Sheldon, Iowa City Council January 2, 2020

The Sheldon City Council met in regular session on Thursday, January 2, 2020 at 4:30 p.m. Mayor Greg Geels called the meeting to order. Roll call was taken. Present: Brad Hindt, Shawn Broesder, Pete Hamill, Tom Eggers and Wayne Barahona. Also present: Todd Uhl, Sam Kooiker, Curt Strouth, Dave Dykstra, Micah Schreurs, and Angela Beckman.

A motion was made by Barahona and seconded by Hamill to approve the agenda as presented. Roll call was taken. Ayes, all. Motion carried.

Public comments: None.

A motion was made by Hindt and seconded by Eggers to approve the consent agenda with the following items:

1. Minutes of December 18, 2019 and the boards & commissions.
2. Summary list of city claims, boards & commissions.
3. Appointment of Pete Hamill as Council representative to the O’Brien County EMA Commission.
4. Appointment of Pete Hamill as Council representative to O’Brien County 911 Service Board.
5. Mayor’s appointment of Austin Klett as Assistant EMA Director.
6. Change order #11 for Wastewater Treatment Facility Project of a deduct of $508,443.20.
7. Accept Duane Wahlstrom’s retirement notice from Board of Adjustment.
8. Resolution R20-4480 updating roster and compensation for full-time non-union employees.
9. Resolution R20-4481 designating official newspapers of NW IA Review, Mailsun, and Sioux City Journal.
10. Resolution R20-4482 designating deposit of funds.
11. Approve Beer permit for Natalia’s Mexican Store.
12. Approve Wine permit renewals for Van Meeteren Lawn Care dba Stoney River.
13. Approval of writing off ambulance uncollectibles from the 2nd and 3rd quarters.

Roll call was taken. Ayes, all. Motion carried.

Council reviewed the proposals on the dangerous & delipidated (D&D) properties of 428 W Park Street, 1401 S 2nd Avenue and 1023 Garfield Avenue. The single offer for 428 W Park Street is from Kent & Janet Lohrenz. They are proposing to pay $1 for the property, and ask that the City cover all closing costs and contribute $8.000 to aid in the demolition and asbestos removal for this building. Hindt asked if there could be a clause in the contract to require a surety bond to clean up the property, so the City doesn’t end up with the property in the future. Attorney Schreurs stated that any final offer has to go through a public notice of a public hearing and Council approval. Hindt also suggested a minimum assessment agreement. A motion was made by Hamill and seconded by Barahona for the City Attorney and City Manager to continue to proceed on the offer from Kent & Janet Lohrenz on 428 W Park Street, working on a contract for the sale.

Council discussed the 2 offers for 1401 S 2nd Avenue and 1023 Garfield Avenue. Kerwin and Kathy Sterler have withdrawn their original offer for 1401 S 2nd Avenue. The have submitted an offer to purchase 1401 S 2nd Avenue for $5,000 with the buyer to remove asbestos, demolish and cleanup the existing motel and garages; the old signage with posts will be removed; the house will be restored to a livable condition. The southeast garage will be left as storage initially it will then be repaired and removed. Also, the closing costs and survey costs will be paid by owners (city); the owner warrants that the property is being transferred to the buyers free and clear of any liens and encumbrances. The owner agrees to give access to buyer, or their hired contractor the use of the fire hydrant for the professional asbestos removal, as needed. The buyers agree to have the house repaired, asbestos removed and rented by April 1 or 60 days from closing or as weather permits. The demolition and removal of the remaining property including all foundations will begin as soon as possible weather permitting and transfer of title. The lot will be backfilled to grade. This phase should be completed in less than 5 months. The plan for the cleared area will be to expand their present rental business by the addition of 6 new mobile homes. Along with this will be new infrastructure for each unit. With the addition of the homes on the property, the value should increase by approximately $150,000. Numerous trees will be removed, and some may be trimmed. In addition, Sterler’s have offered to purchase 1023 Garfield Avenue for $1. Conditions include: buyers will remove asbestos, demolish and cleanup the existing house within 5 months (weather permitting); closing costs and survey costs will be paid by the owner (city); the owner warrants that the property is being transferred to the Buyers free and clear of any liens ad encumbrances; the remaining work on property will begin as soon as possible weather permitting and transfer of title; our plan for the cleared area will be to move a house from outside city limits (they are currently working on a purchase agreement with the seller) onto the property; remove and trim trees as required; offer is valid only with acceptance of the offer for 1401 S 2nd Avenue.

