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MINUTES OF THE PROCEEDINGS
OF THE BURLINGTON, IOWA CITY COUNCIL

Meeting No. 12
June 18, 2012

The Burlington City Council met in regular session at 6:30 p.m. in the Thomas J. Smith Council Chambers, City Hall with Mayor Davidson, Council Members Anderson, Fleming, McCampbell and Reed present.

BURLINGTON CITY COUNCIL

CONSENT AGENDA: To the Public:

All matters listed under Item I., Consent Agenda, having been discussed were considered to be routine by the City Council and were enacted by one motion. There was no separate discussion of these items. If discussion was desired, that item was removed from the Consent Agenda and was considered separately.

Introduced By: Anderson Seconded By: Reed

MOTION: To approve all items listed under Item I., Consent Agenda.

DISCUSSION: Mayor Davidson reviewed the items listed on the consent agenda to the viewing audience. Council Member Reed announced those individuals appointed to various City commissions and boards. The City Manager requested the removal of the Resolution Approving Agreement with Aramark Uniform Services to Provide Uniform Rental and Service from the Consent Agenda for discussion at the close of the meeting. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - AYES)

CARRIED

HEARINGS:

1. Statement: Consideration of Sale of Property Locally Known as 309 Marietta Street, City of Burlington, Des Moines County, Iowa

COMMENTS: The Code Inspector stated that the property at 309 Marietta Street was originally slated to be demolished today. He stated that by Timothy Steele asking to purchase the property for \$200.00 he has saved the City demolition cost of \$4,950.00 and will keep the property on the tax rolls. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Anderson
Motion to Close

Seconded By: Fleming

CARRIED

Introduced By: Anderson Seconded By: Reed

Motion to Amend Exhibit A C of the Resolution Approving the Sale of Property

Locally Known as 309 Marietta Street, City of Burlington, Des Moines County, Iowa that the Property be Sold to Timothy Steele in the amount of \$200.00

DISCUSSION: None.

(VOTE: 5 - "AYES")

CARRIED

Introduced By: Anderson Seconded By: Reed
Resolution Approving Sale of Property Locally Known as 309 Marietta Street, City
of Burlington, Des Moines County, Iowa

DISCUSSION: None.

(VOTE: 5 - AYES)

ADOPTED

2. Statement: Consideration of Sale of Property Locally Known as 131 South 7th
Street, City of Burlington, Des Moines County, Iowa

COMMENTS: John Bentler representing St. John and Paul Catholic Parish placed a
bid of \$50.00 for the property locally known as 131 South 7th Street. The City
received no other bids for the property. All present had opportunity to speak
and nothing additional was filed in the office of the City Clerk.

Introduced By: Anderson
Motion to Close

Seconded By: Reed

CARRIED

Introduced By: Anderson Seconded By: Fleming
Motion to Amend Exhibit A C of the Resolution Approving the Sale of Property

Locally Known as 309 Marietta Street, City of Burlington, Des Moines County,
Iowa that the Property be Sold to St. John and Paul Catholic Parish in the
amount of \$50.00

DISCUSSION: None.

(VOTE: 5 - AYES)

CARRIED

Introduced By: Anderson Seconded By: Reed
Resolution Approving Sale of Property Locally Known as 131 South 7th Street,
City of Burlington, Des Moines County, Iowa

DISCUSSION: None.

(VOTE: 5 - AYES)

ADOPTED

3. Statement: Consideration of an Amendment to Ordinance No. 3220, an Ordinance
Creating the Sunrise West Planned Unit Development (PUD) Overlay District, By
Amending Section 12. Street Right-of-Way

COMMENTS: The Development and Parks Director reviewed with Council and the
viewing audience the Amendment to Ordinance No. 3220, an Ordinance Creating the
Sunrise West Planned Unit Development (PUD) Overlay District, By Amending
Section 12. Street Right-of-Way. He stated that the City Planning Commission
voted 4-0 to recommend approval, with the condition that Cambridge Drive
right-of-way be continued to the north property line of the Subdivision. David
Beckman representing the Catholic Churches stated that it was critical that the
church has an exit and break in the curb. He stated otherwise the only exit
would be the entrance. He stated that the church was not objecting to the
vacation. Marvin McKee of 1121 South 7th Street stated his concern with traffic

flow in the future. The Development and Parks Director stated that there was a
buyer for lot three and the buyer did not want to be responsible for paving the
right-of-way. John Bentler stated that he was told by the Development
Department that the church could not have an exit. The Development and Parks
Director stated that the church would need to get a driveway permit through the
Public Works Department or a possible variance from the City Planning
Commission. Council Member Fleming stated that the church's concern was
legitimate as they needed an exit off of Mason Road from the church property.

