

The Palo City Council met in regular session at the Fire Station Meeting Room on January 20, 2014. Mayor Tom Yock called the meeting to order at 6:30 p.m. Council members present: Tom Sanders, Doug Hanover, and Delmar Jellison. Absent: Brian Beaty and Josh Frank. Others Present: Erek Sittig

Hanover moved approval of the **agenda**, Sanders second. Roll call. Motion carried. 3-0 Hanover moved approval of the **consent agenda**: bill approval, treasurer's reports, consumption report, DAR, and Council meeting minutes for December 16, 2013 and December 29, 2013, Jellison second. Roll call. Motion carried. 3-0

The Linn County **Sheriff Dept.** was unavailable.

Audience Comments: Was the change of location publicized and is the Reconstruction 380 contract on the agenda because of the flood in City Hall due to the pipe break?

Department Reports: The **maintenance report** was not available. Palo Volunteer **Fire** Chief James Seely explained the grant request he submitted to NexteraEnergy for **design changes** including a safe room for storm spotters, a dedicated training space with window access for ladder training, and a sprinkler system as required by Linn County. The immediate grant amount awarded was \$10,000. The granting authority has verbally expressed an interest in providing additional funding as the project progresses over an approximate 2-4 year time period. NexteraEnergy has had varying levels of success funding grants for the community. They would like to see progress on the project before providing additional funds. Additional funds would need to be incorporated into their budget and the Fire Dept. would need to apply for another grant to secure the funds. District #6 was also approached as a funding source, but the request was denied because as per the 28E agreement between District #6 and the City of Palo; the District provides the equipment and the City provides the building. NexteraEnergy personnel would be allowed to use the training facilities. The Palo Volunteer Fire Dept. would also make the space available for other departments. Ladder operations are a high risk activity for firefighters and the additional training space would allow 2nd story access for training. Councilor Sanders confirmed Kirkwood Community College has training facilities. Chief Seely confirmed they have a burn building for training. Training out of town requires the department to be out of service as all fire personnel would be out of town and it is costly. The fire department would need to increase their training budget. Councilor Hanover asked if the department has certified training instructors. Chief Seely and Keith Bisson are certified, but not all training activities require a certified instructor. Mayor Yock asked when the department last held a training exercise. Chief Seely stated training is on the 3rd Tuesday of every month for 3 or 4 hours depending on the training. Councilor Hanover reiterated the \$10,000 is available now and the rest would be available over 2-4 years and asked how much more was requested. Chief Seely stated \$100,000 was requested in the initial grant. The latest discussions were \$40,000 to \$50,000. The funds are not guaranteed, but it is NexteraEnergy's intent to budget for the expenditures. The fire station project budget is \$750,000. The project budget was cut from original estimates and has been redesigned. The Council reiterated the additional funds are not guaranteed and if the funds were not made available the City would have to budget for them. Councilor Sanders stated the year to date expenditures for the fire station project are \$15,764 which is taken out of the \$500,000 I-Jobs grant so in the neighborhood of \$187,000 of the I-Jobs grant has been expended. Firefighter Trent Miller stated these were expected expenditures and are included in the project budget. After further discussion between Mr. Miller and Councilor Sanders they agreed STS Solutions' invoices were not in the project budget. Councilor Sanders concurs with Councilor Hanover and does not want to endorse a change order this early in the project. The project is not over budget at this point, but it is early in the project. Lori Hansen asked about the plans for the current fire station building. Councilor Hanover stated the maintenance department plans to use it. Mayor Yock stated the cost of projects often escalates as the project proceeds. The current facilities would provide storage for City equipment currently stored outside where it rusts, is broken, or stolen so there are advantages and disadvantages. He is concerned about the financial side and does not want to burden the taxpayers. Firefighter membership was discussed, both in Palo and state and national trends. Between 9 and 11 firefighters live in the Palo City limits, the rest, approximately 4, live within 10 miles. The department is working on increasing membership. The Council concurred it is difficult to maintain membership and has been for years especially since training requirements and time commitments have increased. The Council discussed the project budget and funding sources. The Clerk explained the tax increment funding (TIF) already approved. Councilor Jellison noted the budget has been set and he would not be in favor of adding to the project unless the Duane Arnold Energy Center (DAEC) would pay for the additional expenses. Councilors Sanders and Hanover agreed the City should stay on budget. Councilor Hanover noted residents he has spoken with do not think the firefighters are visible in the community. Chief Seely offered to provide time logs of time spent at the station, training, and on calls. The City is responsible for housing the Fire Dept. according to the 28E agreement. The Fire Dept. does hold fundraisers and a number were mentioned. Councilor

