

305 N. Third Street, P. O. Box 375
Eldridge, Iowa 52748
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Joint City Council & Utility Board Meeting Minutes

The City Council of Eldridge, Iowa & the Utility Board of Eldridge Electric & Water met in open session at Eldridge City Hall at 5:34 pm on February 29, 2024.

Council Members Present: Brian Dockery, Scott Campbell, Dan Collins

Presiding: Mayor Frank King

Utility Board Members Present: Jim Skadal, Paula Steward **The Utility Board did not have a quorum*

Also Present: Administrator Nevada Lemke, Assistant Administrator Jeff Martens, City Attorney Allison Wright, Utility Manager Jake Rowe, Attorney (rep. UB) Nicole Proesch, City Insurance Agent Seth Porter

Absent Council Members: Adrian Blackwell, Ryan Iossi

Absent Utility Board Members: Barb O'Brien

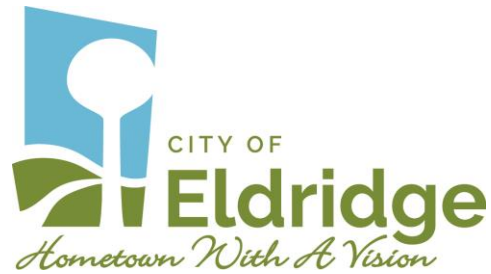
Public Present: Mark Ridolfi (NSP), Tate Olsen, Jeff Hamilton, Craig Gehrls

Councilman Dockery made a motion to approve the agenda. Councilman Campbell seconded the motion. Voice vote indicated Dockery (aye), Campbell (aye), and Collins (aye). Motion passes 3-0.

Public Comment: Attorney Nicole Proesch introduced herself and noted she was retained by the Utility Board to represent them regarding concerns of a removed Board member at 4:30pm on 2/29/24. She confirmed that if there was to be no action taken at this meeting to appoint new Utility Board members then she had no additional comments to make at this time.

Mayor Frank King opened the meeting with a statement to the Board & Council members that several pressing matters need to be discussed with a goal to clear up any confusion and move forward together with a positive relationship and positive communication. He provided background regarding numerous meetings that had occurred between himself, City Administration, and members of the Utility Board to resolve some issues and concerns and added that those issues were not able to be resolved to date. He discussed the Utility Board's relationship to the City and the most imminent concerns including Insurance coverage and the new Employee Handbook, noting that the new handbook contained the same organizational structure that has existed since 2003 but that seems to be a sticking point for the Utility Board.

Mayor King introduced Craig Gehrls and Jeff Hamilton as prospective Board members of the Utility Board. He clarified that Mike Anderson's term had expired as of 2/28/24 and



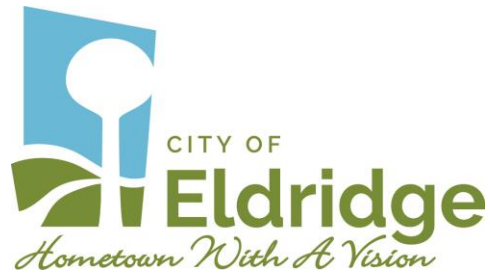
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that in several recent phone conversations with Mike, he was informed that Mike did not desire to continue on the board and was resigning from his seat.

Mayor King called upon Seth Porter to provide an update on the City and Utility Board's joint insurance. Seth provided information regarding the City's insurance history and representation by Porter Insurance. He stated that the City and Utility had been jointly insured by EMC in past years, but as of 4/1/24, would no longer be insured with EMC due to non-renewal of the insurance policies. He further indicated that new coverage quotes had been secured and that he would be presenting that to the City within the next week. Seth further stated that he was asked by the Utility Manager and former Board Chair to look into the possibility of the Utility obtaining a separate policy from the City. Seth reported that due to the common FEIN, he was informed that this was not going to be a possibility for the Utility Board and that the path forward, from his advisement, was to continue to insure together.

Mayor King called upon Administrator Lemke to discuss the new Employee Handbook. Lemke stated that the Council had recently adopted the new Employee Handbook that was drafted by MRA, and that the handbook had the same organizational chart that was adopted into City Code in 2003 and was part of the 2003 Employee Handbook and City operations for the past 30 years. She reported that the organizational chart shows all Department Heads reporting to the City Administrator, and their respective Boards, and the City Administrator reports to the City Council, and the Boards accordingly. She further stated that this organizational structure was modified from the structure that the Utility Manager and Interim City Administrator presented earlier in 2022/23 that the City Council denied. Lemke reported that the organizational structure that was adopted by the City Council, both recently and in 2003, does not shift any authorities or powers of the Department Heads or Board & Council members, which are statutorily assigned in State and City Code.

