

**City of Sheldon
City Council Report for 2/20/2018
Regular Meeting at 4:30 p.m.**

1a. Oath of Office for Reserve Police Officer Krista Bousema.

Attachments: Oath.

Background: Krista Bousema's hiring was approved on December 19, 2018. Her oath of office is set for the February 20 meeting, and she will be the first female police officer in the history of Sheldon. She is employed as a full-time dispatcher for Sioux County. She will need to be certified to be a reservist.

Eric Meinecke's hiring was also approved on December 19, and he took his oath of office on January 2. He is already certified as a reserve police officer.

It is our hope that one or both reservists will make a good candidate for one of the several full-time openings expected to occur in the next few years.

The cost of certifying a reservist is significantly less than full academy and consists of 80 training hours in the form of six training modules in the area. Total cost is \$600, plus travel. As for academy for a full-time police officer, the cost is \$12,000 - \$15,000; in the case of hiring a full-time officer, w a reimbursement agreement would be recommended in the event the officer left before a certain time.

3d. Consider street closure for Sheldon Prom 2019.

Attachments: January 29 request.

Background: This is a standard request for Prom night on Saturday, March 30. This will affect the intersections of Union Avenue/East 4th St and or the intersection of 19th Avenue/ East 4th St. Approval is recommended.

3e. Approve Pay order #9 for Waste Water Treatment Plant.

Attachments: Pay order.

Background: This pay order is in the amount of \$493,433.02 Project is going well. The contract was amended on January 16 to include change order #6, which was a net additional cost of \$20,818. This pay order does not include that payment; the work authorized by change order #6 will be completed later.

5a. Maintainer's request for additional driveway and reduced speed limit.

Attachments: January 29 letter from Maintainer.

Background: At the February 6 meeting, Shelley Morris with Maintainer presented the exciting proposal of his planned expansion for Maintainer.

Maintainer's frontage road is 2nd Avenue. They are requesting an additional driveway and a lower speed limit (from 45 mph to 35 mph).

Per City Code, a culvert will be necessary for the additional driveway. Below is the relevant City Code.

Sheldon City Code 135.13 DRIVEWAY CULVERTS. The property owner shall, at the owner's expense, install any culvert deemed necessary under any driveway or any other access to the owner's property, and before installing a culvert, permission must first be obtained from the City. In the event repairs are needed at any time with respect to culverts, it shall be the responsibility of the property owner to make such repairs, and, in the event the owner fails to do so, the City shall have the right to make the repairs. If the property owner fails to reimburse the City for the cost of said repairs, the cost shall be certified to the County Treasurer and specially assessed against the property as by law provided.

The driveway request and speed limit reduction request are both within the corporate limits of Sheldon and that portion of road was turned over to the City from the State of Iowa based on a Transfer of Jurisdiction agreement which was approved by the City Council on December 17, 2003. Todd did call O'Brien County on February 11 as we would need a speed zone ahead sign outside of the corporate limit; he confirmed the County supports the proposal.

5b. Set date and time of public hearing for adoption of FY19-20 Budget.

Attachments: Fund summary.

Background: The adjustments have been made per the February 6 budget workshop, which was held at the end of the February 6 regularly scheduled Council meeting. The February 6 workshop was a follow-up to the January 29 – 30 workshops. The 2019-20 budget does not include any assumptions for additional revenues from franchise fees, which would be a point of discussion later in the agenda.

5c. Discuss switching to At-Large Council Districts.

Attachments: 2017 City Council goal setting report; Special election information from County Auditor.

Background: On February 7, I visited with County Auditor Barb Rohwer about the idea from the 2017 Goal setting session (Exhibit A of the report) on eliminating wards in City elections and going to all large Council members. Sheldon has three Council wards and two at large seats. Wards 1 (Pete Hamill), Ward 3 (Brad Hindt) and an at Large seat (Greg Geels) are up this year.

Barb confirmed this change would require an election under Iowa Code 372.2, and it's not something the Council can put on the ballot. There were 172 voters in the 2017 elections so the threshold of 25% is easy to meet – 45 voters would need to sign the petition. The cost of a special election is about \$3,000.

Barb sent me a list of the upcoming special election dates. The matter could also be placed on the November ballot (by petition) to reduce addition cost and it also wouldn't affect this year's elections. Due to addition of item 8 to this agenda, there appears to be an opportunity to combine two elections and have it done in time to change to At-Large council members in time for the November 2019 City elections.

5d. Set date and time of public hearing on proposed McCabe Addition and Rezoning.

