

City of Sheldon
City Council Report for July 17, 2019
Regular Meeting at 4:30 p.m.

1a. Oath of Office for Police Officer Eric Meinecke.

Attachments: Oath.

Background: Eric is a certified reserve officer and previously worked as a reservist at Rock Valley and Sanborn Police Departments. His hiring as a reserve officer was approved at the December 19, 2018 Council meeting. He was sworn in on January 2. He previously worked for the City Water Division for nearly 10 years - from July 23, 2007 to April 7, 2017. His last day with Farmers Market is July 19, and he will start his new position on July 22.

2a. Annual update from O'Brien County Economic Development – Kiana Johnson.

Attachments: None.

Background: Kiana Johnson with O'Brien County Economic Development will be providing us an annual update. We are grateful for the positive relationship we have with her office. She will be bringing handouts to the meeting.

3e. Village Northwest Fireworks agreement for 2021-2023.

Attachments: May 17 email from Jerry Postma at VNU; agreement.

Background: Village Northwest Unlimited has a partnership with the City for the annual July fireworks display. The multi-year agreement provides significant discounts for early orders, which is something we take advantage of every year. Approval is recommended.

3f. Pay application #14 for Wastewater Treatment Plant project.

Attachments: Pay application #14.

Background: The request is for \$419,166.96 and approval is recommended. The project is going well, and much of the equipment is going through initial startup. The contractors will be adding seed sludge next week. Once seed sludge is added will we start running some flow to the new plant.

4a. Mayor's Appointments to the Boards & Commissions (from July 2).

Attachments: Updated list of appointments.

Background: Below are several more mayoral appointments for various boards and commissions. Length of term varies by board. The remaining appointments are:

- Appointment of Caleb Schreurs to Library Board. (6-year term).
- Appointment of Lori Letner-Anderson to Park Commission. (5-year term).

The remaining open seats at this time are on the Board of Adjustment and Airport Commission; these appointments will be made soon.

5a. Banking services - Resolution designating the place of deposit of funds and prescribing the maximum.

Attachments: Request for Proposals (RFP); July 3 memo from Iowa Public Agency Trust (IPAIT).

Background: On May 15, the Council authorized the request for proposals (RFP's). 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 needs.
4. The recent success of other Iowa local governments in achieving higher interest on taxpayer funds by going out for proposal.

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. Our average annual deposits typically range from \$7 - \$9 million, which includes investments. After the responses had been received, the thresholds in the RFP were further reviewed. Angie Beckman and I felt it was necessary to clarify to the respondents that the deposits could drop to \$4.5m, due to our efforts to pay off TIF debt and the progress being made on the Wastewater Treatment Plant.

The original RFP was provided to the five local financial institutions (Citizens State Bank, Iowa State Bank, Northwestern Bank, People's Bank and North Star Credit Union). All four banks responded. We plan keep our banking services within the City limits, and banks outside of City Limits did not receive the RFP.

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

The updated depository resolution is being presented for your consideration, with the bulk of the funds being recommended to be deposited with People's Bank.

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.

Dan Zomermaand with Iowa Public Agency Investment Trust (IPAIT) assisted Angie and I in evaluating the proposals. His memo is included in your packet. IPAIT is an Iowa League of Cities organization like IMWCA (Worker's Compensation) and ICAP (Iowa Community Assurance Pool). IPAIT offers investment options for Iowa cities. We rarely invest in IPAIT due to our local competitive banking environment. For communities like Sheldon with a competitive banking environment, IPAIT's consulting services (free) are quite valuable in situations like this. Here is the basic summary of Dan Zomermaand's analysis:

"If you want the best variable, market-based option, People's option #1 is the best. If you are looking for a middle of the road proposal where you have stability for 3 years and then subject yourself to the market, again Peoples wins. If you want a good deal today and not worry about the market, Northwestern offers the best option. It really comes down to what everyone is comfortable with."

5b. Proposal to merge Police and Public Works unions – Preston DeBoer, AFSCME (American Federation of State, County & Municipal employees).

Attachments: Stipulation and amendment.

Background: The City has 31 full time employees; 17 are non-union and 14 are Union. Of the union employees, 8 are in the Public Works union (AFSCME Local 1741) and 6 are in the Police union (also AFSCME Local 1741).

The two AFSCME bargaining units are represented by Preston DeBoer. The unions are proposing a merger petition, and the merged unit would then be considered public safety. The legal threshold is 30% of the members of a unit are public safety, then the unit can be classified as public safety.

PERB (Iowa Public Employment Relations Board) is the decision maker on the merger, and the City is being asked to support the merger in the form of a Stipulation. Without the City's support, a PERB Hearing may be necessary.

Why is this being proposed?

In 2017, Iowa Code Chapter 20 was amended to reduce the bargaining ability by public works unions. Police unions were largely unaffected. A merger softens the impact of these changes.

While mergers are happening elsewhere in Iowa, it is typically only an option in communities which have Units run by the same union organization. Many other communities without the merger option are responding to the changes by updating their personnel manuals to maintain parity amongst their employees.

