

City of Sheldon
City Council Report for 5/15/2019
Regular Meeting at 4:30 p.m.

2a. Request to restart Senior meals – Kelly’s Catering.

Attachments: Email from Kelly Lux; Community Center cost sheet.

Background: Kelly Lux is seeking to restart Senior Meals in Sheldon. He currently provides a meal in the following locations:

- Mondays – Paullina
- Tuesday – Orange City and George
- Wednesday – Sioux Center and Hull
- Thursday – Hospers

He would like to provide a meal at the cost of \$6.00 to Seniors (60 and older) in the basement of the Community Building. He would like to do this on Thursdays at 11:30 AM. He is seeking a waiver of both the fees and deposits. He said he does not pay fees to the other cities he serves. We have waived community center fees in the past for “Dinner Date”, which ended last year and was catered by Red’s Café in Hartley. I spoke with Georgiann Holtrop on May 10, and she said at the time they ended Dinner Date, they were down to two tables, with about 4 people at each table.

3d. Approve pay order #12 for Wastewater Treatment Plant.

Attachments: Pay order #12.

Background: This is in the amount of \$810,732.30. The contract price, including change orders is \$9,608,810.98. The remaining balance, after the payment of pay order #12, is \$2,714.656.23.

The project is within budget and slightly ahead of schedule. At the latest, the following facilities will be demolished and removed by July 1, 2020 per contract: RBC (rotating bio cylinders) building, four clarifiers, the digester and chlorine contact basin. The main part of the original facility will be utilized as a training facility for the Fire Department.

3f. Approval of Special Outdoor Liquor License on 5/25/19 and 06/22/19 for Brady’s Pub.

Attachments: Application and sketch.

Background: Brady Den Hartog is the owner of Brady’s Pub. These two requests may include live music – one is a motorcycle memorial

ride and the other is a motorcycle poker run. At the May 1 Council meeting, the City Council authorized Brady's Pub to operate until 1 a.m. in the parking lot on May 11. Here are the relevant minutes of the May 1 Council meeting:

City Council minutes - May 1, 2019: Kooiker stated that City Ordinance states the outdoor sound system stops at midnight. He did reference that Council has allowed Schottsy's Bar & Grill to play music until 1:00 a.m. pending that he notified the neighbors. Den Hartog stated that this would be a DJ, therefore he did not think it would be as loud as a band and he can have the DJ set up to face the west (away from adjacent property owners). A motion was made by Eggers and seconded by Hamill to approve a special outdoor liquor license for Brady's Pub on May 11, 2019, with music allowed until 1:00 a.m. if Den Hartog takes the steps to notify all neighbors from the railroad to 16th Street and from Iselin Avenue to Railroad Avenue. Roll call was taken. Ayes, all. Motion carried.

3h. Approval of EMA Applicant – Cody Hatting.

Attachments: Application.

Background: We welcome Cody Hatting to the EMA team, which is under the leadership of Kent Lohrenz. Cody currently works at Maintainer and is a graduate of Sheldon High School.

3i. Approval of SCAT Applicant – Jill Cook.

Attachments: Application.

Background: We welcome Jill Cook to the SCAT team, which is under the leadership of Kevin Miller. She is a registered nurse and works at NCC. She is the Simulation Coordinator in the nursing program. She is graduate of Ft. Hays State University in Ft. Hays, Kansas. She is U.S. Army veteran.

4a. Requests for Pavilion Fireworks Displays (from March 6).

Attachments: letters/emails with DOT, State Fire Marshal, Perspective Insurance, Sheldon Fire Department and State Senator Randy Feenstra.

Background: There are two key questions to answer -

- 1) Do you want to allow fireworks at the Pavilion.
- 2) Do you want to require the services of a licensed pyrotechnics professional, or allow someone with extensive experience but without an official license to shoot of the fireworks?

The Pavilion Board's recommendation is to allow the fireworks, but only with the services of a licensed pyrotechnics professional (licensed for display level fireworks).

There are three requests pending for fireworks for June 7, June 29 and July 20. Below are the relevant minutes from the March 6 meeting.