Council Member Anderson also felt it was not fair to the church. David Beckman reminded the Council that the church was not against the vacation, they just want a driveway. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Anderson Seconded By: Fleming

Motion to Close

CARRIED

Introduced By: Anderson Seconded By: Fleming

Motion for Preliminary Adoption of the First Reading of an Ordinance Amendment to Ordinance No. 3220, an Ordinance Creating the Sunrise West Planned Unit Development (PUD) Overlay District, By Amending Section 12. Street Right-of-Way

DISCUSSION: None.

(VOTE: 5 - AYES)

CARRIED

4. Statement: Consideration of a Loan Agreement in a Principal Amount Not to Exceed \$2,500,000.00

COMMENTS: Travis Squires of Piper Jaffray reviewed with the Council and the viewing audience the issuance of a Loan Agreement in a Principal Amount Not to Exceed \$2,500,000.00. He stated that the loan agreement was for essential corporate purposes of financing the construction of street, sanitary sewer and airport improvements; installation of traffic signals; demolition of dangerous buildings; operation of a geographic computer data base system, funding of a self-insurance program and funding a housing assistance program. Leon Shahan of

1821 Mt. Pleasant Street stated that he was appalled that the City has gotten so far behind on paying their debts. He stated that it was a total lack of control

of City funds. Marvin McKee of 1121 South 12th Street asked when the loan would be paid off. The City Manager stated that it was set up on a three year note. Marlin McKee of 1121 South 12th Street stated that all of a sudden everything is

gloom and doom and before under the previous City Manager it was all roses. John Williams of 2228 Madison Avenue asked if the City was locked into replacing

Cascade Bridge and the Animal Shelter. Mayor Davidson explained that the City owed for engineering costs of \$500,000.00 for Cascade Bridge. Mayor Davidson stated that the City was also committed to the Animal Shelter. Council Member Reed explained that by working with the Humane Society they were actually saving

the City money. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Reed Seconded By: Fleming

Motion to Close

CARRIED

5. Statement: Consideration of a Loan Agreement No. 1 in a Principal Amount Not to Exceed \$700,000.00

COMMENTS: Mayor Davidson reviewed with Council and the viewing audience the Loan Agreement No. 1 in a Principal Amount Not to Exceed \$700,000.00. He stated that it was for general corporate purposes of refunding the outstanding balance of

the City's General Obligation Refunding Note, Series 2009, related to improvements at the Hotel Burlington; financing improvements at the aquatic center and expenses related to the acquisition of the Dresser-Rand building. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Reed
Motion to Close

Seconded By: Fleming

CARRIED

6. Statement: Consideration of a Loan Agreement No. 2 in a Principal Amount Not to Exceed \$700,000.00

COMMENTS: The City Manager reviewed with Council and the viewing audience the Loan Agreement No. 2 in a Principal Amount Not to Exceed \$700,000.00. He stated

that it was for general corporate purposes of refunding the outstanding balance of the City's General Obligation Library Note, Series 2005 and improvement to the City recreation complex. Leon Shahan of 1821 Mt. Pleasant Street stated that he felt someone owed him an apology for getting raked over the coals for over a decade when he had mentioned the City was deeply in debt. The Finance Director stated that the debt on the RecPlex was not for operating, but was capital over runs when the RecPlex was built. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Reed
Motion to Close

Seconded By: Fleming

CARRIED

7. Statement: Consideration of a Loan Agreement No. 3 in a Principal Amount Not to Exceed \$700,000.00

COMMENTS: Mayor Davidson reviewed with Council and the viewing audience the Loan Agreement No. 3 in a Principal Amount Not to Exceed \$700,000.00. He stated that

it was for general corporate purposes of financing improvements at the municipal auditorium and certain Public Works improvements; financing a comprehensive plan update; and financing certain economic development projects. The City Manager stated that it would be repaid with TIF money. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Reed
Motion to Close

