

City of Sheldon
City Council Report for March 4, 2020
Regular Meeting at 4:30 p.m.

4a. Audit Presentation for FY18-19 – Tom Hinrichsen & Jeff Crew, Winther & Stave.

Attachments: Governance letter, dated February 27. Audit is too large for packets, and is linked below. Winther & Stave will be bringing paper copies.

Background: Our previous audit (for FY17-18) was presented on December 5, 2018. Angie and I met with Tom Hinrichsen on February 6 to review the preliminary findings. A draft was provided on February 19, and was briefly discussed at the February 19 Council meeting. The final version was provided on February 27, and is substantially the same as the February 19 version. The final version (60 pages) and memo entitled “Communication with those charged with governance” (4 pages) are on the City’s website:

sheldoniowa.com/2020/01/23/city-audits

Most notable is the City’s improved financial position both in terms of interest received on cash balances, and the pay-off of significant TIF debt in June of 2019.

4b. Redevelopment proposals for City properties:

- i. Public hearing on contracts for deed for 1401 S 2nd Avenue (former Sunset Motel) & 1023 Garfield Ave.**
- ii. Resolutions approving contracts for deed with Kerwin & Kathy Sterler.**

Attachments: Resolutions and contracts for deed.

Background: At the February 5 meeting, the City Council closed the “Last Best Offer” period, which began at the January 15 Council meeting. The offer by Kerwin and Kathy Sterler was accepted, and negotiations began. The contracts have been signed by the Sterlers. At the Special Council meeting on Saturday, February 22, the hearing was set for the March 4 meeting. The hearing notice was published on February 26.

5a. FY20-21 Budget.

- i. Public Hearing.**
- ii. Resolution approving adoption of FY20-21 budget and certification of taxes.**

Attachments: Resolution adopting budget.

Background: The hearing notice was published February 22. The proposed budget includes a modest drop in the levy (approximately 45 cents per \$1,000), and a slight increase in the amount of property tax revenue. Our current "Total tax" number from the State's 71-665 form for FY19-20 is \$1,823,756. The projected new number is \$1,837,700. This is an increase of $\frac{3}{4}$ of 1%. Regarding the new law on the 2% threshold, the group of levies subject to the new law is experiencing a 5.41% property tax decrease. This is because the "Support of Library" and "Debt Service" levy are excluded from the Max Levy Notice.

A written public comment was submitted by Marv Van Riesen on February 19, and was entered into the record at the Special Council meeting on February 22. The letter requests some of the budget meetings to be held at 7 PM. The letter is included the Council packets for the March 4 meeting.

On a related note: In your packets is the signed resolution by the Library Board creating the Library Capital Improvements Fund. Council action is not required. The initial seeding of this fund (\$50,000) will come from the Library's General Fund.

5b. Chief of Police appointment.

i. Mayor's appointment of Scott Burtch as Chief of Police.

ii. Resolution approving Chief of Police employment agreement with Scott Burtch.

Attachments: Resolution and signed "outline" agreement.

Background: The "outline" agreement with Scott Burtch was approved by the City Council on February 26. At the same meeting, the Council authorized the presentation of an employment agreement, consistent with the terms in the outline agreement. We hope to have Scott's approval prior to the March 4 Council meeting. Start date is estimated to be April 6, with Oath of Office on April 8.

6a. City Manager's Report.

- On February 21, the deed was recorded to transfer ownership of 428 W Park St (former DJ's Redemption Center) to Kent and Janet Lohrenz. We are grateful for their partnership with us to clean up this eyesore at one of the main entrances to our community.

- The position of Pavilion Assistant General Manager was posted on February 25, and advertising is underway. First review of applications is March 23. Heather Jacobs' last day is June 1, and her resignation was accepted at the February 5 Council meeting.
- Six people applied for the position of Street Superintendent. Todd and I have been conducting interviews.
- I have been granted a stipend by the Iowa League of Cities for \$250, which covers most of my registration fee to the Iowa Municipal Management Institute (IMMI) in March. The conference dates are March 18-20 in Iowa City. I will not be at the March 18 City Council meeting.
- On February 26, the Board of Adjustment (BOA) unanimously approved the request by RiseFest and Rosenboom, Inc, for a 6' height variance to accommodate a permanent stage on the north end of the RiseFest grounds. The BOA's approval included a stipulation to require screening between the stage and the residential property to the north.
- The owner of record for the property at 104 N 3rd Ave (former Rec Bowl/Budd-Z's site) is White City Holdings, LLC. The main principal in this LLC passed away on January 22. An estate has been opened. Here are the updated numbers as of February 11 on the unpaid taxes and clean-up assessment.