City Council minutes - March 6, 2019: Kooiker stated that there have been 3 requests to shoot off fireworks near the Crossroads Pavilion for weddings. The current Ordinance states that such requests require Council approval. Geels stated that these dates range from June 7 to July 20, and it is a short window. A motion was made by Geels to grant the firework requests from Joel Bousema on July 20, 2019, Niki Cooper on June 29, 2019 and Brenda DeBoer on June 7, 2019, and after they are over, evaluate if anything needs changed. Uhl stated that the area around the pond is prairie grass that gets bailed, so there is a chance for fire. Hindt expressed several concerns such as: Who would tell customer that they cannot shoot the fireworks if the weather is not permissible like wind, burn ban, etc. he was also concerned about the people that live out there, as well as who would be shooting off the fireworks. He continued to ask who would clean up the mess that would be left. Dennis Vanden Hull, who lives in Sheldon Crossing, stated that he bails hay and that a grass fire would be a concern of his and that he has lost a home because of fireworks. Eggers felt these were good questions and he would need more answers before he could approve something like this. Motion died for lack of second. Kooiker stated he can work with the Pavilion general manager to develop a form that would spell out everything and address the concerns expressed tonight. A motion was made by Hindt to deny all 3 firework requests at the Pavilion. Motion died for lack of second.

At the May 8 Pavilion Board meeting, the Board unanimously adopted the following motion after considerable discussion:

“To recommend to the City Council that fireworks be allowed to be shot off at the Crossroads Pavilion by a licensed “display-level” pyrotechnics professional with at least \$6 million in insurance with the City being named as additional insured”.

Simply put, the Pavilion Board desires to utilize only licensed pyrotechnics professional with insurance commensurate with the value of the Pavilion. The likely candidate is J&M Displays of Yarmouth, IA, who already handles many area fireworks displays, including the annual Village Northwest display. They have 35 years of experience in the industry, and their local representative, Tal Allen of Lake Park, came to the Pavilion Board meeting on May 8. They employees who live in NW Iowa. They handle matters such as weather conditions, wind speed, clean-up and crowd control. The attendance of the fire department is not required. J&M Displays has \$10 million in liability insurance.

On May 9, I received an email from State Senator Randy Feenstra who stated it was the intent of the legislature to allow cities to allow “display” or “consumer” fireworks to be shot off on City property

year around, with City Council approval. This helps clear up the confusion regarding the email from the State Fire Marshal's office on February 12. It is a local policy question as to what level of expertise is needed to shoot off the fireworks. The Pavilion Board recommends the higher level of licensing.

Independence Day fireworks are more expensive, louder and last longer. A lesser cost option (with a shorter timeframe and without the loud "artillery" shells) is available for weddings. If you support the concept, you can include the dates of June 7, June 29 and July 20 in your motion. A good display lasting up to six minutes can be purchased for about \$2,000. The parties may decline the expense involved with "display-level" fireworks and a licensed technician, but then the matter won't need to come back to the Council for these three events. Additional requests would need to come to the City Council unless the ordinance is changed to delegate future approvals to the Pavilion General Manager or Pavilion Board.

4b. Update on H.C. Lane building (324 – 326 9th St) – from April 3, April 17 and May 1.

Attachments: May 9 and April 25 emails from Rod Fonkert; dangerous building notice and exhibits.

Background: Here are the relevant minutes from the May 1 meeting. As of May 10, we had not received a schedule from Property manager Rod Fonkert; he has assured us the work has been ordered. The alley remains closed. We hope to have the schedule by meeting time, as previously requested.

