

**City of Sheldon  
City Council Report for November 20, 2019  
Regular Meeting at 4:30 p.m.**

**2b. Update on Lewis & Clark Water Project – Executive Director Troy Larson.**

Attachments: Summary and related information.

Background: Troy Larson is the Executive Director of Lewis & Clark, which is a project designed to bring reliable and soft Missouri River water to multiple communities and rural water districts in Iowa, Minnesota and South Dakota. Our Public Works Director, Todd Uhl, is the City's representative on the Lewis & Clark Board.

The City of Sheldon signed on to this project in January of 1990, with the official commitments occurring in 1993. Commitment was for up to 1.3m gallons a day. Current hook-up date is Fall 2023. Sheldon's current total investment in L&C, which does not include lobbying fees, is \$2,559,634.10. It is worth noting that when three former members of L&C dropped out about 15 years ago (Boyden, Clay Regional Water and RWS#1), they forfeited the money they had paid into the project. The members who voluntarily purchased more "unallocated base capacity" received credit for the dollars already paid toward that capacity. Combined, those three entities forfeited \$143,323. Sheldon took 300,000 gallons of unallocated base capacity and received credit for \$14,568.96 - Not a large amount, but still worth noting.

Todd and Troy recall that 15 years ago there were some on the Council who felt the city should pull out of L&C because they felt it was too expensive and taking too long. DGR was tasked with doing a cost comparison of a reverse osmosis plant. DGR recommended the city stay with L&C because it was much less expensive, and the city didn't have to deal with the discharge issues. The cost of wells and water plants is increasing, further showing that L&C is a wise investment.

In 2004, it was estimated that we could build 3 new deep wells at a combined cost of \$796,000. As for a new water plant, the cost in 2005 was \$7.5 for 2 MGD (\$3.75M/1 MGD) and the cost in 2008 was \$14.25M for 3 MGD (\$4.75M/1 MGD).

In 2014, we built one deep well at a cost of \$520,000. We are currently rehabilitating that well at a cost of \$70,000. So, the costs have inflated substantially over time and the cost of a new water plant and more deep wells would likely be much worse than the cost of the new WWTP. And Sheldon's water is also very hard - The hardness is typically over 50 grains. The grains of hardness for Lewis and Clark's water is about 9. The precise "blend" is to be determined.



Regarding the hook-up to L&C, the level of blending and treatment needs to be determined. Based on the experience of other L&C customers, we estimate it will cost about \$300,000 for the hook-up to L&C. The hook-up has not been designed, and depends on several factors. In the 1990's, the City's agreement with L&C was to dump the L&C water into our plant directly, which would mean we would have to use a lot of electricity to re-energize it and pump it out again. Todd Uhl and DGR are recommending a different process for blending to reduce the City's operational costs. One of the factors is the height of the L&C water tower planned in Sioux County, between Boyden and Sheldon.

In May 2005, the City Council re-directed a \$1.67/month wastewater fee per utility account to L&C and added \$2.00 to the fee. The monthly fee of \$3.67 is currently allocated to the L&C Bond payment, which will be paid off in June 2022. After that time, the fee would continue in order to cover the connection costs.

**3d. Resolution approving 2020 fireworks display at Village Northwest Unlimited.**

Attachments: October 25 email from Jerry Postma; 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. The multi-year agreement was approved by the Council on July 17.

The agreement approved on July 17 commits us to J&M Displays for three years, which translates into bonus product. The second agreement is specific to the 2020 fireworks display. By agreeing to the Multi-Year Agreement, we are also committing to the annual display. They just need a specific form signed for the 2020 display.