104 N 3rd Ave - Rec Bowl site (as of 2/11/20)	Taxes & Assessment
Taxes for 2014-16*	\$ 8,343.00
Taxes for June '17-March '20	\$ 6,029.32
City's 2015 Assessment + interest	\$ 46,441.00
Total	\$ 60,813.32
* This bill is actually \$22,982. City's assessment for '14-'16 of \$14,639 is included in \$46,441 clean-up assessment total. (\$22,982 - \$14,639 = \$8,343)	

The back-taxes and assessments tell just part of the story – this issue is complicated, and your intervention is likely necessary. We are waiting to see if the probate process results

in any changes to the situation. We could then consider opening a time frame for solicitation of proposals in exchange for the City's willingness to acquire the tax certificate and erase the City's clean-up assessment, and transfer the tax certificate and subsequent ownership to a responsible party who will redevelop the property. The City's cost would hopefully be contained to the loss of the clean-up assessment monies, and the legal expenses. The property is not considered a nuisance, but the tangled ownership issues could lead to a long-lasting impasse once the value of the outstanding taxes surpasses the value of the property.

- Jared Johnson of O'Brien County EMA set up a well-attended meeting on February 27 to discuss regional hazard mitigation. The meeting was held here at City Hall. A representative from FEMA was present. Cities, Counties and School districts from all over NW Iowa were present. Follow-up meetings are set for March 26, April 23 and May 21.
- Todd Uhl, Angie Beckman, Curt Strouth and I have been working with Ahlers Cooney to update the Urban Renewal plan and prepare for an estimated \$2,500,000 in street and related repairs using a short term TIF bond.
- A Planning & Zoning Commission meeting will be set up soon. Here are the four items being considered at this point.
 - Consider rezoning of 301 34th Ave (Crossroads Pavilion) and lot to the north (Sheldon Crossing Plat 1 – Parcels A & B of Outlook X) from Agriculture to Arterial Commercial (AC) – Application by City of Sheldon and Sheldon Chamber & Development Corp.
 - Consider rezoning of western 115' of 1401 S 2nd Ave from Arterial Commercial (AC) to Residential Multiple (RC) – Kerwin & Kathy Sterler
 - Consider rezoning of eastern 150' of 1401 S 2nd Ave from Arterial Commercial (AC) to Mobile Home District (MH) – Kerwin & Kathy Sterler
 - Consider ordinance to amend the City of Sheldon Zoning code by deleting subsection 20.3(4)(j) pertaining to signs in the Business Park (BP), Arterial Commercial (AC), Light Industrial (LI), Heavy Industrial (HI), and Agriculture (AG) districts and replacing subsection "j" as "reserved for future use"; and, to repeal subsection 26.4(4) and replace in lieu thereof a new subsection 26.4(4) pertaining to procedures of Board of Adjustment in granting a special exception.

- Todd Uhl has been working with NW Iowa Planning & Development an application for a Surface Transportation Block Grant (STBG) to assist with partial Western Ave reconstruction within the next 5 years. We may have an agenda item as soon as March 18 to discuss a grant application.

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

a. Resolution approving Collective Bargaining Agreement for FY20-21.

Attachments: January 14 & 21 “Initial Bargaining Positions”. The tentative agreement (28 pages) is available upon request.

Background: This closed session may not be necessary. Tentative agreement was reached on February 27, and we hope to have ratification by AFSCME prior to the Council meeting on March 4. Below is a summary of the key points in the process.

Initial Bargaining position AFSCME (January 14, 2020)	Initial Bargaining position City of Sheldon (January 21, 2020)	Tentative agreement b/w City & AFSCME (February 27, 2020)
Two-year term (7/1/20 – 6/30/22)	One-year term (7/1/20 – 6/30/21)	One-year term (7/1/20 – 6/30/21)
Everyone to HSA (\$4,500/\$9,000) from the traditional \$250/\$500 plan	Everyone to HSA (\$4,500/\$9,000) from the traditional \$250/\$500 plan. Commitment also made to move non-union to HSA.	Everyone to HSA (\$4,500/\$9,000) from the traditional \$250/\$500 plan. Commitment also made to move non-union to HSA.
\$3,500/\$7,000 seeding of HSA’s for net of \$1,000/\$2,000 deductibles	\$3,550/\$7,100 seeding of HSA’s for net of \$950/\$1,900 deductibles	\$3,550/\$7,100 seeding of HSA’s for net of \$950/\$1,900 deductibles
Wages: 3.50% Police; 3.00% PW	Wages: 3.25% Police; 2.75% PW	Wages: 3.25% Police; 3.00% PW
Include Police training reimbursement requirement in CBA.	Include Police training reimbursement requirement in CBA plus individual contract.	Included Police training reimbursement as exhibit C in CBA.
Incorporate memorandums of understanding.	Clarify to incorporate May 14, 2019 amendment re health insurance contribution calculation.	Includes May 14, 2019 agreement re health insurance calculation.