Mayor King reported that in 1991 the City submitted documentation to the IPERB (Iowa Public Employee Relations Board) for the purpose of Unionizing and negotiating employment contracts, which name the City of Eldridge and the Utility Board as joint employers. The City and Utility Board share a Collective Bargaining Agreement with their employees. The organization chart does not change anything day to day operationally. The City and Utility need to work together and ensure that all employees are following the policies to secure insurance and prevent further claims and exposure to liability. The City is committed to working with the Utility going forward in a positive direction to make sure we don't repeat our past and to avoid future claims that resulted in the non-renewal of our jointly held insurance.



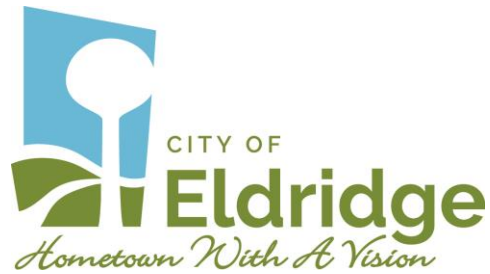
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Mayor King called on Administrator Lemke to discuss the budget. Lemke stated that she wanted to open up the floor to questions from the Board and Council members regarding the budget and how the Utility Board and City Council work together with financial management and reporting. She stated that the Utility budgets are submitted to the State for certification as part of the City's budget and is adopted by the City Council with the City Budget. She reported that the City's annual financial audit includes the Utilities enterprise funds and that the audit is done as one unit, with the financials containing the City and enterprise funds combined. She also stated that the transfers into the General Fund are based annually on a percentage of sales revenue for water and electric and have stayed consistent over the past few years. Lemke reported that the City and Utility share costs for most services, contracts, and expenses, including Incode – the City's employee management and billing software.

Mayor made a statement regarding an incorrect statement that was reported in the local newspaper regarding a disagreement between department heads. He clarified that the incident that was being referred to in the paper was not related to the items being discussed tonight, and that what was reported in the paper was inaccurate.

Councilman Campbell addressed the Utility Board and asked them their position on the handbook and what questions they have. Utility Board Vice Chair Skadal stated that the Board had retained legal counsel and was not interested in discussing anything at this time, but that he had many questions, especially regarding the budget, but that he was unaware that this would be a Joint meeting, and the meeting minutes would have to be reflected by the City Council. Campbell stated that he thought that was what everyone was there to discuss that night, and that he was saddened to see that the Utility Board had made the decision to use taxpayer money to fight the City Council.

Utility Board member Paula Steward addressed Seth Porter regarding the requirements of the Employee Handbook in relation to obtaining insurance coverage. Seth stated that the policies in the new handbook were important in getting coverage quotes to support the City's ability to prevent future liability claims due to lack of proper processes, procedures, and controls in place to limit risks. Steward asked if we could just remove the organizational chart for now until an agreement is made, and just submit the handbook without it for Insurance purposes. Mayor King stated that he had asked the same questions, and that his understanding was that the policies in the handbook are aligned with the reporting structure of the organizational chart, and that the issue is if not all employees are following the policies that we submit to the insurance carriers, we are opened up to exposure to liability risks that will ultimately come back on the City.



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Councilman Campbell addressed the Utility Board again to ask why the resistance to the organizational chart that had been in place and worked for the last 30 years. The Utility Board and Council, and staff, worked hand in hand to get things done. If there was a disagreement, they went into the City Administrators office and sorted it out and moved on. Campbell asked again what the Utility Board's position is on the organizational chart.

Attorney Proesch interjected and stated that the Utility Board has not yet had a meeting of the minds and that their position is that the joint meeting was not agreed to and they do not have enough members present to discuss these items. Councilman Dockery asked Atty Proesch what her office address was and she replied Des Moines and that they had been retained that afternoon at 4:30pm, and she was present at the meeting because she just happened to be in the area. She stated that she provided counsel to the Utility Board regarding their concerns about tonight's meeting and their lack of board members present at the meeting.

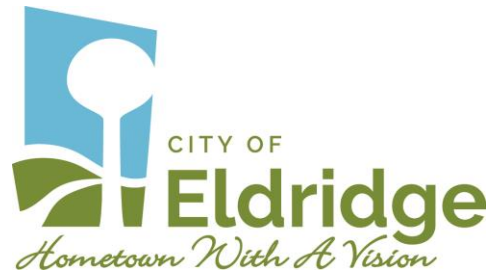
Mayor King clarified that Mike Anderson resigned his position and tried to communicate that to Jody Coffman at an earlier date.

