

**City of Sheldon**

**City Council Report for December 18, 2019**

**Regular Meeting at 4:30 p.m.**

**2a. Oath of Office for Tim Loeschen as part-time reserve Police Officer.**

Attachments: Offer letter.

Background: We are excited to have Tim Loeschen join us. His appointment was approved by the City Council on November 6. Tim attended Sibley Ocheyden High School, Iowa Lakes Community College and Northwest Iowa Community College. He has his Bachelor's in Criminal Justice from University of Sioux Falls. Tim's most recent position was as a full-time Police Officer in Aurora, Colorado. Tim Loeschen will replace Eric Meinecke as a reserve officer. Eric is now full-time. Our other reserve officer is Krista Bousema.

**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 deeps 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 members, 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. Approval of Fire Applicant Dasiel Gonzales Carpio.**

## Attachments: Application.

Background: We are excited to have Dasiel join our Fire Department. He currently works at Demco in Boyden and previously worked at Rosenboom Machine & Tool.

**3f. Approve hiring of Erin Swenson as Recreation Coordinator.**

Attachments: Offer letter.

Background: This position is a shared resource with Northwest Iowa Community College and the City of Sheldon. The hiring committee consisted of Jake Kerr and Greta Giese. Jake is our Recreation Director, and Greta is the Coordinator of the Lifelong Learning Recreation Center (LLRC). They recommend hiring Erin Swenson of Sibley to be our new Recreation Coordinator. Erin previously worked as a Manager and Trainer at Anytime Fitness in Worthington, MN. She has also previously worked at the LLRC on the front desk, and as a trainer and group fitness instructor. She will report to Jake Kerr.

This is to fill the vacancy created by the departure of James Lowery. James' hiring was approved on February 6, and his

resignation was effective November 29. This position has seen high turnover, and we are pleased with Erin's past connection to Northwest Iowa and to NCC. She is a great fit for this role. After her graduation from Sibley Ocheyden High School, she attended Minnesota West Community College, and Iowa Central Community College. She has her Bachelor's in Movement and Exercise Science from the University of Northern Iowa.

**3g. Approve Pay Application #18 for Wastewater Treatment Plant.**

Attachments: Pay application #18.

Background: The amount is \$28,647.25 and is primarily for demolition and sludge removal. Approval is recommended.

**5a. 3rd Reading of Ordinance amending the zoning ordinance by amending section 12.3 pertaining to residential uses (1st floor) in Business Commercial (Downtown) district.**

Attachments: Ordinance amendment and resolution.

Background: The Planning & Zoning Commission met 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 recommended approval. At the October 16 City Council meeting, the hearing was set for November 6. On November 6, the hearing was kept open and continued to November 20. The 1<sup>st</sup> reading was approved November 20 and 2<sup>nd</sup> reading was approved December 4.

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; 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 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 by the City Council.
4. After 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 ordinance. These four requirements must be met for the proposal to be considered by the Board of Adjustment:

- Minimum apartment size of 800 square ft.
- 2/3 of the ground floor space shall be for commercial use.
- Side/rear access only.
- Two off-street parking spaces. At the November 20 meeting, it was clarified that access to public parking is not enough. Here is what the City's Zoning Code says regarding off-street parking requirements:

#### **19.5. LOCATION AND TYPE OF PARKING.**

All parking spaces required herein shall be located on the same lot as the building or use served, except that where an increase in the number of spaces is required due to a change or enlargement of use or where such spaces are provided collectively or used jointly by two or more buildings or establishments. Required parking spaces may be located and maintained no more than three hundred feet (300') from institutional or other non-residential buildings.

- In any case where the required parking spaces are not located on the same lot with

the building or use served, or where such spaces are collectively or jointly provided and used, a written agreement thereby assuring their retention for such purposes, shall be properly drawn and executed by the parties concerned, approved as to form and execution, and shall be filed with the application for a zoning permit.

**Summary:** This amendment is a carefully balanced solution to handle two requests. The counterpoint to the “slippery slope” concern is we went much further in 2010, and it didn’t create a wave of requests. Regardless of outcome, 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 can be heard by the Board of Adjustment.

**5b. 2nd reading of Ordinance amending the zoning ordinance by amending Section 11.3 pertaining to residential uses (2nd floor) in the Arterial Commercial (AC) District.**

Attachments: Public hearing notice; ordinance drafts.

Background: This was recommended for approval by the Planning Commission on November 14. On November 20, the hearing for this item and the related rezoning (from Heavy Industrial to Arterial Commercial) was set for December 4. The rezoning was approved on December 4; 2<sup>nd</sup> and 3<sup>rd</sup> readings were waived.

