

Wahpeton City Council
September 19, 2016
5:00 p.m.

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

Absent: None

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

Meeting called to order by Mayor Hansey.

PUBLIC HEARINGS/CITIZEN CONCERNS/ETC.

Public Hearing Request for Right of Way Vacations by NDSCS ó City Attorney Lies explained this involved several areas on the NDSCS campus, and Miranowski identified those areas on maps provided. A map of the 7th Street and 12th Avenue North area showed vacation items A, B, C, D and E, and a map of 5th and 6th Streets and 8th Avenue North area showed vacation items A and B. It was noted once the City vacates it becomes State property. Discussion held. Miranowski felt it would be a good time with NDSCS's project to clean these things up. Lies commented that Vacation E is a partial vacation and the rest are total vacations. No action was expected at this time as there are easements needed back from the College for some of the infrastructures so will hold the public hearing tonight but not take final action. Hansey asked Huwe if there were any written or oral protests received of which there were none, just several inquiries. Hansey then asked if there was anyone present to protest of which there was none. **Motion by Lambrecht, seconded by Bertsch, to approve closing the Public Hearing regarding the Request for Right of Way Vacations by NDSCS. Motion carried with all voting 'aye'.**

Public Hearing 2017 Budget – Adoption of Ordinance No. 977 ó Huwe said the 2017 Preliminary Budget was presented for first reading in Ordinance No. 977 on September 6th. The City's web page statistics reported 79 individual views of the City Budget since August 19th. She said no statements of opposition from the public have been received, only general comments/inquiries. Huwe said 2017 is a unique year for public finance in the State of ND with changes in the State's revenue forecasts affecting all political subdivisions. The City of Wahpeton's 2017 budget is focused on financial resiliency and 5 key concepts to provide: 1) Valuable services; 2) Within available means; 3) Proactive measures; 4) Preserve the ability to make decisions; and 5) Long run view.

Huwe said overall revenue and expense numbers are nearly consistent with 2016 with the most notable change being in projected debt proceeds for the permanent financing of the final phase of the flood mitigation project. Total projected revenues for 2017 are \$14,099,360 with expenses projected at \$11,959,953. Total fund equity will increase with the completion of the flood project from a projected \$13,815,109 to \$15,618,997.

The projected property tax mill rate for City services will decrease from the current 112.19 mills to approximately 109.78 mills with the dollars levied on behalf of City services nearly unchanged at \$1,798,699 for 2017. The property tax impact on a \$100,000 home is projected to be a decrease of \$9 for the cost of police, fire, street maintenance and public library services on a \$100,000 home and is estimated to be \$34.42 per month. Property tax mills levied for City services have decreased 16 mills or -13% from 2010 to 2016.

Regarding the General Fund accounts for basic government services, Huwe said projected revenue and expenses is projected to decrease \$196,349 (-5.65%) from the amended 2016 budget. Transfers to the Park Board and Library are based on a state revenue sharing formula, and decreased revenues of \$239,430 from the State resulted in decreased expenses of \$65,843. Additional expense reductions

were made in the General Fund by unfilled vacancies in the Police Department and City Hall. The balanced General Fund Budget for 2017 is \$3,281,556 down 6% from the current year.

The Sales Tax Funds are projected to produce level revenues from 2016 to 2017 at \$2,100,000. A small reallocation between sales tax for Flood Mitigation and Economic Development was budgeted for 2017 to accommodate debt service associated with completion of the Levee Project.

The Enterprise Funds (water, sanitary sewer, waste removal, waste reduction, vector control and street lighting) are maintaining with projected revenues totaling \$2,866,053 an increase of 2% or \$42,538 for 2017.

Compensation and staffing changes for 2017 include 1% cost of living increases, consistent contribution rates for employee cafeteria benefits and overall staffing reduction from 44.8 full time equivalents to 40.8. Gross payroll costs will decrease approximately -\$16,434, and year two of the revised compensation plan will be implemented. Discussion held.