Attachments: January 22 letter from Thor Klinker; February 8 email from Micah Schreurs.

Background: This is set a public hearing (most likely March 6) for a rezoning and development within the City's extraterritorial jurisdiction. The Planning Commission meeting is tentatively planned for February 20.

6a. City Manager's Report.

- The broken Centurylink pedestal in the right of way near the Sheldon Post Office was replaced on February 1.



- There are three requests pending to shoot off fireworks for weddings at the Pavilion: June 7, June 29 and July 20. Ordinance 41.11 requires approval from the City Council for fireworks to be shot off at the Pavilion. The Iowa Code allows Consumer fireworks (1.4g) from June 1 – July 8 and December 10 - January 3. The same ordinance gives the Council the

authority to allow for display fireworks (1.3g) any time, with the proof of liability insurance (\$1 million total). There are several parties involved in the discussion, including the Airport Commission, Pavilion Board, Iowa DOT and Sheldon Fire Department. It may turn out it is not feasible to accommodate these requests; however, it is worth considering. It is a way for the Pavilion to distinguish itself from other venues. However, safety comes first. These matters will likely be coming to the Council for consideration in March.

- Cory Osterbuhr stopped in to see me on February 8. He is owner of the former Drenkow Motors building on Old 60 (420 North 2nd Avenue). He has already moved ½ dozen vehicles and a gravity flow wagon off site, and plans do more as the weather improves.
- On February 13, I met with Hugh Lively and Cindy Voss of RIDES transit. The CEO of Village Northwest, Barry Whitsell, joined us. We discussed the City's \$20,000 commitment for the FY19-20 budget (from Local Option Sales Tax). State law requires a public purpose be established when disseminating public funds to 3rd party organization. An estimated 80 – 90% of the daily traffic on RIDES is generated by Village residents. The City of Sheldon recognizes the importance of RIDES to Village Northwest, and the purpose of this agreement is to establish a public purpose for the funds assist the Village, which heavily depends on RIDES. A simple agreement is in progress, which will ultimately be brought to the City Council for consideration prior to July 1.
- I have been granted a stipend by the Iowa League of Cities to attend the IMMI (Iowa Municipal Management Institute) meeting from March 20-22. The meeting is in Iowa City. The stipend is \$350 and pays for my registration in full. I will be leaving the afternoon of March 19; I will not be at the City Council meeting on March 20.
- City Attorney Micah Schreurs has completed a draft of the Archer – Primghar – Sanborn – Sheldon 28E agreement for ambulance service, and it will be considered by Archer first. The agreement is based on the consensus reached at the January 16 Sheldon City Council meeting by representatives of all four communities.
- Mayor Meendering and I had a conference call with Danny Lane on February 4 to express our concern with the condition of his father's buildings (the HC Lane buildings) on the south side of the 300 block of 9th Street. The tenant at 326 9th Street (the corner building) recently moved out due to the unresolved conditions in the building – she reported the use of 47 buckets to collect the water. The tenant at 320 9th Street has also mentioned difficult conditions.

Sheldon does not have a property maintenance code or building inspection ordinance. We do have a dangerous building code, which affected parties could file a complaint under. A dangerous building code is an important tool, although it is more of a “blunt instrument” than a property maintenance code. These buildings may not yet be to the point of being dangerous, although if we receive a complaint we would need to follow-up. We do want to avoid having a dangerous building situation in our downtown core, especially with these beautiful historic buildings. The size of the buildings and the shared walls involved would cause an enormous expense to the taxpayers in the event of a demolition. My interactions with Danny Lane and his property manager, Rod Fonkert, have been positive. On February 7, Rod confirmed he plans to fix the roof at 326 Ninth St this Spring.

On February 15, Rod Fonkert, Curt Strouth and I visited. Danny Lane joined us by phone. We discussed options including the idea of 1) selling the buildings, 2) fixing to the point of being able to continue renting out the buildings, or some type of re-development which would involve incentives such as Iowa Economic Development Authority funds, Tax Increment Financing (TIF) or Urban Revitalization tax breaks. Both properties are classified as “poor condition” in the County’s property tax records. Source: <https://beacon.schneidercorp.com>. The property at 326 Ninth Street has an assessed value of \$34,430; the property at 320 Ninth Street has an assessed value of \$29,680.

