa and this is the City's workers compensation coverage. Mr. Horak reviewed the renewal and history for the City. The blanket coverage includes all the buildings and contents. There was roughly an eight percent increase across the board. An evaluation of the City was done a few years ago and the values are to be reassigned at some point. This is not being done this year due to the rate increases. The eight percent increase in part is trying to keep up with construction costs. There is a total of \$4,000,000.00 for liability coverage which includes general liability, auto liability and the errors and omission liability. Mr. Horak stated that the ICAP voucher has been zero the last two years. Since ICAP is owned by its members and every year they declare what is called a voucher which is a discount or refund on what the City has paid as a contribution to ICAP. The last two years the ICAP Board of Directors has not declared this as ICAP has not made any money. They have had more losses than revenues. The Board of Directors is made of its members. IMWCA has a mod of .89. This is due to the City's safety programs and low claim frequency. The City is only paying 89% of what would be the bureau rates. The State sets the rates for all work comp class codes in the State of Iowa. The biggest yield comes from built in discounts through IMWCA. The net costs versus last year are just under a thirteen percent increase. Most other entities are seeing over a twenty percent increase. There are a lot of weather abnormalities that have affected insurance as well as distracted driving. Vehicle repair costs have increased significantly, and the costs of construction keep increasing. Council member McLaughlin moved, seconded by Council member Clark, to approve the renewal of the City's property, liability, workers compensation and boiler insurance policies and related annual premiums. Upon the roll being called, the following voted Ayes: Lentz, Tish, Clark, Conrad, McLaughlin and Iosbaker. Nays: None. Motion approved.

Mayor Morlan stated there have been a number of questions on the construction at 119 East Marion Street. Some of the situations do not exactly agree with the plans. The plans in some cases are not clear. Part of the possible decisions are to send a letter to Rod Grooms (*the contractor*) regarding the situations and where the City will be asking for money back on certain items. The number one issue is the roof. The parapet wall between 119 – Barn Wired and the Jonesy building (where the wall was to be torn down a little below the roof and built back up) was supposed to be with twelve-inch block. The mason stated they do not have anything on the Jonesy side that is substantial enough to put the block on. Instead, eight-inch block was suggested and used. One of the things the City is questioning is why was not the City (*and Barn Wired*) informed of the situation on why they did that. Mayor Morlan was on the roof today and he is not sure they could not have gone ahead and done the twelve-inch block. Eight-inch block was used from the Barn Wired side. When the City gets ready to finish off the Joensy building we are going to have to provide a four-inch block, so we have the full twelve inches, but not for the full wall because there is part of the wall where there is one wythe of brick that is not there that is actually eight inches wide. The

