

Wahpeton City Council
December 17, 2012
5:00 p.m.

Present: Bertsch, Hansey, Schmidt, Mitskog, Sturdevant, DeVries, Dale, and Bohn

Absent: Bajumpaa

Also Present: Huwe, Lies, Nelson, Thorsteinson, Broadland, Priebe, and Gutzmer

Meeting called to order by Mayor Sturdevant.

PUBLIC HEARINGS/ETC.

Statement of Appreciation to Clint Gilbertson, NDSCS Welding Technology Program

Instructor This agenda item will be delayed until January.

BIDS / OFFERS / QUOTES

Bid Award on Lift Station No. 5 Proj. No. SS12-192 Nelson said on December 13th bids were opened for Lift Station No. 5 Rehabilitation Project No. SS12-192. He said there were 4 bidders: Voss Plumbing & Heating - \$88,102.00; Kvamsdal Construction - \$127,400.00; Geo. H. Haggart, Inc. - \$142,000.00; and Kindred Plumbing & Heating - \$142,230.00. Nelson recommended award to the low responsible bidder, Voss Plumbing & Heating in the amount of \$88,102.00. **Motion by Bertsch, seconded by Hansey, to award the Lift Station No. 5 Rehabilitation Project No. SS12-192 to Voss Plumbing & Heating in the amount of \$88,102.00. Roll call vote 7-0. Motion Carried.**

CONSENT AGENDA ITEMS (presented by the Mayor) Mayor Sturdevant asked if there were any items to be removed from the consent agenda and there were none.

Approval of minutes of regular meeting held December 3, 2012

Games of Chance Licenses, Site Authorizations & Special Permits

Wahpeton All Sports Booster Club Raffle Permit

Wahpeton Baseball/American Legion Baseball Raffle Permit

Circle of Nations School

Other Games of Chance and/or Special Permits

Presentation/Approval of Reports

November 2012 Financials

November 2012 Bill Pay Report (\$664,656.03 – see below)

Lake Agassiz Regional Council CDBG Funding for 2013

Dakota Valley Electric Rate Increase Letter

2012 ND Finance Facts <http://www.legis.nd.gov/north-dakota-finance-facts>

Motion by DeVries, seconded by Dale, to approve the Consent Agenda items as presented. Motion Carried.

ITEMS REQUESTED MOVED FROM THE CONSENT AGENDA None.

REPORTS

FINANCE DIRECTOR/AUDITOR

Huwe requested suspension of the rules to add an item to the agenda. **Motion by Mitskog, seconded by Schmidt, to suspend the rules to add an item to the agenda. Motion Carried.**

Huwe requested the Council consider approval of a US Bank Municipal Lease for the 2012 Wheel Loader. She said the Public Works Committee offered a motion to purchase a 2012 wheel loader from the Minnesota State bid, and the purchase was approved by Council at the November 5, 2012 meeting. She said the Finance Committee recommended proceeding with the 4 year municipal lease proposal submitted by US Bank to finance the purchase of a 2012 Case 821 F XR wheel loader at the Council meeting on November 19, 2012 with a rate of 1.75% and a \$1 purchase buyout at the end of the lease term. Huwe said US Bankcorp has requested the Council authorize the lease agreement by resolution. She then requested Resolution No. 3495 Approving and Authorizing the Governmental lease-purchase agreement proposal with US Bank be adopted. Council member Bohn offered the following and moved its adoption:

RESOLUTION NO. 3495
RESOLUTION APPROVING AND AUTHORIZING
GOVERNMENTAL LEASE-PURCHASE MASTER AGREEMENT
(Wheel Loader)

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Mitskog. Motion carried with a roll call vote 7-0.

