

Wahpeton City Council
June 6, 2016
5:00 p.m.

Present: Schmidt, Lambrecht, Bertsch, Mitskog, Hansey, DeVries, Dale, Bajumpaa, and Wateland

Absent: None

Also Present: Huwe, Lies, Miranowski, Broadland, Priebe, Guck, Amos, and Cain

Meeting called to order by Mayor Hansey.

CONSENT AGENDA ITEMS (presented by the Mayor) ó

Approval of minutes of regular meeting held May 16, 2016

Games of Chance Licenses, Site Authorizations & Special Permits:

Three Rivers Gymnastics Site Authorization ó Pranteø Fine Dining
Three Rivers Gymnastics Site Authorization ó Three Rivers Gymnastics Bldg.
NDSCS Cat Backer Letterwinner Club Site Authorization ó NDSCS
Head of the Red Youth Activities Assoc. Site Authorization ó Wahpeton Vetø Club
Other Games of Chance and/or special permits:
CHI Health Connect At Home - Fargo ó Games of Chance Permit

Presentation/Approval of Reports

USDA Rural Development Progress Report
NDIRF 2015 Annual Report
Bremer Bank Charity Golf Tournament June 23rd ó benefitting Wahpeton Fire Dept.
City of Wahpeton Wards & Polling Locations

Mayor Hansey asked if there were any items to be removed from the consent agenda and there were none. **Motion by Lambrecht, seconded by Bertsch, to approve the Consent Agenda items as presented. Motion carried with all voting ‘aye’.**

REPORTS FROM CITY OFFICERS AND STAFF

FINANCE DIRECTOR

2015 Audited Financial Report ó Huwe said the North Dakota State Auditorø Office has completed the fiscal year 2015 financial audit. The report reflects the auditorø opinion the 2015 financial statements are free from material misstatement and no material weaknesses in financial reporting were identified. The report is available on the Cityø website and has been uploaded to the Municipal Securities and Rulemaking Board website as a continuing disclosure requirement for the cityø outstanding bonded indebtedness. The auditors made several recommendations throughout the audit process pertaining to employee policies and reporting of inflows/outflows related to employee pensions. These items will be addressed in the revised employee policy manual. Huwe expressed appreciation for the time and attention to detail city staff provides in the cityø financial transactions to ensure timeliness and accuracy. She requested a motion to acknowledge receipt of notification of the 2015 audited financial statements. **Motion by Schmidt, seconded by Bertsch, to acknowledge receipt of notification of the 2015 audited financial statements. Motion carried with all voting ‘aye’.**

2017 Budget Preparation Calendar ó Huwe said preparations for the premises of the 2017 City budget have begun. The June 27th and 28th committee meetings will include discussion of budget priorities and premises. Those with specific budget considerations they would like to discuss can contact Huwe prior to June 27th.

Golf Clubhouse Repair Invoice – request referral to PW Cmt. ó Huwe said the air conditioning system at the Bois de Sioux Golf Clubhouse (a city owned building leased to the golf club) has incurred maintenance expenses in excess of \$1,000 and is in need of replacement. She requested the Finance and Public Works Committees discuss funding of the repairs and possible replacement of the HVAC systems at the golf clubhouse. Mayor Hansey will refer this item to Finance, Economic Development & Personnel Committee, and also to the Public Works & Public Safety Committee.

City Election reminder June 14th ó Huwe said the City election is scheduled for Tuesday, June 14th. Polls will be open from 7 AM to 7 PM. Wahpeton citizens are required to vote in the ward they live in, with ward maps available on the city website or on the ND Secretary of State Website. Those who would like to receive an absentee ballot may request them via the Secretary of State website also linked on the City's home page. Identification is required for voting and must reflect your name, current residential street address and date of birth.

ASSESSOR/BUILDING CODES

County Board of Equalization – June 7th ó Broadland gave a reminder the County Board of Equalization meets tomorrow at 11:00 a.m. for Cities if anyone wants to attend, and Townships begin at 1:00 p.m.