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

ORDINANCE NO. 977

AN ORDINANCE MAKING AN APPROPRIATION FOR THE CITY OF WAHPETON, NORTH DAKOTA FOR THE YEAR 2017

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

CONSENT AGENDA ITEMS (presented by the Mayor) ó

Approval of minutes of regular meeting held September 6, 2016

Games of Chance Licenses, Site Authorizations & Special Permits

Red Door Art Gallery ó Raffle Permit

Dean Lajesse Benefit ó Raffle Permit

Presentation/Approval of Reports

Financial Reports August 2016

Bill Pay Report August 2016 \$863,899.91 ó see below

Fall Cleanup Week October 10th ó 14th (items must be taken to Waste Mgmt.)

2017 City of Wahpeton Budget

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

REPORTS FROM CITY OFFICERS AND STAFF

FINANCE DIRECTOR

ND State Water Commission Cost Share Agreements (3) – Request Approval ó Huwe said Public Works Director Miranowski presented a request for additional cost share participation from the ND State Water Commission on behalf of Wahpeton's final phase of flood mitigation construction. The SWC approved \$1,638,232 in 50% cost share participation of the remaining elements of the 19 year old flood mitigation project. The SWC has made allocations to the City's project in three separate actions making the State's total contribution to the project \$5,514,238 or approximately 20% of the City's \$28,041,000 project costs. Huwe expressed appreciation to Public Works Director Miranowski and Engineering Project Manager Rogahn for their efforts in achieving these funds, and requested approval of the ND State Water Commission Cost Share Agreements totaling \$1,638,232. **Motion by Miller, seconded by DeVries, to approve the ND State Water Commission Cost Share Agreements totaling \$1,638,232. Motion carried with a roll call vote of 8-0.**

False Alarm Calls for Fire Dept. – request referral to Public Works Cmt. ó Mayor Hansey will refer this item to the Public Works & Public Safety Committee.

Library Board Composition – request referral to Finance Cmt. ó Mayor Hansey will refer this item to Finance, Economic Development & Personnel Committee.

Huwe requested suspension of the rules to address an item not on the agenda. **Motion by Lambrecht, seconded by Bertsch, to suspend the rules. Motion carried with all voting ‘aye’.** Huwe said Dakota Coffee Company is a new business venture in Wahpeton who is offering a variety of services at their site on 2nd Avenue. They have found certain events encourage people to gather at their location, such as the occasional poetry reading, live entertainment, and impromptu musical presentations, and when you do that in Wahpeton and you also have a liquor license you need to have a Class Two Cabaret License which allows for live entertainment. An application for a Class Two Cabaret License has been received from Dakota Coffee Company, and it will be effective until the end of the year. **Motion by Miller, seconded by Bajumpaa, to approve the application for a Wahpeton Class Two Cabaret License submitted by Dakota Coffee Co. LLC. Motion carried with a roll call vote of 8-0.**

ATTORNEY

Project Resolution – Flood Mitigation Project Financing ó City Attorney Lies explained a reimbursement resolution needs to be adopted for the flood mitigation project to allow the City to reimburse itself for bonds it is going to be issuing sometime later this fall for up to the sum of \$2.5 million. It would be Resolution No. 3609.

Council member Bajumpaa offered the following and moved its adoption:

RESOLUTION NO. 3609
**RESOLUTION OF THE CITY OF WAHPETON RELATING TO
THE ISSUANCE OF BONDS AND THE REIMBURSEMENT OF CERTAIN
EXPENDITURES FOR FLOOD MITIGATION DISTRICT 5-1-97
PHASE 1 (ZOO ENCROACHMENTS, TOE DRAIN,
REIMBURSEMENT AND FLOWAGE EASEMENTS)**