City Council minutes – May 1, 2019: Rod Fonkert, property manager gave an update on the HC Lane buildings located at 324 9th Street and the adjoining 326 9th Street. Fonkert reviewed an email from Wayne Schlotfeldt which said the "wall is braced" and felt the email from Schlotfeldt was enough to reopen the alley. He added that the beams have been ordered but does not have a time frame of when they will arrive, or the work will be done. Fonkert is asking Council for an additional 30 days for work to be completed. He stated that the alley doesn't matter to him. Hindt made a motion to continue the path we are on, keep the alley closed and not grant Fonkert another 30 days. Motion died for lack of second. Hindt added that it's not the City's fault or the citizen's fault, it is Fonkert's fault. Mayor Geels asked if we've received complaints on the alley closure. Hindt and Kooiker both stated that they have. Eggers asked for the timeline on the dangerous building process. Attorney Schreurs stated that the code provides 90 days from the original notice that was dated April 9, 2019. Attorney Schreurs stated that the alley was to be reopened by the April 17 meeting. If Council wishes they could instruct Attorney Schreurs to move forward with a municipal infraction to Fonkert. Eggers asked if Fonkert could get Council a timetable of repairs completion, Fonkert stated yes. Hamill stated that the alley is closed and won't be reopened until the City receives a letter from the engineer. Fonkert stated that he will have a timetable of repairs completion to the City by tomorrow, May 2, 2019.

Kooiker stated that this will again be on the agenda for May 15, 2019 and no action was taken on Fonkert's request for a 30-day extension. Uhl asked for clarification, he understood that the alley was to remain closed, but asked if the other footprint that is fenced off was to remain, and Council said yes.

5a. Crossroads North Business Park Phase 1.

- i. Public Hearing on final plat.**
- ii. Review and approval of final plat.**
- iii. Set date and time for bid letting.**
- iv. Set date and time for public hearing on the bids for Crossroads North Business Park.**
- v. Approval earthwork agreement for Crossroads North Business Park.**

Attachments: Plat; earthwork agreement.

Background: These are the next steps in moving forward on the public improvements necessary to prepare Crossroads North for development. The Council authorized the process to begin on January 16 and authorization to proceed with the specifications and bidding was approved on April 17. The plat was approved by the Planning Commission on April 30. The 'set for hearing' was authorized by the City Council on May 1; notice was published on May 4. Regarding the final plat, Section 1.1 of the Subdivision Regulations states the following:

“The approval of the preliminary plat by the council shall be null and void unless the final plat is presented to the City Council within twelve (12) months after the date of approval of said preliminary plat unless a time extension is applied for and granted by the Planning Commission.”

Here are the relevant City Council minutes:

January 16, 2019 City Council meeting: Strouth reviewed the Crossroads North Business Park. After meeting with staff, they recommend developing it in 2 phases. Phase 1 is estimated to cost \$868,000 and would install infrastructure to the north side of lot 1, as well as the IA DOT recommended turning lane. He is hopeful to continue with phase 2 within a year. Mayor Meendering asked if the speed would be addressed in that area? Kooiker and Uhl stated that the DOT will be conducting a traffic study and we are scheduled to have traffic counts conducted this summer as well. A motion was made by Eggers and seconded by Hamill to approve the recommended phase 1 of Crossroads North Business Park in the estimate amount of \$868,000, installing the IA DOT recommended turn lane and infrastructure ending north of lot 1. Roll call was taken. Ayes, all. Motion carried.

April 17, 2019 City Council meeting: Pat Bickett, Schlotfeldt Engineering was present to review the plans and specifications for Crossroads North Business Park Phase I. A motion was made by Hindt and seconded by Hamill to approve Resolution R19-4444 A RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS AND AUTHORIZING BID SOLICITATION FOR CROSSROADS NORTH PHASE I pending agreement with lot owner, Coop Oil and final plat approval. Roll call was taken. Ayes, all. Motion carried.

The earthwork agreement has been signed by Coop already and is awaiting our approval. The earthwork agreement allows us to save significant dollars and time by taking dirt from the Coop's newly acquired property rather than hauling it in.

The bid opening would be Tuesday, June 4 at 11 AM, and the hearing on the bids would be at the Council meeting on June 5.

5b. FY18-19 budget amendment.

i. Public Hearing.

ii. Review and approval of amendment.

Attachments: Amendment.