ATTORNEY

Second Reading Ordinance No. 973 – Prohibiting Refusal to Halt ó Lies explained this would be for non-motor vehicles, for someone not in a motor vehicle who flees from an officer who gives a lawful command to stop.

Council member Bajumpaa offered the second reading of the following Ordinance:

ORDINANCE NO. 973 **AN ORDINANCE PROHIBITING REFUSAL TO HALT**

The motion for the adoption of the foregoing Ordinance was duly seconded by Councilmember Wateland. Motion carried with a roll call vote of 8-0.

Second Reading Ordinance No. 974 – Restriction on Use, Possession & Marijuana

Paraphernalia ó Lies explained this would allow someone to be charged into City Court for marijuana paraphernalia rather than having to go to District Court.

Council member Schmidt offered the second reading of the following Ordinance:

ORDINANCE NO. 974 **AN ORDINANCE ADOPTING RESTRICTIONS ON THE USE & POSSESSION OF MARIJUANA PARAPHERNALIA**

The motion for the adoption of the foregoing Ordinance was duly seconded by Councilmember Lambrecht. Motion carried with a roll call vote of 8-0.

First Reading Proposed Ordinance No. 975 – Operating Vehicle Under Influence of Liquor

or Controlled Substance ó Lies explained there have been changes in recent legislative sessions to DUI laws. The City has in the past stayed away from adopting State Law because we wanted to

have our own penalty sections, however ND Supreme Court said we cannot have our own sentencing guidelines that exceed their mandatory fees, etc. He said this will amend the City DUI Ordinance to pattern it after State Law.

Council member Bajumpaa offered the first reading of the following Ordinance:

ORDINANCE NO. 975
AN ORDINANCE AMENDING SECTION 42-224
OPERATING VEHICLE UNDER INFLUENCE OF LIQUOR
OR CONTROLLED SUBSTANCE

Mayor Hansey will refer this item to the Public Works & Public Safety Committee.

Assignment of Purchase Agreement for 206 4th St. S. – request motion to approve – Lies explained there was a need to amend/supplement a Purchase Agreement the City has with Dan Kutter who is building on a site the City owns just south of the railroad tracks. Kutter discovered he needs to put the purchase agreement into an LLC which allows him to assign his interest to the LLC of which he is a member/principal of, Digital Guru, Inc. This would allow the Mayor and City Auditor to sign the Purchase agreement, continue the warranties that are made in the deed regarding the title, and also allow the City to take advantage of the right of rescission that the City can take the property back if they don't put a building up within a year which would apply to the new owner, Digital Guru, Inc. **Motion by Mitskog, seconded by Schmidt, to approve Assignment of the Purchase Agreement for 206 4th St. S as presented by Attorney Lies. Motion carried with a roll call vote of 8-0.**

ECONOMIC DEVELOPMENT DIRECTOR

Economic Development Report & Recommendations ó Priebe said the Economic Development Commission met May 25th to reaffirm a Bank of ND Flex Pace interest buy down for Phoenix Housing II, LLC for the 400 Block project. For Bank of ND participation with a lead lender: "The borrower can be any person or entity whose business is located in the state of North Dakota. The community in which the business is located will determine if the objectives of the business meet the needs of the community and to what extent they will provide the matching portion of the buy down funds required to access this program." Participation requirements for the program are as follows: "BND will evaluate all requests in the same manner as it does with a commercial bank participation. Qualifications such as equity, collateral and information requirements are determined on a case-by-case basis. BND's participation must be 50 percent to 80 percent." Present value on the \$420,000 FLEX PACE loan is \$41,562 but this number could fluctuate depending on the timing to wire transfer the funds. ED Director advised an up to amount of \$42,000 from Sales Tax for Economic Development Fund. The interest buy down will be scheduled to be paid back in one installment on the 181st month with accrued interest at the rate of 1% per Section Five, page 3 of the March 10, 2014 Development Agreement between the City of Wahpeton and Phoenix Housing Wahpeton II, LLC. Priebe said the EDC recommends the City Council confirm a Flex PACE buy down of up to \$42,000 for the Phoenix Housing II, LLC as outlined in the Development Agreement signed and dated for the 400 Block Project with a payback schedule as presented. **Motion by Dale, seconded by Mitskog, to approve confirming a Flex PACE buy down of up to \$42,000 for the Phoenix Housing II, LLC as outlined in the Development Agreement signed and dated for the 400 Block Project with a payback schedule as presented. Motion carried with a roll call vote of 8-0.**

