

**Wahpeton City Council
August 1, 2011**

Present: Bertsch, Hansey, Hartman, Mitskog, Sturdevant, DeVries, Dale, Bajumpaa, and Bohn

Absent: None

Also Present: Huwe, Lies, Nelson, Priebe, MacIver, Amos, and Johannessen

Meeting called to order by Mayor Sturdevant.

PUBLIC HEARINGS/ETC.

Bid Award Request for Street Improvement District 10-30-04 Alley Improvements, Various Locations Proj. No. ST10-162 Nelson said bid opening for this project was held July 28th with 2 bidders: Adelman Concrete & Excavating, Inc. – West Fargo for \$145,410; and Heitkamp Construction Company Inc. – Wahpeton for \$160,052.50. Nelson explained the bids were comprised of three separate areas and had breakdowns for each of those areas. Adelman was low bidder on the aggregate bid. Nelson said the engineer's estimate for the project was \$170,322 with both bids being within that estimate, and recommended awarding to the low responsible bidder, Adelman Concrete & Excavating, Inc. of West Fargo.

Council member Mitskog offered the following and moved its adoption:

RESOLUTION NO. 3454
**RESOLUTION AWARDING CONTRACT FOR CONSTRUCTION
OF AN IMPROVEMENT IN
STREET IMPROVEMENT DISTRICT 10-03-04
(Alley Improvements, Various Locations, Project No. ST10-162)**

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember DeVries. Discussion held. Roll call vote 8-0. 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 July 18, 2011

Games of Chance Licenses, Site Authorizations & Special Permits

Wahpeton Rotary Club Game of Chance permit

Wahpeton Vet's Club Game of Chance permit

Other Games of Chance and/or special permits

Presentation/Approval of Reports

USDA Rural Development Progress Report

City of Wahpeton Renaissance Zone Program Monitoring Report

Richland County Auditor Notice of Foreclosure of Tax Lien – Wahpeton City

**Motion by Hartman, second by Hansey, to approve the Consent Agenda items as presented.
Motion Carried.**

ITEMS REQUESTED MOVED FROM THE CONSENT AGENDA None.

REPORTS

FINANCE DIRECTOR/AUDITOR

Property Tax Measure Review Committee Update Huwe said this was to provide information regarding the initiated measure to abolish property taxes. She said ND Legislature formed a special committee to investigate the fiscal impact, and this committee cannot in any way advocate for or against the initiated measure that will be on the June 12, 2012 ballot. She said Clark Williams, local State representative, is serving on that committee. They are soliciting testimony from a wide array of political subdivisions and affiliates, so are going to extensive lengths to research this initiated measure. As it gets closer, Huwe said will work on a local response and strategy and will keep the Council informed.

Flood Project Funding Update Huwe said flood project Manager Kevin Anderson has been in correspondence with Nelson and herself and are working on going to bid for the final phase of construction which required advance funding from the City of Wahpeton. Huwe said the escrow account was funded as per the City's Project Cooperation Agreement with the Corps of Engineers with \$750,000 which was transferred on July 20th, and has not been drawn down yet but is expected to be soon. Huwe said good news was received from the State Water Commission last week. She said initially the State Water Commission had a cost share agreement for 50% of all local nonfederal costs up to \$7 million, but because of revised project estimate increases at nearly \$9 million an inquiry was sent to the State Water Commission to see if it would continue participation. The State Water Commission Administrator took it to the State Engineer last week who was supportive of the concept and will communicate that support to the State Water Commission. A conference call may be held with representatives from the State Water Commission on August 17th to review this concept. Assurance was given that if they do provide approval of continued cost participation the costs that have already been incurred toward this final construction phase will be eligible for reimbursement.

Budget Presentations to Committee of the Whole – Tuesday, Aug. 9th at 5:00 Huwe asked Council members to let her know if they are unable to attend, or if there are any questions in advance of the meeting.

Send-off Ceremony for the 188th Engineer Company – Sunday, Aug. 21st at 2:00 p.m. Huwe said e-mail notification was received from the Adjunct General's office of this event, and that she will provide more information as it is received.

NDLC Annual Conference Sept. 22-24th Huwe said the agenda became available today and reviewed some of the agenda items. She felt it was a pretty diverse schedule. Council members were asked to contact Jerrilyn Gutzmer if interested in attending.