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

ECONOMIC DEVELOPMENT DIRECTOR

Planning Commission Report – RZ Recommendation ó Priebe said the Renaissance Zone Authority met September 15th to discuss and review an application from Tractor Supply Inc., a future tenant in the west portion of the former Pamida building whose area has recently been added to Wahpeton's Renaissance Zone District. Future owners, Ensign Development Group from Utah, are purchasing the property and leasing to Tractor Supply in a triple-net lease arrangement. That means Tractor Supply is responsible for all property taxes, insurance and maintenance. In cases such as this where the owner is not paying the property tax, the tenant can qualify for the same exemption on improvements and also a 5 year state income tax exemption. Acting as the local Renaissance Zone Authority, the Planning Commission reviewed the application noting construction will start as soon as approvals are completed. Tractor Supply expects to open the second quarter of 2017. They will hire 5 full-time employees and 5 part-time employees. Positions are store manager, assistant manager, receiver, team leader and additional cashier positions. Total annual payroll are estimated to be \$352,000 and include hourly payroll, manager salaries, bonus, and other related payroll expenses, increasing about 2% each year after. The salary ranges are listed as: Store Manager: \$53,000-\$60,000; Assistant Store Manager: \$32,500-35,000; Team Leader: \$26,187-\$28,000; TM Receiver: \$25,812-\$27,000; Sales Associate: \$19,448-\$21,320; and the remaining team members would be part-time earning roughly the same as the Sales Associates (generally 5-7 part-time associates are hired with additional as needed for the holiday season). The RZA motioned, seconded and passed to recommend the City Council approval of

a 100% 5-year property tax exemption on Improvements Only for the Tractor Supply Company Lease Project as presented. **Motion by Dale, seconded by Miller, to approve a 100% 5-year property tax exemption on Improvements Only for the Tractor Supply Company Lease Project as presented. Motion carried with a roll call vote of 8-0.**

Economic Development Report ó A written Economic Development activity report was provided. Priebe reported the Community Development Committee Executive Committee met today to discuss Lake Agassiz Water Authority (LAWA) and the City entering into an agreement for its share of the initial costs associated with the Red River Valley Water Supply Project. The CDC Executive Committee reviewed the nomination of 4.5 cfs (cubic feet per second) at a maximum dollar amount of \$63,000 (\$14,000 per 1 cfs) on behalf of the City of Wahpeton. Contingent upon formal approval by the CDC Board of Directors at their meeting on Wednesday, September 21st, Priebe requested that the City of Wahpeton authorize signing the RRVWSP Project Development Agreement. She noted this was a time sensitive issue and needs to be complete by October 1st to avoid a Latecomer Fee of 20% of the City's Project Contribution Payment. **Motion by Schmidt, seconded by Bertsch, to approve authorizing the City of Wahpeton/Mayor signing the Red River Valley Water Supply Project (RRVWSP) Development Agreement. Motion carried with a roll call vote of 8-0.** Discussion held.

Priebe reported that Tiny Tykes, the proposed new daycare facility, had a change in their grant funding. With a reduction in a grant from ND Dept. of Commerce another state funding source, Governor's Discretionary Community Development Block Grant Funds, will be accessed. Priebe requested a motion to approve the Mayor's signature on the CDBG Environmental Release and to set a public hearing for 5pm October 3rd on the Tiny Tykes Daycare CDBG application. **Motion by Lambrecht, seconded by DeVries, to approve the Mayor's signature on the Community Development Block Grant (CDBG) Environmental Release, and to set a Public Hearing for 5:00 p.m. October 3rd on the Tiny Tykes Daycare CDBG application.** Discussion held. **Motion carried with all voting 'aye'.**

Priebe announced they unveiled the 3rd partnership between the City and Gate City Bank at 10:00 a.m. this morning for the Home Improvement Partnership Program (HIPP). There is \$1,000,000 available for home improvements to houses built in 1980 or before. There are income guidelines. Applicants need to complete pre-application forms and credit information, the program is reviewed with them and will find out what type of home improvements they are proposing. It is hoped this will help alleviate/address some of the deferred maintenance issues in the older neighborhoods. After reviewing the project with the City assessing and building codes departments, the application is sent to Gate City Bank who perform a credit analysis before loaning the money for the project. Priebe said it has been a really great partnership in the past and it is hoped it will continue. Applications are available on the City web site or at City Hall, and they will be accepted until June 2017.