question is since we (*Barn Wired*) was billed \$14,000.00 in a change order to do this, the City is expecting money back on that situation since they only used eight-inch block. Another issue are the windows on the second floor of the *Barn Wired* building. The plans in the notes call for the window frame to go from brick to brick. Mayor Morlan is not sure of how or why they came up with the size of window they put in, but it stops three and a half inches short on each side. There is a three and a half-inch filler that goes around to fill in that entire space. The question Amanda and Tyler have been dealing with is do we make them put the right size window in. If we do the contractor employees are saying it is twenty-five weeks for a special-order window to go in there. That is really going to delay the project. The windows they put in are there and the spacers are put in. Some think it looks fine, but it is not according to the plans. If you look at the drawing elevation, which is like a picture of the front of the building, you can see what it looks like. There is a space around the front, but the plans in the notes in the specs and the plans say it is supposed to go brick to brick. That is something else we would like to address in a letter to Rod Grooms, the contractor. They have a lot of problems into the entryway into *Barn Wired*. They have had leaking of the ramp into the basement and when you go into the foyer area, the framing was not built square. They have had to do some adjusting. Mayor Morlan stated that to him today it looks really good – a lot better than before. It was explained to him they ordered the windows correctly for the vestibule on the inside and the frames are supposed to be three and a half inches wide and they built it as four and an eighth inches wide. So, there was the extra space that they had to pick up. He feels they worked out a good solution for that, but he has not had a chance to talk to Amanda about that. They have added another layer of drywall there. Mayor Morlan thinks it looks good. There are just things that Amanda has had to put up with a lot. Then they have had an issue where the wall on the outside of *Barn Wired* goes up against the brick and they did not put a foam sealer in there and so there is a breeze through there. It has been caulked, but Amanda says they still get a little bit of a breeze through there. These are just items that could have been handled differently or better. But we are in the discussion part of it and the decision instead of approval is about sending a letter listing the items we have had to deal with and what they are going to do about it at this time. Council member Iosbaker asked what does that result in terms of the general contractor's action – does that translate into a change order. Mayor Morlan stated that the money coming back from the change order for the twelve-inch parapet wall was \$14,000.00 and we should be getting some money back on that – maybe a change order or something legal. As far as the windows on the second floor, Mayor Morlan does not know if those are standard windows, but they certainly were not custom windows. If they are standard windows, they (*Amanda and Tyler*) think they should get money back from those also. There is the decision of whether we make them put the correct windows in or live with what is there, but there is a twenty-five-week time period before they can get the correct size. Council member Tish asked if they leave the existing windows, what are they going to do to finish off around them. Mayor Morlan stated they have already done that. If you look at it, you can see the window and frame and they added like a piece of paneling up and around to fill in that three and a half inches on each side. Mayor Morlan questioned is that something Amanda is willing to put up with and will Rod Grooms tear the windows out and put the right size in. Council member Clark stated that sounds like something that would be normal to do and not go right up to the block that way when it came to replacing the windows you had room to play with when you were putting windows in instead of tearing brick out if you could not get the same size window. That sounds like a legitimate reason you would have wood excess on either side. Mayor Morlan pointed out that on the 101 East Marion Street building on the Main Street side they did windows for the second floor and those frames go brick to brick. There is no gap on the sides. The paneling is going up the side, they are insulated and finished off. They will be painted about the same color as the frame itself. Part of what makes this situation a little difficult is the contractor has a contract with the City to do the work. The City has a contract with the building owners. The building owners really cannot talk with the contractor about what they want because the City is responsible with them. The City is the go between that goes from the building owner to us and then to the contractor. Council member Conrad stated that the City does not seem to be getting anything from the contractor to take back. Council member Conrad is upset with the contractor as he thinks the contractor is holding the City as hostage, doing whatever he wants, making whatever agreements he wants to make with the contractor. This is not the customer is always right, this is you are going to be happy with what I give you or else there is going to be a delay, etc. Council member Conrad is not at all happy with the contractor and he is not happy with Curtis for what he sees as a lack of direction. Council member Conrad is not sure sending Grooms a letter will necessarily do much. He thinks it should be a discussion with him. He feels that sending a letter will only delay the contractor's behavior. Mayor Morlan stated that he agreed, but by sending the letter there is some money that is expected back on some of the items. Council member Tish asked how the meeting with Rod Curtis went. City Clerk stated she did not think we were aware of the parapet wall at that meeting and were only discussing the windows. Rod Curtis stated that if Amanda wants the correct windows put in, she will have to send the City a letter stating that and then the City would send a letter to Groom stating we want the correct windows put in. The building is on the Historic Register as a contributing building and believes SHPO had to look at the plans as well. But after talking with Brad Grefe, Area 15 RPC, it is understood that these were not historic windows in place and that they do not have to be replaced with historic windows. Council member