ECONOMIC DEVELOPMENT DIRECTOR

Economic Development Report Priebe said the Planning Commission met last week to discuss further the draft Comprehensive Plan Update and with no other edits suggested the Planning Commission recommends its formal adoption. **Motion by Bertsch, second by Hansey, to formally adopt the 2030 Comprehensive Plan. Motion Carried.**

Priebe then reported that the Planning Commission met as the Renaissance Zone Authority to review an application for a rehabilitation project at 314 Dakota Avenue. The building's owner, Henry Behle IV, plans to make exterior and interior improvements. For commercial property under the RZ program, the owner must make capital improvements equal to the greatest of 50% of true & full value (\$32,000) prior to improvements or \$10,000 of capital investment. Behle has presented material costs exceeding \$165,000. She said the Appearance Grant program will be utilized for a new store front and must be subtracted from criteria but the project will still meet the requirements. The RZA recommends approval of the project with the following contingencies: 1) Interior and exterior plans are reviewed and approved by Building Code Official Johnson; 2) Project reviewed by City Assessor

Broadland. **Motion by Mitskog, second by Bohn, to approve the Renaissance Zone application by Henry Behle IV, as presented by Ed Knoell, for the Wahpeton Wild Side Redevelopment at 314 Dakota Avenue as a Renaissance Zone Rehabilitation Project for 100% property tax exemption on the improvements only for 5 years with contingencies: 1) Interior and exterior plans are approved by Building Code Official Johnson; 2) Project reviewed by City Assessor Broadland.** Discussion held. **Motion Carried.**

Dan Reilly of the SBDC then addressed the Council regarding a new Economic Development initiative launched by the City of Carrington. He said a program called the State Small Business Credit Initiative (SSBCI) was part of the Small Business Jobs Act in 2010 under President Obama and authorized the US Treasury to release \$15 billion in funds to the states to help small businesses gain access to capital. The program was to be administered by the 50 states and all but 2 agreed to participate, Wyoming and North Dakota, so Treasury rewrote the rules to allow municipalities to participate. The City of Carrington made an initial application for the State's share of \$13.1 million, with the money to be used specifically for small businesses, and approached the City of Wahpeton, through one of their investment groups, for support – and not financial support. Reilly said consideration was given as to what value this could bring to small businesses, as the City currently has incentive programs in place. But this would allow the bank to have a certain level of security when applying for funds. Reilly explained there are many ways in which banks, and the City, can use this. He stressed that this would not obligate the City of Wahpeton financially. He said the City of Wahpeton is being asked to participate for two purposes: First to convey to Treasury that this program is needed in North Dakota; and to convey to Treasury that the City of Carrington has the ability to administer this project. Reilly felt Carrington has this ability for two reasons: their Mayor is Don Frye who has a strong economic development background; and their partner is Praxis Strategy Group. Reilly commented that if anything should go wrong the City of Wahpeton is not financially obligated. Reilly said the City of Wahpeton currently has a Working Capital RLF loan which is a high risk loan and expires this year, and this program could take its place. The City of Wahpeton wouldn't have control over it but would have access to use for working capital without having to fund it. Reilly said what is being asked for at this time is acknowledgment and commitment from the City Council to move forward with signing the documents that state the City of Wahpeton's intent to support the City of Carrington in this program. Sturdevant asked for a suspension of the rules. **Motion by Mitskog, second by Bertsch, to suspend the rules. Motion Carried. Motion by Mitskog, second by DeVries, for the City of Wahpeton to state their intent to support the City of Carrington in the State Small Business Credit Initiative program.** Discussion held. Bertsch wondered if the Council will be kept informed, to which Reilly answered that he has agreed to serve on the Board of Directors for this fund and will report back to the Council. Mitskog wondered about Praxis which Reilly explained was a business consulting group. The timeline and how the money would be distributed were also discussed. **Motion Carried.**

POLICE CHIEF

NDS CS Homecoming Parade Request Chief Thorsteinson said this annual parade will be held September 24th at 10:00am and will start in Breckenridge at Welles Memorial Park proceed down Dakota Avenue to 6th Street and continue north to the NDS CS oval. **Motion by Hartman, second by Bajumpaa, to approve the NDS CS Homecoming Parade request. Motion Carried.**

PUBLIC WORKS DIRECTOR NELSON

PW Report Nelson asked for referral of consideration of funding splits for 3 assessed projects: Dakota Avenue Reconstruction, North Central Area Streets Rehabilitation Project, and Southside Drainage Improvements. He said that discussion would entail the amounts that would be funded via the sales tax and amounts that would be potentially spread city-wide that could be paid by the utility fund. Mayor Sturdevant will refer this item to Public Works & Public Safety Committee.

Nelson asked for referral of the formation of an assessment district for 11th Street North Reconstruction. Mayor Sturdevant will refer this item to Public Works & Public Safety Committee.