Sanders stated he is not ready to endorse a design change. Hanover motion to not endorse the design changes, Jellison second. (no vote was taken) Further discussion included additional grant funding is not in writing, a budget cap has already been set, additional expenses would be a burden on the City, and an update on the project. City Attorney Sittig noted the Council is not in favor of the design change and other issues including not moving forward with the project would need to be addressed in a separate agenda item. Councilor Sanders stated he would like all the **bids encompassing the project** in the Council's hands before the next Council meeting. Mr. Sittig noted the Council has to approve the bid documents before they are sent so to have the bids available is possible, but to have the bid documents returned is not possible. Mayor Yock will contact Matt Shock, STS Solutions, to request the information. Councilor Hanover thanked the Fire Dept. for the use of their meeting room for the Council meeting and requested ISO training documents. Chief Seely will forward the information to the City Clerk for her to print and provide to Councilor Hanover. Chief Seely provided fire members from Palo city limits to Councilor Sanders and training logs to Lori Hansen and the City Clerk as requested.

Committee and Organization Meeting Minutes: The Council discussed the Park and Recreation suggestions to hire local high school students to clean the gym and mow the parks. Councilor Sanders noted grooming and clean up are acceptable ideas, but using high school students to mow is too great a liability risk. He agrees it is a good idea to groom the trails and clean the gym. Councilor Hanover noted putting a tarp on the gym floor to protect it during other non-sport related events is a liability in case someone trips and concurs with Councilor Sanders on the liability of employing someone under 18 to run the mower.

Matt Wildman, HRGreen, led the discussion on the **GIS mapping RFP** review. He explained the project, estimated the project cost at around \$35,000 or less, the water distribution part of the project is grant eligible, and noted a copy of the draft RFP was forwarded to Council in their Council packets. He has a few revisions to make and will forward to the City Clerk for publication and disbursement. He estimates grant funds will be available for both the well generator and the GIS mapping. HRGreen does not recommend purchasing the well generator so a **well generator RFP** was not completed. City Attorney Sittig noted Council action is required to send out the GIS RFP. Councilor Sanders noted the time constraints and the project deadline of 03/31/14 and the project completion date of April. Councilor Sanders requested HRGreen request an extension. The City Clerk stated the extension has already been requested by the City. Councilor Hanover noted the GIS RFP will be tweaked and Mr. Wildman agreed. Mr. Wildman explained the Maintenance Superintendent and Fire Dept. will need to provide information for the GIS project to set up the fields. Hanover motion to approve sending out the GIS RFP, Sanders second. Roll call. Motion carried. 3-0 The City Clerk was instructed to publish and distribute the updated proposal.

Mr. Wildman explained after further review the well generator at the fire station will not meet all air emission requirements if moved, but is grandfathered in if it remains where it is therefore, HRGreen does not recommend moving the fire station generator from the old fire station to the new fire station. It would not be cost effective as it could cost around \$3,000-\$5,000 to test, \$8,000-\$10,000 to retrofit and an additional \$3,000-\$5,000 to test after retrofitting. These costs do not include hooking up or moving the generator. The current generator model is no longer manufactured. It would cost less to purchase a new generator for the new fire station. The current generator is estimated to be less than 5 years old, but does not meet the current Environmental Protection Agency (EPA) standards. The water treatment facility started up 01/15/14 and Mr. Wildman noted there are a few things that may need to be purchased. Hanover motion to maintain the well generator located at the current fire station because it is cost prohibitive to move it, Jellison second. Roll call. Motion carried. 3-0

Mr. Wildman stated 25 change orders have been approved and the water project is under budget by around \$2000.00. At the water treatment facility start up representatives from the EPA came out because of the pilot project. He explained the treatment processes for ammonia, iron, and nitrates. He recommends purchasing another pump after discussions with the Maintenance Superintendent, EPA representative, and Kleiman contractor. He will provide a change order request next meeting for a backup pump, controls, and VFD. He will also provide a change order for insulating the duct work. This was a mechanical engineer oversight noticed because of a stain in the restroom from condensation in the duct work. Both change orders are grant eligible. The contractor had submitted costs for the expense, but took it out of the bid when it wasn't required. Sanders, Hanover, and Yock concurred it was money well spent to have a backup in case something went down. Hanover motion to approve **water treatment facility change order 5R Kleiman Construction, Inc.**, Sanders second. Roll call. Motion carried. 3-0 The change order for the pump will be on the 02/17/14 agenda. The water treatment facility start up was successful and the facility is the first of its kind in the nation and has been written about in several publications.

