

**Wahpeton City Council**  
**January 17, 2017**  
**5:00 p.m.**

**Present:** Schmidt (via skype), Bertsch, Bajumpaa, Hansey, Dale, Miller, and Wateland

**Absent:** Lambrecht and DeVries

**Also Present:** Huwe, Hatting, Miranowski, Anderson, Broadland, Priebe, Bakken, Amos, and Cain

Meeting called to order by Mayor Hansey.

**PUBLIC HEARINGS/CITIZEN CONCERNS/ETC.**

**Municipal Court Update – Judge Don Krassin** ó Judge Don Krassin provided and reviewed the Wahpeton Municipal Court Annual Report for 2016, which he explained contains graphs depicting the types of cases they handle and their frequency. He expressed appreciation for being allowed to serve as the Municipal Judge, which he considered a privilege. He also thanked the City officials who worked with Richland County in retaining the ability to use the courtroom at the Law Enforcement Center. He noted court is held Thursdays at 6:15 p.m. and Fridays at 1:15 p.m.

**Planning Commission Appointment – Rory McCann to fill the term ending 6/30/2017 vacated by Donna Keogh** ó Motion by Miller, seconded by Dale, to approve the Appointment of Rory McCann to the Planning Commission to fill the term ending 6/30/2017 vacated by Donna Keogh. Motion carried with all voting ‘aye’.

**CONSENT AGENDA ITEMS (presented by the Mayor) ó**

**Approval of minutes of regular meeting held January 3, 2017**

**Approval of minutes of special meeting held January 10, 2017**

**Games of Chance Licenses, Site Authorizations & Special Permits**

Someplace Safe ó Raffle Permit

**Presentation/Approval of Reports**

December 2016 Bill Pay Report ó see below

Fiscal Year End Financial Statements

SIRN 2020

WCCO Testimony on Automation Tax Credit

Mayor Hansey asked if there were any items to be removed from the consent agenda and there were none. Huwe noted there was a correction that was identified in the Special City Council meeting minutes of January 10, 2017, as there was discrepancy between the number of members present and the roll call vote of 6-0. That amendment will be made in those minutes and they will be corrected prior to being published. **Motion by Bajumpaa, seconded by Wateland, to approve the Consent Agenda items, with the amendment, as presented. Motion carried with all voting ‘aye’.**

**REPORTS FROM CITY OFFICERS AND STAFF**

**FINANCE DIRECTOR**

**Pledge of Assets/Designation of Depositories – request motion to approve** ó Huwe said North Dakota Century Code requires a listing of the depositories, deposits and pledged assets by each financial institution designated for deposit of City funds. The total funds on deposit as of 12/31/16 were \$11,382,280.76 reflecting a decrease in cash on hand of \$715,530.58. The decrease in cash on hand is attributed to the value of open capital projects pending permanent financing at \$3.4 million

compared to \$1.9 million in open projects at fiscal yearend 12/31/2015. The pledges of assets totaling \$14,880,238.15 adequately cover the cash deposits on hand. Huwe requested a motion approving the designation of depositories and pledges of assets. **Motion by Wateland, second by Bertsch, to approve the designation of depositories and the pledges of assets as presented (see below).**

**Motion carried with all voting ‘aye’.**

Designated Depository	Funds on Deposit	FDIC/NCUA	Additional	Total Pledged
American Federal Bank	none	n/a	n/a	n/a
Bank of the West	1,838.67	250,000.00	278,539.00	528,539.00
Banc West Investment Services	492,651.71	492,651.71	n/a	492,651.71
Bremer Bank	4,487,833.94	250,000.00	5,674,003.85	5,924,003.85
Bremer Investment Trust	700,000.00	700,000.00	n/a	700,000.00
First Community Credit Union	none	n/a	n/a	n/a
Gate City Fed Savings Bank	none	n/a	n/a	n/a
Peoples State Bank	none	n/a	n/a	n/a
State Bank & Trust	253,013.95	250,000.00	24,969.00	274,969.00
U.S. Bank	none	n/a	n/a	n/a
Wells Fargo Bank	5,446,942.49	250,000.00	6,710,074.59	6,960,074.59
	11,382,280.76	2,192,651.71	12,687,586.44	14,880,238.15

**Resolution to Approve Capital Lease on PD** ó Huwe said on November 21<sup>st</sup> the City Council approved the municipal capital lease proposal submitted by American Federal bank via Kinetic Leasing for the Police Department Relocation Project. The principal value of the 15 year lease is \$500,000, and the stated interest rate is 3.05% with an effective rate of 2.64% attained by making the first principal payment upon the date of funding. There are no prepayment penalties and the annual payment scheduled is \$40,838.67, which is budgeted in the Capital Improvements Fund. She said City Attorney Steve Lies has reviewed and approved the lease documents. Hatting requested a motion to offer Resolution No. 3625 to enter into the Kinetic Leasing capital lease agreement.

