

CITY COUNCIL PROCEEDINGS

December 1, 2010

The City Council met at 5:00 p.m. in regular session with Mayor Larsen presiding. The date of the regular December City Council meeting was moved from Thursday, December 2, 2010 to Wednesday, December 1, 2010 to accommodate the schedules of the City Council members. Council present: Zimmerman, Shepherd, True. Council absent: Tooley, Wood.

Guests in attendance: Izetta Dierking, Gloria Myers, Carol Rosenbaum, Dave Sturm, Tim Teig, Linda Booth, Tom True.

City staff in attendance: Shannon Wood, Wayne Rush, Jim Blum, Terri Abel.

Mayor Larsen publicly thanked Snyder & Associates for the lovely meat and cheese tray that the company provided for the meeting.

Motion by Zimmerman, seconded by True to approve the agenda. Ayes: True, Shepherd, Zimmerman. Carried.

Motion by Zimmerman, seconded by True to approve the preceding month's minutes and Library minutes. Ayes: Shepherd, Zimmerman, True. Carried.

There were no Treasurer's or Clerk's reports available at the time of the Council meeting.

The Council members discussed details pertaining to the Eagle Monument Project. Tim Teig, of Snyder & Associates, Inc., was present at the meeting to discuss a change order and two pay requests, both on behalf of the Eagle Project. Teig reviewed the proposed change order for the benefit of the Council members. The change order contained four items. The first item deleted four aluminum cap anchors for the columns; the cap anchors were deemed unnecessary due to the weight of the caps. The second item deleted concrete for the spread footing; the footing was constructed in an alternate fashion at the contractor's request. The third item added paver edging and plantings to surround the monument. The final item added thickened and rebar reinforced subslab; the subslab was constructed in an alternate fashion to accommodate the revised footing. The overall cost of Change Order #1 amounted to a deduction of \$191.23 from the original contract price of \$90,717.68.

Teig indicated that Snyder and Associates was quite pleased with the quality of work that was performed by Evan McCarthy and the various sub-contractors. Tim reported that McCarthy is still planning to power wash the sand from the engraved brick when the temperature allows. He is also planning to replace a damaged cap block. Teig requested that the Council consider approval of the change order and Pay Request #3 (Sub-final) in the amount of \$12,899.83. Payment #4 (Final), in the amount of \$4,526.32, represents a retainage of 5%; the approval of the final payment would, in actuality, release the retainage. Teig reported that Evan McCarthy had requested that the City Council approve both pay requests, with the City holding the final check until he has completed removing the sand from the engraved bricks and replacing the damaged cap. McCarthy had indicated that he would like to receive both checks before the end of 2010. Teig felt that Evan's request was reasonable as long as the Council also found it acceptable. The final check for \$4,526.32 would not be released until all of the work had been completed and approval was given by Teig. Tim also reported that Evan McCarthy had agreed to replace a broken glass block at no extra charge to the City.

Tooley arrived at this time.

Motion by Zimmerman, seconded by Shepherd to approve Change Order #1 in the credit amount of \$191.23 on behalf of the Eagle Project and to approve Payment #3 (Sub-final) in the amount of \$12,899.83 in favor of McCarthy Landscape & Design on behalf of the Eagle Project. Ayes: Tooley, Shepherd, True, Zimmerman. Carried.

Motion by Zimmerman, seconded by True to approve Payment #4 (Final) in the amount of \$4,526.32 in favor of McCarthy Landscape & Design on behalf of the Eagle Project, contingent upon the completion of work and approval by Snyder & Associates. Ayes: True, Zimmerman, Shepherd, Tooley. Carried.

Gloria Myers expressed some concern regarding the sand that has deposited in the letters of the engraved brick. She also discussed the Eagle Committee's desire to eventually include some educational story boards or bronze plaques in the plaza as well as possible additional lighting in the future to better light the bronze sculptures. Myers noted that the Committee will indefinitely continue to accept donations for engraved

bricks; however, a deadline of July 15, 2011 has been set as the cut-off date for donations for the bronze donor plaques. The Committee is planning to install the donor plaques in the fall of 2011, with September 11, 2011 set as the tentative date for the rededication of the completed memorial. Fundraisers on behalf of the project will continue through the upcoming months.

