

Wahpeton City Council
February 18, 2014
5:00 p.m.

Present: Schmidt (via skype), Bertsch, Sturdevant, DeVries, Dale, Bajumpaa, and Bohn

Absent: Hansey and Mitskog

Also Present: Huwe, Hatting (from Lies & Bullis), Rogahn, Broadland, Priebe, Guck, Amos, and Gutzmer

Meeting called to order by Mayor Sturdevant.

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 February 3, 2014
Games of Chance Licenses, Site Authorizations & Special Permits
Wahpeton Breckenridge Chamber of Commerce ó Raffle Permit

Presentation/Approval of Reports

January 2014 Bill Pay Report (\$790,909.09 ó see below)
January 2014 Financial Statements
Dilapidated Properties Report
Celebrate! Educate! Energize! Richland County!
2013 Mayor's Cmt. On the Employment of People with Disabilities 2013 Annual Report

Motion by Bertsch, seconded by Bohn, to approve the Consent Agenda items as presented.
Motion carried with all voting 'aye'.

ITEMS REQUESTED MOVED FROM THE CONSENT AGENDA None.

REPORTS FROM CITY OFFICERS AND STAFF

FINANCE DIRECTOR

400 Block Development Agreement ó Huwe said are getting close to a final agreement with some revisions and requested the item be referred to the Finance Committee for more negotiations which will be held in closed session. Mayor Sturdevant will refer this item to Finance, Economic Development & Personnel Committee.

Pay Study Request for Proposals – request referral to Finance Cmt.

Mayor Sturdevant will refer this item to Finance, Economic Development & Personnel Committee.

2013 Financial Statement ó Huwe explained that the 2013 Financial Statement was prepared as part of the fiscal year end procedures, and the North Dakota Century Code requires that all cities publish their schedule of fund activity prior to March 1st and the City of Wahpeton's appeared Sunday, February 16th. Huwe said this gives the public the opportunity to review it and that any questions can be directed to her.

Annual Financial Audit – week of March 3rd

Huwe said this was a reminder that the City's annual financial audit will take place the first week in March, and the North Dakota auditors will be at City Hall onsite for their field audit Monday through Thursday of that week, and will typically do a simultaneous audit of the Wahpeton Airport Authority.

ATTORNEY

Second Reading of Ord. No. 957 Rezoning Govt. Lot

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

ORDINANCE NO. 957
AN ORDINANCE REZONING FROM
INDUSTRIAL (I-2) AND HIGHWAY BUSINESS (B-3) TO BUSINESS (B-2)
(PART OF GOVERNMENT LOT 3-33-133-47)

The motion for the adoption of the foregoing Ordinance was duly seconded by Councilmember Bohn. Motion carried with a roll call vote 6-0.

ECONOMIC DEVELOPMENT DIRECTOR

Economic Development Commission Recommendation ó Priebe said an in-house application from staff requesting an additional \$90,000 be added to the 400 Block Project was made before the EDC, which is the amount needed to address the issues stated in the Step 1 Life Safety Documentation and budgets prepared by Helenske Design Group [paid by the City and Phoenix Housing]. She said upon review and approval by all parties, HDG would proceed to Step 2 Services which entails an architectural signed set of detailed construction documents that are needed to permit the project and provide an order to proceed. She noted the Council has already formally approved paying for and moving to Step 2. Priebe said a meeting with the developer, property manager, attorneys, lead banker, finance partners, and city representatives was held February 3rd in Fargo, and it was decided to propose folding the added cost of \$90,000 into the \$700,000 forgivable loan for the project. She said the new dollar amount would now be \$790,000 with a forgiveness rate of \$79,000 per year for 10 years upon the terms and conditions set forth in the developers agreement. Priebe said the EDC reviewed life safety matters including the fire wall separation and sprinkler protection systems and discussion was held. She said regarding the probability of more funding requests for this project, the development agreement states the Developer is not eligible for any other City-sponsored programs, grants or tax exemptions, and costs exceeding estimates would be covered by Phoenix Housing II, LLC. She commented that they are yet to be negotiating on some of those future requests. Priebe said the EDC recommends approval of an additional \$90,000 from Sales Tax for Economic Development Fund included in the 400 Block Project forgivable loan amount of \$700,000 for a total of \$790,000. Terms and conditions remain the same. The annual forgiveness rate is adjusted to reflect the additional dollars. **Motion by Bohn, seconded by Bertsch, to approve an additional \$90,000 from Sales Tax for Economic Development Fund included in the 400 Block Project forgivable loan amount of \$700,000 for a total of \$790,000, with terms and conditions remaining the same and the annual forgiveness rate adjusted to reflect the additional dollars. Motion carried with a Roll Call Vote of 6-0.**