Attorney Allison Wright stated that the City Council and Administration had made extraordinary efforts to make progress on the items with the Utility Board and has continuously been met with resistance. There are some very ripe issues that need to be addressed in a timely manner and the refusal to have these discussions tonight is very frustrating and counterproductive.

Councilman Dockery reiterated that the organizational chart that was adopted is the same one that has been in place for 30 years, and that no other organizational chart had ever been approved or adopted. Employees edited a copy that was provided by the hired agency to draft the handbook, and the proposed organizational chart was never approved by either board. He stated he could not understand the resistance to this organizational chart.

Councilman Collins and Campbell voiced frustration that they were here to meet with the Utility Board that wanted to be heard, and now the Utility Board is refusing to have any discussion.

Utility Board member Skadal stated that this meeting should have happened many months ago. He stated the handbook edited by the two employees was a done deal in his mind. He also stated that he edited it as well. He stated that the handbook sat un-addressed for 6-9 months and wasn't a priority to the Council. Campbell asked what



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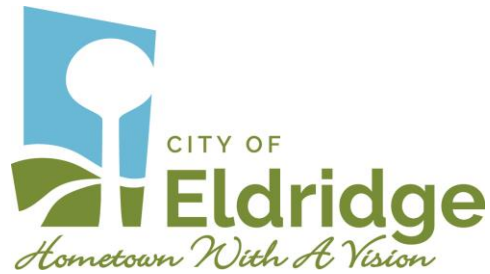
organizational chart the Utility Board is currently operating under, to which Skadal replied that it is still in flux.

Steward stated that the Council has already adopted the handbook and asked if the Utility Board needed to vote on it as well. The Council said yes, that is why it is an agenda item for discussion. Skadal stated that at the last Utility Board meeting, the heated words that took place were due to parliamentary procedures. He stated that two individuals had overtaken the meeting, and the Board Chair had to enforce parliamentary procedures because the Utility Board had received a letter regarding the Employee Handbook an hour before their meeting. They were bombarded. The only thing discussed at the meeting was the organizational chart, and there was no problem with the Employee Handbook. The Mayor stated that months ago he provided paperwork to the Utility Board Members at one of their meetings, and was on the agenda for discussion, to discuss the organizational chart with them. At that time, no one on the Utility Board asked any questions or made any comments to move the issue forward. He also clarified that during the drafting of the Handbook, he continuously asked the staff for updates on the handbook and was told by City Staff that they were busy and they would get to it. Campbell again asked what their position was on the organizational chart since they discussed it at their last meeting. Steward stated that she is just trying to figure out what her role is as a board member, and trying to figure out what the Utility Board is. Campbell stated he doesn't understand why they are trying to change things and won't understand until the Utility Board talks to the Council.

Dockery stated that since the Utility Board has not adopted the new handbook, they are technically still operating under the 2003 handbook, which has the same organizational chart.

Utility Manager Rowe stated that the handbook was brought to the Utility Board and the City Council back in February of 2023, and the Council wanted more time to review it, and it hadn't moved forward since then, and has since been modified. Dockery stated that he wanted to review it word for word due to the fact that it was edited by employees, because he has never known a company that had employees edit a handbook that governs them. He wanted extra time to read it through. At the end of the day, the organizational chart is the same one that was in effect in 2003.

Skadal said everything was in flux. The Utility Board understood that they may need to go and get their own insurance if the City could not get coverage. He stated the Utility Manager asked about what would happen if the City didn't get coverage, so the Utility asked for their own. But ultimately, Skadal stated he believes they should move forward together. Campbell asked why the Utility never came to the City to ask about the

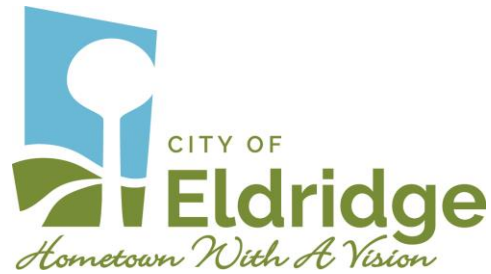


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insurance – why no one reached out to the City Administrator – Skadal stated the City never came to the Utility Board. Skadal felt that the Utility Manager has been on top of the issues. Campbell stated that if the Utility Board was on top of everything, wouldn't he have communicated with Nevada? Skadal stated the road goes both ways.