Fireworks Price:	\$24,705.00
Discount:	\$5,305.00
Subtotal Fireworks:	<b>\$19,400.00</b>
Sales Tax:	
Local Sales Tax:	
Insurance Processing:	
License and Permit:	
Shoot Fee:	
Delivery:	\$600.00
Musical Firing:	
Shoot Cost:	
Barge/Pontoon Fee:	
Total Price of Show:	<b>\$20,000.00</b>

Total Shot Count:	2444
Packing Check:	241
Date of Display:	07/03/19
Customer Number:	10388

<b>Summary of Free Items Added to Your Show</b>	
See Previous Pages for a Listing of Free Items	
Free Items are Based on the \$19,400.00 Fireworks Subtotal	
\$1,547.65	8% Free for Early Payment
\$2,861.45	15% Free for Multiple Year Agreement
\$4,409.10	Total Free
Total Value of Show is \$29,714.10. Your Price is \$20,000.00	

Both agreements are normally approved at the same time. However, the Village didn't receive the 2020 Fireworks Display Agreement from the supplier until recently. Our City Attorney recommends Council approval by Resolution. City Ordinance states the following regarding contract approvals:

**17.02 POWERS AND DUTIES.** The powers and duties of the Council include, but are not limited to the following:

5. Contracts. The Council shall make or authorize the making of all contracts. No contract shall bind or be obligatory upon the City unless adopted by resolution of the Council.

**3e. Re-appointment of Council member Brad Hindt to the NW IA Area Solid Waste Agency Board.**

Attachments: Re-appointment form.

Background: This is a one-year appointment, and Brad Hindt desires to continue serving as the City's representative on this important board.

**3f. Approve request to burn trees and brush at 900 W 16th Street, contingent on coordination with Sheldon Fire Department – Brad Sudbeck.**

Attachments: November 13 letter from Brad Sudbeck.

Background: Sudbeck Trucking is requesting the ability to burn some downed Aus Trees on their property at 900 W. 16<sup>th</sup> Street. Approval recommended with the condition that the burn be coordinated with the Sheldon Fire Department.

**3g. Approve WWTP pay request #17.**

Attachments: Pay estimate #17.

Background: This is a routine pay request. The amount is \$54,188.95.

**3h. Approve Change order #3 for Spartan Fire Pumper for an increase of \$2,149.**

**3i. Approve Change order #4 for Spartan Fire Pumper for a decrease of \$8,491.50.**

Attachments: Change orders #3 and #4.

Background: Here is a quick summary of the change orders:

- Change order #1: Add \$3,156 for radio (approved via purchase order on September 13, 2019).
- Change order #2: Subtract \$325.58 - For handrails (approved October 16, 2019).
- Change order #3: Add \$2,149 – map box, radio box, mud flaps.
- Change order #4: Subtract \$8,491.50 – combination rescue tool.

Original contract price of \$552,312. Current net credit of \$3,435.58.

**3j. Set public hearing for rezone of 1220 2nd Avenue (former DOT/County Shed) from Heavy Industrial to Arterial Commercial.**

**3k. Set public hearing on Ordinance amending the zoning ordinance section 11.3 pertaining to residential uses in Arterial Commercial (AC) district.**

Attachments: None.

Background: These items were recommended for approval by the Planning Commission on November 14. Both items require public hearings and up to three readings by the City Council. The first item is a rezone pertaining to one parcel, and the 2<sup>nd</sup> item would be a City-wide policy change to allow 2<sup>nd</sup> floor residential living in Arterial Commercial zoning contingent on a Special Exception being granted by the Board of Adjustment. Both public hearings would be at the December 4 Council meeting.

**5a. Amendment to Zoning Ordinance pertaining to Downtown residential use.**

**i. Public Hearing.**

**ii. 1st Reading of Ordinance amending the zoning ordinance by amending section 12.3 pertaining to residential uses in Business Commercial (Downtown) district.**

**iii. Resolution approving amendment to the zoning ordinance by amending section 12.3 pertaining to residential uses in Business Commercial (Downtown) district. (*continue until after approval or waiver of 3rd reading*).**

Attachments: Ordinance amendment and resolution.