Nelson asked for suspension of the rules for adoption of a Resolution establishing a drainage improvement district. **Motion by Hansey, second by Mitskog, to suspend the rules. Motion Carried.** Nelson then showed an illustration of where the district is located on an overhead. He said that part of the City is benefitting from an improvement that would consist of cleaning an existing natural drain. He said in order to clean the roadside ditch an agreement is needed with the properties downstream and has led to the City's involvement in a Joint Powers Agreement with Center Township and Dwight Township.

Council member Hansey offered the following and moved its adoption:

RESOLUTION NO. 3455
RESOLUTION CREATING
DRAINAGE IMPROVEMENTS DISTRICT 11-01-03
(Westside Natural Drain)

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Mitskog. Motion Carried.

Discussion was then held regarding the timing of the Dakota Avenue signal lights. Nelson said on August 10th a final inspection will be made with the State consultant and City staff and there should be a noticeable change after that is done. Nelson also gave a vector control update.

COMMUNICATIONS FROM THE MAYOR & COUNCIL

Mayor Sturdevant announced that another car show will be held in coordination with NDSCS Homecoming. Volunteers will be asked for to help with this event. Ideas are welcome.

REPORTS FROM THE CITY COUNCIL COMMITTEES

Finance Committee Report

Bohn said the Finance Committee met at Noon on July 25th.

Revolving Loan Fund Fees – motion to approve fees for loan assumptions, subordinations, and restructuring – **Motion by Bohn, second by Bajumpaa, to approve a \$150 fee for loan restructuring. Motion Carried.**

Town Centre Square Update – update on August 8th

Proposals for 86 Dakota Ave. – reviewed proposals – Motion by Bohn, second by Bertsch, to negotiate a purchase agreement with Brenda Gjesdal and Linda Kutzer for the purchase price of \$62,000 for the property located at 86 Dakota Avenue. Motion Carried.

Assessment Report of Old City Hall – no action

Public Works Public Safety Committee Report

Hansey said the Publics Works Public Safety Committee met on July 26th at 5:00pm.

Nuisance Complaints re: fence height, location & condition - discussion

Request for Lease of Space on Water Tower No. 1 – motion to recommend to proceed – **Motion by Hansey, second by Dale, to direct Nelson to pursue a request for lease of space on Water Tower No. 1 by 702 Communications for telecommunications equipment as a profit to City and stating**

that they are responsible for water tower maintenance and that installation costs are theirs.
Discussion held regarding location. **Motion Carried.**

Dilapidated Properties Report

Joint Powers Agreement with Center Township and Dwight Township for Cleaning the Westside Natural Drain – motion to recommend approval – Motion by Hansey, second by Dale, to approve the Joint Powers Agreement with Center Township and Dwight Township for cleaning the Westside Natural Drain. Motion Carried.

Review of Bids for WTP Energy Improvements Upgrades, Ph. 2 – motion to recommend approval with conditions – Hansey reviewed the bids received for the general portion, which were: Comstock Construction - \$51,999; Tangen Construction - \$67,400; and Gast Construction - \$69,900. Motion by Hansey, second by DeVries, to accept the bid from Comstock Construction in the amount of \$51,999 for WTP Energy Improvements Upgrades, Ph. 2. Hartman then asked that full financial disclosure be made to the City Council prior to their vote, which Huwe provided. **Roll call vote 8-0. Motion Carried.** Hansey then reviewed the bids for the mechanical portion: Peterson Mechanical Inc. - \$49,300; Dakota Heating & Plumbing - \$58,106; and Schmitty's - \$64,134. **Motion by Hansey, second by Dale, to accept the bid from Peterson Mechanical Inc. in the amount of \$49,300 for WTP Energy Improvements Upgrades, Ph. 2. Roll call vote 8-0. Motion carried.**

Assessment Report for Old City Hall – motion to recommend solicitation of quotes for demo of garage – Motion by Hansey, second by DeVries, to approve Nelson to solicit quotes to remove the garage at old City Hall. Motion Carried.

Proposals for 86 Dakota Ave. – see Finance Cmt. Report

Proposed Amendments to City Ordinance Ch. 17, Subdivision Regulations for Minor Replats – discussion

Forestry Committee Report – discussion

Fire Damaged Dwelling at 610 8th St. N. – discussion

Permission to Advertise for Bids for Automatic Water Meter Reading System - discussion

SCHEDULING OF COMMITTEE MEETINGS

The following Committee Meetings were then scheduled:

- a. Flood Committee August 5th, 7:00 A.M. (This meeting is cancelled)
- b. Finance Committee August 8th, 12:00 Noon
- c. Committee of the Whole August 9th, 5:00 P.M. (Public Works will be held at noon)

Motion by Mitskog, seconded by Hartman, to adjourn.

Mayor Sturdevant

Lynelle Amos, Finance Assistant