Summary of Grants & Donations Received 2012 – Huwe said the total grants received January 1st – December 14th, 2012 is \$226,810.21. The totals received by the Police and Fire Departments are fairly consistent to 2011 levels at \$23,525 and \$11,000 respectively. She said the Library had significant increase in grant activity with the \$109,925 Bremer Foundation Grant award for the Library waterproofing and landscaping project. Miscellaneous grants are down from 2011 levels with an increase in the \$50,000 Energy Efficiency Grant completed for the Water Treatment Plant and lower activity level from State of ND grant resources previously attributed to Safe Routes to School. A Clean Diesel equipment grant and State compensation of the extraordinary snow event of 2011 were also received. Huwe requested the Council offer a motion acknowledging receipt of the Summary of Grants & Donations 2012 report. **Motion by Bohn, seconded by Dale, to acknowledge receipt of the Summary of Grants & Donations Received in 2012 report. Motion Carried.**

Statement of Municipal Indebtedness 2012 – Huwe said the Statement of Municipal Indebtedness reflects a 12/31/2012 year end balance of debt outstanding of \$15,655,497 which is a \$3,230,893 reduction from the prior year balance and is mostly attributed to a late 2011 refinancing of 3 bond issues that were subsequently called and retired in early 2012. She said there are currently 10 bond issues and one capital lease outstanding, 6 of the bond issues are related to projects funded by special assessments and 4 of the issues are for water and sanitary sewer improvements bond issues and the other is a capital lease for equipment (firetruck). Moody's Investors Service has assigned an A1 rating to the City of Wahpeton's outstanding debt with debt obligations equal to approximately 5.6% of the city's total taxable valuation. Huwe requested the Council offer a motion acknowledging receipt of the Statement of Municipal Indebtedness 2012. **Motion by Schmidt, seconded by Bertsch, to acknowledge receipt of the Statement of Municipal Indebtedness 2012. Motion Carried.**

Natural Gas Franchise Fee Renewal Resolution No. 3489 – Huwe said the City of Wahpeton has franchise agreements with Otter Tail Power Company and Great Plains Natural Gas, both agreements require the City establish and re-establish the 3% franchise fee by resolution. She said Resolutions 3446 and 3447 were adopted January 3, 2011 and will expire February 1, 2013. Huwe

requested the Council offer Resolutions No. 3489 and 3490 extending the electric and natural gas franchise fees of 3% to February 1, 2015.

Council member Mitskog offered the following and moved its adoption:

RESOLUTION NO. 3489
**RESOLUTION AMENDING RESOLUTION NO. 3415, EXTENDING
ACTIVATION OF GREAT PLAINS NATURAL GAS CO. FRANCHISE FEE
PURSUANT TO ORDINANCE NO. 905**

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember DeVries. Motion carried with a roll call vote 7-0.

Electric Franchise Fee Renewal Resolution No. 3490

Council member Mitskog offered the following and moved its adoption:

RESOLUTION NO. 3490
**RESOLUTION AMENDING RESOLUTION NO. 3414, EXTENDING
ACTIVATION OF OTTER TAIL POWER COMPANY FRANCHISE FEE
PURSUANT TO ORDINANCE NO. 923**

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember DeVries. Motion carried with a roll call vote 7-0.

Notice of City Hall closings for the Holidays on Dec. 24th, 25th and Jan. 1st - Huwe said City Hall will be closing for the Holidays on December 24th at noon and all day December 25th and January 1st.

ECONOMIC DEVELOPMENT DIRECTOR

Economic Development Report – Recommendations from Economic Development

Commission – Priebe said the Economic Development Commission (EDC) met December 12th making several recommendations. She said the EDC reviewed a request from Heartland Precision LLC, a threading and plating company, regarding an expansion for their plating division that would more than double their capacity. The company estimates 17 more people will be needed (depending on final product determination). She said a benefit package will be set up the same as ComDel Innovation employees. Priebe said an Economic Impact matrix was used to determine the benefits of providing a \$14,827.70 buydown on an equipment loan, and using the wage ranges supplied in the business plan, the number of employees for each type of position and average hours worked per week, a total wage economic impact from just the business alone calculates to \$328,767.58 which far exceeds the public share of the buydown. She said since the loan is on equipment, payback on the buydown will begin 5 years from the loan closing date or when the dollars are all used up whichever comes first. **Motion by Bertsch, seconded by Mitskog, to approve the \$14,827.70 Present Value amount from the Sales Tax for Economic Development account, as the community's share of an interest buydown, to be repaid when funds are used up or five years from the loan closing date (whichever comes first) at a fixed rate and amortization according to the EDC policy. Motion Carried.**

