

**City of Sheldon**  
**City Council Report for 1/16/2019**  
**Regular Meeting at 4:30 p.m.**

**3d. Approve Dennis “Daniel” Dees as Fire Department volunteer.**

Attachment: Application.

Background: Daniel is attending NCC for his associate’s degree and is an honorably discharged Army veteran who previously volunteered with a fire department in Meridian, Mississippi. He currently works for Aventure Staffing at Sanford Care Center. We welcome him to Sheldon and to our Fire Department.

**5a. Discuss Crossroads North Business Park.**

**i. Overview.**

**ii. Approval of Phase I.**

Attachments: Memo from SCDC; Preliminary Plat and related information.

Background: We had been looking at a total cost of \$1,045,000 for the Crossroads North Business Park. In addition, we have been exploring the concept of adding in \$175,000 for a right turn lane on Highway 18 into the Park. Further, we had also looked at \$70,000 for a 10-inch water line loop for Runger’s Addition, which will help the entire northeast part of town. This would bring the total to \$1,290,000 for a complete, unphased project. Even with current account balance of \$897,716, plus the available Runger’s Addition monies of \$53,500 and future potential land sale proceeds, the most the City could afford at this time would be approximately \$1,000,000.

Our recommendation is to split the project into phases based on funding availability and the desire to avoid additional bonding. This allows the Cenex project to proceed. We have \$897,916 to work with from the existing funding source. This would allow us to fund the \$693,000 Phase 1 cost plus the right-hand turn lane (\$175,000) for a total of \$868,000. The water-line loop would be deferred to a future phase or built in conjunction with Sheldon’s second water tower, which is needed within the next several years.

**5b. General Obligation Capital Loan Note (\$650,000) for emergency services equipment.**

**i. Resolution fixing date for a meeting on the proposition to authorize a Loan Agreement and the issuance of a Note to evidence the obligations of the City thereunder.**

Attachments: Resolution and related information from Ahlers Cooney Law firm.

Background: This resolution sets the hearing for February 6; this is the next step for approving a \$650,000 loan to fund the Fire truck purchase and two police cars. The fire truck purchase was approved by the City Council on November 7, 2018, and the two police cars were included in the 5-year Capital Improvements Plan which was approved on December 5, 2018. The engagement agreement with Ahlers Cooney Law Firm costs \$7,000 and was approved on January 2. Here are the next steps.

- 1/16 - Fix date for hearing.
- 2/6 – Hearing and approval.
- 10/2 – Authorizing.
- 10/25 – Approximate Closing date (exact date to be determined by City and Iowa State Bank).

**5c. Waste Water Treatment Plant:**

- i. Pay order #8 for Waste Water Treatment Plant.**
- ii. Change order #6 for Waste Water Treatment Plant.**

Attachments: Pay order and Change order.

Background: This pay order is in the amount of \$498,148.34. Project is going well.

As for the change order, this is NOT included in Pay order #8. The change order adds a stairway to the north side of the Sequencing Batch Reactor (SBR) at the cost of \$22,508. Part two of the change order is a deduct of \$1,690 to remove waterproofing from the channel walls of the UV building. The net cost of the change order is \$20,818.

**5d. Resolution establishing Crossroads Pavilion Maintenance and CIP fund, and directing inclusion of 13.5 cent levy in the FY19-20 budget draft.**

Attachments: Resolution and sample budget form.

Background: On January 9, 2019, the Crossroads Pavilion recommended the passage of this resolution to implement the option 13 ½ cent ‘civic center’ levy allowed under State Law. This action is not subject to a public vote, and therefore it is important

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to provide ample opportunity for discussion. Several points to consider:

1. The Pavilion has been generously funded with donations, and most of the donations were for capital expenses. Private donations, including the work of 'Friends of the Pavilion' will remain very important and key to the success of the Pavilion. The operational donations that were received have been counted in the revenue over the last two years, and that includes \$50,000 last year. When this is subtracted out, the operational deficit increases to about \$64,000. This heightens the importance of saving for the large capital expense we know will come. We expect the Pavilion will always be taxpayer supported in terms of general operations; it will be a more manageable burden if there are other resources available for maintenance and capital improvements.
2. Here is a summary of the life expectancy and cost of some of the main items; the total of this list alone is \$873,000 – in today's dollars:

Capital item	Life expectancy	Cost
Siding	5 years	\$7,000
Tables/Chairs	10 years	\$44,000
Tuckpointing	10 years	\$10,000
Kitchen Equipment	10 years	\$25,000
HVAC	17 years	\$100,000
Roof	20 years	\$250,000
Flooring	20 years	\$135,000
ADA openers	25 years	\$2,000
Parking Lot Replacement	30 years	\$300,000

3. For the FY19-20 budget, this is a two-step process – a) the passage of this resolution, and b) approving the FY19-20 budget itself. For future years, this 13 ½ cent levy would be included in the budget drafts unless the resolution is changed. The levy can be removed from the budget at the discretion of the City Council.
4. The eight other cities I checked with, including Sioux Center, put 100% of the option 13 ½ cent levy in the general fund. This proposal would sequester 2/3's of the levy proceeds into

a separate fund to be used exclusively for Pavilion maintenance and capital improvements.

5. There is also the option to add to this new fund from other sources.

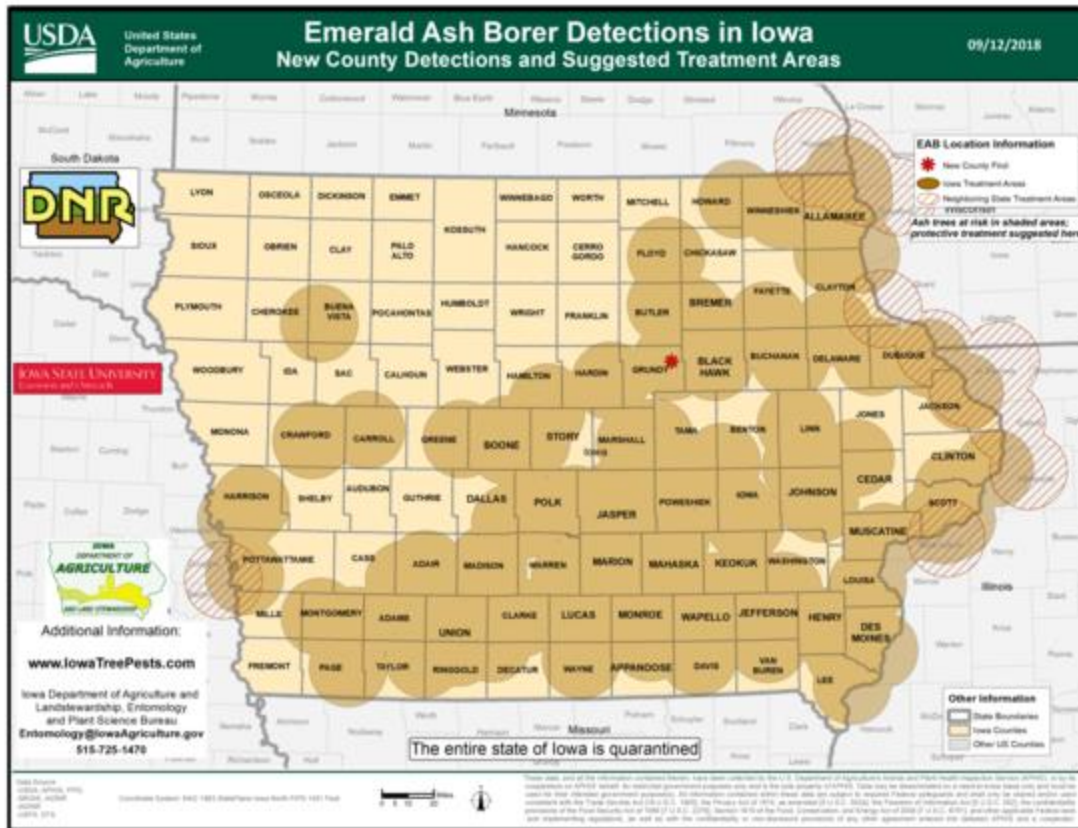
#### **5e. Pay order #2 for Floyd Industrial Park.**

Attachments: Pay order.

Background: This pay order for \$264,227.74 came in on December 28, 2018 from Pat Bickett at Schlotfeldt Engineering. Public Works Director Todd Uhl recommends approval of this pay order. This would bring the total paid to \$389,745.80, out of a total contract price of \$411,311.37.