Council member Bertsch offered the following and moved its adoption:

**RESOLUTION NO. 3625**  
**RESOLUTION RELATING TO LEASE WITH OPTION**  
**TO PURCHASE AGREEMENT, NO. CIT5350-102**

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

**Update on Fiscal Year End 2016** ó Huwe said the 2016 fiscal year end financials are positive with the City’s total fund equity decreasing approximately 6% or \$741,656 from \$14,402,328 on January 1, 2016 to \$13,660,672 on December 31, 2016. The decrease in fund equity is exclusive of fixed assets of which the city is scheduled to increase approximately \$3.8 million. The city issued \$600,000 in new debt as one of the first cities to take advantage of the newly created Bank of ND Capital Infrastructure Loan Program for the infrastructure constructed in the Westdale I project north of Wal-Mart. The city’s statement of Net Position is projected to improve approximately \$2.45 million or 5%. The General Fund faced revenue challenges resulting in a revised budget on May 2, 2016 decreasing projected revenues and expenses by about 4%. Actual expenditures in the General fund were \$272,972 less than the original adopted budget reflecting an 8% decrease in General Fund expenses. Huwe was appreciative of the cost saving efforts made by every department with no decrease in service delivery. The General Fund ended the year with a net gain in fund equity of \$170,282.69 which will increase the fund balance reserve from 28% of annual operating to 34%, well within the target range of 25% to 50% of annual operating expenses in reserves. Local sales tax collections were the highest on record at \$2,295,710.32, 1.27 % greater than 2015. Taxable transactions in excess of \$114,785,516 were required to produce this income. Taxable sales must average \$9.5 million per month to generate this much tax revenue. Major allocations of sales tax collections are estimated to be 25% in construction related projects, 25% retail trade, 17% in restaurant/hotel sales, and 33% in miscellaneous taxable

sales & services. She noted the importance of any legislative changes to have potentially devastating consequences on local tax revenues. Huwe said the Finance Committee report will further explain the proposed year end transfers and budget amendments. She noted it was an unprecedented year for municipal finances, and was pleased with final numbers.

### **ND State Auditor's Office 2016 Field Audit week of January 30<sup>th</sup>**

**Legislative Update** ó Huwe said the NDLC held its first Legislative phone call last Friday. Nearly 50 bills impacting cities were reviewed. Common themes regarding TIF Districts, Renaissance Zone limitations, changes in taxable valuations and reductions in the sales tax base were discussed. Huwe said she submitted testimony in opposition of HB 1224 in conjunction with the Finance Directors from Fargo and Grand Forks pleading the Legislature not consider any action that would diminish local sales tax collections and possibly hinder our ability to meet outstanding debt obligations. Discussion held.

### **ATTORNEY**

Hatting noted there would be discussion regarding Marsyø's Law and its impact on the City at the Public Works Committee meeting at noon on January 23<sup>rd</sup>. Literature will be provided to Council members prior to the meeting.

### **ECONOMIC DEVELOPMENT DIRECTOR**

**Economic Development Report** ó A written Economic Development activity report was provided. Priebe introduced guest Alison Greteman, a student at Wahpeton High School, who won a 3-D Printer prize from Minn-Dak Manufacturers Association on October 12, 2016 during Manufacturing Day in Wahpeton. To keep the printer, Greteman had to complete a project, write a report and submit her work to MDMA within 3 months. Greteman presented her project which was a house done in 3-D design, and answered questions regarding it. She noted she is interested in becoming an architect in the future so felt this project was fitting.

Priebe announced the next CDC Executive Committee and Board meeting are scheduled for Wednesday, January 18<sup>th</sup>. The CDC Annual Meeting will be held Monday, January 30<sup>th</sup> at NDSCS Red River Valley Room with Guest Speaker Tim Rogelstad, President of OtterTail Power Company.