Mayor Larsen stated that the memorial has been a great project, and he requested that Myers complete a final report to be featured in area newspapers as a press release. Myers reported that a possible story and photo might appear in a future publication or on a calendar for the national POW organization.

Dave Sturm, of Snyder & Associates, Inc., was present at the Council meeting to provide an update on the Splash Pad Project. Sturm provided the Council members with a revised layout detailing a new rectangular shape for the splash pad as well as a new location approximately six feet from the vinyl posts that surround Fireman's Park. Consequently, Blum did not think that it would be necessary to move either the time capsule or the memorial that is situated directly south of the proposed splash pad site. Sturm also noted that there would be enough room to either mow or construct a future sidewalk between the posts and the splash pad. The revised layout also included an underground vault to house the splash pad controls. The vault would be constructed at grade so that the vault could eventually be incorporated into a future sidewalk. Pending the Council's approval of the revised layout, Sturm indicated that the plans and specifications would be ready for approval at the January Council meeting with bids to be taken in late January as originally anticipated. The construction of the underground vault will be included in the plans. There was no new cost estimate available for the revisions.

Because of the changes in the layout for the Splash Pad, Sturm requested the approval of a Change Order for Additional Services in the lump sum amount of \$3,900.00. The additional cost of engineering was to provide services to revise the splash pad plans and specifications to add a shed which was subsequently removed and changed to an underground vault as well as changes in the layout of the splash pad.

Carol Rosenbaum reported that the Committee is in favor of the revised plans including the change in the layout and the substitution of an underground vault in lieu of a storage shed.

Motion by Shepherd, seconded by Tooley to approve a Change Order for Additional Services in the lump sum amount of \$3,900.00 in favor of Snyder & Associates for engineering services in conjunction with the Splash Pad Project. Ayes: Zimmerman, True, Shepherd, Tooley. Carried.

Relative to the City of Walnut Housing Rehabilitation Program, the Council members were provided with a bid tabulation that was held on November 1, 2010 for the next two housing projects.

Motion by Tooley, seconded by Shepherd to award a housing rehabilitation contract for 802 Antique City Drive to Walnut Creek Construction in the amount of \$24,846.00. Ayes: Zimmerman, Tooley, Shepherd, True. Carried.

Motion by Zimmerman, seconded by True to award a housing rehabilitation contract for 203 Pacific Street to Cardinal Construction in the amount of \$20,010.00 contingent on contractor supplying all required information and being in compliance with contractor requirements. Ayes: True, Tooley, Shepherd, Zimmerman. Carried.

Motion by Zimmerman, seconded by True to approve the quote in the amount of \$5,975.00 for asbestos removal at 203 Pacific Street; the quote was submitted by Mid-Iowa Environmental Corporation of Des Moines, Iowa. Ayes: Shepherd, Tooley, Zimmerman, True. Carried.

Regarding Fire Department discussion, Tooley reported that a committee of Fire Department members has been working with Attorney Dave Chase and City Attorney Richard Schenck to move forward on incorporating the Fire Department. Darren thought that once the Association has been formed, the City would remain in charge of the ambulance, and the Fire Board would still have the financial responsibility for the Fire Department. Tooley did not think that anything would change in regard of the ability to apply for grant funding opportunities. During the incorporation process, it will be necessary to review and possibly amend the Fire Department's bylaws.

The members of the Fire Department had also discussed the possibility of hiring a paramedic. Because the cost to hire a paramedic is prohibitive, the Department has considered the possibility of creating a stipend for the Fire Chief and the EMS Captain, largely due to the ever increasing amount of paperwork associated with the positions. There are new regulations that require the completion of a State report for every

ambulance call, for example. Tooley indicated that several members of the Fire Department feel that the volunteers should be paid for their time and effort to complete the required paperwork. The Fire Department might formally make a request to the City in the future regarding incorporation and a possible stipend.

There was nothing new to report regarding the proposed Walnut Street Curb and Gutter Project.

Motion by True, seconded by Shepherd to approve a Class C Beer Permit for Kum & Go #46. Ayes: Shepherd, Tooley, Zimmerman, True. Carried.