I support the concept of a merger. The choice by the City to officially support this merger request is a weighty decision and is yours alone to make. To assist you in making an informed decision, I have summarized the benefits and risks:

Benefits:

- A broader negotiating unit is better than a smaller unit negotiating for a larger group. The two Units already work together in preparation of proposals and progress during negotiations, but each must negotiate separately which takes twice the paperwork and resources.
- To expand on the first bullet point, it has been the standard practice in Sheldon for many years for the unions to negotiate, and the City then applies that standard to the non-union employees. If the merger doesn't go through, you could have the

police negotiating for the rest of the employees rather than police and public works unions negotiating for the rest – unless you are prepared for a significant departure from past practice.

- Prevents the city from ending up with more classes of employees, with a potential large disparity. The merger would ensure fairness and equity between the employees of the two departments. The recent changes in Iowa Code (Chapter 20) now treat the public safety employees differently than the other employees.
- Helps morale.
- Encourages more communication and cooperation between departments.
- Continues the progress towards “interest-based” bargaining rather than the old-style collective bargaining.
- The dynamic between the City and our union employees is positive. A merger normalizes what we are already doing.

Risks:

- Police and Public Works unions were separate all these years for the main reason that they were organized at different times. The diverging interests of the two unions will need to be hammered out to keep negotiations smooth. Preston DeBoer anticipates four or less employees attending with the Units combined.
- Both Units would still can arbitrate if impasse is reached, although the non-public safety union can now negotiate much less than public safety unless merged.
- If the City wants to increase the size of non-public safety, this could create an issue with the 30% threshold. The 30% threshold is the minimum. Increasing the size of the Police Department would be beneficial to the combined Unit.
- The Legislature made significant changes in 2017 to Chapter 20, and these changes provided more local control. While this merger would be an exercise of local control, it will be a philosophical issue for some in the community who will see us as giving up the benefits of the Chapter 20 changes.
- AFSCME’s leadership is good right now. When Preston DeBoer retires, he could be replaced to someone who wants to return to the old “collective bargaining” mindset rather than the preferred “interest-based bargaining”.
- The City’s personnel manual could be updated to include many of these changes rather than merging the units. This is a common strategy in other communities who do not have the ability to consider a merger.

Your options:

1. Take AFSCME's request under advisement and continue this until the August 7 meeting.
2. Officially support the merger.
3. Remain neutral, which may trigger a PERB hearing.
4. Request a delay until after October recertification. This would mean the unions would negotiate as currently defined for the next contract (current contracts end June 30, 2020). This option may also cause a PERB hearing.

6a. City Manager's Report.

- At the July 2 Council meeting, we discussed the sewer issues at 821 11th Street, which is owned by Peter and Karen Vanden Berg. On July 11, Rehab Systems conducted explorations of multiple locations, including several blocks on 11th Street and several blocks on Washington Ave/4th Street. Results are being reviewed, and further action such as cutting of roots will occur as needed.
- Angie and I are working up an agenda for a "Budget planning workshop" at the end of the August 21 City Council meeting.
- On May 15, the City Council approved a policy for transferring nuisance properties back onto the tax rolls. The City is in the process of utilizing the new policy for three properties. Under State law, old buildings can no longer be dumped into a hole somewhere. Debris of this nature must be taken to a landfill and cannot be accepted by a landfill without a hazardous materials inspection and mitigation. Darwin Rohde from Alloy Specialty was here on Friday, July 5, to inspect the following three properties for pre-demolition requirements:
 - 1401 2nd Ave (Sunset Motel) - \$2,675.
 - 428 W Park St (DJ's Redemption Services) - \$1,275.
 - 1023 Garfield Ave (Jerry Mulder's former home) - \$675.

The costs are estimates, and the funding source if the demolition line item from Local Option Sales Tax. We hope to have the reports back within the next few months. The reports will include detail on the asbestos and other hazardous materials, and the related abatement and dumping requirements. The

reports will be available to all interested parties during the bidding process.

We could have deferred the inspection requirement to the purchaser; however, it is a delay of the inevitable. The advantage for the City to do this now is this will help ensure accountability for proper demolition and disposal. These reports will also give potential buyers an idea of what they are purchasing.

It is hoped the minimum bids can be set at a level high enough to cover these basic costs, along with some of our attorney's costs. In your packet I have included a copy of the letter that was sent to all the neighbors of 1023 Garfield Avenue on July 2.

Note: The Thermo-Cel property (300 Iselin Ave) remains under negotiation to be transferred to MidAmerican. As the process progresses, there will be additional action required by the City Council.

- Here is the updated Franchise schedule for the proposed MidAmerican gas/electric franchise ordinances and related fees:
 1. June 5 - Revenue purpose statement (RPS) was approved, and hearing dates were set for June 19 and August 7.
 2. June 12 - Publication of RPS in the Mail Sun; 1st notice of public hearings #1 published June 8 in the Review.
 3. June 15 - 2nd notice of public hearings #1 to be published.
 4. June 19 - First Public hearing. There will not be a vote on 1st reading at this meeting.
 5. 1st notice of public hearings #2 to be published on July 20.
 6. 2nd notice of public hearings #2 to be published between July 27 & August 3.
 7. August 7 - Second Public hearing and 1st reading.
 8. August 21 - 2nd reading and possible waiver of 3rd reading (if either / both readings not previously waived).
 9. 3rd reading at September 4 meeting (if not previously waived), and placement on the November 5 ballot. On May 1, you signaled your desire to see the two ordinances come before the voters on November 5. To do so, the wording needs to be the County Auditor by September 20.