Priebe said the EDC heard a request from Bois de Sioux Public Golf Course Board regarding an operating shortage for 2012. She said this shortage was not known at the time of the October request to cover pump equipment and maintenance building fixes, and while the course itself was in the best shape it's ever been in a long time and some long term debt was satisfied on the expense side, the course still struggled to make ends meet. Priebe commented that most public golf courses

find themselves in the red more than the black and to prevent using future income for current year needs, the board began developing a new plan when it learned that Niblick's would close October 14th. She said recent discussions and meetings are promising but until the new model takes shape there is still a shortfall of \$11,500 to address. She added that early memberships for 2013 are just over the \$10,000 mark to date. **Motion by Mitskog, seconded by Bertsch, to approve up to \$11,500 from the Sales Tax for Recreation account to balance the 2012 Bois de Sioux Golf course budget allowing time to prepare a 2013 Working Plan for operations.** Doug Hockert then addressed a question asked regarding what is being done to make the golf course more friendly/inviting to visitors and what plans are being put in place to keep from having to make future financial requests to the City. Further discussion was held. **Roll call vote 7-0. Motion Carried.**

Priebe said ever since the 2008 Downtown Design Manual was distributed and storefront grants created, the JCPenney buildings have been one of the core structures in need of a facelift. She felt this downtown business anchors and supports other retailers along Dakota Avenue. She said its ownership is also structured in a different way than other businesses in a downtown setting. Currently, JCP rents from the Wahpeton Community Development Corporation and any and all repairs have been handled by Comstock Construction, an arrangement that keeps needed storefront improvements from a direct path to Mini-match grants and the Appearance Grant Program where guidelines are geared for for-profits and two competitive quotes are required in order to access public grants. Priebe said initially the CDC applied for \$126,000 through the Appearance Grant Program but ownership is a non-profit and Comstock is the 'go-to' contractor. After much discussion and deliberation, the EDC decided not to amend program guidelines but to reserve a dollar amount not to exceed \$150,000 to the CDC for this specific one-of-a-kind improvement. **Motion by Hansey, seconded by Schmidt, for a reserve fund of up to \$150,000 be made available to the Wahpeton CDC for the improvements of the JCPenney storefronts. Roll call vote 7-0. Motion Carried.**

In a housekeeping matter, Priebe said the EDC heard of basic changes to the PACE and FLEX PACE buydown policy. She said a copy of the new policy was provided, which essentially says the payback when the buydown is used for an equipment loan will start in year 5 or when the dollars are used up whichever comes first, and a 1% interest rate will be charged which previously was zero. **Motion by Bohn, seconded by Mitskog, to approve the Policy Statement change to reflect the updated information presented. Motion Carried.**

Priebe then reported that the Community Video Tour administered by CGI Communications is due for an update. She said this is a free service to the City of Wahpeton and is typically displayed on the wahpeton.com website homepage for viewer access. Priebe said CGI is committed to provide the city with better content, a new format and the ability to share the video on email or smartphones and other social media. Priebe said she and the Mayor signed the necessary documents last week so that the City could get scheduled for the spring/summer video shoot.

Mitskog then acknowledged Bill Grosz's resignation from the EDC and thanked him for his years of service to the commission.

PUBLIC WORKS DIRECTOR NELSON

PW Report – Nelson said the next three items were related to the formation of a special assessment district for 16th Avenue North Reconstruction Project. He shared a map of the district and gave a brief description. He said the project is a reconstruction of 16th Avenue North from Highway 210 to 11th Street North and is proposed to be funded with Urban Roads funding. Nelson said the project

reconstructs an existing rural section which is a 2-lane road and will include grading, curb and gutter, asphalt, pavement, storm sewer, street lighting, shared use path, and sidewalks in selected locations. The total estimate of the project is \$1.8 million but may change due to having to postpone it. Nelson then described the assessment district, which he said primarily relates to the potential improvements on the storm sewer, and runs from Highway 210 to 11th Street, south down to the boundary of the Middle School and north into the outside of the Rosewood Subdivision.

Resolution No. 3491 to Create Special Assessment District 12-02-06 16th Ave. N. Reconstruction, ND 210 St. Proj. No. ST12-187

Council member Schmidt offered the following and moved its adoption:

RESOLUTION NO. 3491
RESOLUTION CREATING
STREET IMPROVEMENT DISTRICT 12-02-06
(16th Avenue North Reconstruction
ND 210 to 11th Street Project No. ST12-187)

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Hansey. Motion carried with a roll call vote 7-0.