Priebe said the Economic Development Commission met Friday June 3rd and reviewed submittals for a request of Flex PACE interest buy down for the Boiler Room-Wahpeton restaurant project. The business is proposing to be a tenant at 404 Dakota Avenue (formerly occupied by the Frame

Shop). Other funding sources are also being applied to for remodeling, operating, equipment and upgrade of mechanical, etc. Total loan proceeds for this program are \$170,000 to be used for equipment. The buy down will help reduce the current interest rate to 1%. Term is set at 7 years. Flex PACE buy downs are reviewed on a case by case basis and follows the EDC guidelines:

FLEX P.A.C.E. [1] This feature provides interest buy downs to borrowers that do not fit into the traditional definition of PACE qualifying businesses. Under this program, the community determines eligibility and accountability standards. [2] Because of this flexibility, each FLEX PACE project will be reviewed on a case by case basis and payback terms and conditions will be negotiated up front. The EDC motioned, seconded, and passed the Flex PACE buy down for this project with a payback at the end of 7 years (beginning 2023) of \$9,000 at 1% interest rate and annual payments of \$3,060.20 over a three year term. Priebe said the EDC voted unanimously to recommend the City Council approve a Flex PACE interest buy down for the Boiler Room-Wahpeton Project in the amount of \$9,000 with a payback schedule of: 1% interest, 3 year term. **Motion by Lambrecht, seconded by Mitskog, to approve a Flex PACE interest buy down for the Boiler Room-Wahpeton Project in the amount of \$9,000 with a payback schedule of: 1% interest, 3 year term.** Discussion held regarding the location and, also, other funding sources. **Motion carried with a roll call vote of 8-0.**

Referring to the ED Activity Report, Priebe reported the CEO met June 2nd. The committee discussed and agreed to increase the cost of the mural project another \$950 (\$8,000 total). The lighting at Sculpture Park was quoted at \$3,075 by Nordick, however, committee members felt extra lights should be ordered for future sculptures and for inventory. New project amount is \$4,900. CEO requests approval of new project estimates. **Motion by Bajumpaa, seconded by Dale, to approve the CEO recommendation for new project estimates to increase the mural project by \$950 for a total of \$8,000 and increase lighting at the Sculpture Park to \$4,900.** **Motion carried with a roll call vote of 8-0.**

Priebe announced that WCCO Belting received some national recognition receiving the E-Star award at a ceremony held Monday, May 16th in Washington DC. They earned the President's Export Award in 2010 and now have achieved the highest recognition any US entity can receive for making significant contribution to the expansion of US exports. WCCO CEO Tom Shorma accepted the E Star Award from US Secretary of Commerce Penny Pritzker. Priebe congratulated WCCO on their achievement.

LIBRARY REPORT

Library Report ó Guck reported the Summer Reading Program kicked off today, with the children's program this afternoon and the teens on Thursday. Now through the end of July the Library has a full calendar of events which can be found on their website, leachlibrarywahpeton.org. She announced during the month of June the Library will be open Saturdays 9:00 a.m. to 1:00 p.m. to see if there is a need for this service. Guck said starting today through August 19th, the Library will be serving as USDA Summer Food Service site for kids 18 and under from 11:30 a.m. to 12:30 p.m., with an afternoon snack from 2:30 p.m. to 3:00 p.m. Guck announced lawn games on the library lawn will be held Thursdays from 6:00-8:00 p.m. in June.