Iosbaker stated that the plans call for a custom window. Council member Tish asked if we had received a new schedule. City Clerk Alderson stated she had sent them an email in June, and we are not going to get those schedules for the Council meeting. City Clerk Alderson stated that she made copies of the work to be done at each building, so the Council would have that much information. Council member Tish asked if the City's share is 25% and that is correct. Council member Iosbaker stated he is asking about change orders as he had a conversation with Amanda a week ago and if change orders are filed that constitutes a charge to fix what the contractor messed up in the first place and that falls back on the building/business owner. That seems fundamentally wrong. Mayor Morlan stated that we need to have some type of communication with the contractor letting him know what we are not happy with and what we would like to see done. Mayor Morlan stated that one of the problems such as the parapet wall – no one communicated anything to the City that they were making that change and did not allow us to approve that. They just did it and that is what has been happening with a lot of the things. Council member Clark stated he agreed that a letter was not going to help and wanted to know what else could be done. Council member Iosbaker stated that a letter does provide a paper trail. Council member Conrad stated that he agrees, but he does not think it is the most effective way to communicate. He does not know if Grooms will come to a meeting, and he would like Curtis there as well. He would like everyone in one spot and say how are we going to do this. We have put off having someone of our own on site so they could do automatic communication because we thought they were going to do something. After we got the last timeline it all seemed great and then we find out about the parapet wall and now he has concerns about whether the roof goes over the parapet, and it does. So, it's supposed to be connected on both sides, so once the roof gets connected over an eight-inch wall and the City decides they want to go to a twelve-inch wall then what. Mayor Morlan stated we would have to tear the piece of capping. Council member Conrad asked what that would do to the roof warranty because someone else messed it up instead of the person that put it on originally. Mayor Morlan stated we would have to cross that bridge when we come to it. Council member Conrad stated that is what they are doing – kicking everything down the road. He said to go ahead and send the letter. Council member Iosbaker stated he agreed that this is not going to be effective. Council member Conrad stated that we would like to have some kind of response that is reasonable, within a short period of time or what else are we going to do. Council member Iosbaker stated that we were going to have to grab the contractor by the wallet. Council member Conrad stated that we do not really have a firm hold on that as what options do we have to get the project done. If the City makes him mad and he walks away, who is going to come in and finish the job and it appears he knows that. Council member Conrad's concern is the contractor does not care. There is nothing he has seen go through the Council that impresses him concerning the contractor. He has not heard anyone say it is exemplary or timely work. Mayor Morlan stated that is an opinion shared by a lot of people. Mayor Morlan stated that Amanda and Tyler are going to have to make a decision as whether they are going to be satisfied with what is there or not. Council member Clark stated that he would probably be satisfied with what is there and not have to rely on this company to stay true to their word in 25 weeks. Council member Iosbaker asked if Amanda and Tyler or anyone else expressed an opinion. Mayor Morlan stated that Amanda does not like the windows the way they are and wants them the way they are supposed to be, but again they have to decide to settle with this and be done with the project or wait the long-extended time. Council member Conrad stated the contractor could kick in money to make them accept it and that way if they want to replace the windows in six months, they have some money to do it with. That would not delay anything, and the contractor would not have to be there any longer. Mayor Morlan stated that is the portion of the letter that states we would be expecting money back if the windows are kept and the same with the parapet wall. Council member Conrad asked if the contractor would give the option of not giving any money back but would provide windows in six months that are appropriate. Mayor Morlan stated there would be no guarantee of that either. Council member Tish asked about having an observer and have we found somebody to come through that is experienced and knows what to look for and makes an unbiased list that we have if we are going to have a letter and have this from the get-go. If we are going to send a letter it should be one hundred percent accurate from the beginning. Mayor Morlan stated there has been a lot of discussion back and forth and they are aware of everything we are talking about that we are not happy about. Council member Iosbaker asked if there was money returned what would happen with it. City Clerk Alderson stated that she does not think actual money will be exchanged, but that the money will go towards Amanda's project. Mayor Morlan stated that Amanda has used her contingency funds so this would be like additional contingency fund available for her. Council member Iosbaker moved, seconded by Council member Conrad, to send a letter to R.G. Construction to create a paper trail about our grievances and the concerns that the City has. Upon the roll being called, the following voted Ayes: Lentz, Tish, Clark, Conrad, McLaughlin and Iosbaker. Nays: None. Motion approved.

Council member Tish stated that she has figured, and the City's share is around \$200,000.00 toward the Façade project. Some things are being done right, but that is a lot of money for somebody that is messing around. If the City is going to put that much money out there, it needs to be right. Council member Tish is in favor of continuing on with an observer and we have not received another schedule. She told Mayor Morlan that she appreciates