#### **6a. City Manager's Report.**

- On December 17, Todd Uhl and I attended a teleconference with Molly O'Brien and Chris Poole from Iowa DOT. We have been offered a no-cost review of our signage and traffic flows. Over the course of the next year, they will be reviewing our traffic patterns and providing recommendations. The relevant maps have been included in your packet as an FYI. One of our main concerns is the presence of a 55 MPH zone which begins just west of Taco Johns at the intersection of Runger Ave and Highway 18. This is a very busy intersection, especially during events at the Pavilion. DOT has declined to change the speed limits in the past, however, we now believe a change is justifiable for safety reasons.
- On a related note to the previous bullet point, Roxanne Seward from Iowa DOT informed us on January 8 that Iowa DOT will schedule a speed study on Highway 18 from Normal College Avenue to approximately one mile east of the Highway 60/18 interchange. This will be conducted sometime in 2019.
- On January 7, Emma Hanigan with the Forestry Division of Iowa Department of Natural Resources, informed me that Sheldon has been added to the list for an updated tree inventory. This is good news for Sheldon and is an important step in planning for the arrival of the Emerald Ash Borer. Our existing tree survey dates to February of 1996; at that time, there were an estimated 2,091 street trees in Sheldon, with an estimated 25% being Ash. Below is the latest chart from Emma, which shows where the presence of the Emerald Ash Borer has been confirmed.



- In your packet is a 4-page policy that went into effect on December 28, 2018 for the Sheldon Police Department. This is a standard policy now required by the State of Iowa regarding cooperation with immigration authorities. Chief Bolkema confirmed the City has always cooperated with federal and state authorities, so this policy doesn't change anything. Council approval is not necessary per City Code. Chief Bolkema and I have signed off on the new policy and wanted to keep you informed. Here is the relevant City Code:

**30.08 DEPARTMENTAL RULES.** The Police Chief shall establish such rules, not in conflict with the Code of Ordinances, and subject to the approval of the City Manager, as may be necessary for the operation of the department.

- In your packet is a memo describing the sighting of a drone, which was seen following Officer David Dykstra in the early morning hours of January 4, 2019. The matter also was discussed briefly at the January 8 Airport Commission meeting. We have been informed an investigation from FAA or NTSB is unlikely due to the federal shutdown. We hope this drone incident is an isolated incident. Based on the report,

whoever was operating the drone was likely in violation of federal law. Enclosed in your packet is information from the FAA regarding drones. At this point, we do not believe additional City regulation is necessary, however, Chief Bolkema is continuing to review situation and is in conversations with FBO Lyle Vust at the Airport.

- The process of reviewing our insurance coverage has begun. We currently have two policies with Gesink & Vander Wilt Agency, and the remaining policies are with Perspective Insurance. Regarding the employee disability and life insurance policies, Joel Gesink recently received a quote from UNUM, for the same insurance at a cost averaging \$300 less per month. We are exploring a switch, although Mutual of Omaha's rate is guaranteed not to change until June of 2020.

#### City of Sheldon - Policy Listing

Agency	Policy	Next Renewal Date
Perspective	Iowa Community Assurance Pool (ICAP) Property/Liability/Vehicle/Liquor Liabi./E&Liab./Equipment	7/1/2019
Perspective	Iowa Municipal Assurance (IMWCA) Workers Compensation	7/1/2019
Perspective	Commerce & Industry Company Pollution Liability (Storage Tanks)	12/5/2019
Perspective	Travelers Crime Coverage (Bond)	5/1/2019
Perspective	Old Republic Airport Liability	11/1/2019
Perspective	Wellmark/Auxiant Employee Health Insurance	7/1/2019
Gesink & Vander Wilt	Mutual of Omaha Disability	6/15/2019
Gesink & Vander Wilt	Mutual of Omaha Life	6/15/2019

Tom Fuoss and his team at Perspective are compiling a comprehensive review, and below is a brief review of our Worker's Compensation.

- We have received good news regarding our Worker's Comp insurance. On January 8, Tom Fuoss of Perspective met with me and several Department Directors along with Scott Smith and Tim Kirgan of IMWCA (Worker's Comp). Our premium and related "mod factor" will be dropping significantly.

After the meeting with the director team, Scott Smith from IMWCA assisted in conducting ergonomic reviews with several employees in the Police Department and City Clerk's office.

IMWCA has a three year "look back" for claims. Overall, our safety record is very good. In 10 years, we have had only two "lost time" incidents among our paid staff. In addition, two large claims from FY14-15 will be dropping off our record. These two claims involved emergency services volunteers and totaled \$278,015. Our premium for FY19-20 is estimated to drop by nearly 50%.