Seconded By: Fleming

CARRIED

8. Statement: Consideration of a Loan Agreement No. 4 in a Principal Amount Not to Exceed \$700,000.00

COMMENTS: Mayor Davidson reviewed with Council and the viewing audience the Loan Agreement No. 4 in a Principal Amount Not to Exceed \$700,000.00. He stated that

it was for general corporate purposes of financing portions of the Flint Hills Manor Project, financing the Depot Project and financing improvements to the parking ramp. The City Manager stated that it would be repaid with TIF money. Leon Shahan of 1821 Mt. Pleasant Street stated that the public needed to know that TIF was not a magical fund. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Introduced By: Reed

Seconded By: Fleming

Motion to Close

CARRIED

RESOLUTIONS:

Introduced By: Fleming Seconded By: Reed

1. Resolution Authorizing Issuance of \$1,362,000.00 General Obligation Corporate

Purpose Loan Agreement Anticipation Project Note, Series 2012C

DISCUSSION: Travis Squires of Piper Jaffray reviewed with the Council and the viewing audience the issuance of \$1,362,000.00 General Obligation Corporate Purpose Loan Agreement Anticipation Project Note, Series 2012C. He stated that the loan agreement was for financing improvements to the Animal Shelter; Airport; Cascade Bridge; also streets and sidewalks. He stated that Two Rivers Bank and Trust was the purchaser of the debt at a rate of 1.42% per annum. He stated that the note would mature on June 1, 2015. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - AYES)

ADOPTED

Introduced By: Fleming Seconded By: Reed

2. Resolution Authorizing Issuance of \$4,968,000.00 Sewer Revenue Loan Agreement

Anticipation Project Note, Series 2012D

DISCUSSION: Travis Squires of Piper Jaffray reviewed with the Council and the viewing audience the issuance of \$4,968,000.00 Sewer Revenue Loan Agreement Anticipation Project Note, Series 2012D. He stated that the loan agreement was for financing improvements to the municipal sanitary sewer system. He stated that Cedar Rapids Bank and Trust Company of Cedar Rapids, Iowa was purchasing \$4,000,000.00 and Pilot Grove Savings Bank of Pilot Grove, Iowa was the purchaser of \$968,000.00 of the debt at a rate of 1.95% per annum. He stated that the notes would mature on June 1, 2015. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - AYES)

ADOPTED

Introduced By: Fleming Seconded By: Reed

3. Resolution Authorizing Issuance of \$1,431,000.00 Taxable General Obligation Corporate Purpose Loan Agreement Anticipation Project Notes, Series 2012E

DISCUSSION: Travis Squires of Piper Jaffray reviewed with the Council and the viewing audience the issuance of \$1,431,000.00 Taxable General Obligation Corporate Purpose Loan Agreement Anticipation Project Notes, Series 2012E. He stated that the loan agreement was for the following projects: Recreation Complex; Public Works construction; Flint Hills Manor redevelopment; West Burlington Avenue; Daisiana's building demolition; Depot renovation; Library improvements; Hotel Burlington; parking ramp extension; comprehensive plan update and economic development. He stated that Federation Bank of Washington, Iowa was purchasing \$500,000.00 and Pilot Grove Savings Bank of Pilot Grove, Iowa was the purchaser of \$931,000.00 of the debt at a rate of 2.30% per annum. He stated that the note would mature on June 1, 2015. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - AYES)

ADOPTED

Introduced By: Fleming Seconded By: Reed

4. Resolution Authorizing the Issuance of \$817,000.00 General Obligation Refunding Bond, Series 2012F, and Providing for the Levy of Taxes to Pay the Same

DISCUSSION: Travis Squires of Piper Jaffray reviewed with the Council and the

viewing audience the issuance of \$817,000.00 General Obligation Refunding Bond, Series 2012F. He stated that the loan agreement was for the refunding of the outstanding balance of the City's General Obligation Library Note dated March 14, 2005 and the outstanding balance of the City's General Obligation Refunding Note dated February 2, 2009. He stated that Two Rivers Bank and Trust of Burlington, Iowa was the purchaser of the debt at a rate of 1.37% per annum. He

stated that the note would mature on June 1, 2020. Council Member Anderson stated that the whole financial thing was an intervention that the City had to face and deal with it. The City Manager explained how Moody rates Cities. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - AYES)

ADOPTED

Introduced By: McCampbell Seconded By: Fleming
5. Resolution Authorizing Issuance of Approximately \$2,192,000.00 Taxable General Obligation Corporate Purpose Loan Agreement Anticipation Project Note, Series 2012G