Background: The Planning & Zoning Commission met on October 9 to discuss this zoning ordinance amendment to allow limited 1<sup>st</sup> floor housing in the Business Commercial Zoning District (Downtown). The P&Z Commission unanimously recommended approval. At the October 16 City Council meeting, the hearing and 1<sup>st</sup> reading were set for November 6. On November 6, the hearing was kept open and continued to November 20.

The owners of two downtown properties (Top Notch Stitching at 510 9<sup>th</sup> Street, and the former Eagles Club at 914 4<sup>th</sup> Ave) have expressed interest in converting part of their 1<sup>st</sup> floors into housing. While upstairs living in the Downtown zoning district is already a permitted use, the zoning code does not allow 1<sup>st</sup> floor housing.

On March 3, 2010, the current Zoning Code was adopted. On April 7, 2010, the Board of Adjustment approved StandAid's request to

convert the office building 212 10<sup>th</sup> Street into 100% housing. (This is Dr. Boeve's former dental office). An ordinance amendment was not considered at the time. Although the ordinance should have been amended prior to considering the proposal for 212 10<sup>th</sup> St, the reasons for granting the request are understandable:

1. The situation was unusual, and the new zoning code had been adopted a month earlier.
2. The building had been vacant for two years; the owners had made a good faith effort to rent it.
3. The location was not a desirable office space.
4. The Board of Adjustment included reasonable restrictions in their approval. (Some of these elements have been included into the design of the ordinance amendment).

On September 10, 2019, the Iowa Economic Development Authority held a regional seminar on downtown revitalization. One of the speakers stated that allowing unrestricted conversion of downtown buildings into front access housing is a bad idea. Therefore, this concept is designed to only partially respect past precedent; this proposal offers more flexibility for building owners than what ordinance currently allows, but it is significantly more restrictive than what was allowed in 2010. Here are the steps for the consideration of this ordinance amendment:

1. The Planning Commission considers the ordinance change.
2. A public hearing.
3. Up to three readings at the City Council level.
4. Once the ordinance is in place, interested property owners need to apply to the Board of Adjustment for a special exception.

The following four requirements are included in this draft ordinance. These four requirements must be met for the proposal to be considered by the Board of Adjustment:

- Two off-street parking spaces.
- Minimum apartment size of 800 square ft.
- 2/3 of the ground floor space shall be for commercial use.
- Side/rear access only.

Summary: This amendment is a carefully balanced solution to handle two pending requests. The counterpoint to the "slippery

slope” concern is the we already went much further in 2010, and it didn’t create a wave of requests. Regardless of how this turns out, it is important to have this policy discussion. If this amendment is not approved, no future conversions of 1<sup>st</sup> floors to residential use in the Downtown Zoning District would be allowed to be heard by the Board of Adjustment.

**5b. 2<sup>nd</sup> reading of Ordinance amending Section 105.10 of the Code of Ordinances pertaining to waste storage containers.**

**5c. 2<sup>nd</sup> reading of Ordinance amending Section 106.04 of the Code of Ordinances pertaining to frequency of recycling collection.**

Attachments: Joint letter signed by Schwarz Sanitary Service & DeKruif Disposal (September 18, 2019); Ordinance amendments. Background: The first readings of both ordinances were approved on November 6. At the October 2 City Council meeting, Jeff Schwarz of Schwarz Sanitary Service and Mark Gurtler of DeKruif Disposal submitted a letter requesting the City amend the ordinance to require standardized garbage cans, to be purchased and owned by the customer. In exchange, the haulers are willing to increase their recycling pick-up to every two weeks - from the current 24 times a year to 26 times a year.

This request is only to change the ordinance regarding the garbage can requirement, and is not a proposal to change prices. (The language in the ordinance amendment regarding the recycle can dimensions is carry-over language from the current ordinance). The haulers are not requesting a rate increase; they are asking residents to buy an “automated standardized garbage can” with the hinged lid and the pickup bar in the front. They are suggesting a deadline of July 1, 2020. The benefits to them are reduced costs for labor and worker’s compensation and increased recycling. The benefits to the City are cleaner neighborhoods, reducing the need for rate increases, and encouraging recycling.

