

DISCUSSION

Petitioners

The following is a summary of the petitioners' opening statements.

On February 16, 2000, the City Council voted to terminate a city employee, Mr. Jeff Guenther. The protesters felt that he was a good employee and the termination was unreasonable and not in the best interest of the citizens of Agency. The protesters believe that the City Council abused their power in dismissing Mr. Guenther.

The petitioners noted that one item in the budget amendment was an additional \$5,660 for "unemployment". The petitioners questioned why the City would dismiss Mr. Guenther, yet not contest payment of unemployment benefits.

The petitioners asked the State Appeal Board for the resignations of Ardyce Ragen and Jerry Bosner, City Council members.

City

The following is a summary of the City's opening remarks.

The City Council feels justified in terminating Mr. Guenther, an "at will" employee, for various reasons. They sought the advice of legal counsel, including the Attorney General's Office, before the dismissal. Before Mr. Guenther's dismissal, he requested and received a closed session for his employee review. The City Council said it could not discuss the reasons for his termination, except that they were serious infractions that, if discussed, would violate his rights.

The City responded to the petitioners' question of paying unemployment benefits by stating that the City did not contest the payment because it felt this would be less expensive to the City than risking a lawsuit.

The City stated that the budget amendment was necessary and the Council was fulfilling its responsibilities in amending the budget. The City outlined details of the \$12,310 budget amendment as follows:

Unemployment claim - \$5,660 paid to Iowa Workforce Development for dismissed City employee.

Roadway maintenance - \$3,850 for wages and FICA/IPERS of part-time employee.

Buildings and grounds - \$1,000 for sidewalk improvements.

Collection system - \$1,800 for electrical improvement at a lift station.

CONCLUSIONS OF LAW

The State Appeal Board has jurisdiction over this appeal pursuant to Iowa Code sections 24.28 and 384.19.

BASIS FOR DECISION

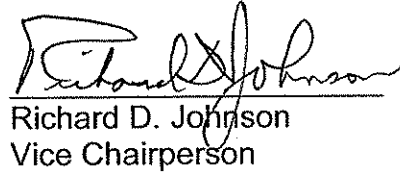
Terminating a City employee and resignations of elected officials, which the petitioners brought before the Hearing Panel, are personnel issues, not budget issues. Accordingly, the State Appeal Board has no jurisdiction in these decisions. However, the additional expenditures proposed in the budget amendment are budget issues and should be approved because the City has shown the expenditures were necessary, reasonable, and in the interest of the public welfare.

ORDER

The Fiscal Year 2001 budget amendment for the City of Agency, Iowa is sustained.

STATE APPEAL BOARD


Michael L. Fitzgerald
Chairperson


Richard D. Johnson
Vice Chairperson

Absent
Cynthia P. Eisenhauer
Member

June 11, 2001
Date