what he does, but she would like someone that is unbiased and not involved. Council member Clark stated that the contractor does not have to listen to anything an observer says. Council member McLaughlin stated she does not want this to be a waste of money. Council member Iosbaker stated the logic behind the original proposal he made was to get an observer in there that is qualified, who if the Council chose to do something that had the potential to land them in court, that the City has a credible person to help argue the City's side of the equation, as none of them are in a position to do that. Acknowledging the fact that we are close to the end of the project it would be difficult to come in at this point in time, but if the Council is nearing the point where they are going to have to "settle" for what is being given and there is no recourse, then the only option he can see is to withhold payment. That is going to get the contractor's attention and the Council needs some way to defend their position. Council member Conrad stated that it might be a good way to foster communication. He understands that sometimes there is not a lot of time to talk with the Mayor and Council, so an observer would be able to communicate things faster. Council member Clark asked if the Council could make sure the observer is going to be allowed to be on the project as that was another concern the contractor saying it is a safety hazard for someone to be up there and telling the observer they could observe from the sidewalk. Council member Iosbaker stated that from talking to Rodger he has done this kind of work in the past and apparently that is not the kind of problems they have had. Mayor Morlan has been allowed to go where he wants, and he has been on the roof seven times. Council member Iosbaker stated that before they talked about liability insurance, Rodger had quoted him \$20.00 per hour. The Council discussed how many hours a week and it was thought that maybe twenty random hours per week. Director of Public Works I Northup stated that it is not so much that you cannot stop the project you can, and Rodger can. He is there as an observer, whether he takes pictures or writes things down, takes a video, whatever. He is there at the end with a list of what he observed to be wrong. Rodger has been in this all his life, and he can look at the plans and then at the product and tell if something is wrong. The retainage is being withheld and at the end of the project the architect has a checklist. Director of Public Works I Northup asked about the chain of command and if things are not done according to the plans the contractor should have someone, he goes to asking about a change order. Mayor Morlan stated the contractor should be going to the architect and then the architect would communicate with the City. Council member Iosbaker stated he understands the architect could make recommendations, but the general can still do what he wants to do. Mayor Morlan stated it would have been much better if he had communicated everything as it was happening. Director of Public Works I Northup stated we could check, but he believes that that is the contractors job site, and he does not have to let anyone on it. He could probably allow the owner, but it can be a fine line as to who he is going to allow to come on to his job site. Council member Iosbaker stated that if we do this, we need to make sure we know what we can and cannot do as it would be counterproductive for the City to start to take these steps and then run into a brick wall because Grooms says no one is coming near the building. The Council discussed getting a contract in place and approved. Mayor Morlan stated the supervisor of the project is talking four to six weeks until completion, maybe eight weeks at the most. He understands the value of having an observer there, but at this point he is not sure. Jerry Wohler stated as one of the owners, he would like to see an observer there. Mr. Wohler stated they had leaks in the back because the downspouts were not put up and then after the complaints, he put them on the last few days and the leaks were three weeks ago. They have had the windows out for weeks and he would like to have an observer there to monitor the gaps on the sides, etc. Mayor Morlan asked about the apartment where the sealant was poured down into the furnace. Mr. Wohler stated the tenant moved out. Mayor Morlan asked about the damage and Mr. Wohler stated Grooms had him get the furnace fixed and he is supposed to be taking care of the bill. They still have not been back to clean up the mess yet. There is some other work to be done before it can be rented out again. Council member Clark moved, seconded by Council member Tish, to get a contract to hire Rodger Aller to be an independent contractor at \$20.00 an hour plus liability insurance. Upon the roll being called, the following voted Ayes: Lentz, Tish, Clark, Conrad, McLaughlin and Iosbaker. Nays: None. Motion approved.

Council member Lentz left the meeting at 7:07 p.m.

City Clerk Alderson stated she put the two change orders together as they are already done. These change orders were regarding getting the roof put on. Mayor Morlan explained the electrical changes that were made. Council member Clark moved, seconded by Council member Conrad, to approve Change Order 119 - #05 – 119 East Marion Street for the Façade Project Phase I and Change Order 117 - #6 – 117 East Marion Street for the Façade Project Phase I. Upon the roll being called the following voted Ayes: Tish, Clark, Conrad, McLaughlin and Iosbaker. Nays: None. Motion approved.

Council member Conrad moved, seconded by Council member McLaughlin, to approve Change 109 - #11 – 109 East Marion Street for the Façade Project Phase I. Upon the roll being called, the following voted Ayes: Tish, Clark, Conrad, McLaughlin and Iosbaker. Nays: None. Motion approved.

Council member Clark moved, seconded by Council member Iosbaker, to approve closing the parking spaces and sidewalk at the 101-105 West Marion Street buildings on the South Main Street side and the West Marion Street side for the removal of the parapet wall. Upon the roll being called, the following voted Ayes: Tish, Clark, Conrad, McLaughlin and Iosbaker. Nays: None. Motion approved.

The Social Media and Communications Committee is discussing a social media policy.

Council member Iosbaker stated the Child Care Project is going forward. The last report was there have been about ninety families respond to the parent survey, five responses to the employer survey and about four responses from providers. This closes on the 15th and then there will be some analysis with a report around the end of August. Farmer's Market is underway. The Car Show is on track for the 16th, and they are expecting a pretty good turn out there.

Street and Sanitation: Council member McLaughlin moved, seconded by Council member Conard, to approve the Altorfer Maintenance Agreement. Upon the roll being called, the following voted Ayes: Tish, Clark, Conrad, McLaughlin and Iosbaker. Nays: None. Motion approved.

A Street and Sanitation Committee meeting was set for Tuesday, July 12th at 4:00 p.m.

Public Safety: A Public Safety Committee meeting was set for Monday, July 11th at 6:00 p.m.

Public Input: Jerry Wohler told the Council they were doing a good job.

The meeting was adjourned by acclamation at 7:28 p.m.

Jimmy Morlan, Mayor

ATTEST: _____
Angela K. Alderson, City Clerk