Attorney Wright stated that for clarification, there were a number of meetings taking place between the Utility Board Chair and Manager with the Mayor and Administrator to address these issues, but that there was no resolve and it became apparent that the whole Utility Board was not being provided the information from these meetings. Mayor King confirmed this statement and informed the Utility Board members that is when he had Attorney Wright prepare a letter and then send it to the Utility Board. Administrator Lemke stated that is when she and Mayor and Councilman Iossi went to the Utility Board meeting, and Lemke attempted to share information with the Board regarding the Insurance quotes, after asking permission from the Board Chair, and was then shut down shortly after she began speaking to the Board. Councilman Campbell stated that is why the City Administrator should be the liaison for communication between the Council and Boards. Councilman Dockery stated that the Administrator oversees the day to day business – they would not tell the Utility Manager how to run their department or do their day to day job, but they would oversee the day to day business and policy implementation and enforcement.

Board member Steward stated she did not think what happened with the former Board Chair was fair. She stated she felt targeted at the meeting; Councilman Campbell stated that he was sorry she felt that way. He intended for this to be a joint and open discussion meeting. Board member Skadal stated he thought that this meeting would be run by the Council and would require no comments from Utility. Councilman Campbell asked where or how he got that impression? He stated that a joint meeting would be a joint discussion between members of both Boards. Councilman Dockery stated that joint meetings were going to be a regular occurrence, and that the Council had been discussing this at a meeting in January. Board Member Skadal further stated that Councilman Iossi told him that he was unable to talk to him anymore, and that damaged his trust because they had a good communication going, but Councilman Iossi informed him recently that he couldn't talk to him anymore and communication came to a grinding halt. The Council members inquired as to where that information came from, and that it was not anything they were aware of. Councilman Collins stated that Iossi is the liaison and should have open communication with the Utility Board at all times. Councilman Dockery stated that both sides need to move forward from the issues of distrust. He mentioned the Special Utility Board meeting was not helpful to the trust issues. Councilman Campbell shared the concerns about the posting of the meeting and notification regarding the meeting and the secrecy of it. He stated that if it was not shared with him from a third party, no one at



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City Hall would have had any idea about the Special Utility Board meeting. Campbell stated that he ran for Council to put a stop to this drama, and that he feels that there has been a good faith effort on behalf of the City to work with the Utility Board, and we need to get back on track and do better than this. Board member Steward stated that she felt the trust doesn't go both ways due to the City's actions at its previous Council meeting when it waived the 3 reading rule for the Ordinance amendment, and didn't give time for discussion or public comment. Councilman Campbell stated that the Mayor did announce public comment, and that the residency rule was already in place prior to the Ordinance update. Attorney Wright stated that the City was equally surprised to find out that the Board Chair did not believe that residency was a requirement. Attorney Proesch stated that there are some questions to be answered and that the Utility Board needs to meet and have a discussion and get some questions answered and then the two boards can come back together and have this conversation when they are more prepared to have it. Board member Steward stated that she was at the Council meeting and she could not hear anything regarding Public Comment and neither could anyone around her. Assistant Administrator Martens stated that the OWL recording will reflect that Mayor did announce public comment and waited for anyone to come forward to speak before moving forward. Councilman Collins stated that if we need to schedule another meeting to come back together, that he prefers that to be sooner than later because we are still under a timeline for insurance. Mayor reiterated that the handbook remains the same for about 80% of it, with the addition of policies to be in compliance with State and Federal laws and to reduce exposure to liability. Attorney Wright stated that the City Administrator position provides direct communication and continuity between the City Council and Utility Board. Mayor also reiterated that this organizational chart has been in use for over 30 years, and that no powers or authorities are changed with this chart – meaning that the Mayor, Council, and City Administrator would not have power to hire/fire the Utility Manager or Utility employees under this chart, just as in the past.

Recess at 6:56pm for Utility Board to consult with their Counsel.

Reconvene at 6:58pm with Council and Utility Board members. Board member Skadal stated that the Utility Board would like to adjourn the meeting and will set up a follow up meeting as soon as possible. Councilman Campbell expressed his appreciation for the Board's volunteerism and work they do for the City and the Utilities.

Dockery made a motion to adjourn at 7:00 pm. Collins seconded the motion. Voice vote indicated Dockery (aye), Campbell (aye), and Collins (aye). Motion passes 3-0.

Submitted by Nevada Lemke