Resolution No. 3492 Financing for Special Assessment District 12-02-06 16th Ave. N. Reconstruction, ND 210 to 11th St. Proj. No. ST12-187

Council member Mitskog offered the following and moved its adoption:

RESOLUTION NO. 3492
RESOLUTION OF THE CITY OF WAHPETON
RELATING TO THE ISSUANCE OF BONDS AND
THE REIMBURSEMENT OF CERTAIN EXPENDITURES
FOR
STREET IMPROVEMENT DISTRICT 12-02-06
(16th Avenue North Reconstruction ND 210 to 11th Street Project No. ST12-187)

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Bohn. Motion carried with a roll call vote 7-0.

Resolution No. 3493 Directing Preparation of Engineer's Report & Cost Estimate for Special Assessment District 12-02-06 16th Ave. N. Reconstruction, ND 210 to 11th St. Proj. No. ST12-187

Council member Mitskog offered the following and moved its adoption:

RESOLUTION NO. 3493
RESOLUTION DIRECTING PREPARATION OF ENGINEER'S REPORT
FOR THE IMPROVEMENT IN STREET IMPROVEMENT DISTRICT 12-02-06
(16th Avenue North Reconstruction ND 210 to 11th Street Project No. ST12-187)

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Bohn. Motion carried with a roll call vote 7-0.

Nelson then requested suspension of the rules related to the bid award for the 6th Street South Shared Use Path Project No. SW12-185. **Motion by Bertsch, seconded by Schmidt, to suspend the rules. Motion Carried.** Nelson said the project was let by the DOT on November 16th and at

the City Council meeting of November 19th motion was made to recommend award to Paras Contracting, Inc. who was the apparent low responsible bidder in the amount of \$238,320.83 contingent upon concurrence by the NDDOT. In the DOT's process, Nelson said there is a step where the low bidder, the contractor, needs to demonstrate that they have complied with the DBE (Disadvantaged Business Enterprise) good faith efforts. He said the DOT has since determined that Paras Construction, Inc. has not met those good faith efforts and rejected their bid. Nelson said the second low responsible bidder was Ti-Zack Concrete, Inc. whose bid is being evaluated for the same good faith efforts and the DOT will notify the City when it is demonstrated that they satisfy those requirements. Nelson requested that the bid be awarded to Ti-Zack Concrete, Inc. in the amount of \$261,191.00 contingent upon concurrence by the NDDOT. **Motion by Dale, seconded by DeVries, to Award the Total Bid for the 6th Street South Shared Use Path, TEU-8-991(030)027 Project No. SW12-185 to Ti-Zack Concrete, Inc. in the amount of \$261,191.00 contingent upon concurrence by the ND Department of Transportation.** Discussion held. **Roll call vote 7-0. Motion Carried.**

Nelson then briefly reviewed the City's policy for snow removal and ice control, since the City recently experienced its first big snowfall of the season. He noted the policy could be found on the City of Wahpeton's website. Some discussion was held regarding how the snow event was handled. Mitskog requested that this stay on the Public Works agenda.

REPORTS FROM THE CITY COUNCIL COMMITTEES

Finance, Personnel & Economic Development Committee Report

Bohn said the Finance, Personnel & Economic Development Committee met at noon on December 10th.

Review of Liquor License Ordinance residency requirement – motion to recommend amending the ordinance changing the residency requirement –

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

ORDINANCE NO. 950

AN ORDINANCE AMENDING

SECTION 22-102 – MINIMUM QUALIFICATIONS FOR LICENSE

Review of Liquor License Ordinance Number of Class A Licenses – motion to recommend to retire excess Class A license – **Motion by Bohn, seconded by Mitskog, to retire the excess Class A license, confirming the limitation of the number of Class A liquor licenses available based on ordinance. Motion Carried.**

Utility Rates – motion to recommend Resolution No. 3494 Utility Rates for 2013-2014 – Council member Bohn offered the following and moved its adoption:

RESOLUTION NO. 3494

RESOLUTION ESTABLISHING UTILITY RATES

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Bertsch. Motion carried with a roll call vote 7-0.