<b>Workers' Comp Summary</b>		
<b>IMWCA (renews July 1)</b>		
<b>Year</b>	<b>Premium</b>	<b>Mod Factor</b>
2019-2020**	\$45,000.00	0.77
2018-2019*	\$87,471.00	1.11
2017-2018	\$94,073.00	1.15
2016-2017	\$88,715.00	1.09
2015-2016	\$33,794.00	0.74
2014-2015	\$38,770.00	0.83
2013-2014	\$49,546.00	0.95
2012-2013	\$61,396.00	1.06
2011-2012	\$49,157.00	0.99
2010-2011	\$43,031.00	0.97
2009-2010	\$52,884.00	1.17
<b>*unaudited – FY18-19 audit occurs in Aug/Sept 2019</b>		
<b>**estimated – FY19-20 premium confirmed in May 2019</b>		

- On January 9, Denny Kruger, Brad Hindt and I attended the annual township meeting in Primghar. The topic of discussion was funding for fire services for FY19-20. The township boards will be having hearings soon to determine their contribution, and January 9's meeting was the first step in that process. The City of Sheldon has 28E 'joint powers' agreements with four townships – two in Sioux County and two in O'Brien County. Below is the amount of funding we have been receiving – the increases since the inception of the agreements have been quite modest, and in the case of

Carroll Township, there has been no increase since the beginning of the agreement. We will continue to work to ensure the township boards are aware of our needs.

Township	Carroll	Floyd	Grant	Lynn
County	O'Brien	O'Brien	Sioux	Sioux
<b>Date of beginning of 28E</b>	<b>September 16, 1998</b>	<b>May 19, 1999</b>	<b>December 16, 1998</b>	<b>December 19, 1998</b>
<b>Beginning payment for rural fire service</b>	<b>\$ 2,850.00</b>	<b>\$ 4,875.00</b>	<b>\$ 2,625.00</b>	<b>\$ 1,350.00</b>
FY16-17	\$ 2,850.00	\$ 7,800.00	\$ 4,375.00	\$ 2,475.00
FY17-18	\$ 2,850.00	\$ 8,125.00	\$ 4,375.00	\$ 2,700.00
<b>FY18-19</b>	<b>\$ 2,850.00</b>	<b>\$ 8,125.00</b>	<b>\$ 4,375.00</b>	<b>\$ 2,700.00</b>
increase since beginning of agreement	0.00%	66.67%	66.67%	100.00%
average annual increase over 20 yrs	0.00%	3.33%	3.33%	5.00%

- Here is an update on the hiring process for our next General Manager at the Crossroads Pavilion. This was discussed by the Pavilion Board on January 9, 2019:
  1. I am compiling the applications and am calling each candidate personally to confirm receipt.
  2. Each Board member will be asked during the week of January 21 to individually come in to City Hall and review and then rank order the applicants – (Top three candidates, plus two alternates).
  3. Round 1: Up to five people (perhaps more) would be interviewed based on the outcome of the rank order. Interview committee would consist of me plus two board members.
  4. Round 2: The top candidate or two would be interviewed with the entire board, and we would keep you posted on the entire process. At least one interviewer who participated in Round 1 needs to be part of Round 2. This interview can be in closed session.
  5. Round 3: Only the top candidate's name would be released, and that would be after recommendation has been made by the Pavilion Board (per City Code 29A.05), and then the name would be on the Council agenda for consideration. The City Council does have the right, if they so choose, to also interview the candidate. This interview can be in closed session.

Note: The interview process is flexible and may need to change to include phone interviews if we have candidates from long distances who make it into the top tier. We are advertising extensively in the region, and the position is also posted with alumni organizations



for numerous colleges. Position is open until filled, and first review of applications begins week of January 21.

**6b. Updated agenda for Budget workshops.**

Attachments: None.

Background: We'll have a brief update for you on the upcoming budget workshops. The agenda is being updated and will be available by the Council meeting on January 16. The dates of the budget meetings remain the same – Tuesday, January 29 and Wednesday, January 30 at 4:30 PM.

**7. City of Archer ambulance workshop and discussion.**

- a) Proposal from City of Archer.**
- b) Direction to City Attorney and City Manager regarding 28E agreement.**
- c) Direction on bidding of Archer ambulance.**

Attachments: Map of Archer territory; 2018 contingency agreement; Chapter 38 of Sheldon's City Code.

Background: This matter has been discussed extensively and the basic summary is this: Archer's ambulance service has ended; a new 28E agreement is necessary, and the best solution involves a combination of Sanborn, Primghar and Sheldon. Representatives from Archer, Sanborn and Primghar have been invited.

Included in your packet is Sheldon's City Code – Chapter 38, which is relevant for the discussion.