

**City of Sheldon**

**City Council Report for Wednesday, January 15, 2020**

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

**3e. Request from SCDC to block portion of 9<sup>th</sup> Street for Community Blood Drive.**

Attachments: December 30, 2019 request from SCDC.

Background: This is a routine request to accommodate a visit by the bloodmobile, currently scheduled for February 24. The bloodmobile will park on the south side of 9<sup>th</sup> Street, directly north of the Community Services Center. Flexibility is requested; if this needs to be rescheduled, we'd like the ability to reschedule without coming back to the Council for additional authorization.

**3f. Approve Pay Estimate #2 for Crossroads North.**

Attachments: Pay estimate.

Background: This pay estimate for Crossroads North project is in the amount of \$316,233.76. The bulk of the payment is for water main, sewer main, and storm sewer installation.

**3g. Mayor's appointment of Kathy Kruger to Board of Adjustment for term expiring July 1, 2023.**

Attachments: None.

Background: Mayor Geels recommends Kathy Kruger for the Board of Adjustment to replace the seat vacated by Duane Wahlstrom on December 31, 2019. Kathy has deep knowledge of the community and serves as a Senior VP at Citizens State Bank.

**3h. Approve WWTP pay request #19.**

Attachments: Pay request.

Background: This pay request for the wastewater treatment plan (#19) is in the amount of \$33,344.54. The balance to finish is \$524,513.99. Most of that balance is retainage. We will see a request to release retainage once we have received all lien waivers.

**3i. Resolution updating roster and compensation for part-time employees.**

Attachments: Resolution; employee pay matrix.

Background: A resolution setting the wages for part-time employees was introduced for the first time on June 5, 2019 and became effective on July 1. The roster is being updated to account for the numerous changes which have occurred during the past 6 months.

**3j. Resolution updating roster and compensation for EMA, Fire and S.C.A.T. volunteers.**

Attachments: Roster.

Background: This is the first such resolution (in recent memory) to formally adopt the roster of emergency services volunteers (SCAT, Fire, EMA). Although you already approve each volunteer, however, it is convenient to have these all listed in one place. Note: The officers of these three organizations are also listed on the previous resolution.

**4a. Review redevelopment proposals for City owned properties (from November 20 and January 2):**

- i. Review draft re-development agreement and set hearing for Former DJ's Redemption Center, 428 W. Park St.**
- ii. Redevelopment of 1401 S 2nd Avenue & 1023 Garfield Ave.**

Attachments: Four offers.

Background: As discussed on November 20 and January 2, 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). Since we are now outside of the formal sealed bid process, we may continue to receive offers until there is an established cut-off date. Council has the sole discretion to award to whomever they choose, and public hearings are required. There are now four offers on the table – 1 for DJ's, 1 for Sunset, and 1 for Sunset & 1023 Garfield:

**DJ's Redemption Center – 428 W. Park St:** On November 20, Kent Lohrenz presented his offer to take ownership of DJ's for \$8,000 in assistance from the City. On December 18, Kent Lohrenz's updated proposal for the former DJ's site was entered into the record. It is mostly the same as the previous offer, with additional detail. On January 2, the City Council affirmed their previous direction to continue working on a draft agreement. Hearing recommended for February 5.

**Sunset Motel – 1401 S. 2<sup>nd</sup> Ave and Residential property at 1023 Garfield Ave:**

Here's a short history:

- November 20, 2019: No bids were received after a lengthy bidding process, which was well advertised.
- November 20, 2019: At the Council meeting, Kerwin and Kathy Sterler offered to take over Sunset for a \$25,000 investment from the City. Offer did not include 1023 Garfield.
- December 3, 2019: Log Cabin Enterprises (Tim Pottebaum) offered \$1 for Sunset and \$1 for Garfield, and to move the Sunset house to Garfield. A Check for \$2 was included.
- December 4, 2019: Tim's proposal entered it into the record.
- December 31, 2019: New offer received from Sterlers of \$1 for Garfield, and \$5,000 for Sunset. A check for \$5,001 was included with the offer.
- January 2, 2019: Sterlers' 2<sup>nd</sup> proposal entered into record.
- January 2, 2019: Council supported motion to continue the Sunset item until there was an agreement to review for DJ's, which would help the Council determine the "non-negotiables". These could include:
  1. Best improvement of the space – Housing vs Commercial Development.
  2. Timeframe of the clean-up.
  3. Value of added assessment.
  4. Would the purchaser accept the property without a "abstract continuation"? The easiest path for the City would be a quit claim and the City would not be responsible for a title opinion and a new abstract.