Background: The City's current fiscal year runs from July 1, 2018 to June 30, 2019. The 'set for hearing' was authorized by the City Council on May 1. Notice was published on May 4. The main reason for this amendment is to facilitate the pay-off of \$2,265,000 in TIF debt in June 2019. The funds for the bond payoff are currently in a 91-day CD. Other items include the consultant fee for the City Manager search, the airport FAA project, moving some of the self-insurance disbursements and the upcoming May 21 Special election.

5c. Fire Department fees.

i. Resolution updating Fire Department fees.

ii. Review of 28E township agreements.

Attachments: Draft resolution, and previous resolution dated October 5, 1999 (R99-3346).

Background: There are two types of Fire Department fees: "preparedness" and "response". The "response" fees are less complicated, so we'll start with those. Brad Hindt and I have been working together on updating the "response" fees, which are fees based on the type of call; they have not been increased since 1999.

Our proposal is similar to Sioux Center and Rock Valley. Sioux Center's was updated in 2017, and Rock Valley's was updated a

few weeks ago. This proposal also includes an “auto-adjusted rate” for the Hazmat fees, based on the annual schedule from the Iowa Association of Fire Chiefs (www.iapfc.net).

Secondly, it is time to review the rural township “preparedness” fees. Sheldon serves four rural townships - two are in Sioux and two are in O’Brien County. The revenue from the rural townships is less than inflation, and significantly less than the rising costs of operating a fire service. For 15 years the revenue didn’t increase; the increases during the last few years have been helpful, although they range from 2.26% to 2.93% when annualized over a 21-year time frame.

The current levies range from 21 to 54 cents, and three of the four rural townships are contributing significantly less for fire service than the amount levied. Caution: This is not an exact science because some townships have multiple providers. Cordial and extensive discussions are desired with the township trustees in all four townships.

Township	Carroll	Floyd	Grant	Lynn
County	O'Brien	O'Brien	Sioux	Sioux
Date of beginning of 28E	September 16, 1998	May 19, 1999	December 16, 1998	December 19, 1998
Beginning payment for rural fire service	\$ 2,850.00	\$ 4,875.00	\$ 2,625.00	\$ 1,350.00
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
FY18-19	\$ 2,850.00	\$ 8,125.00	\$ 4,375.00	\$ 2,700.00
FY19-20	\$ 4,560.00	\$ 8,125.00	\$ 4,375.00	\$ 7,400.00
average annual increase over 20 yrs	2.26%	2.26%	2.46%	2.93%

The four rural township agreements were approved in the late 1990’s. I spoke with Chief Duane Hendrickson of the Jewell, IA Fire Department on May 8. He is the Secretary/Treasurer of the Iowa Fire Chief’s Association. His letter and sample agreement are included in your packets.

My recommendation is a motion to authorize negotiation (without sending termination notices) and to start the lengthy and important process of working with the rural township trustees to update these agreements.

5d. 1st reading of ordinance setting water rates and amending late fee/notification process.

Attachments: Ordinance.

Background: A water rate study is in progress, per the Council’s direction in 2017. To avoid sticker shock, the City has reviewed the rates each year, and in most cases had implanted basic increases to help keep up with rising costs. There was not an increase for FY18-19.

Here is a six-year rate history:

Fiscal Year	% increase
FY14-15	4%
FY15-16	2%
FY16-17	3%
FY17-18	8%
FY18-19	No increase
Proposed for FY19-20	4%

In addition to the rate increase of approximately 4%, this ordinance amends the current ordinance in several ways:

1. Section 92.04(1) is amended to change the date of billing from “first day of each month” to “last business day of each month” to correspond with the current procedure.
2. Section 92.04(2) is amended to add two days (from 20 to 22) to the billing cycle before a bill is deemed past due. This adds in two days as a grace period to help make up for the fact that reminder notices would no longer be sent out. Here’s how the new schedule would look:
 - a. Bills issued the last business day of the month.
 - b. Due the 22nd of the next month.
 - c. Disconnects hand delivered (door hangers) or mailed on the 23rd.
 - d. Disconnects due on the 25th.
 - e. Shutoff on the 26th.
3. Section 92.04(3) is amended to increase the late penalty from 1 ½% to 6%, and to add in the ability for the City to waive one late fee every 12 months upon customer request.
4. Section 92.05(1) is amended to remove the requirement for the City to send out “reminder notices”.