Councilor Sanders noted Mr. Wildman has signed off on pay application #9 and made a motion to approve **Kleiman Construction Pay Application #9**, Jellison second. Roll call. Motion carried. 3-0

Matt Shock was unable to attend due to the weather, but had contacted City Hall to let the Council know he is continuing to work on the **street project including road and drainage repairs**.

Councilor Sanders explained the **Quality Care Storage Company request for payment**. The maintenance dept. solicited bids for mowing and trimming certain areas of the village and Quality Care submitted a bid for mowing and trimming. On 7/16/13 they applied fertilizer and a preventative grub application. This work was not requested or authorized. Mr. Sanders, as Mayor, informed the City Council of the work and lack of authorization in August and left messages for the owner to relay the information. The area in question has been seeded, but due to lack of rain did not grow well and fertilizing weeds is not the answer. Applying a grub application in sand is not the answer either. He recommends to Mayor Yock to only pay for services requested. Mayor Yock concurs. Trent Miller asked Mr. Sittig about repercussions of not paying for the services and Mr. Sittig stated the company could file a lawsuit. If Council does not approve the payment it cannot be paid. Jellison motion to send a letter to the company to let them know why the City did not pay for the services, Hanover second. Roll call. Motion carried. 3-0

Mayor Yock appointed Councilor Sanders as **Mayor Pro Tem**. Councilor Sanders accepted the appointment.

Mayor Yock and Mr. Sittig noted the number of hours will be added to Resolution 012014A when Council decides on the number of hours to contract for the Sheriff's contract. The price increased \$1.00 from last year's contract and 20 hours per week were contracted last year. Sanders motion to approve **Resolution 012014A Linn County Sheriff's contract** with the inclusion of 20 hours per week as stated; 80 hours per month as the previous contract, Hanover second. Roll call. Motion carried. 3-0

The Mayor granted a recess at 8:19 p.m. and reconvened the meeting at 8:29 p.m.

Mr. Miller informed the Council of information regarding the recent incidents of vandalism. The letters RPK may stand for real Palo kids and the incidents may be taking place as early as 11:00 p.m. He encouraged everyone to make residents aware of the incidents and to call the Linn County Sheriff if they see something. He suggested putting information in the Atom Burst. Councilor Jellison stated if the City office writes something up and forwards the information to Jenny Jellison, she will publish it in the Atom Burst.

Councilor Hanover informed Council of his conversations with the insurance adjuster. The City has the option to continue with Reconstruction 380 or to work with another contractor. Hanover motion to approve the **Reconstruction 380 contract** with the stipulation the flooring work cannot be completed until the Insurance Adjuster has approved the flooring bids, Sanders second. Mr. Sittig stated the contract does not include the scope of work sited in #17 and, without it, is very generic. It should include a list of items to be completed. He suggested requesting a copy of the scope of work for inclusion in the contract. A motion is on the table revised by Hanover to include approving the Reconstruction 380 contract with the stipulation the flooring work cannot be completed until the Insurance Adjuster has approved the flooring bids and the scope of work is included in the contract, Sanders second. Roll call. Motion carried. 3-0

Councilor Hanover informed the Council the Linn County Inspector toured the facility and the facility cannot be rented until the sprinkler system is online. He contacted the Insurance Adjuster, Mayor, and Iowa Fire Protection to start the work. Councilor Sanders concurred with Councilor Hanover's assessment and actions. The pump was ordered by the Mayor. Mr. Sittig noted a motion is necessary. Hanover motion to approve the **fire pump/jockey pump/sprinkler system equipment repairs** and to cut a check to Iowa Fire Protection for the equipment, Jellison second. Roll call. Motion carried. 3-0

Councilor Hanover discussed the proposed adoption of an ordinance amending the **Code of Ordinances of the City of Palo, Iowa, 2012 by adding a new subsection to chapter 165, zoning regulations, requiring minimum building elevations of new principal buildings** and they question the advisability of hauling more dirt in to raise the elevation as it often creates more problems for existing properties. It could and has also created problems with freezing. Councilor Sanders noted, as Mayor, he took several phone calls from prospective builders who also did not agree with the minimum elevation requirements which makes vacant lots less likely to be sold and lowers the tax revenue for the City. Councilor Hanover concurred. Mr. Sittig provided counsel on the motion. Sanders motion to bring Ordinance 601-2012 to a vote, Hanover second. Roll call. Motion failed. 0-3 Councilor Sanders requested the Building Regulation for minimum elevations brought to Council at the next meeting for consideration to repeal the ordinance.