The Council members reviewed a draft resolution that would transfer funds from the City's Trust and Agency Fund and the City's Water Fund into the Employee Health Self-Insurance Fund. During the course of review, Shepherd requested clarification of the policy to reimburse employees for their annual out-of-pocket medical costs. Abel explained that the Employee Health Self-Insurance Fund was created as a result of a suggestion that was made to the City Council by Ron Hamilton, the agent for the City employees' health insurance coverage. As deductibles have increased, the City has captured any premium savings for the purpose of cost-sharing in employee health insurance out-of-pocket and co-insurance costs. Abel reported that there is currently approximately \$8,000.00 in the Employee Health Self-Insurance Fund; the draft resolution would transfer an additional \$10,469.52 into the fund. Likewise, each full-time City employee would be eligible for an annual reimbursement of up to \$2,000.00 for out-of-pocket documented medical expenses. Abel indicated that all three full-time employees had requested reimbursement of \$2,000.00; the request had been made in conjunction with the current list of bills. The City's current coverage allows for \$3,000.00 per family out-of-pocket expenses.

Shepherd commented about the high cost of the employees' health insurance. She suggested that perhaps the City Council should consider looking at other health insurance companies and agents. The City employees are currently covered by Wellmark Blue Cross Blue Shield. Shepherd felt that the City could conceivably realize a large cost benefit by considering other health insurance alternatives.

Shepherd also questioned the section of the Employee Handbook concerning the Policy on Continuation of Medical Coverage. According to the City's handbook, if an employee resigns or is otherwise terminated, the employee and eligible dependents may have the right to continue to participate in the City's health insurance program for up to nine months at the employee's or the dependents' expense. Shepherd questioned whether the continuation should be up to eighteen months instead of nine months as stated. Abel indicated that she would investigate the allowance, and she would make provisions to amend the Employee Handbook if necessary.

Abel noted that the City's health insurance premiums have continued to increase. Blum stated that Ron Hamilton has annually met with the City employees to discuss the health insurance coverage, but he has not recently met with the members of the City Council. Shepherd suggested that Hamilton provide the Council members with more options for health insurance coverage, including other possible carriers. Shepherd gave the example of Met Life for dental coverage, where she demonstrated a savings in the premium cost. During the course of the discussion, Abel stated that there is no State-sponsored program for health insurance, although the Iowa League of Cities endorses True North, a company that can offer the same coverage as Ron Hamilton at the same prices.

There are three local insurance agencies; however, Izetta Dierking noted that Deb Martin does not handle health insurance. Zimmerman stated that Tammy Cullen, of Atlantic, is also a good agent for health insurance, and he suggested that the City contact her for a proposal. After discussing the various options, Abel was instructed to contact the three local agencies and Tammy Cullen of Atlantic in order to obtain other alternatives for the employees' health insurance coverage. A Council committee was formed, consisting of Susan Shepherd and Cheryl True, to review the various alternatives. Blum indicated that the full-time City employees might also be interested in attending the committee meeting to look at the various options for health insurance. The City's health insurance policy does not renew until May of 2011, so there should be sufficient time to make any decisions relative to changing health insurance coverage.

Discussion of employee health insurance is to appear on the agenda for the next regular City Council meeting.

Motion by Tooley, seconded by Zimmerman to adopt Resolution 10-12-01, A RESOLUTION TRANSFERRING FUNDS FROM THE CITY'S TRUST AND

AGENCY FUND AND THE CITY'S WATER FUND INTO THE EMPLOYEE HEALTH SELF-INSURANCE FUND. Ayes: True, Zimmerman, Tooley, Shepherd. Carried.

Discussion followed regarding the FY 2011-2012 budget with the Council giving its input regarding desired budgetary items.

The decision was made to continue to allocate \$5,000.00 in the upcoming budget for a residential sidewalk replacement program and \$5,000.00 to the Walnut Merchant's Association for advertising the community, as has been customary for the past few years.

Abel noted that there will be an allocation for both the Eagle Project and the Splash Pad Project for the next fiscal year.

She stated that she would include the typical water and sewer expenses in the allocations.