Please note the last bullet point has 4 criteria. Our original criteria were two: Get rid of the property as soon as possible and get it cleaned up. Due to the competition which as emerged between two reputable parties outside of a formal process, it is recommended we not add too many criteria and risk of being stuck with the properties.

This topic will be on at least two more Council agendas. A sale of City-owned property requires a public hearing. The asbestos and related information is posted at [CityofSheldon.com](http://CityofSheldon.com).

In addition, both proposals would involve the Planning & Zoning Commission and Board of Adjustment. The contract for development cannot commit these boards to a certain path, so the

responsibility would be upon the developer to seek the necessary rezoning from P&Z and variances/special exceptions.

Here is a summary of the City's costs as of 12/31/19.

Property	Sunset Motel - 1401 S. 2nd Ave	DJ's - 428 W. Park	1023 Garfield Ave
<b>City's incurred costs</b>			
Legal costs (as of 12/31/19)	\$ 2,386.59	\$ 4,167.58	\$ 905.88
Pre-Demo inspections	\$ 2,675.00	\$ 1,275.00	\$ 675.00
Other Costs incurred			\$ 4,100.00
<b>Total City Costs (as of 9/5/19)</b>	<b>\$ 5,061.59</b>	<b>\$ 5,442.58</b>	<b>\$ 5,680.88</b>
<b>Est Costs to be incurred by purchaser</b>			
Asbestos removal estimates (Sept '19)	\$ 42,675.00	\$ 28,050.00	\$ 3,350.00
Demolition estimates	Unknown - office/house can be saved.	\$ 28,600.00	unknown

Here is a brief summary of the rezoning and Board of Adjustment actions which would be necessary, based on the information provided. This could change when the official zoning permits are submitted:

**Sterlers' proposal:**

1. **Keep the house/office on the Sunset property and turn it into single family housing:** The house at Sunset is "non-conforming" and has been vacant for more than 12 months, per Zoning Code 22.2 (3). As Zoning Administrator, I am inclined to allow it to stay there, on the grounds that this has not been a "normal" vacancy. Section 23.1 of the Zoning Code gives me the ability to consider the factors involved. My decision could be appealed. Therefore, the cleanest path is to rezone the western part of the lot to Multiple Residential (RM). This could be considered spot zoning, but is also in accordance with the adopted Future Land Use Plan. A single-family house is allowed in Multi-family. The house has a current assessed value of \$87,000, and is not currently worth that due to its condition. The Sterlers' goal is to restore this home and keep it's value at \$87,000 or greater.
2. **Put in six mobile homes on the eastern portion of the property:** The six mobile homes would have a value of \$25,000 each for a total value of \$150,000. The eastern part of the lot would be rezoned from Commercial Residential (C1) to Mobile Home park; this could be called spot zoning, but it

is next to an existing mobile home park. The existing mobile home park, also owned by the Sterlers, is a grandfathered use and is zoned part AC and part C1. The rezoning would be a Planning Commission and Council Decision.

The two rezoning actions (western portion to Multiple Residential (RM) and eastern portion to Mobile Home Park) could be accomplished on the same form for a total of \$125, plus related notification and publication costs.

**3. Move a house from somewhere else to 1023 Garfield:**

Current zoning is Single Family (RS). As required by Zoning Code 7.3, a Special Exception from the Board of Adjustment is required to move in a house. Variances may also be needed depending on the setbacks. The house being moved in is roughly 1,100+ sq. ft, and will be on a slab. It may have a utility/storm cellar. It may be on a full basement – this has not been determined. The property has a current assessed value of \$10,000, and they plan to add \$90,000 valuation, for a total of \$100,000 assessed value.

**Log Cabin Enterprises (Tim Pottebaum):**

**1. Move the house from Sunset property to 1023 Garfield:**

Current zoning is Single Family (RS). As required by Zoning Code 7.3, a Special Exception from the Board of Adjustment is required to move in a house. At this point he does not believe setback variances are necessary. Tim is planning on a full basement, to include 2 bedrooms. Estimated value of Garfield property, when finished will be approximately \$160,000, which is a \$150,000 increase in value.