7. Emergency Services & MidAmerican Franchise agreement/fee workshop:

- a. Presentation from Emergency Services.**
 - i. Emergency Management – Kent Lohrenz.**
 - ii. Fire Department – Denny Kruger.**
 - iii. Police Department – Lyle Bolkema.**
 - iv. S.C.A.T. – Kevin Miller.**
- b. Discussion and direction.**

Attachments: 15-year CIP plan for Sheldon EMA, Fire, Police and SCAT. Draft revenue purposes statement and ordinances.

Background: The City of Sheldon has many unfunded needs when it comes to Emergency Services. On January 30 and again on February 6, the idea of a gas and electric franchise agreement and related fee was discussed. Sheldon has had a cable franchise agreement since January

3, 1996 (Chapter 27 of the City Code). Chapters 110 and 111 in the City Code were also established many years ago with the wording “reserved for future use”.

On February 6, the City Council requested a workshop be held on February 20 to hear the priorities of our four emergency service departments. In total, the cost averages \$527,533.33 of unfunded needs per year for the next 15 years. As for the franchise fee itself, here are some points to consider:

1. The full exploration of a franchise agreement and fee has been established as a priority by the Council per the 2017 goal setting meeting on December 13, 2017. The priority was emphasized again in this year’s individual goal list from the elected officials.
2. In your packets is the listing of the other 170 communities in Iowa with gas/electric franchise fees, and below are some of the other communities near Sheldon. Sheldon does have a franchise fee for cable TV, which many other communities do as well.
 - MidAmerican renewed the Hull electric and natural gas franchises in 2011 for 20 years – with no termination or reopener language – so it is a straight 20-year agreement. They have 5 percent fees on residential and 1.5 percent on non-residential (to help out the Cheese plant).
 - a. Note: Hull lost out on creating a municipal utility in 1990 - the same year as Sheldon.
 - Boyden was renewed in July 2010 for 25 years. Initially, they set fees at 5 percent for residential and 3 percent for nonresidential. In December 2015, they raised the nonresidential to 5 percent as well. No reopener or termination language. The City limits of Boyden include Demco Manufacturing.
 - Sutherland was renewed in April 2017 for 25 years. They set fees at 3 percent for all customers. No reopener or termination language.
 - The Inwood City Council approved new electric and natural-franchise in July 2012 for 25 years. No reopener or termination language. They set franchise fees at 5 percent for residential and 3 percent for nonresidential.
 - Ireton renewed the franchise there in 2014 for 25 years. No reopener or termination language. They have 3 percent franchise fees on all electric customers. Ireton DOES exempt the schools.

- Cherokee has 25-year agreements in place for gas and electric, with a 5% fee for all customers. Cherokee is served by MidAmerican for electric, and Alliant is the gas provider.
 - Rock Valley has had franchise fees for the longest time in the examples shown. They set fees at 5 percent for all electric and natural gas customers when the agreements were approved for 25 years in 2004. No reopener or termination language.
3. MidAmerican is offering a 15-year agreement to Sheldon, with negotiated “re-openers/outs” available at 5 and 10 years. This is per my request because thought a shorter agreement would have a better chance of getting support. Mark Reinders with MidAmerican informed me they not offered such a short agreement to anyone else.
 4. Of the 56 communities MidAmerican serves and where franchise fees are in place, eleven do exempt schools: Ackley, Council Bluffs, Des Moines, Early, Hastings, Ireton, Lewis, Perry, Pleasant Hill, Sergeant Bluff and Windsor Heights.
 5. There are two ways the schools will be impacted: One is significant, and one is small. As for the big one - Curt and I met with Supt Cory Myer on January 30 and he does request the schools be exempted from the fee itself. I’m ok with this exemption too. As for the small one - He is not concerned though about losing the LOST portion of their own sales tax (now called SAVE rather than lost). If we implement a franchise fee, they would not be able to collect the 1% LOST tax on utilities. I have asked him to provide me both numbers (his utility costs and LOST impact) so we know.
 6. To reduce the impact on the commercial and industrial “classes” (which is the term used in the code), you may want to have a lower fee of 2% instead of 5%. Most properties in this class are paying 1% now.
 7. The draft agreement in your packet (this would need to be adopted by ordinance) exempts Cities and Schools (including private and public, and post-secondary). I understand churches cannot be exempted, but the entire class they are in - “commercial” could be adjusted to a lower percentage than the 5% maximum.
 8. MidAmerican is helping us with the ThermoCel building, and Mark Reinders made it clear he didn’t want it to be viewed as a quid pro quo, because they continue negotiating to acquire and demolish the ThermoCel building, and a completely different division of the company is involved in the ThermoCel discussion. With that proposal, the title of the ThermoCel property would be transferred to MidAmerican, and they would clean up the property in exchange for the land itself. The land would be beneficial to their operations.