As a courtesy, Priebe reported that acting as the Jobs Development Authority, the EDC heard a request from Agco-Amity JV, LLC for a PACE interest buy down which would assist the company in financing the paint system that includes a 2nd paint line. She said according to Victor Klosterman, VP of Operations, Agco has installed a second powder coat line parallel to the first powder coat line from 2012. She said the project consists of a second paint booth along with an additional 2 stage oven and cool down zone, with power and conveyors also being added. Priebe said the old paint system will be removed in the 2nd quarter of 2014 and the fabrication department will be relocated to this area. She said this move will expand the welding department and with the extra space Wil-Rich will be able to hire additional welders and material handlers for a total of a proposed 13 new positions, with the current FTE count at 153. Priebe said discussion was held regarding the growth and expansions of this company. She noted it is the policy of the EDC the company repay interest buydowns for equipment installation and purchases once all PACE dollars

are used or 5 years, whichever comes first. She said the terms are: a minimum of 1% interest is charged and no more than a 10-year term. Priebe said an estimated present value of \$35,393 is needed from the JDA account for the community's share of this loan which will be amortized over a period of 5 years. She said the JDA approved funding for the buydown and no Council action is required but is for informational purposes only.

Priebe then reviewed the City's current PACE interest buydowns and explained how funds would be recaptured once the grant converts into a loan.

Economic Development Report ó Priebe announced that the Chamber Annual Meeting will host Tom Rolfstad at their luncheon to be held Thursday, February 20th from 11:30am to 1:00pm at Prante's, and all present are invited to attend. She said also meeting this week is the CDC Board on Wednesday, February 19th at noon.

POLICE CHIEF

2014 Patrol Vehicle Bids – request referral to PW Cmt. ó Huwe presented this request on behalf of Police Chief Thorsteinson. Mayor Sturdevant will refer this item to the Public Works & Public Safety Committee.

PUBLIC WORKS DIRECTOR

Rogahn requested referral to PW/PS Committee of **Otter Tail Power Company Right-Of-Way Easement Document**. Mayor Sturdevant will refer this item to the Public Works & Public Safety Committee.

Rogahn requested referral to PW/PS Committee of **Fleet Fueling Options**. Mayor Sturdevant will refer this item to the Public Works & Public Safety Committee.

Recommendation on Surveyor Services for Land North of City Hall ó Rogahn said at the last Public Works meeting discussion took place regarding platting the property North of City Hall and two quotes had been received for surveying services, one from Ackerman Land Surveying and the other from Interstate Engineering Inc., and he made a recommendation to the City Council to accept the quote from Ackerman Land Surveying in the amount of \$7,628 with funds from the Real Estate Levy Fund. **Motion by Dale, seconded by DeVries, to approve accepting the quote from Ackerman Land Surveying for Surveyor Services for the Land North of City Hall at the cost of \$7,628 from the Real Estate Levy Fund. Motion carried with a Roll Call Vote of 6-0.**

Rogahn noted that the lights on Water Tower #2 will be off for a few nights so a retrofit for LED lights can be done.

REPORTS FROM THE CITY COUNCIL COMMITTEES & BOARDS

Finance, Personnel & Economic Development Committee Report

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

Replacement of the City Hall Server – motion to recommend acceptance of the quote from NRG Services with additional items for \$24,168.26 ó **Motion by Bohn, seconded by Bajumpaa, to approve the acceptance of the quote from NRG Technologies for the Hewlett-Packard Server Replacement at the cost of \$16,187.01 and the additional City Hall technologies items as presented at the cost of \$7,981.25, for a total of \$24,168.26 from the Capital Improvements Fund. Motion carried with a Roll Call Vote of 6-0.**

Pay Study – discussion

Municipal Securities rulemaking Board Continuing Disclosure Requirements – motion to recommend approval of the Dissemination Agreement with Dougherty & Co. for \$1,600 ó Motion by Bohn, seconded by Bertsch, to approve the Dissemination Agent Agreement with Dougherty & Company LLC at the cost of \$1,600 annually to be expensed to Bond Issues under Administrative Fees. Motion carried with a Roll Call Vote of 6-0.

400 Block Development Agreement Revisions – motion to recommend approval of revised Development Agreement as presented ó Bohn said this item had been addressed earlier in the meeting by Huwe and that this item will remain on the Finance Committee agenda.