**2. Convert the entire Sunset property into storage units or similar use:**

The western portion is zoned Arterial Commercial (AC) and would not need rezoning. The eastern portion would need to be rezoned from Commercial Residential (C1) to Arterial Commercial. Up to \$200,000 in investment over the next few years, and this has not been determined. Tim may also sell the property after clean-up.

Suggested motion regarding Sunset Motel and 1023 Garfield Ave:

Motion to open a “Last Best Offer” period until 12 PM on Wednesday, February 5. The two current proposals are received “as is”, but can be either withdrawn or replaced. Replacement proposals shall be in a sealed envelope and will be opened at the Council meeting. It will not be revealed until the Council meeting if updated or new proposals were received. (New proposals from other parties will complicate the matter, but will be allowed.) The City retains the right, in its sole discretion, to accept or reject, in whole or in part, any offer.

**5a. Meeting procedures.**

**i. Public Hearing.**

**ii. Resolution establishing a public comment period at the beginning of City Council meetings.**

Attachments: Handout from Iowa State University Extension Office; draft resolution.

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.

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.

In your packet is the handout from ISU Extension, a draft Mayor’s “Welcome” statement, and a draft resolution (including a timeframe of four minutes). If approved at this meeting, the new process would be in place for the FY20-21 budget meetings.

**5b. Union merger.**

**i. Public Hearing.**

**ii. Resolution.**

Attachments: Affidavit, petition and merger stipulation; draft of Resolutions in favor or against the merger.

Background: Here is the motion that was passed unanimously on January 2.

*“Because of impact of merger on negotiations, motion to set a public hearing for January 15 on the proposed merger and authorize City Attorney to seek a delay of the PERB hearing which is also scheduled for January 15”.*

Mayor and Council are inclined to support the merger, subject to a public hearing in Council Chambers on January 15. This motion was also contingent on PERB’s willingness to delay their own hearing which is also set for January 15 in Des Moines. On January 3, Micah and I had a conference call with Preston DeBoer of AFSCME and the Administrative Law Judges at PERB. By mutual agreement of all three parties, the hearing in Des Moines has been continued to Friday, January 31 at 10 A.M.

We are one of a handful of places in Iowa where such a merger is possible, and this has been a very difficult issue due to the state and local dynamics involved.

In your packets are two resolutions for consideration – one for support of the merger, and the other for opposition.

**5c. Resolution authorizing Northwest Iowa Community College Sports Shooting Team to use Community Services Center.**

Attachments: Resolution and January 9, 2020 email from Greta Giese of NCC.

Background: Greta Giese of Northwest Iowa Community College is seeking authorization for the participants to bring unloaded shotguns into the Community Center for fitting and laser shoots. Brian Lauck of Cherokee is leading the NCC Sports Shooting team.

I recommend approval on the condition that no live ammunition be present. In addition, since the Police Department is in the Community Services Center, it is important that the Police Department be notified each time there is a practice. Safety protocols will be in place to ensure no loaded weapons are brought on the grounds, and the City will be named as an “additional insured” entity. Note: This resolution is like the resolution passed by the Cherokee City Council on January 31, 2017 for the use of the Cherokee Community Center. Both communities are covered by the Iowa Community Assurance Pool (ICAP). I have confirmed with Tom Fuoss of Perspective Insurance (he is our agent of record for ICAP) that there is not an issue. NCC has a different insurance

provider than the City of Sheldon, and Tom Fuoss is their agent also; NCC will name the City as additional insured.

#### **5d. Resolution establishing Sheldon Fire Department Depreciation Fund.**

Attachments: Resolution.

Background: The Sheldon Fire Department currently serves four townships - two each in Sioux and O'Brien Counties. The current levies range from 21 to 54 cents per \$1,000 in valuation. On May 8, 2019, the Iowa State Fire Chief's Association recommended a levy of 60.75 cents for township fire coverage. On May 15, 2019, the Sheldon City Council authorized City Manager Sam Kooiker and Assistant Fire Chief/Council Member Brad Hindt to negotiate on behalf of the City with the four townships we serve.

On November 6, 2019, the City approved a new 28E agreement with Lynn Township in Sioux County, which was approved by Al Stuit and the other Lynn Township trustees on October 17, 2019. We serve 9 sections in Lynn Township.