Both haulers will offer the cans for sale, but are not mandating that the cans be purchased from them. We suggested, and the haulers agreed, that 35-gallon cans should be offered as an accommodation for customers – this would benefit single customers, elderly customers, and people with disabilities. Both haulers are willing to allow the use 35-gallon cans, if the cans are compliant for automation and if the pricing doesn’t change. The default standard will be 65-gallon cans.

These numbers are approximate: Of Schwarz's 850 residential stops, 375 have a compliant can today (44%). Of DeKruif's approximate 1050 residential stops, 300 currently have compliant cans (28.5%).

The main communication to the customers regarding this change would come from the haulers. The City can assist in the communication – for example, putting a notification in the utility billing. I prefer the City not be involved in notifications of non-compliance or assessing cost of garbage cans to utility bills.

The two ordinance amendments require up to three readings by the City Council. Effective date of both ordinances is July 1, 2020.

#### **5d. Review consultants' quotes for Chief of Police search.**

Attachments: Request for Quotes (RFQ) and responses.

Background: The RFQ was sent to the following six firms. Four quotes were received. The quotes are being reviewed and we will have further information on November 20:

- William Moulder & Associates – former Des Moines Police Chief ([linkedin.com/in/bill-moulder-77624243](https://www.linkedin.com/in/bill-moulder-77624243)) - \$170 per hour, not to exceed \$10,500 plus expenses.
- Jeff Cayler - former Carroll Police Chief ([linkedin.com/in/jeffcayler](https://www.linkedin.com/in/jeffcayler)) - \$150 per hour, not to exceed \$15,000 plus expenses.
- SGR Recruiting ([sgrjobs.com](https://www.sgrjobs.com)) – \$18,500 for the fee, and up to \$8,000 for expenses, for a total “do not exceed” price of \$26,500.
- Gov HR USA ([govhrusa.com](https://www.govhrusa.com)) – estimated cost of \$16,500 plus expenses.
- David Drown & Associates ([daviddrown.com](https://www.daviddrown.com)) – declined submittal due to workload.
- Brent Hinson ([facebook.com/hinsonconsultingllc](https://www.facebook.com/hinsonconsultingllc)) - declined submittal due to workload; he spoke highly of Jeff Cayler and Bill Moulder.

#### **5e. City Code updates.**

- 1st reading of Ordinance amending the Code of Ordinances by adding a new section pertaining to operating budget preparation.**
- Resolution approving agreement with Iowa Codification to update the City Code.**

Attachments: Operating budget ordinance amendment; partial list of changes.



Background: In 2019, the Iowa Legislature and Governor Reynolds approved SF634, which establishes a threshold for property tax increases in local governments; the law adds additional notice requirements and transparency to the budget process. This ordinance is necessary to incorporate the changes in Iowa Code regarding budget preparation. The rest of the code updates can wait for the comprehensive update.

The last comprehensive update to the City Code was in 1998. Since that time, the City has updated the code numerous times to accommodate local policy changes. However, most of the legislative changes over the past 20 years have not been incorporated into the City Code. For approximately \$4,500 - \$6,000, the City can work with Iowa Codification to update our codes. The cost depends in part on if we incorporate the Zoning code into the regular code and if we add an “online tool” for easy public access. This update may take a year to complete, and can be paid for from a combination of the FY19-20 and FY19-20 budget cycles. Here is a partial list of the pending updates:

- Abandoned Vehicles - 2005, 2009
- Alcoholic Beverages - 2004, 2012, 2018
- All-Terrain Vehicles and Off-Road Utility Vehicles - 2002, 2004, 2007, 2009, 2010, 2011, 2012, 2014, 2017
- Amusement Devices - 2004, 2007, 2015
- Cemetery Regulations - 2005, 2007, 2009, 2012
- Cigarettes and Tobacco - 2000, 2003, 2005, 2007, 2011, 2017, 2018
- City Elections - 2002, 2014
- Confinement - 2001
- Conflict of Interest - 2003
- Dangerous and Wild Animals - 2007
- Delinquent Utility Accounts - 2008
- Disorderly Conduct - 2006, 2007
- Disorderly Conduct - 2015
- Disposition of Impounded Animals - 2002
- Drug Paraphernalia - 2000
- Fireworks - 2017 (Ordinance No. O17-3226 on 6.21.2017)
- Harassment - 2000
- Hazardous Substance - 2009
- Interference with Official Acts - 2016, 2017
- Legal Age / Social Host - 2014
- Litter - 2016
- Manufactured Home Community - 2001
- Municipal Infractions - 2003, 2009, 2010
- Nuisance Assessment - 2012

- Officer Communication Devices - 2013
- Parking Violation Penalties - 2003, 2011
- Persons with Disabilities Parking - 2000, 2010
- Pet Awards - 2004
- Railroad Warning Signals - 2015
- Sex Offenders - 2009
- Snowmobiles - 2004, 2005, 2011
- Solid Waste - 2014
- Standard Penalty - 2009
- Traffic Regulations - 2000, 2002, 2003, 2010, 2018 - There are many changes to the general list of traffic regulation items in Chapter 62.
- Utility Liens - 2000, 2012, 2013, 2016
- Utility Service - 2009, 2012, 2017
- Vapor Products - 2014

**5f. Review bids/proposals for redevelopment of City owned properties:**

- i. Residential property - 1023 Garfield Ave.**
- ii. Former Sunset motel - 1401 S 2<sup>nd</sup> Avenue.**
- iii. Former DJ's Redemption Center - 428 W. Park St.**

Attachments: Proposal from Kent Lohrenz for 428 W. Park St.  
 Background: The bid deadline was 12 PM on Friday, November 8 for the sale of our three nuisance properties. The properties are 1023 Garfield, the former Sunset Motel at 1401 S. 2<sup>nd</sup> Avenue (Old 60) and DJ's Redemption Center at 428 W. Park Street (Highway 18). The information is posted at [CityofSheldon.com](http://CityofSheldon.com). We did not receive any bids on Garfield Ave or Sunset. We received one submittal for DJ's (from Kent Lohrenz). Angie and I opened it at 12:03 PM on November 8. Our City Attorney reviewed it and confirmed it is not a valid submittal. It is incomplete in scope and is missing a deposit.

We did heavily advertise locally, and I doubt we'll gain much by reopening the bidding unless we change the dynamics. We received multiple inquiries on each property.

Options:

- Rebid until mid-January or so and lower the price to minimum \$1.00 (which might help, but probably only with the Garfield Ave property).
- Remove the asbestos only and rebid.
- Remove the asbestos, demolish (or burn if feasible) the structures and then seek bids.

If we chose to do the asbestos removal and demolition ourselves for all three properties, the total cost will likely be at least \$100,000. Cost will likely be less if we seek bids for all three at the same time. Funding sources include:

- Demolition and Disposal line item – \$111,719.52 remains in this line item out of the \$120,000 budgeted for FY19-20 (from Local Option Sales Tax).
- General obligation bonding.
- Tax increment financing/urban renewal.

**5g. Sheldon Community Ambulance Team (S.C.A.T).**

- i. Presentation of quotes for new ambulance (budgeted for FY19-20).**
- ii. Direction regarding trade-in vs fleet expansion.**
- iii. Resolution approving purchase from Arrow Manufacturing of Rock Rapids.**

Attachments: Memo from SCAT; Quotes.

Background: SCAT will be providing an update on their increasingly important role in our region, and their vision for adding a 3<sup>rd</sup> ambulance to the fleet. Below is a summary of the call volume since 2010 (based on calendar year).