9. On February 13, based on feedback from a citizen, I asked Mark Reinders at MidAmerican if they would be willing to agree to bury more of the overhead lines and to purchase property in Sheldon rather than rent. Mark is considering this request.
10. Finally, if the franchise agreements move forward, there would be six ordinance readings – three for each gas and electric. There would also be a “revenue purpose statement”, implemented by resolution. And a potential public vote. We are still near the beginning of this discussion.

8. Crossroads Pavilion General Manager position.

- a. Consider Pavilion Board’s recommendation of Tricia Meendering as General Manager.**
- b. Consider resignation of Tricia Meendering as Mayor of Sheldon.**
- c. Discuss appointment or special election for Mayoral vacancy.**

Attachment: Offer letter to Tricia Meendering, signed February 14.

Background: The process was rigorous for the candidates and the interviewers. There were 29 original candidates, and 5 were interviewed on Saturday, February 2 by Board Chairman Kevin Cain, Vice Chairman Marv Van Riesen and I. Sandy Bruns, retired HR director for Northwest Iowa Community College assisted us as well. The field was narrowed to three as a result of the February 2 interviews. All five semi-finalists had strong NW Iowa ties. The three finalists were interviewed in closed session on February 13 by the Crossroads Pavilion Board.

Late in the evening of February 13, the Crossroads Pavilion Board unanimously voted to extend the offer to Tricia Meendering be the next General Manager of the Crossroads Pavilion.

She signed the offer on the morning of February 14, and her appointment is now a matter of public record and is subject to City Council confirmation. Her start date is to be determined and we will likely know this by meeting time. This position is appointed by the Crossroads Pavilion Board and confirmed by the City Council. This position then reports to the City Manager on a day-to-day basis.

The advertised salary range of the position was \$45,000 - \$55,000. The Board recommends her starting salary be \$53,625, which would increase to \$55,000 on July 1, 2019 (a 2.5% budgeted increase is included in the FY19-20 budget). She would also receive a minimum of 10 working days of vacation per year for each of the first two years. (The City’s personnel manual has zero days for first year and 5 working days for the second year).

If she is confirmed as the new Pavilion General Manager, she will need to step down as Mayor prior to her start date for her new position. A space has been reserved on this agenda (item 8b) for her to submit a resignation notice if she is confirmed for this new role. She was elected to her 3rd term in November 2017. Her current four-year term expires in January of 2021. City Code provides for the opportunity for an appointment or special election to fill the vacancy.

5.11 VACANCIES. A vacancy in an elective City office during a term of office shall be filled, at the Council's option, by one of the two following procedures: (*Code of Iowa, Sec. 372.13 [2]*)

1. Appointment. By appointment following public notice by the remaining members of the Council within forty (40) days after the vacancy occurs, except that if the remaining members do not constitute a quorum of the full membership, or if a petition is filed requesting an election, the Council shall call a special election as provided by law. (*Code of Iowa, Sec. 372.13 [2a]*)
2. Election. By a special election held to fill the office for the remaining balance of the unexpired term as provided by law. (*Code of Iowa, Sec. 372.13 [2b]*)

The decision for an appointment or special election would need to be made by the City Council within 40 days. (State Law was changed several years ago to allow for 60 days of Pro Tem duties; City Ordinance was not amended so the rule remains at 40 days for this situation). For up to 40 days, Brad Hindt would assume the duties of Mayor. He was appointed as Mayor Pro-Tem on January 15, 2014. He would retain his seat as a City Council member during this time, unless he is appointed by the Council to fill the vacancy. If he or another Council member are appointed to fill the vacancy, that will create a Council vacancy which would be filled in a similar fashion.

One question you may ask: Is it possible for the Council to opt to fill the mayoral vacancy by election and wait to conduct that election until the general election on November 5, 2019? No. Per the Iowa Code and the Chapter 13 of the Iowa Secretary of State's Election Guide, if a vacancy is to be filled by an election, that election must occur within 90 days of the vacancy. So, assuming the City has a mayoral vacancy in the next week or two, the election would need to occur well before November.

Also, if a special election is held for Mayor, the successful candidate would serve "for the remaining balance of the unexpired term." In contrast, if the vacancy is filled by appointment, the appointment would only be until November 5, 2019 (unless there is an intervening special election).