DISCUSSION: Travis Squires of Piper Jaffray reviewed with the Council and the viewing audience the issuance of \$2,192,000.00 Taxable General Obligation Corporate Purpose Loan Agreement Anticipation Project Note, Series 2012G. He stated that the loan agreement was for the construction of street, sanitary sewer and Airport improvements; installation of traffic signals; demolition of dangerous buildings; operation of a geographic computer data base system; funding a self-insurance program and funding a housing assistance program. He stated that Farmers and Merchants Bank and Trust of Burlington, Iowa was the purchaser of the debt at a rate of 2.50% per annum. He stated that the note would mature on June 1, 2015. Mayor Davidson thanked Travis Squires, the City Manager and the Finance Director for their hours of work in getting the City moving in the right direction. All present had opportunity to speak and nothing

additional was filed in the office of the City Clerk.

(VOTE: 5 - AYES)

ADOPTED

Introduced By: McCampbell Seconded By: Anderson
6. Resolution Approving Agreement with Piper Jaffray and Company to Serve as Underwriter or Placement Agent for General Obligation or Sewer Revenue Bonds or Notes

DISCUSSION: The City Manager stated that the proposed Resolution approves an Agreement with Piper Jaffray and Company to Serve as Underwriter or Placement Agent for General Obligation or Sewer Revenue Bonds or Notes. Travis Squires of

Piper Jaffray reviewed the details of the agreement with the City Council and the viewing audience. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - AYES)

ADOPTED

Introduced By: McCampbell Seconded By: Fleming
7. Resolution Amending the Personnel Manual for Non-Union Employees, from the Current Version That Was Approved by Resolution on May 21, 2012

DISCUSSION: The Human Resources Director stated that presently the City Council had approved a 3.5% increase with a transition table for 56 non-union employees at their May 21, 2012 City Council meeting. She stated that the proposed Resolution amends the wage increase to 2% with no transition table. She reviewed with Council and the viewing audience various wage increase options and

those savings. Tim Scott of 2017 South 15th Street asked if all employees were required to purchase insurance through the City. The Human Resources Director stated that all employees are required to purchase insurance and they may purchase a wrap plan at the cost of \$418.00, which lessens the City's exposure

of family coverage cost. She stated that if the employee has any extra funds available they can purchase dental insurance, disability insurance, cancer insurance or fund a retirement plan. Dean Phenicie of 2217 Northern Drive urged

the Council to have City employees pay for part of their pension and health care

costs out of their pockets. Mayor Davidson stated that IPERS retirement was mandated by the State and the City has an agreement with their employees for health care. The Human Resources Director stated that the City offers a cafeteria style health insurance and employees can choose the type of insurance they want with various deductibles. She stated that all employees have agreed that if health care costs increase more than 5% that they will make plan a design changes and/or an employee contribution equal to the cost amount exceeding 5%. Dean Phenicie of 2217 Northern Drive congratulated the Council and City employees for working together to make plan design changes. Craig Robinson, Code Inspector I urged Council to please consider a 2% wage increase with a transition table. He further stated that he had submitted a letter to the Council prior to the City Council meeting. Jill Dunlop read a letter urging

Council to approve a 3.5% increase as promised to non-union employees. She stated that many higher paid department heads have retired, thus redistributing their duties to non-union employees. Stephanie Steucker stated that she has worked for the City for 1-year and felt everyone was dedicated and hard-working leaders of the City. She felt the non-union employees needed to be compensated for their dedication and hard work. Leon Shahan of 1821 Mt. Pleasant Street stated that he had nothing against non-union employees, but there needed to be wage caps as the City was tapped out. Larry Caston, Code Inspector stated that he has been with the City for four months and he did start out at the bottom of the scale. Marlin McKee of 1121 South 12th Street asked if City employees were required to be members of IPERS and if the employee contributes to their pension. The Human Resources Director stated that City employees are required to

be members of IPERS and they do contribute to their pension. Council Member Anderson stated that non-union staff is courteous and wonderful. She stated that she was in favor of a 2% raise as she felt it was fair. Council Member Reed also felt that 2% wage increase was better than nothing. He stated that the City had to borrow money to pay wages. Council Member McCampbell stated that most of the City employees are very loyal employees. He praised Jill Dunlop, Stephanie Steucker and Kathleen Salisbury for their hard work. He stated that he still felt that the Council should give a 0% wage increase this year, until the City can afford to give a raise. He further reiterated what Council Member Reed had stated that the City had to borrow money to pay wages. Council Member Fleming stated that he would support a 2% wage increase. Mayor Davidson stated that he was trying to look at the big picture. He reminded the Council that voting aye would give non-union employees a 2% increase with no transition table and voting nay would give non-union employees a 3.5% wage increase with a transition table as was previously approved by the City Council on May 21, 2012. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 4 - AYES Fleming, McCampbell, Reed & Anderson