Tim & Karen Pottebaum and Mike & Sheila Pottebaum of Log Cabin Enterprises submitted a proposal to purchase 1401 S 2nd Avenue for $1, and ask the City to pay for the survey costs and closing costs. They also ask for use of the fire hydrant if needed during professional asbestos removal and a possible permanent access off of S 3rd Avenue. Their plan is to clean up the property as soon as possible as weather and equipment become available. Everything on the property will be destroyed other than the house and small garage. The intent is to move the house to 1023 Garfield Avenue. The small garage will be used to store equipment. All foundations will be removed and backfilled back to make a safe and level lot. Log Cabin Enterprises also proposed to purchase 1023 Garfield Avenue for $1 and the city pay the survey costs and closing costs. In turn they will clean up the property as soon as weather permits. Everything on the property will be demolished as well as some tree removal/trimming, fencing removed, and junk hauled away. The intent would be to dig a basement, them move the house from 1401 S 2nd Avenue here and add a 2 stall attached garage, and sell it. They do realize the this would take approval from the Board of Adjustment and noted that both proposals are to be considered as one. Approval of one proposal and rejection of the other will terminate both proposals.

Council discussed the two proposals. Some questions were: Can there be another sealed bid by the two that would be their final and best proposal? Could these be structured to compare “apples to apples”? Do we need to see what the City’s tax benefit would be with each and the difference between residential and business? Do we know what type of home would be placed on 1023 Garfield with the Sterler proposal? Kathy Sterler stated that they would move in a single story 1,200 square foot home on top of a basement and look to rent or possibly sell it. Sterler also asked if it went back to a sealed bid if they, as an adjacent property owner, would be first choice? They would like to fix the house to make it rentable, remove the hotel and put trailers in there, but it would take time to install infrastructure and find decent trailers. Kooiker suggested that Council needs to identify the key components, is it monetary, is it the timeliness, etc… Hindt stated that he felt that Sterler’s proposal fits in with the surrounding area and would like to move forward with the offer from Sterler’s. A motion was made by Barahona and seconded by Eggers to defer a decision on 1401 S 2nd Avenue and 1023 Garfield Avenue until the meeting on January 15, 2020. Roll call was taken. Ayes, all. Motion carried.

Council reviewed the 5-year Capital Improvement Plan (CIP) for fiscal years 2020-2021 through 2024-2025, along with the emergency services 15-year plan. A motion was made by Eggers and seconded by Hindt to approve the City’s 5-year Capital Improvement Plan (CIP). Roll call was taken. Ayes, all. Motion carried. A motion was made by Broesder and seconded by Eggers to approve the approve the emergency services 15-year capital improvement plan. Roll call was taken. Ayes, all. Motion carried.

A motion was made by Eggers and seconded by Barahona to accept the recommendation from ISU Extension regarding public comment period. Kooiker explained that he had drafted a resolution that he felt should be discussed at a public hearing. Eggers withdrew his motion. A motion was made by Barahona and seconded by Hindt to set January 15, 2020 for a public hearing to consider a resolution setting City Council public comment rules. Roll call was taken. Ayes, all. Motion carried.

Kooiker explained that the hiring process for a police officer takes a long time, and he would like permission to start the process of hiring for full-time and reserve officers, and feels if started now, it could “shave off” a month or two. A motion was made by Hindt and seconded by Barahona for Kooiker to start the process of hiring a full-time police office and a reserve office and the full-time officer will be considered at budget time. Roll call was taken. Ayes, all. Motion carried.

Katricia Meendering, Pavilion general manager gave a report on the Crossroads Pavilion. She stated that the Pavilion is an asset to the community and thanked the past board members and Council for implementing the civic center tax to help them to make some necessary improvements in the future.

Staff comments: Strouth thanked KENT Nutrition for investing in the community and they now have their certificate of completion.

Council & Mayor comments: None.

A motion was made by Hindt and seconded by Barahona to enter into closed session at 5:31 p.m. per Iowa Code sections 20.17 and 21.9 to consider labor negotiations and employment conditions. Roll call was taken. Ayes, all. Motion carried.

Council came out of closed session at 6:38 p.m. A motion was made by Hamill and seconded by Barahona that because of the impact of merger on negotiation strategy, we’ll set a public hearing for January 15, 2020 on the proposed merger and authorize the City Attorney to seek a delay on the PERB hearing which is also scheduled for January 15, 2020. Roll call was taken. Ayes, all. Motion carried.

A motion was made by Barahona and seconded by Hindt to adjourn at 6:40 p.m. Roll call was taken. Ayes: all. Motion carried.

Angela Beckman, City Clerk