Councilor Sanders informed the Mayor and Council on the background of **Ordinance 602-2012 proposed adoption of an ordinance amending the Code of Ordinances of the City of Palo, Iowa, 2012 by repealing section 155.02 subsection 11 pertaining to the minimum size and dimensions of new single family dwelling**. Sanders motion to approve the third and final reading of Ordinance 602-2012, Hanover second. Roll call. Motion carried. 3-0

Hanover motion to approve the third and final reading of **Ordinance 603-2012 proposed adoption of an ordinance amending the Code of Ordinances of the City of Palo, Iowa, 2012 by adding a new subsection to chapter 165, zoning regulations, requiring minimum size and dimensions of new single family dwelling**, Sanders second. Roll call. Motion carried. 3-0

Councilor Hanover informed Mayor and Council on the background of **Ordinance 604-2012 proposed change of zoning from residential to commercial for property location 703 2nd Street**. Sanders motion to approve Ordinance 604-2012, Jellison second. Roll call. Motion carried. 3-0

Mr. Sittig noted Mayor Yock should suspend the meeting until Councilor Sanders returned. Mayor Yock suspended the meeting from 9:06 p.m. to 9:08 p.m. when the meeting was reconvened.

Councilor Hanover explained the **library contract** has been sent to the Metro Library Board as verbally agreed upon by the Cedar Rapids Library Director and former Council member Micah Mogle. The City does still have an existing contract with the Shellsburg Public Library. Council concurred the City of Palo is unable to afford the extended proposal of the Metro Library Board. The Metro Library Board will meet and consider the current proposal in the next couple of weeks.

Sanders approved the Marion Gospel Hall **rental of the Council chambers** 03/03/14-03/13/14 and the kitchen on 03/06/14 at no charge, Jellison second. Roll call. Motion carried. 3-0 Councilor Hanover stated the Lion's Club will move their meeting to the library on the 6th to accommodate the rental.

Councilor Sanders informed the Mayor and Council of the background on **Resolutions 111813C, 111813D, 111813E, and 111813F**. Sanders motion any future compensation for any City employee is not to be addressed until a review is held in June of 2014 when a normal review takes place, Jellison second. Roll call. Motion carried. 3-0

Hanover motion to move agenda item #25 **water project public water supply connections update** after agenda item #30 closed session, Sanders second. Roll call. Motion carried. 3-0

Audience Comments-Non-Agenda Items: Trent Miller requested a brief update on the water treatment facility and Lori Hansen asked about the chlorine smell in the water. The water treatment facility came online 01/15/14. The Maintenance Staff has been trained on the system. The treatment process for the water was discussed including ammonia, iron, chlorine, nitrates, bacteria, and filtering processes. Councilor Hanover will contact the Maintenance Superintendent and ask Ms. Hansen's questions and contact her with the answers. Meter readings were also discussed including the meters that have not been programmed to due problems with the meters. Plans for street work and drainage and snow fences were also discussed.

Old Business: None

New Business: The fuel pump is out of the Dodge. O'Reilly Auto Parts has been contacted. The estimate for the fuel pump is \$265.00.

Sanders motion to open the **closed session** pursuant to specific Chapter 21.5 (1) (c) of the Iowa Code at 9:43 p.m., Hanover second. Roll call. Motion carried. 3-0 Mayor Yock suspended the meeting at 10:05 p.m. when Councilor Hanover left the room and reconvened at 10:06 p.m. when he returned. Sander motion to close the closed session at 10:07 p.m., Hanover second. Roll call. Motion carried. 3-0

The City Attorney stated the City will move forward with mediation with Hart Frederick Consultants, Inc.

Hanover motion to open the closed session pursuant to specific Chapter 21.5 (1) (c) of the Iowa Code at 10:09 p.m., Jellison second. Roll call. Motion carried. 3-0

Hanover motion to close the **closed session** at 10:43 p.m., Sanders second. Roll call. Motion carried. 3-0

The City Attorney stated the City discussed strategy for properties not connected to the public water system.

Jellison motion to **adjourn** at 10:45 p.m., Hanover second. Motion carried. 3-0

Michelle Nejd, City Clerk