<b>Year</b>	<b># of Transfers</b>	<b># of 911 Emergencies</b>	<b>Total</b>
2010	155	317	472
2011	155	264	419
2012	176	304	480
2013	194	295	489
2014	224	293	517
2015	180	363	543
2016	142	299	441
2017	180	356	536
2018	198	427	625
2019	260 (through 11/13/19)	303 (through 11/13/19)	563 (through 11/13/19)

SCAT Director Kevin Miller and SCAT Coordinator Krysten Haan have been working on obtaining quotes for a new ambulance. A sum of \$200,000 has been budgeted in FY19-20 (from Local Option Sales Tax) for the purchase of a new ambulance. The question if the new ambulance is a replacement or an addition to the fleet needs to be determined. The SCAT team believes the 2012 ambulance

(current mileage of 124,000) can last another three years if used locally rather than for longer transfers.

Several quotes were obtained, and the recommendation of the SCAT team is the Arrow quote for \$198,782. O'Brien County plans to contribute \$21,499.97 (This includes the FY19-20 budgeted amount of \$17,814.13 plus \$3,685.84, which is Sheldon's share of the Archer Ambulance fund approved by the County Supervisors on November 13). The City's net cost will be \$177,282.03. We are grateful for the County's assistance.

#### **5h. Introduction of Airport's CIP request – Todd Uhl.**

Attachments: Proposed Airport CIP (2021 – 2025).

Background: This is a late addition to the agenda. Action is not expected at the November 20 meeting. The reason for adding this to this agenda is to brief you on the Airport Commission's ambitious CIP requests, and to give you time to think about it prior to the December 4 meeting.

#### **5i. Consider resignation notice of Recreation Coordinator James Lowery.**

Attachments: Resignation notice, received November 15.

Background: This is a late addition to the agenda and will be further discussed at the November 20 meeting. James started with us on February 11, 2019. We were hoping to keep him longer, and we wish him all the best in his future. His notice is effective on November 29. Here are the minutes from when his hiring was approved.

**City Council Minutes from February 6, 2019:** 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.

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

- Lyle Bolkema's retirement party will be on Monday, November 25 at the Crossroads Pavilion from 4 – 7:30 PM. Presentation at 5:30 PM.
- On Wednesday, November 27, at 12:30 PM there will be a special council meeting for the purpose of administering the Oath of Office to David Dykstra to become Sheldon's Interim Chief of Police. Chief Lyle Bolkema's last day is November 27.

The entire City Council is invited; a quorum is not necessary for the Oath to proceed.

- A mailing was sent recently regarding private water/sewer service line coverage for residential property owners under a great partnership the City has with Service Line Warranties of America (which is endorsed by the Iowa League of Cities). The mailing was designed to be sent to property owners, not renters, so this means if people live out of town and own a single-family residence in town, their property is eligible. As often occurs with a large mailing of this nature, it also went to people who either had just sold their property or live just out of City Limits and do not own property in town. We received 5 inquiries by Friday morning, so likely there are additional out-of-town property owners who received the letter and who do not own property in town.

This is a great program and offers an opportunity to cover aging private service lines and control unnecessary expense. I personally had this coverage in a prior community I lived in, and it saved our family thousands of dollars when our water service line broke under frozen ground. The link for more information is [www.slwofa.com](http://www.slwofa.com). This is "gap" insurance, and usually homeowner's insurance doesn't cover the whole amount. It is not our intent to compete against local insurers.

As for the revenue generated for the City, the amount is small and is not the motive. The annual royalty to the City is 50 cents per policy, per month, and is paid to the City once per year. The City has approximately 1,814 single family residential utility accounts. If each account signed up for both the water and sewer insurance, the revenue to the City would be \$21,768 a year (3,628 x \$6). Most towns on this program have a saturation of 10% after several years, which would be about \$2,200 a year. Clearly, it's not being done for the revenue - it's to give homeowners an option.