

Present: Langreck, M. Meyer, Holthaus, E. Meyer.

Absent: Bushman

Zak Kriener from the Ossian Bee and Don Dilaura were present during the meeting.

Mayor Covell called the meeting to order at 5:00 p.m.

Rick Zahasky, city attorney, addressed the Mayor and Council explaining economic incentive programs that are available for commercial and residential property owners. Tax Increment Financing (TIF) and Tax Abatement are the two primary programs available. Because of the way TIF works, Zahasky suggested to the Council the Tax Abatement program may work best for Ossian. He explained that with tax abatement the City does not have to advance any of its funds so no City money is tied up in the program. The tax abatement program encourages property owners to make improvements to their property that will increase the assessed value. The incentive for the property owner is a reduction in real estate taxes on the value of the increased assessment. Zahasky noted there are specific guidelines required in the State Code of Iowa to follow when establishing a tax abatement program. After giving a general idea of the steps involved the Mayor and Council questioned Zahasky on various things to gain a better understanding of the tax abatement program. In concluding the Mayor recommended that before the July meeting the Council closely review the sample plan prepared by Zahasky so the process to put a tax abatement plan in place can get started. At the July meeting the plan can be tailored to meet Ossian's needs.

M. Meyer made a motion approving the following consent items May 4, 2015 council minutes, clerk's reports and the monthly bills, seconded by E. Meyer, carried, one absent.

M. Meyer made a motion approving Shooter's Bar & Grill's renewal application for their Beer/Liquor/Sunday Sales Permit, seconded by Holthaus, carried, one absent.

Langreck made a motion approving Cigarette Permits, effective July 1, 2015 through June 30, 2016, for Bambinos, Casey's General Store and Coop One Stop, seconded by E. Meyer, carried, one absent.

The Mayor and Council discussed the opportunity available to Iowa cities to implement a franchise fee on residents Alliant Energy and Black Hills Energy utility bills. If a franchise fee is implemented, the local option tax on the utility bill is removed (the local option tax is still collected by other retail sales inside the City). By swapping a franchise fee for the local option tax on the electric and gas bills, the City keeps 100% of the revenue collected from the utility customers located inside the City. Unlike local option tax revenue which gets distributed to entities county wide. With limited opportunities for funding sources it was the consensus of the Council this would be an opportunity to generate revenue for the City. The Council discussed possibly setting the franchise fee on both utilities at 2% which is an additional 1% from what is charged on the bills now. The matter will be further discussed at the July meeting.

M. Meyer made a motion approving a building permit for the Luana Savings Bank, seconded by Holthaus, carried, one absent.

The preliminary plans for the Jessie/Brooks/West Street paving project was reviewed by the Mayor and Council. The engineer on the project will be at a future meeting to go over specifics with the Council. The project is slated for FY16/17.

M. Meyer made a motion to adjourn, seconded by Langreck, carried, one absent. Meeting adjourned at 6:25 p.m.

Attest: _____
City Clerk

Mayor

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|-----------------------------------|---------|---------------------------------------|----------|---------------------------------------|---------|
| May 2015 Expenses | | | | | |
| Acentek-phone/internet charges | 449.86 | Capco-supplies | 5.50 | reimb | |
| Aflac-employee deduction | 242.28 | Cardmember Service-library supp. | 50.99 | Doug Egeland Tiling-services | 425.00 |
| Airgas USA-supplies | 34.20 | Casey's-vehicle operations | 73.44 | Farmers Union Coop-vehicle operations | 306.76 |
| Alliant Energy-electric utilities | 9739.49 | City Laundering-services | 135.89 | Fayette Publishing-publication fee | 309.04 |
| Baker & Taylor-library books | 291.96 | Collection Service Ctr-employ.deduct. | 990.00 | Hawkins-operating supplies | 1186.78 |
| Beans Tire Service-repair | 45.00 | Continental Research-supplies | 181.67 | Iowa One Call-services | 20.80 |
| Becker Hardware-services & repair | 4852.39 | Croell Redi-Mix-concrete | 234.50 | IPERS-May Ipers | 3106.37 |
| Beckmans Ace Hdwe-misc.supp/rep | 132.43 | Decorah Implement-equipment | 10650.00 | John Deere Financial-repair | 154.86 |
| Black Hills Energy-gas utilities | 257.66 | DNR-operator permits | 240.00 | Jude Zweibohmer-mtg reimb | 13.30 |
| Brian Zweibohmer-mtg reimb | 11.00 | Don Dilaura-mtg reimb & repair | 302.89 | Keith Lee-supplies | 78.09 |

Regular Meeting
June 4, 2015

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| Keystone Lab-lab fees | 235.00 |
| Kyle Meyer-services | 130.00 |
| Luana Savings Bank-h.s.a.&loan pymt | 62696.25 |
| Malcom Enterprises-garbage service | 5018.25 |
| Marvin Meyer-mtg reimb | 48.30 |
| Mississippi Welders-services | 277.96 |
| Norby's Farm Fleet-maint supplies | 201.58 |
| Ossian Bee-subscription | 37.00 |
| Ossian Lumber Co-supplies | 133.88 |
| Post Office-postage | 192.82 |
| Postville Vet Clinic-UPS chgs | 40.50 |
| Reminisce-subscription | 14.98 |
| Riley's Inc-operating supp | 30.00 |
| Rite Price Office Supp-supplies | 203.44 |
| River City Paving-cold mix | 266.98 |
| Roger Colbenson-plants | 1680.00 |

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|-----------------------------------|------------------|
| IRS-May Federal deposit | 5503.96 |
| Seventeen-subscription | 12.84 |
| The lowan-subscription | 24.00 |
| Trans Iowa Equipment-equip repair | 410.77 |
| U.S. Cellular-phones & services | 94.03 |
| Wellmark-insurance premium | 1824.90 |
| Winn. Co. Recorder-fees | 31.00 |
| Zarnoth Brush Works-supplies | 237.00 |
| Ziegler Inc.-repair | 697.80 |
| Zorin Material Hdlg-equipment | 3108.70 |
| May payroll | 13451.39 |
| Total | 131125.48 |
| May 2015 Expenses by Fund | |
| General | 35871.22 |
| Road Use | 6943.74 |
| Employee Benefits | 2124.90 |
| Debt Service | 62396.25 |

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| Water | 10764.88 |
| Sewer | 13024.49 |
| Total | 131125.48 |
| May 2015 Receipts | |
| General | 28277.04 |
| Road Use Tax | 3817.97 |
| Employee Benefits | 1148.37 |
| Emergency | 213.28 |
| Local Option Tax | 7117.16 |
| Library Trust | 550.00 |
| Debt Service | 101393.05 |
| Cemetery Perp. Care | 300.00 |
| Water | 9063.18 |
| Sewer | 11552.12 |
| Total | 163432.17 |