If grant funding through the C.I.T.I.E.S. grant program materializes, Abel noted that the Walnut Street Curb and Gutter Program will definitely be included in the upcoming budget figures.

After a brief discussion, Abel was instructed to include an allocation of \$25,000.00 in the budget for the replacement of the west restroom at the park. Tooley commented that perhaps the school might be interested in partnering with the project.

Blum indicated that the City equipment is in relatively good shape, and he did not see the need to replace any of the equipment at this time.

The typical transfers from the General Fund into the Fire Equipment Fund, the Ambulance Trust Fund, and the City Equipment Fund are to be included in the budget for FY 2011-2012.

The Council members briefly discussed replacing the front windows on City Hall. The windows have lost their seal, and they continually have a fogged appearance. Abel noted that Rick Dolphens, one of the Letterheads, had suggested that a glass cutter cut the gold leaf sign from the front window. The sign could then be framed and hung from any new window that replaces the existing window. The Council members suggested that Abel contact Van Ert Glass or Carroll Glass to discuss the cost and feasibility of Dolphens' suggestion. As a result of the discussion, Abel was instructed to include \$10,000.00 in the upcoming budget for the replacement of the two front windows.

Tooley mentioned that many neighboring communities have invested in community centers. He suggested removing the American Legion Hall, City Hall, and the Welcome Center and replacing the three buildings with a large L-shaped community building/recreation center. The new building could house City Hall, the Welcome Center, and it could also serve as the headquarters of the local American Legion post. Mayor Larsen suggested including the sale of the AMVET's building, the proceeds of which could also benefit the construction of the new building. The AMVET's organization would also then use the new building for its meetings. Abel commented that there is grant funding available for such a venture, especially if a tornado safe room would be incorporated into the building plans. Abel stated that she had envisioned such a facility on the west side of the 300 block of Atlantic Street, which would allow for a large building and adequate parking. In order to properly apply for grant funding for a community center, it would be necessary to first formulate a concept and plan for the facility. No action was taken to appropriate any funding into the upcoming budget for the development of a community center.

Blum requested that an allocation be included in the budget for maintenance of the Water Tower.

The Council members briefly discussed the possibility of phasing LED bulbs into the Christmas lighting theme for Antique City Drive and the downtown Business District. Blum reported that the City men typically leave the Christmas lights mounted on the downtown buildings; they replace the strings of lights, as needed, for each upcoming Christmas season. It takes approximately 5 ½ cases of lights for the street light poles, the buildings, and the trees in the Business District. An additional 200 bulbs were used this season to replace any unlit bulbs in the wreaths.

Blum reported that the decorations on the north end of Antique City Drive are in bad condition and need to be replaced. He suggested that the City consider replacing the deteriorated decorations with something different than the traditional garland and wreaths. Jim stated that some residents had requested that the City install wreaths that would be visible to vehicles traveling on Antique City Drive; the existing wreaths are mounted flat against the street light poles. Blum stated that the best time to purchase LED Christmas lights or decorations is directly after Christmas. True suggested that

Blum ask the City of Atlantic where it is purchasing LED lights; Atlantic is in the process of changing its Christmas lights over to LED lights. Blum suggested that the City phase-in LED Christmas lighting. The Mayor requested that the City men discuss any style of new decorations with some of the Council members before purchasing the replacement decorations. Abel was instructed to allocate \$3,000.00 in the budget for FY 11-12 for the purchase of LED Christmas lighting or replacement Christmas decorations.

During salary discussion, Abel was instructed to include an allocation in the upcoming budget for the purchase of shirts for Abel and Wood. The shirts are to include the City of Walnut and the girls' names.

Abel requested that the Council members continue to consider any additional budget allocations, which will again be discussed at the regular January Council meeting.

The meeting was recessed at this time for a short break.

Relative to City maintenance issues, Blum reported that the Fire Department has decided that it does not want the old generator that is currently being housed in the old Water Plant. Blum was given permission to advertise the generator for sale.

Blum reported that the City men have been readying equipment for upcoming winter weather.

Regarding Mayor items or announcements, Mayor Larsen commended local residents for hauling their leaves to the City's yard waste site instead of burning their leaves. He stated that he appreciated the citizen's cooperation in helping to keep the community free of smoke from smoldering leaves.