PUBLIC WORKS DIRECTOR

PW Report ó Miranowski requested referral to PW/PS Committee of **Review and Award Recommendation for the Lift Station Force Main and Re-routing on 7th Street North.** Mayor Hansey will refer this item to the Public Works & Public Safety Committee.

Miranowski requested referral to PW/PS Committee of **Consideration of Options for Sanitary Sewer and Water Service into Lot 1 Block 2 Oakwood Manor Replat #2**. Mayor Hansey will refer this item to the Public Works & Public Safety Committee.

Miranowski reported the Westdale 2nd Addition plans and specs should be completed and put out to bid by the end of this week. He said KPH has moved back into the 16th Avenue North Reconstruction Project and gave an update on their progress. Miranowski said at the last Public Works Committee meeting a Focus Group for Waste Water System Issues was created and met last week, and he felt they were very successful. Discussion held regarding some suggested solutions.

COMMUNICATIONS FROM THE MAYOR & COUNCIL

Mitskog requested referral to Public Works of the potential for a Student Resource Officer at Wahpeton Public Schools. Mayor Hansey will refer this item to the Public Works & Public Safety Committee.

Regarding the upcoming election, Mitskog said there is an important issue with the 911 fee increase that is being presented to the voters. She said it has been 18 years since any increase in fees, and felt it was a very important service that we want to make sure we can maintain locally for our residents. She said half of the funding comes from property taxes and with the recent push for less dependency on property taxes from the State and into the local municipalities and counties to ease the burden on our taxpayers she felt the need to spread those costs to the users of telephone lines and cell phones.

REPORTS FROM THE CITY COUNCIL COMMITTEES & BOARDS

Finance, Personnel & Economic Development Committee Report

DeVries said the Finance, Personnel & Economic Development Committee met at noon on May 23rd.

Utility Rates – motion to recommend revised rates Resolution No. 3597
Council member DeVries offered the following and moved its adoption:

RESOLUTION NO. 3597 **RESOLUTION ESTABLISHING UTILITY RATES**

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Wateland. Discussion held. Motion carried with a roll call vote 8-0.

ND State Library Renovation & Repair Grant – motion to recommend approval of grant contract & funding match of \$25,218 from Library Fund Equity ó **Motion by DeVries, seconded by Schmidt, to approve the North Dakota State Library Renovation and Repair Grant Contract for the Leach Public Library with Matching Grant Funds of \$25,218 from Library Fund Equity. Motion carried with a roll call vote of 8-0.** Guck was congratulated and thanked for her efforts in receiving the grant funds.

Public Works Public Safety Committee Report

Bajumpaa said the Public Works Public Safety Committee met at 5:00 p.m. on May 24th.
Lagoon Odors/Waste Water System Focus Group - discussion

Police Dept. Relocation Project – Professional Services Agreement – motion to table

Utility Rate Review – motion to concur with recommendation from Finance Cmt. (addressed earlier in meeting)

Ordinance No. 973 – Prohibition on Refusal to Halt – motion to recommend adoption (addressed earlier in meeting)

Ordinance No. 974 – Restriction on Use, Possession & Marijuana Paraphernalia – motion to recommend adoption (addressed earlier in the meeting)

Dilapidated Properties Report

SCHEDULING OF COMMITTEE MEETINGS

The following Committee Meetings were then scheduled:

- a. Planning Commission June 6th, 4:00 P.M.
- b. Flood Cmt. June 9th, TBD
- c. Finance Committee June 13th, 12:00 Noon
- d. Public Works Committee June 14th, 12:00 Noon

Motion by Mitskog, seconded by Wateland, to adjourn at 5:53 p.m.

Mayor Hansey

Lynelle Amos, Finance Assistant