On January 8, 2020, I met with Carroll and Floyd Townships at the O'Brien County Courthouse. We serve 19 sections in Carroll and we serve all of Floyd. Carroll Township agreed to double their funding from \$4,560 to \$9,120. Present at the meeting were Kathy Landhuis, Don Wagenaar, Tom Youngers and Roger Poppema.

Floyd Township agreed to double their funding from \$8,125 to \$16,250. Present at the January 8 meeting was Mike Hulstein. Floyd is also supportive of contributing \$5,000 for equipment, and this is being ratified since a quorum of the township board was not available at the January 8 meeting.

On January 9, George Boerhave confirmed on behalf of Grant Township in Sioux County that they support an increase in funding from \$4,375 to \$8,312.50. They will also be giving us \$3,500 for equipment. We serve 17.5 sections in Grant Township.

The negotiations have resulted in a significant increase in the funding – by \$30,464.55 in one year. Of this amount, \$16,964.55 is new revenue based on the levy and per section fees, and \$13,500 is for one-time donations for fire equipment. Here is the approximate summary (Lynn Township's contribution will change based on the new valuation number expected later this Spring):



		<b>FY19-20 Township Billing and City Budget</b>	<b>FY20-21 Township Billing</b>	<b>Equipment donation for FY20-21</b>	<b>New Revenue</b>
<b>Township</b>	<b>County</b>				
<b>Carroll</b>	O'Brien	\$ 4,560.00	\$ 9,120.00	\$ 5,000.00	\$ 9,560.00
<b>Floyd</b>	O'Brien	\$ 8,125.00	\$16,250.00	\$ 5,000.00	\$13,125.00
<b>Grant</b>	Sioux	\$ 4,375.00	\$ 8,312.50	\$ 3,500.00	\$ 7,437.50
<b>Lynn</b>	Sioux	\$ 7,400.00	\$ 7,742.05	\$ -	\$ 342.05
	<b>Total</b>	\$24,460.00	\$41,424.55	\$13,500.00	<b>\$30,464.55</b>

The City's current practice is to deposit the township fire service revenues and fire department service fees into the City's General Fund. We (Brad Hindt, Angie Beckman and I) recommend starting up a Capital Improvements fund similar to the Depreciation fund for the Sheldon Community Ambulance Team. While this seems like a drain to the General Fund, this new fund will also be subject to the annual budget process, and can be used for better tracking of township fire service revenues and fire fees, and reduce the need to utilize the General Fund and the Ambulance Depreciation fund. For FY20-21, we recommend an additional 5% to the General Fund, as follows:

		<b>FY19-20 Township Billing and City Budget</b>	<b>FY20-21 City budget (+5%)</b>
<b>Township</b>	<b>County</b>		
<b>Carroll</b>	O'Brien	\$ 4,560.00	\$ 4,788.00
<b>Floyd</b>	O'Brien	\$ 8,125.00	\$ 8,531.25
<b>Grant</b>	Sioux	\$ 4,375.00	\$ 4,593.75
<b>Lynn</b>	Sioux	\$ 7,400.00	\$ 7,770.00
	<b>Total</b>	\$24,460.00	<b>\$25,683.00</b>

The remaining amount shall be deposited into the new Fire Department Depreciation Fund as approximated below:

<b>Township</b>	<b>County</b>	<b>Equipment donation for FY20-21</b>	<b>FY20-21 agreement revenues (+ 5%)</b>	<b>Totals to Fire Deprec fund</b>
<b>Carroll</b>	O'Brien	\$ 5,000.00	\$ 4,332.00	\$ 9,332.00
<b>Floyd</b>	O'Brien	\$ 5,000.00	\$ 7,718.75	\$ 12,718.75
<b>Grant</b>	Sioux	\$ 3,500.00	\$ 3,718.75	\$ 7,218.75
<b>Lynn</b>	Sioux	\$ -	\$ (27.95)	\$ (27.95)
	<b>Total</b>	\$ 13,500.00	\$ 15,741.55	<b>\$ 29,241.55</b>

The revenues from Fire Department fees would be deposited into this new account. The effect of this resolution is to:

- A. Create the new Fire Department Depreciation fund where the general fire service fees will be deposited. This can also be used for depositing of grants.
- B. Direct a 5% increase over last year's township funding revenue to be placed into the General Fund.
- C. The remainder of the increased revenues will be placed in the new Fire Department Depreciation fund.
- D. The negotiations are to continue for FY21-22. Lynn Township's agreement is considered the model for us to achieve with the other three townships.