5. Section 92.05(4) adjusts the processing fee from the normal \$10 to \$25 if the processing fee is for the restoration of service to a delinquent customer. Section 92.05(4) adds in a \$50 charge in the event of an afterhours restoration of water for a delinquent customer. In summary, a delinquent customer previously paid \$35 to be reconnected. They will now pay \$50 to be reconnected during business hours, and \$100 to be reconnected if the reconnection occurs after business hours (Note: In the past the City has billed the employee's overtime; this is an easier way to do it).
6. Section 92.09 includes an increase of \$5.00 for the deposit (from \$125 to \$130).

5e. Authorize request for proposals for banking services.

Attachments: Request for Proposals (RFP).

Background: The following factors have combined to create a good opportunity to request proposals (RFP's) for the City's 17 bank accounts, which are currently in three local banks:

1. The prospect of receiving higher rates of return.
2. Competitive nature of Sheldon's banking environment.
3. The City's financial situation.
4. The recent success of other Iowa local governments in achieving higher interest on taxpayer funds by going out for proposal.

Your support is being sought to authorize the request for proposals (RFP's) and the updated depository resolution will be brought to you afterwards for your approval.

City Code 19.03 states the following:

Deposit Funds. Upon receipt of moneys to be held in the Treasurer's custody and belonging to the City, deposit the same in depositories selected by the Council.

Our banking needs are important, but simple. We do not need an ATM, courier services or purchasing cards. We are a desirable and stable depositor. Our deposits on hand reached a peak in February 2019 of approximately \$17 million. That is unusually high since it includes TIF monies and Wastewater Treatment Plant bond money – both of which will be leaving our accounts over the next year. Our average annual deposits typically rate from \$7 - \$9 million.

Upon your approval, the RFP would be provided to the five local financial institutions (Citizens State Bank, Iowa State Bank, Northwestern Bank, People's Bank and North Star Credit Union). We plan keep our banking services within the City limits, and banks outside of City Limits will not be receiving the RFP. You do have the authority to direct otherwise.

The length of the award of services would be for five years, and the City reserves the right to pursue separate competitive bidding for CD's, loans and bonds as needed.

Customer service is important, and all five local institutions have a reputation for good service. We desire interest rates which are commensurate with the market and adjust automatically over time. For example, automatically adjusting rates tied to a market index such as a T-Bill rate (www.treasury.gov) or Iowa Public Agency Investment Trust (www.ipait.org) are desired. Some indexes are better than others, and the competitive process will be good for the taxpayers.

5f. Resolution approving a policy for the disposition of City-owned properties.

Attachments: Resolution and draft policy.

Background: This policy may not be ready to be adopted at this meeting as it is still under review. The purpose of the policy is to establish a basic procedure for selling/transferring City-owned nuisance properties – examples would include the DJ's Redemption Center building and the Sunset Motel.

5g. Authorize commencement of Iowa Code 657A process to take title of abandoned residential property at 1023 Garfield Avenue.

Attachments: April 30, 2019 letter from Iowa Department of Human Services.

Background: This owner of this property passed away in 2018. We have had multiple complaints on the condition of the property. The property is in limbo, because the remaining family in Ireton does not desire to open an estate, and the State of Iowa doesn't either. The City's acquisition process, assuming it is not contested, will take approximately 90 days from the date of the filing of the petition. One of the first steps will be a lien search. This situation is

a low-cost and low risk test case for the City's proposed policy that we need to have fully developed anyway for the DJ's property and Sunset Motel.

5h. Resolution setting wages and health insurance contribution percentage for full-time non-union employees, effective July 1, 2019.

Attachments: Resolution; employee pay matrix.