Review of alternatives for PW Operations Manager – discussion

Public Works & Public Safety Committee Report

Hansley said the Public Works Public Safety Committee met at noon on December 11th.

Assessment District for Special Assessment District 12-02-06 16th Ave. N. 11th St. N. to ND Hwy. 210 – see Resolution No. 3491 addressed earlier in the meeting

Leach Library Lift Repairs - discussion

11th St. N. Reconstruction Funding – discussion

Hansey then expressed some concerns he had regarding the handling of the recent snowfall event and the current related City ordinance.

November 2012 Bill Pay Report

DISBURSEMENTS FUND	ACCOUNTS PAYABLE	PAYROLL & GL	TOTAL
101 GENERAL FUND	\$226,953.93	\$34,411.19	\$261,365.12
201 WATER OPERATING FUND	\$47,188.66	\$31,500.80	\$78,689.46
202 SANITARY SEWER OPERATING FUND	\$17,646.56	\$19,695.63	\$37,342.19
203 WASTE REMOVAL OPERATING FUND	\$19,947.00	\$692.52	\$20,639.52
205 VECTOR CONTROL FUND	\$13.92	\$1,278.24	\$1,292.16
206 STREET LIGHTING	\$10,720.53		\$10,720.53
209 LIBRARY LEVY FUND	\$7,286.89	\$13,295.53	\$20,582.42
213 ADVERTISING LEVY FUND	\$318.39		\$318.39
216 AIRPORT 4-MILL LEVY FUND	\$48.96	\$449.98	\$498.94
217 PLANN COMMISSION LEVY FUND	\$323.00	\$992.76	\$1,315.76
227 ANNUAL RESERVE WH FUND	\$31,756.28	-\$2,859.00	\$28,897.28
231 FD BLDG & EQUIP LEVY FUND	\$4,466.00		\$4,466.00
233 REAL ESTATE LEVY FUND	\$2.00		\$2.00
234 SPECIAL STREET MAINT FUND	\$1,660.86		\$1,660.86
236 LEEVE MAINTENANCE	\$1,349.01	\$5,941.39	\$7,290.40
271 ECONOMIC DEVEL DEPT FUND	\$1,808.97	\$10,880.42	\$12,689.39
318 WEED MAINT LEVY FUND	\$3,967.56		\$3,967.56
319 LODGING TAX FUND	\$1,059.36		\$1,059.36
320 SALES TAX OPERATING FUND	\$85,797.77		\$85,797.77
325 SALES TAX H.E.L.P. HOUSING FUND	94.25		\$94.25
326 REVOLVING LOAN FUND	\$1,957.53		\$1,957.53
361 GASOLINE,OIL,ETC		-\$4,875.90	-\$4,875.90
363 SAFE COMMUNITIES COALITION	\$461.29		\$461.29
393 DOWNTOWN CARE & MTC FUND	\$8,727.89		\$8,727.89
574 5-2-97 (FLOOD PHASE II)	\$32,622.36		\$32,622.36
605 8-1-06 DAKOTA AVE	\$46.00		\$46.00
608 08-02-03 SSIDE STORM SEWER	\$2,380.50		\$2,380.50
620 TOWN CENTRE SQUARE	\$57.50		\$57.50
629 66TH ST S SHARED USE PATH	\$1,375.00		\$1,375.00
630 WESTSIDE NATURAL DRAIN PROJ.	\$138.00		\$138.00
631 11TH ST. N. AVE B TO 16TH AVE	\$34,955.00		\$34,955.00
635 LIFT STATION NO. 5 SS12-192	\$8,121.50		\$8,121.50
TOTAL	\$553,252.47	\$111,403.56	\$664,656.03

SCHEDULING OF COMMITTEE MEETINGS

The following Committee Meetings were then scheduled:

- a. Finance Committee December 26th, 12:00 Noon ***CANCELLED***
- b. PW/PS Committee December 27th, 5:00 P.M. ***PENDING***
- c. Planning Commission January 7th, 4:00 P.M.

It was decided that a Public Works Committee meeting would not be held on December 27th.

Motion by Mitskog, seconded by Bertsch, to adjourn at 6:30pm.

Mayor Sturdevant

Lynelle Amos, Finance Assistant