Sheldon, Iowa City Council Meeting/Budget Workshop February 6, 2019

The Sheldon City Council met in regular session on Wednesday, February 6, 2019 at 4:31 p.m. Mayor Katricia Meendering called the meeting to order. Roll call was taken. Present were: Brad Hindt, Pete Hamill, Greg Geels, and Tom Eggers. Absent: Shawn Broesder. Also Present: Sam Kooiker, Todd Uhl, Lyle Bolkema, Micah Schreurs, Curt Strouth, Jake Kerr, and Patricia Meester.

Public Comments: None.

A motion was made by Hamill and seconded by Eggers to approve the consent agenda as presented. Roll call was taken. Ayes, all. Motion carried.

a. Approved the Minutes of January 2, 2019, and the boards & commissions

b. Summary list of city claims, with additional as presented, boards & commissions.

c. Approval of Village Northwest’s Run, Walk & Roll for June 1,2019.

d. Approval of 2018 4th Quarter Ambulance write offs of $37784.77.

e. Approval of Class C Liquor License renewal for J & B Bar.

f. Approval Ashley Balt and Adam Ruschmann. as fire department volunteers.

g. Approval Brianna Davis a S.C.A.T. volunteer.

 Mayor Meendering opened the Public Hearing at 4:34 p.m. to consider the General Obligation Capital Loan Note for emergency service equipment. No oral or written comments. A motion made by Hindt and seconded by Geels to close the Public Hearing at 4:35 p.m. Roll call was taken. Ayes, all. Motion carried.

A motion was made Hindt and seconded by Hamill to approve Resolution R19-4436 GENERAL OBLIGATION CAPTIAL LOAN NOTE ($650,000) AND ISSUANCE FOR EMERGENCY SERVICES EQUIPMENT. Roll call taken. Ayes, All. Motion Carried.

 A motion was made by Geels and seconded by Eggers to approve James Lowery as Recreation Coordinator with a starting wage of $31,500.00, with a starting date of February 11, 2019. Roll call taken Ayes, all. Motion carried.

Economic Development Director, Curt Strouth stated that the development committee has approved a Tax Increment Financing (TIF) Rebate application from Maintainer Corp. Maintainer will be building a truck shed that will be for larger trucks with an approximate assessed value of $1,500,000.00 to $2 Million. Asking for a 5-year sliding scale (TIF). Adding 20-30 new jobs. Planning on breaking ground April 15, 2019 and on line by fall of 2019. A motion was made by Hamill and seconded by Hindt to approve 5-year sliding scale TIF rebate for Maintainer Corp. Roll call was taken. Ayes, all. Motion carried.

Jared Johnson, O’Brien County Emergency Management updated the council on the area flood mapping in the early states that will help the area residents being able to purchase flood insurance in the future. This map can be viewed on the Iowa Dept of Natural Resources website.

City’s Manager report: Kooiker stated that he had a very positive response from Qwest about pedestal that needed to be repaired on south third avenue.

Mayor and Council comments: None

Budget workshop was started at 5:07 p.m.

Balancing the General Fund portion of the budget the council approved to proceed with the revenues of $148,492.00 and the list of cuts of $196,470.00 to expenses removed which would take the balance of -233,252.00 down to a $47,978.00 ending balance June 30, 2020 budget. Budget Amendments could be used to make changes in the future if needed. Local Option Sales Tax (LOST) balance is approximately $30,000.00 & $167,00.00 in a CD. The LOST ballot of ’95 states that the community betterment can be used to pay Recreation salaries. This was usually taken from the General Fund in the past.

Discussion of the employees’ insurance options. Kooiker thought that option #4 was the best choice. This is option for the nonunion to pay 5% and that union be froze at 15% . Kooiker said that he could look at the deductibles to see if that would affect insurance pricing. Schreurs and Kooiker will need to get together with the union, Kooiker also stated it is important to have a good insurance option when hiring new employees. When asked about the goal of where Kooiker sees the future for employee insurance, he said it would be the goal to have similar costs. It was the consensus of the council to go with option #4.

The council agreed to a 2.5% increase for the Sheldon Community Ambulance Team (SCAT) calls and meetings and officers pay. Also, the council discussed the possibility of changing the SCAT members being paid monthly verses every 6th months and it was decided that it would be much more expensive to pay monthly, so will keep payments for meeting & calls the same.

Kooiker discussed the increasing meeting pay for council. Kooiker had put together some wage summaries for Mayor & Council from other communities to see what the average were. Hindt suggested raising the meeting pay to $50.00 per meeting and $40.00 for committee meetings. That would be a good incentive for getting people interested in serving on the Council, Eggers said that if money is the reason for serving on the council for the wrong reason. Hamill and Geels agreed. And it is hard to raise pay when you are looking for extra money for the budget. The consensus was to leave pay as is.

Kookier presented the recommendation to reduce the cash balance the City has with T.I.F. account (projected to be $2,394,431 June 30). These funds cannot be spent on purposes other than paying off T.I.F. debt. This high cash balance negatively affects our debt capacity. It was the consensus of the council to pay off $1,465,00 in 2013 Sheldon Crossing debt that is callable 06-30-19 and pay off $800,000 in 2013 Downtown Streetscape Debt also callable on 6-31-19. And by making these payments the new percentage of Debt limit will be a bit less than 66.69%. The council consensus was to proceed as stated above.

Mark Reinders, Mid-American Energy was present to discuss with the Council the franchise agreement and franchise fees. Reinders said that Mid-American would do a press release to inform the Sheldon residents. There are many area communities that have franchise fees to support needs in their communities. Hindt said that the City has two issues here, one is does the City want a franchise agreement and then the franchise fees? Also, Hindt wanted to know what other communities have for fee structure. Reinders said the fee can be whatever you need it to be. The council can decide if it is different fee rate for commercial and residential. Kooiker said that the City needs to figure out what are the needs by having the emergency services work up a 15-year plan and see what is needed. Uhl informed the council that if a franchise fee is enacted they would lose the 1%of LOST that the city is already getting from Mid-American. Geels just wants to make sure that this is truly the way to go.

A motion made by Eggers and seconded by Geels to set a workshop for February 20, 2019 to hear a 15-year summary of all four emergency services departments and an update from Clerk’s office on the impact to local option sales tax. Roll call taken. Ayes, all. Motion carried.

A mtion was by Hindt and seconded by Geels to adjourn at 7:16 p.m. Roll call taken, Ayes, all. Motion carried.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Patricia Meester, Deputy Clerk