Background: This resolution is being introduced per the adopted FY19-20 budget. For your convenience, the pay matrix in the Council packets includes a listing of all our full-time employees, however this resolution covers only our full-time non-union employees. A similar resolution for regular part-time employees is being drafted. We have not done a resolution before on part-time employees, so it is not ready for this agenda.

All employees participate financial in their health insurance plans through co-pays, deductibles and approximately half participate in the cost of the plan itself. Currently, non-union employees participate at a lesser level than union employees. The City has 31 full time employees; 17 are non-union and 14 are Union. This resolution raises the participation rate by non-union employees in their health insurance to be 5% of their plan, or 5% of the difference between the single and family plans. Until this year, non-union employees contributed none of the cost of the plan for single and family health plans. Union employees contributed 15%. Note: Starting July 1, the contribution goes to 20% for union employees, and the Council decided during the budget process to freeze the union contribution at 15% to avoid increasing the disparity. The estimated employee contribution for family is \$65.83 a month for each 5% increment. The memorandums of understanding with the unions are being wrapped up and should be ready for the June 5 agenda. We will also have a summary for you at that time on the health insurance renewal and disability/life renewal options for FY19-20.

5i. 1st reading of Ordinance to amend provisions of section 63.04, pertaining to the speed limits on Park Street (U.S. 18) to the eastern corporate boundary.

Attachments: May 9, 2019 Iowa DOT traffic study results; map; draft ordinance.

Background: This is a late addition to a packed agenda; however, it is being added due to the important public safety implications. We have received multiple complaints regarding the high speeds near the intersection of Runger Avenue and Park Street (Highway 18). This is not a matter of enforcement but of the posted speed limit. The recommendation from Iowa DOT is to extend the 45 MPH zone from the eastern most City boundary (just east of Crossroads Drive), all the way to the west side of Shopko's driveway. A second or third reading may be necessary to allow for additional opportunity for review.

6a. City Manager's Report.

- 316 Flags were sold for this year's annual City sponsored clean-up. This shattered the previous record of 220. In addition, 236 stickers were sold for items such as appliances, air conditioners and electronics.
- During the summer, City Council has often met at noon for the first meeting of the month (June, July and August). Due to the work schedules of our council members, the meetings will remain at 4:30 PM this summer.
- The annual SCAT dinner is on May 20.



The poster features four photographs of diverse people smiling and interacting. Below the photos, the text reads: **COMMUNITY HEALTH FAIR & SCAT SUPPER**, **May 20, 2019 | 4:30 - 7:30 p.m. | Crossroads Pavilion Event Center, Sheldon, IA**. It also states: **WE WILL OFFER A VARIETY OF HEALTH SCREENINGS, EDUCATION, AND COMMUNITY RESOURCES ALL WHILE SUPPORTING OUR LOCAL AMBULANCE TEAM.** At the bottom, it says: **SCAT supper, 5-7 p.m.**, *Contact a SCAT member to purchase your ticket or purchase your ticket at the door.*, **Visit sanfordsheldon.org for more information.** The **SANFORD** logo and the word **Sheldon** are in the bottom right corner.

- We will soon be having the special election for Mayor (term expiring January 1, 2022) and the At-Large Council seat (term expiring January 1, 2020). Polls will open from 7:00

a.m. to 8:00 p.m. on Tuesday, May 21. It will be in the Sheldon Community Services Center, 3rd Floor Room B. People can vote in the County auditor's office until 5:00 p.m. on Monday, May 20. The County Board of Supervisors is required by law to conduct a canvassing of the vote, and this meeting is scheduled for May 28. Therefore, the oaths of office will likely be administered at the beginning of the June 5 Council meeting.

- On May 9, Brenda Klassen submitted her resignation as our Assistant Library Director. She started with the Sheldon Library on January 10, 2012. Her role is part-time. Her last day will be May 23. She will become the new director at the Hospers Library. We wish her all the best in her new role.
- Officer Scott DeGoei's last day with the Sheldon Police Department is on June 30. He submitted his letter of resignation on April 26, 2019 and the letter was accepted by the City Council on May 1. The position is being posted until May 20.