While the rezone is confined to one property, this ordinance is a significant policy change affecting the entire Arterial Commercial (AC) zoning district (everything in green on the enclosed zoning map). If approved, the ordinance would allow 2<sup>nd</sup> floor residential living in Arterial Commercial zoning, contingent on a Special Exception being granted by the Board of Adjustment.

The applicants, Lora Meendering and Tami Vander Veen, request waiver of 3<sup>rd</sup> reading for this ordinance if possible. A 4/5's vote of the Council is necessary to waive 3<sup>rd</sup> reading.

**5c. Emergency Management.**

- i. Accept retirement notice from Kent Lohrenz, EMA Director, effective 12/31/19.**
- ii. Mayoral appointments of Mike Davis as Director and Wayne Barahona as Assistant Director, effective 12/31/19.**

Attachments: Kent Lohrenz's retirement letter.

Background: Kent Lohrenz has served Sheldon EMA since September 21, 2005. He became EMA director in March 2017 upon the retirement of Walt Pruiksma. Mike Davis has been with Sheldon EMA for 6 ½ years, and currently serves as Assistant Director. Wayne Barahona has been with Sheldon EMA for 11 ½ years; Wayne currently serves as Secretary/Treasurer. Mike and Wayne both receive compensation of \$600 per year in their current roles. Mike's compensation will change to \$1,200 per year as Director. Wayne Barahona's compensation will stay the same. City Code 15.03 states the Assistant Director position is a Mayoral appointment. Although the City code isn't clear as to how the EMA Director is appointed, past precedent shows this position has been appointed by the Mayor/Council.

#### **5d. Review FY20-21 Budget workshop agenda.**

Attachments: Agenda.

Background: Here is the draft agenda for the January 21 – 22 Budget workshops.

- 1. Tuesday, January 21 at 4:30 P.M.** - Review of 2020-21 budget.
  - a.) Review of Mayor/Council goals
  - b.) Department Presentations
  - c.) City Clerk
    - a. Property tax revenue
    - b. Bonding Capacity
    - c. Revenues
    - d. Expenses
    - e. Transfers
    - f. Emergency Depreciation
    - g. Local Option Sales Tax
    - h. TIF
    - i. Capital Projects
    - j. Other Requests
- 2. Wednesday, January 22 at 4:30 P.M. (January 21 items continued, if needed)**
  - a.) Presentation of water rate study – DGR Engineering (commissioned in 2017).
  - b.) Continue where left off on January 21.
  - c.) Recap.

#### Key Dates

- Tuesday, January 21 – 4:30 PM Budget workshop #1.
- Wednesday, January 22 – 4:30 PM Budget workshop #2.
- Wednesday, February 5 or 19, 2020 – Review Budget Workshop changes, set date & time for public hearing.
- Wednesday, February 26, 2020 - Publish Notice.

- Wednesday, March 4, 2020 - Public Hearing/Council approves budget.
- Wednesday, March 18, 2020 – Continuation of March 4 Public Hearing or 2<sup>nd</sup> public hearing.
- Tuesday, March 31, 2020 – Budget certified to County Auditor.

#### **5e. Discuss recommendations from Iowa State Extension regarding public forum.**

Attachments: Handout from Iowa State University Extension Office.

