

## Year End June 30, 2016 Related Parties Transactions

Information is solicited from all Department and Division Managers via a memo after the end of fiscal year. A copy is attached. The following responses were received:

**Fairchild Business Coaching, Inc** –Riley Fairchild, Owner's spouse, works for the Police Department. Fairchild Business Coaching received \$800.00 for professional development training for the Police Department and City Manager's Office. No competitive bids were received.

**Bi-County Disposal, Inc.** – The Dubuque Metropolitan Area Solid Waste Agency (DMASWA) formerly hired three of its largest private sector customers, Allied Waste, Dittmer Recycling, and Bi-County Disposal, to empty its solid waste drop-off containers at its small vehicle off-loading facility at the DMASWA Landfill. The three noted customers/service providers were the only firms with trucks large enough, properly-equipped and fully-insured, to handle the Agency's drop-off containers. All three of the noted service providers had previously agreed in FY12 to charge \$35.00 for each load-dump, and the work was split between them through FY13. However, in FY14 only Bi-County still honored their prior informal bid price (Allied charged \$38.47/load-dump and Dittmer \$100.00/load-dump). As a result, Bi-County continues to provide all said needed work for the Agency at the previous agreed informal bid price. In addition to servicing drop-off containers, Bi County also provides service to transfer our scrap metal container to a local metal recycling center, transfer asphalt shingles for recycling, and assist in mobile Household Hazardous Waste events. One of Bi-County's owner-partners is City of Dubuque Vehicle Maintenance Supervisor Kevin Cornwell. His part-ownership of Bi-County predates his hiring by the City of Dubuque in 2006. Mr. Cornwell is not involved in any way in the management or supervision of the DMASWA's daily operations, nor was involved in the Agency's decision process regarding the servicing of its drop-off containers. In FY16, Bi-County received a total of \$ \$22,372.25 for the noted service.

**Community Foundation of Greater Dubuque** - City Manager Mike Van Milligen's wife is the President and CEO. Per review with City Attorney, Iowa Code sec. 362.5 provides that a city officer or employee shall not have an interest, direct or indirect, in any contract or job of work or material or the profits thereof or services to be furnished or performed for the officer's or employee's city. The City Manager's wife is the salaried President and CEO of the Community Foundation of Greater Dubuque. The Community Foundation provides services for the City of Dubuque. However, neither the City Manager nor his wife have an interest, direct or indirect, in any contract or job of work or material or the profits thereof or services to be furnished or performed for the City of Dubuque.

- **Every Child, Every Promise** - City Manager Mike Van Milligen's wife is the President and CEO. Every Child, Every Promise received \$22,500 through the Community Foundation of Greater Dubuque. (Same explanation as Community Foundation of Greater Dubuque.)
- **Project H.O.P.E.** — City Manager Mike Van Milligen's wife is the President and CEO, Project H.O.P.E. received \$67,500 through the Community Foundation of Greater Dubuque. (Same explanation as Community Foundation of Greater Dubuque.)
- **Inclusive Dubuque** — City Manager Mike Van Milligen's wife is the President and CEO, Inclusive Dubuque received \$67,500 through the Community Foundation of Greater Dubuque. (Same explanation as Community Foundation of Greater Dubuque.)

**Net Smart** – Owner Kevin Lynch is a City of Dubuque Councilman. Transactions pertain to updating maintenance fees and monthly hosting charge for Dubuque Metropolitan Area Solid Waste Agency (DMASWA) website. Public Works Director, John Klostermann's response:

In March of 2012, the Agency's internet service provider, Mission Creative, notified us that it was shutting down at the end of that month, referring the Agency to a Des Moines firm for future service. The Des Moines firm's price schedule proved cost-prohibitive, compounded by the obvious loss of local support. A search was begun immediately by the Agency's Education and Communication Coordinator for a local firm to host the Agency's website, principally through phone calls and consultation with other local and area educators. Net Smart Incorporated, owned by City Councilperson Kevin Lynch, was selected, based on its price and readiness to immediately accommodate the Agency's website. I would also note that Mr. Lynch has never served on the DMASWA's Board of Directors or been involved with the Agency's budget process. Formal bid proposals for the noted service were received in 2016 and a new service provider was selected. Net Smart was paid \$1,200 (\$400 per month) in FY 2016 to maintain the old website until the new service provider had the new website fully developed.

A detailed listing of vendor payments to each of the above made in the fiscal year ended June 30, 2016 is attached.

## Related Party Vendors

This is the list of currently known related party vendors. If you are aware of any other vendors

| Vendor                            | Vendor Number | te Vendor | Alternate Vendor Name | Order Address Line1 | Related Party |
|-----------------------------------|---------------|-----------|-----------------------|---------------------|---------------|
| A FRAME OF MIND FRAMING & GALLERY | 7179          |           |                       |                     | 2478 HUSBAND  |
| BI-COUNTY DISPOSAL INC            | 7092          |           |                       |                     | 3129 SELF     |
| FAIRCHILD BUSINESS COACHING INC   | 6191          |           |                       |                     | Y             |
| NET SMART INC                     | 2941          |           |                       |                     | 3087 SELF     |
| TIMMY P MCGINNIS                  | 2729          |           |                       | D/B/A QUALITY BRICK | Y             |
| TIMMY P MCGINNIS                  | 2729          | 4400      | TIMMY MCGINNIS AND    | D/B/A QUALITY BRICK | Y             |

**Related party transactions should be bid unless all payments for the fiscal year total less than \$1500.**

*"Related Parties" means transactions between the City and businesses with 5% or more*

Sep 6, 2016

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## Payments to Related Party Vendors

**Does not include payments made to Fund 940 DMASWA**

**YTD Payments for FY: 2016**

| Related Party                                     | Vendor Name                     | Nbr  | Department            | PO #     | Check Date | Description               | Amount          |
|---|---------------------------------|------|-----------------------|----------|------------|---------------------------|-----------------|
| Y   | FAIRCHILD BUSINESS COACHING INC | 6191 | CITY MANAGER'S OFFICE | 16004890 | 12/09/2015 | PROFILES INTERNATIONAL CH | \$400.00        |
| Y   |                                 |      | POLICE DEPARTMENT     | 16008908 | 05/18/2016 | CHECKPOINT 360 - DALSING  | \$400.00        |
| <b>Total for: FAIRCHILD BUSINESS COACHING INC</b> |                                 |      |                       |          |            |                           | <b>\$800.00</b> |
| <b>Summary</b>                                    |                                 |      |                       |          |            |                           | <b>\$800.00</b> |
| Sep 6, 2016                                       |                                 |      |                       |          |            |                           | 12:03:38 PM     |