**6a. Report from Sheldon Community Ambulance Team (S.C.A.T.)**

Attachments: Report.

Background: Kevin Miller and Krysten Haan will be providing their annual report. 2019 was a very busy year. Below is an excerpt of the report which is included in your packets.

**Call Volume in 2019**

Total: 677 calls

911 calls: 397 calls

Transport/Airport calls: 280 calls

**Compared to Last Year, 2018**

Total: 625 calls

911 calls: 389 calls

Transport/Airport calls: 236 calls

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

- We are preparing a job posting for Street Superintendent, and we will have an update for you at the January 15 Council meeting.

- The U.S. Department of Labor has increased the minimum salary amount for exempt employees effective January 1, 2020, to \$684 per week (\$35,568 annually). This is up from the previously standard of \$23,660. We have three departments who each have one employee affected by this new rule - Crossroads Pavilion, Recreation and Clerk's Office. We have two options to ensure compliance:
  1. Increase the employee's weekly salary amount to the minimum.
  2. Track hours worked and pay overtime for any hours worked over 40 in a single week.

This will be discussed further during the FY20-21 budget workshops.

- The following notice was posted on January 9 regarding union negotiations. This "initial bargaining position" meeting is open to the public and media, and is expected to last just a few minutes.

### **PUBLIC NOTICE**

The American Federation of State, County and Municipal Employees (AFSCME) will present their "initial bargaining position" to the City of Sheldon at 1 PM on Tuesday, January 14, 2020. This meeting is open to public. The meeting will be held in the 3rd Floor Conference room (SCDC Conference room) in Sheldon Community Services Center (City Hall) at 416 9th Street in Sheldon, IA 51201.

**Iowa Code 20.17 (3)** Negotiating sessions, strategy meetings of public employers, mediation, and the deliberative process of arbitrators shall be exempt from the provisions of chapter 21. However, the employee organization shall present its initial bargaining position to the public employer at the first bargaining session. The public employer shall present its initial bargaining position to the employee organization at the second bargaining session, which shall be held no later than two weeks following the first bargaining session. Both sessions shall be open to the public and subject to the provisions of chapter 21. Parties who by agreement are utilizing a cooperative alternative bargaining process may exchange their respective initial interest statements in lieu of initial bargaining positions at these open sessions. Hearings conducted by arbitrators shall be open to the public. <https://www.legis.iowa.gov/docs/code//20.pdf>

- On January 7, Steve Bieranowski of Service Line Warranties of America (Homeserve USA) informed us that the initial rollout of the water and service warranty program is going well. Residential property owners may sign up at [www.slwofa.com](http://www.slwofa.com).

Only the residential accounts are eligible for the program.

Sheldon has 2,284 water accounts, and 1,917 are residential.

We have 2,191 sewer accounts, and 1,863 are residential. Here are the enrollment numbers as of January 7:

- 73 residents have enrolled.
  - 141 total policies:
    - 68 water policies (3.5% of 1,917 accounts enrolled)
    - 73 sewer policies (3.9% of 1,863 accounts enrolled)
  - 1.93 policies/residents enrolled.
- A Board of Adjustment meeting is being scheduled, with three items so far:
    1. Election of new Chairperson.
    2. Consider Special Exception to allow partial 1st floor housing at 510-512 9th Street (Business Commercial/Downtown zoning) – Top Notch Rentals, LLC, April Schaeffer.
    3. Consider Special Exception to allow 2nd floor housing at 1220 2nd Avenue (Arterial Commercial zoning) - NYOB, LLC, Lora Meendering and Tami Vander Veen.
  - Here is the draft agenda for the January 21 – 22 Budget workshops. This agenda will be updated to reflect a public comment period at the beginning, pending the outcome of the public hearing on January 15.
    - 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.

### **7. Closed Session to consider labor negotiations and employment conditions – per Iowa Code Sections 20.17 & 21.9.**

#### **a) Discussion and direction.**

Attachments: None.

Background: Action is expected.