Public Works & Public Safety Committee Report

DeVries said the Public Works Public Safety Committee met at noon on February 11th.

Tobacco/E-Cigarettes Ordinance Review – discussion

Dilapidated Properties Update

Southside Industrial Park - discussion

400 Block Development Agreement Revisions – discussion

Public Works Equipment Replacement Plan Review - discussion

Land North of City Hall – motion to recommend PW Director select a surveying proposal and proceed ó DeVries said this had been addressed earlier in the meeting by Rogahn.

4th St. N. Fire Hydrant Relocation – discussion

Chair Lift Replacement at the Library – discussion

Disposition of City Owned Lands - discussion

January 2014 Bill Pay Report

DISBURSEMENTS FUND	ACCOUNTS PAYABLE	PAYROLL & GL	TOTAL
101 GENERAL FUND	\$325,257.44	\$31,561.76	\$356,819.20
201 WATER OPERATING FUND	\$25,294.72	\$34,727.54	\$60,022.26
202 SANITARY SEWER OPERATING FUND	\$19,647.89	\$21,692.32	\$41,340.21
203 WASTE REMOVAL OPERATING FUND	\$21,826.48	\$750.30	\$22,576.78
205 VECTOR CONTROL FUND	\$13.39	\$1,473.80	\$1,487.19
206 STREET LIGHTING	\$11,779.06		\$11,779.06
209 LIBRARY LEVY FUND	\$9,819.79	\$15,101.72	\$24,921.51
213 ADVERTISING LEVY FUND	\$525.38		\$525.38
216 AIRPORT 4-MILL LEVY FUND		\$449.98	\$449.98
217 PLANN COMMISSION LEVY FUND	\$509.00	\$581.54	\$1,090.54
226 EMPLOYEE SAFETY COMMITTEE	\$104.99		\$104.99
227 ANNUAL RESERVE WH FUND		-\$2,839.00	-\$2,839.00
231 FD BLDG & EQUIP LEVY FUND	\$22,000.00		\$22,000.00
233 REAL ESTATE LEVY FUND	\$70.38		\$70.38
234 SPECIAL STREET MAINT FUND	\$16,543.07		\$16,543.07
236 LEVEE MAINTENANCE	\$1,607.89	\$7,112.28	\$8,720.17
261 UNEMPLOYMENT COMP RESERVE FUNDS	\$3,496.29		\$3,496.29
271 ECONOMIC DEVEL DEPT FUND	\$4,122.97	\$11,658.82	\$15,781.79
303 MISCELLANEOUS FUND	\$2,268.06		\$2,268.06
319 LODGING TAX FUND	\$3,810.82		\$3,810.82
320 SALES TAX OPERATING FUND	\$14,208.33		\$14,208.33
321 SALES TAX RESERVE FUND	\$10,000.00		\$10,000.00
324 SALES TAX MINI MATCH RSRV FUND	\$3,637.37		\$3,637.37
325 SALES TAX H.E.L.P. HOUSING FUND	\$1,444.00		\$1,444.00
326 REVOLVING LOAN FUND	\$454.89		\$454.89
361 GASOLINE,OIL,ETC		-\$4,466.76	-\$4,466.76
393 DOWNTOWN CARE & MTC FUND	\$704.86		\$704.86
454 R/I #10809 REFI 5 ISSUES		\$8,385.54	\$8,385.54
458 R/I #11212 SERIES A 2012		-\$8,385.54	-\$8,385.54
574 5-2-97 (FLOOD PHASE II)	\$2,050.62		\$2,050.62

608 08-02-03 SSIDE STORM SEWER	\$57.50		\$57.50
620 TOWN CENTRE SQUARE	\$21,874.30		\$21,874.30
629 66TH ST S SHARED USE PATH	\$133,398.60		\$133,398.60
631 11TH ST. N. AVE B TO 16TH AVE	\$3,236.60		\$3,236.60
636 16TH AVE. 11TH ST TO HWY 210	\$13,340.10		\$13,340.10
TOTAL	\$673,104.79	\$117,804.30	\$790,909.09

SCHEDULING OF COMMITTEE MEETINGS

The following Committee Meetings were then scheduled:

- a. Finance Cmt. February 24th, 12:00 Noon
- b. PW/PS Committee February 25th, 5:00 P.M.

Motion by Bertsch, seconded by DeVries, to adjourn at 5:27 p.m.

Mayor Sturdevant

Lynelle Amos, Finance Assistant