LIBRARY REPORT

Library Report ó Bakken reported the bid proposals for the repair and renovation of the walls in the basement of the library in the Children's Library are being accepted and the deadline for those bids is Wednesday, September 21st, with the bid opening on Thursday, September 22nd. She said the 10 Minute Parking signs have been posted next to the handicap spot on the west ramp of the Library. The Coloring Club was held at Leach Library on September 13th with two attendees. The Leach Reads Book Club was held on September 14th with three people attending although all 10 books were loaned out for that program. The Children's programming began on September 12th with 30 children attending story time that day. A Friends of the Library planning meeting for Chocolate Chocolate was held September 14th. Kercher will be attending the North Dakota Library Association meeting in Dickinson from Wednesday through Friday of this week. Bakken will be attending the ARSL national conference in Fargo in late October.

POLICE CHIEF

Police Dept. Relocation Project – Request permission to advertise for bids ó Thorsteinson said they have received the bid spec document and requested permission to advertise for bids for the Police Department Relocation Project. **Motion by Bajumpaa, seconded DeVries, to approve granting permission to advertise for bids for the Police Department Relocation Project. Motion carried 7-1; with Bajumpaa, DeVries, Dale, Wateland, Schmidt, Lambrecht, and Bertsch voting ‘aye’; and Miller voting ‘nay’.**

PUBLIC WORKS DIRECTOR

PW Report ó Miranowski requested referral to Public Works Committee of **Central Power Electric Cooperative Request for an Easement in front of the Water Treatment Plant**. Mayor Hansey will refer this item to the Public Works & Public Safety Committee.

Miranowski gave an update reporting there was a pre-bid meeting at the zoo today for the encroachment and toe drain project, and was optimistic some good bids should be received. Work continues to remove sludge from Pond #1. An update was also given on the 16th Avenue North project, which is scheduled to be completed by the beginning of October.

COMMUNICATIONS FROM THE MAYOR & COUNCIL

Committee Appointment Change: Remove Brett Lambrecht from the Wahpeton Community Center Advisory Board replace with Perry Miller ó Motion by Bajumpaa, seconded by DeVries, to approve the Committee Appointment Change of Removing Brett Lambrecht from the Wahpeton Community Center Advisory Board and replacing with Perry Miller. Motion carried with all voting ‘aye’.

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 September 12th.

Tax Forfeited Property at Lot 3, Block 4, Tower Addition – Motion to recommend purchase of lot from Richland County for \$1. Subsequent **Motion** to recommend sale of property to abutting property owner with conditions ó **Motion by DeVries, seconded by Schmidt, to approve City Assessor Broadland approach Richland County to purchase the tax forfeited parcel at the Intersection of 17th Avenue North and Commerce Street (Lot 3, Block 4 Tower Addition) for \$1.** Discussion held. **Motion carried with all voting ‘aye’.** **Motion by DeVries, seconded by Dale, to approve that if the purchase of the parcel at the Intersection of 17th Avenue North and Commerce Street (Lot 3, Block 4 Tower Addition) from Richland County goes through, to sell said parcel to Richland Soil Conservation for \$15,000, free of all existing special assessments, however, any new special assessments are Richland Soil Conservation’s responsibility.** Motion carried with a roll call vote of 8-0.

Financial Recap of Flood Mitigation Project – discussion

2017 Preliminary Budget

Public Works & Public Safety Committee Report

Bajumpaa said the Public Works & Public Safety Committee met at noon on September 13th.