Mayor Larsen took the opportunity to wish all of Walnut's residents a very Merry Christmas.

Relative to Council items or announcements, the Council members were provided with information pertaining to a 2010 Western Iowa Legislative Forum, which will be held at the Logan Community Center on December 8, 2010.

Because Christmas and New Years Day fall on Saturdays this year, holiday recycling and garbage collection will occur on the regular days.

True questioned whether the Mayor had talked to Sheriff Danker about law enforcement calls to the community. Mayor Larsen stated that he had not had the opportunity to discuss any law enforcement concerns with Sheriff Danker, but he stated that he would make an effort to contact the Sheriff. True stated that there are citizen concerns about residences that are continually visited by the deputies and whether or not any citations are being given to the occupying residents or what is being done to resolve any problems.

Regarding public items or announcements, Linda Booth and Carol Rosenbaum commended the City employees for their hard work, especially for the City men's efforts to plow the City streets and make the community festive for the holidays. Mayor Larsen stated that he appreciated the efforts of the City employees during the June Antique Walk.

Motion by Zimmerman, seconded by Tooley to pay the following bills and issue warrants for the same. Ayes: Shepherd, True, Zimmerman, Tooley. Carried.

The remainder of the meeting was spent performing an evaluation of the City employees and discussing their wages. The Council members agreed that they would prefer to evaluate each employee individually. Mayor Larsen prefaced the discussion by informing the Council members that he had requested that Blum perform an evaluation of Wayne Rush and that Abel perform an evaluation of Shannon Wood. Both of the completed evaluations were provided to the Council members for their information.

During the course of the discussion, varying recommendations for pay increases were made by the Council members including discussion concerning freezing wages because of the state of the economy. A suggestion was also made to increase wages according to the CPI. Shepherd felt that the employee's insurance program should be taken into consideration when deliberating any possible increase in wages.

Tooley commented about the attire of the City Hall employees, and the decision was made to purchase monogrammed shirts for Abel and Wood.

Blum commented that he would like Rush to work on getting the appropriate water and sewer licenses. It might be necessary for Rush to attend classes in order to take the applicable examinations.

Motion by Tooley, seconded by True to increase the hourly wage for Shannon Wood by \$.20 per hour to a wage of \$11.00 per hour. Ayes: Tooley, Shepherd, True, Zimmerman. Carried.

Motion by Tooley, seconded by True to increase the hourly wage for Wayne Rush by \$.30 per hour to a wage of \$13.50 per hour. Ayes: Zimmerman, Tooley, Shepherd, True. Carried.

Motion by Tooley, seconded by True to increase the hourly wage for Jim Blum by \$.35 per hour to a wage of \$17.85 per hour. Ayes: Shepherd, Zimmerman, True, Tooley. Carried.

Motion by Tooley, seconded by Zimmerman to increase the hourly wage for Terri Abel by \$.35 per hour to a wage of \$18.85 per hour. Ayes: True, Shepherd, Tooley, Zimmerman. Carried.

It was noted that all wage increases are to be effective on January 1, 2011.

Current employee wages, after the increase in pay, are as follows: Terri Abel, \$39,208.00 yr., (\$18.85 hr.); Jim Blum, \$37,128.00 yr., (\$17.85 hr.); Wayne Rush, \$28,080.00 yr., (\$13.50 hr.); and Shannon Wood, \$11.00 per hour.