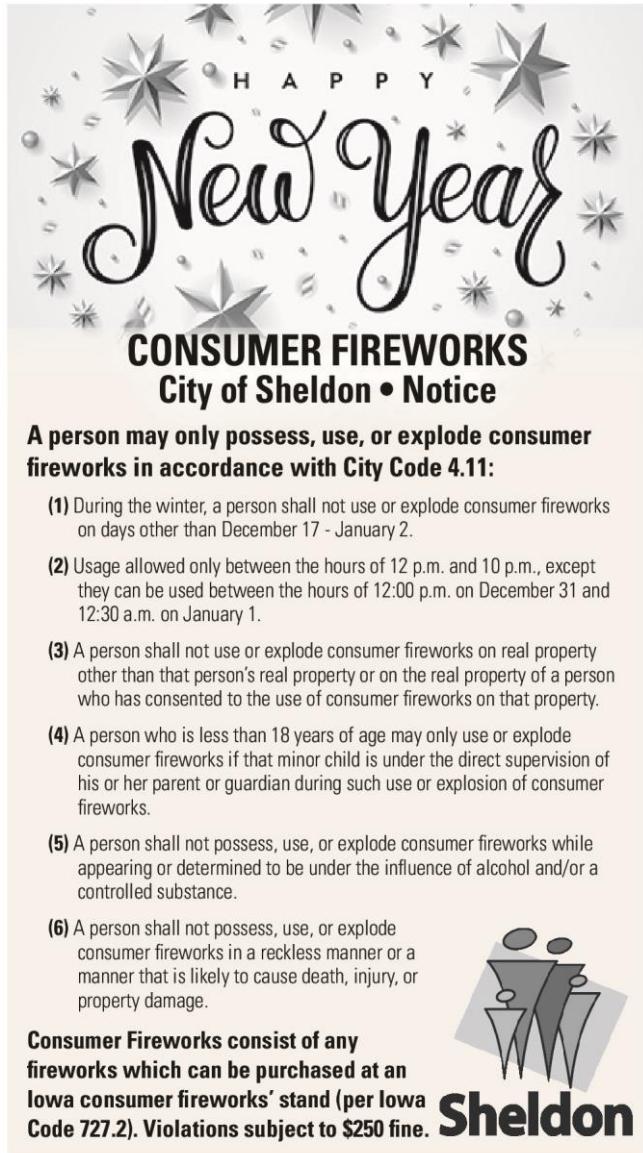
Background: At the goal setting meeting on December 11, Julie Robison and Eric Christianson from Iowa State Extension conducted a goal setting session with the Mayor and City Council members. One of the topics was the process of receiving public comments. In your packet is the handout from ISU Extension.

The City has had a longstanding practice to allow for public comments at the beginning of Council meetings for items not on the agenda. The recommendation from ISU Extension is to keep this public comment period in place at the beginning of the agenda and to expand it to include the non-public hearing items.

The purpose of this discussion is to provide initial direction. Once a draft is ready, a public hearing is recommended to encourage input prior to adoption. The Council could set the hearing on January 2, and hold the hearing on January 15. Therefore, in addition to today's discussion, there would be at least two additional opportunities for public input on this topic.

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

- While not as popular as the summer fireworks season, City code does allow for consumer fireworks to be used from December 17 through January 2. Other than New Year's Eve/Day, the time limitations are 12:00 pm to 10 PM. The cut-off for New Year's Day is 12:30 AM.



- Just in time for the New Year's Fireworks season, the new Spartan Fire Pumper arrived on December 11 and is in the process of being put into service.
- In 2017, a water rate study was commissioned at the same time as the wastewater rate study. The firm handling the study is DGR Engineering of Rock Rapids. The initial findings will be presented on January 22 during the FY20-21 budget workshops.
- The Board of Adjustment will be meeting on December 19 at 4 pm. The packet is available at [sheldoniowa.com/board-of-adjustment](http://sheldoniowa.com/board-of-adjustment). The two main items are:

- Digital sign proposal for the old Taco John's site at the NW Corner of Highway 18 and 2<sup>nd</sup> Avenue (Old 60).
- Two variances and three special exceptions for 1220 2<sup>nd</sup> Avenue (former DOT/County shed).
- As discussed on November 20, the City did not receive any valid bids (based on the previously established process) on the properties at 1023 Garfield, the former Sunset Motel at 1401 S. 2nd Avenue (Old 60) and DJ's Redemption Center at 428 W. Park Street (Highway 18).

At the November 20 meeting, Kerwin Sterler presented his offer to take over the Sunset Motel for \$25,000 in assistance from the City. Kent Lohrenz presented his offer to take ownership of DJ's for \$8,000 in assistance from the City. The Council authorized the negotiations to proceed.

On December 3, Tim Pottebaum submitted a proposal on behalf of Log Cabin Enterprises. The proposal is to move the house from the Sunset Motel property to 1023 Garfield Ave. He would buy the properties for \$1 each, and the City's expenses would be limited to the legal costs. The proposal was entered into the record at the December 4 Council meeting.

This topic will be on at least two more agendas. A sale of City-owned property requires a public hearing. Micah and I are working on agreements to lay out the City's expectations. At a future meeting we will review the drafts, decide on the direction and then set the public hearings. There are now two proposals to consider for the Sunset Motel property. The proposal from Tim Pottebaum is clearly the most beneficial to the City. Additional proposals are likely, and will become a matter of public record when received, since we are now outside of the previously established bidding process. The asbestos reports and related information is still posted at [CityofSheldon.com](http://CityofSheldon.com).

## **6b. Mayor and Council comments.**

### **i. Closed Session – City manager evaluation (closed pursuant to Iowa Code Section 21.5(1)(i).**

Attachments: None.

Background: This annual evaluation is typically held at the end of the calendar year. Sam Kooiker's first day as Sheldon's City Manager was on December 5, 2018.