1- NAY Davidson)

ADOPTED

Introduced By: McCampbell

Seconded By: Reed

8. Resolution Approving Funding for the Dresser-Rand Building Re-Development from the Local Option Sales Tax Economic Development Fund

DISCUSSION: The City Manager stated that the City had received a \$1,000,000 PIAP loan from the Iowa Department of Economic Development to be used to acquire the Dresser Rand building. He stated that the City has been making payments of \$9,233.56 since 2007. He stated that the City's Economic Development Advisory

Committee had previously recommended the allocation of available funding from the Local Option Sales Tax Economic Development fund towards the 2009 and 2010 expenses. He stated that the Committee has now recommended the allocation of available funding from the Local Option Sales Tax Economic Development fund toward these expenses from 2011 through 2012 toward the outstanding loan and will

continue to consider this reimbursement until the loan is either forgiven or paid off. All present had opportunity to speak and nothing additional was filed

in the office of the City Clerk.

(VOTE: 5 - AYES)

ADOPTED

Introduced By: McCampbell

Seconded By: Reed

9. Resolution Approving Agreement with Aramark Uniform Services to Provide Uniform Rental and Service

DISCUSSION: The City Manager stated that the Public Works Department had requested the Resolution Approving Agreement with Aramark Uniform Services to Provide Uniform Rental and Service be removed from the Consent Agenda as they realized that there were some non responsive remarks from Aramark Uniform Services on their bid. He stated that the Public Works Department urges the Council to not approve the agreement. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

(VOTE: 5 - NAYS Davidson, Fleming, McCampbell, Reed & Anderson) FAILED

COMMENTS FROM AUDIENCE: Mark Miller of 2523 South Main Street thanked Bob McCannon for inviting him to serve on the Parks Advisory Committee. He further thanked Police Chief Luttenegger for his many years of service to the City. Dean Phenicie of 2217 Northern Drive stated that he would like to see articles by the youth of Burlington about historic sites in Burlington. He stated that the City Council needed to make a decision on Cascade Bridge. He further stated

that he did not hear a siren last weekend during the storm. Chief Luttenegger stated that the storm did not meet the criteria by the National Weather Service to use the siren. Leon Shahan of 1821 Mt. Pleasant Street urged the Council to revisit the amount of money that is being spent on economic development. Marvin

McKee of 1121 South 12th Street suggested that the City ask Huck's Harbor for a

0% interest loan. Owen T. Sloan of 1621 South 14th Street thanked the City Council for his reappointment to the Economic Development Advisory Committee. He further stated his concern that the east-west turn lane going into Stone Middle School may be too short for buses. John Williams of 2228 Madison Avenue

thanked the Council for hitting the financial problems of the City head on. He

stated that the Police Department building was going to need to be replaced due to structural problems. All present had opportunity to speak and nothing additional was filed in the office of the City Clerk.

Adjournment: 8:54 p.m.

Approved: July 2, 2012

Kathleen P. Salisbury, MMC
City Clerk

Jim Davidson
Mayor

(See recording on file in the office of the City Clerk for complete discussion and documentation.)

ITEM I. Consent Agenda

FINANCES AND MISCELLANEOUS

Minutes of Previous Meetings

Payroll and City Claims

BEER, LIQUOR, WINE AND CIGARETTES

REPORTS AND BONDS

RESOLUTIONS:

1. Resolution Approving Demolition/Nuisance Abatements for Various Properties
2. Resolution Approving Agreement with the Burlington Area Convention and Visitors Bureau to Market and Promote the Greater Burlington Community as a Premier Destination to Both Leisure and Business Travelers
3. Resolution Approving Agreement with Shuck-Britson, Inc. for Engineering Services to Evaluate the Cascade Bridge
4. Resolution Authorizing Contract Agreement with Iowa Economic Development Authority for Downtown Facade Improvement Grant (CDBG) Funds
5. Resolution Approving Change Order No. 1 for the 2012 HMA Resurfacing Project

APPOINTMENTS:

Library Board of Trustees: Linda Robinson

Economic Development Advisory Committee: Owen Sloan and Elizabeth VanVleck

Parks Advisory Committee: Mark Miller