Health Dept. Ammonia Issues – discussion

NDSCS Storm Sewer – discussion

PD Relocation Project Planning & Financing – discussion

Wastewater System Focus Group Update – discussion

Building Official Updates – discussion

Snow Removal & Vector Control Policy Applications – discussion

Regarding the Vector Control Policy, Wahpeton resident and teacher Jeff Ralph was present to express his concerns for the large amount of nuisance mosquitoes being encountered at his home and at school and questioned why the vector control fee collected isn't used to conduct an aerial spray for mosquitoes. Those concerns were addressed by staff and Council present. Ralph was invited to visit with staff at City Hall for further explanation of the vector control efforts.

FLOOD MITIGATION (AD-HOC)

Bid Opening Scheduled for Sept. 26th ó Miranowski said the bid opening will take place on September 26th at 11:00am.

August 2016 Bill Pay Report

DISBURSEMENTS FUND	ACCOUNTS PAYABLE	PAYROLL & GL	TOTAL
101 GENERAL FUND	\$235,755.05	\$27,494.30	\$263,249.35
201 WATER OPERATING FUND	\$171,750.76	\$36,162.88	\$207,913.64
202 SANITARY SEWER OPERATING FUND	\$47,754.40	\$23,621.30	\$71,375.70
203 WASTE REMOVAL OPERATING FUND	\$22,130.17	\$845.04	\$22,975.21
204 WASTE REDUCTION FUND	\$309.00		\$309.00
205 VECTOR CONTROL FUND	\$14,169.64	\$6,539.78	\$20,709.42
206 STREET LIGHTING	\$12,410.88		\$12,410.88
209 LIBRARY LEVY FUND	\$17,382.91	\$14,166.48	\$31,549.39
216 AIRPORT 4-MILL LEVY FUND		\$494.96	\$494.96
227 ANNUAL RESERVE WH FUND		-\$3,279.00	-\$3,279.00
229 CAPITAL IMPROVEMENTS FUND	\$169.99		\$169.99
233 REAL ESTATE LEVY FUND	\$149.50		\$149.50
234 SPECIAL STREET MAINT FUND	\$22,800.58		\$22,800.58
236 LEVEE MAINTENANCE	\$4,829.96	\$9,390.04	\$14,220.00
253 METER DEPOSITS TRUST FUND	\$422.64		\$422.64
271 ECONOMIC DEVEL DEPT FUND	\$4,295.03	\$14,088.42	\$18,383.45
303 MISCELLANEOUS FUND			\$0.00
318 WEED MAINT LEVY FUND	\$2,323.34		\$2,323.34
319 LODGING TAX FUND	\$1,347.65		\$1,347.65
320 SALES TAX OPERATING FUND	\$23,296.43		\$23,296.43
324 SALES TAX MINI MATCH RSRV FUND	\$5,424.50		\$5,424.50
325 SALES TAX H.E.L.P. HOUSING FUND	\$325.00		\$325.00
326 REVOLVING LOAN FUND	\$5,150.44		\$5,150.44
393 DOWNTOWN CARE & MTC FUND	\$10,674.37		\$10,674.37
574 5-2-97 (FLOOD PHASE II)	\$1,414.43		\$1,414.43
636 16TH AVE. 11TH ST TO HWY 210	\$97,216.86		\$97,216.86
643 LIBRARY ROOF, WALLS & DOOR	\$5,912.20		\$5,912.20
647 WESTDALE PROJECT	\$392.00		\$392.00
649 WTP LIME SILO & SLAKER	\$26,567.98		\$26,567.98
TOTAL	\$734,375.71	\$129,524.20	\$863,899.91

SCHEDULING OF COMMITTEE MEETINGS

The following Committee Meetings were then scheduled:

- a. Finance Cmt. September 26th, 12:00 Noon
- b. Public Works Cmt. September 27th, 12:00 Noon (need to confirm time)

Motion by Bertsch, seconded by Wateland, to adjourn at 6:18 p.m. Motion carried with all voting 'aye'.

Mayor Hansey

Lynelle Amos, Finance Assistant