#17060 Terri Abel, wages	1,095.25
#17061 James Blum, wages	1,068.81
#17062 Wayne Rush, wages	852.30
#17063 Shannon Wood, wages	342.76
#17064 Cardmember Service, printer ink; eagle bricks; batteries; background	258.14
#17065 Wellmark Blue Cross Blue Shield, employee insurance	5,883.38
#17066 Terri Abel, wages	1,095.25
#17067 James Blum, wages	\$1,068.81
#17068 Wayne Rush, wages	852.30
#17069 Shannon Wood, wages	317.95
#17070 Herb Wood, hauling; rent of dumpsters; recycling fees	3,010.00
#17071 U.S. Postmaster, billing postage	108.36
#17072 Ransom Development, interest due – development agreement	6,323.62
#17073 Terri Abel, wages	258.46
#17074 James Blum, wages	337.87
#17075 Sherry Jacobsen, wages	21.08
#17076 Margo Matthies, wages	1,094.36
#17077 Wayne Rush, wages	156.55
#17078 Judy Schrecengost, wages	262.87
#17079 Michelle Tooley, wages	297.73
#17080 Walnut Boy Scouts, November park maintenance	125.00
#17081 Center Point Large Print, books	41.34
#17082 City of Atlantic, sewer testing	370.00
#17083 City of Walnut, water deposits to accounts	56.61
#17084 Counsel Office & Equipment, copier maintenance; copier labor	210.14
#17085 Craig Woltmann, grass seed	42.00
#17086 Dollar General, Christmas lights	363.60
#17087 Dona Grooms, Treasurer fee	100.00
#17088 Ed's Lawn Equipment, chain saw repair	26.00
#17089 Wayne Rush, 2010 medical reimbursement	2,000.00
#17090 Farm Service Cooperative, computer hardware	60.00
#17091 Gale, books	114.50
#17092 Hallett Materials, ice control sand	345.68
#17093 Hawkins, Inc., water chemicals	252.00
#17094 IDALS, pesticide applicator license	15.00
#17095 Ingram Library Services, books	49.98
#17096 Iowa One Call, One Call locates	22.50
#17097 IPERS, withholdings	1,300.14
#17098 James Blum, 2010 medical reimbursement	2,000.00
#17099 Jessica Newcomb, cleaning City Hall	50.00
#17100 Kasperbauer Cleaners, Inc., cleaning floor mats	46.22
#17101 Kristin Waddell, refund of water deposit	43.39
#17102 Margo Matthies, mileage; supplies; headphones; DVD's	306.87
#17103 McCarthy Landscape & Design, partial payment #3	12,899.83
#17104 MidAmerican Energy Co., gas & electricity	3,759.95
#17105 Movie Licensing USA, permit	125.00
#17106 Mutual Benefit Plus, employee insurance	111.45
#17107 Myrtue Medical Center, ambulance supplies	18.65
#17108 Orschelns, chain repair; oil; grease	54.18

#17109	Quill Corporation, supplies	67.88
#17110	Sam's Club, supplies; DVD's; magazines; books; memberships	512.56
#17111	Snyder & Associates, Inc., engineering services	4,512.00
#17112	Terri Abel, 2010 medical reimbursement; mileage	2,019.00
#17113	U.S. Postmaster, postage	176.00
#17114	United Electric Supply Co., street light bulbs; Christmas bulbs; cord	320.78
#17115	Verizon Wireless, cell phones	150.43
#17116	Walnut Bureau, publication	231.40
#17117	Walnut Creek Construction, electrical entrance; replace gutter	2,660.03
#17118	Walnut Merchants Association, greenery	50.00
#17119	Walnut Public Library, replenish petty cash	50.00
#17120	Gene Larsen, Mayor fee; 13 Council meetings	1,842.38
#17121	Susan Shepherd, 14 Council meetings	193.93
#17122	Darren Tooley, 12 Council meetings	166.23
#17123	Cheryl True, 14 Council meetings	193.93
#17124	Martin Wood, 2 Council meetings	27.70
#17125	Tony Zimmerman, 13 Council meetings	180.08
#17126	Louie's Garage, ambulance snow tires	842.44

Summary of Receipts: General, 36,942.23; Road Use Tax, 7,333.18; Trust & Agency, 8,610.45; Water, 10,719.79; Sewer, 3,506.10; Eagle Monument Project Fund, 850.00; Splash Pad Project Fund, 1,387.00; Water Revenue Bond Sinking Fund, 1,650.00; Local Option Capital Improvements Fund, 16,759.09; TIF Fund, 10,028.02; Ransom Subfund, 1,121.67; Housing Rehabilitation Capital Project Fund, 33,726.00; IPAIT Fire Account, 23.05; IPAIT Library Account, 10.53; TOTAL: 132,667.11.

Meeting adjourned, 7:25 p.m.

Gene Larsen
Mayor

Terri L. Abel
City Clerk