Priebe reported a Special City Council meeting was held January 10<sup>th</sup> to reconfirm action taken February 1, 2016 regarding the Renaissance Zone Purchase with Major Improvements application from Brew 2, Inc., and that information has been sent to the State for final approval. She noted they received the Urban Renewal Development Agreement and Contract for Sale signed which has been forwarded to the SBA.

As reported earlier, Priebe said 2016 marked the Largest Annual Sales Tax Collection of \$2,266,814.46, with a 25-year grand total of \$30,387,737.77. She also talked about social media as a means of sharing information. Priebe then gave an update on the Revolving Loan Fund, and also the Mini-Match Plus Program. She provided and reviewed the 2016 EDC Summary Sheet. She noted the next EDC meeting will be held January 25<sup>th</sup>.

### **LIBRARY REPORT**

**Library Report** ó Bakken gave an update on the Library renovations saying the shelving and carpet have been ordered, with painting being completed prior to carpet installation. Library programming is still being held, including Storytime, Chess Club, After School STEM Program, Get Creative at the Library Program, Mid-Winter Reads Program, As Seen on Pinterest Projects, Computer Classes, Library2Go Program, and Leach Reads Book Club. She announced the next Library Board meeting will be held January 26<sup>th</sup> at 4 p.m.

## **PUBLIC WORKS DIRECTOR**

**PW Report** ó Miranowski reported the woodpile was burned last Friday and will take another week or so to move the ash off of there. With the predicted warm up they will try to scrape some of the streets with built-up snow. They will also be digging out hydrants and removing snow from intersections that are causing obstruction of view. He said Filbert Construction is working on the roof at the sewer shop and they will be setting rafters tomorrow and the new tin should be on the roof by Saturday.

Miranowski also gave an update on the Zoo Phase II of the Encroachment Project. When asked he also provided an update on the 3<sup>rd</sup> Avenue North project, which he felt may require a Committee of the Whole meeting to discuss funding options. Discussion held.

## **REPORTS FROM THE CITY COUNCIL COMMITTEES & BOARDS**

### **Finance, Personnel & Economic Development Committee Report**

Bertsch said the Finance, Personnel & Economic Development Committee met at noon on January 9<sup>th</sup>.

#### **Revolving Loan Fund Loan Inquiry – discussion**

**2016 Fiscal Year End Transfers – motion** to recommend approval of transfer of \$151,000 from Sales Tax for Infrastructure to the Lift Station #1 Manhole Project ó **Motion by Bertsch, seconded by Wateland, to approve the transfer of \$151,000 from the Sales Tax for Infrastructure to the Lift Station #1 Manhole Project.** Discussion held regarding the use of Sales Tax for Infrastructure for this purpose. **Motion carried with a roll call vote of 6-0.**

**Closed Fund Transfers – motion** to recommend approval to transfer balances of closed funds to the General Fund ó **Motion by Bertsch, seconded by Miller, to approve to transfer the balances of closed funds totaling approximately \$152,715 into the General Fund.** It was noted this would be a one-time occurrence. **Motion carried with a roll call vote of 6-0.**

**2016 Expense Budget Amendments – motion** to recommend approval of amendments as presented ó **Motion by Bertsch, seconded by Wateland, to approve of the 2016 Expense Budget Amendments totaling approximately \$7,701,261 as presented.** **Motion carried with a roll call vote of 6-0.**

#### **City Council Retreat Planning – discussion**

### **Public Works & Public Safety Committee Report**

Bajumpaa said the Public Works & Public Safety Committee met at noon on January 10<sup>th</sup>.

#### **Minn-Dak Farmers Coop Wastewater Inquiry – discussion**

#### **Marsy's Law – discussion**

#### **PD Relocation – discussion**

#### **Council Retreat Agenda – discussion**

#### **Eastside Sanitary Sewer Project – discussion**

**Building Officials Report – motion** to recommend approval of contract change order no. 1 with Summerville Electric on Library Project for \$295 ó **Motion by Bajumpaa, seconded by Schmidt, to approve Change Order No. 1 with Summerville Electric for the Leach Library Project for \$295.** **Motion carried with a roll call vote of 6-0.**

201 WATER OPERATING FUND	\$132,440.60	\$40,036.21	\$172,476.81
202 SANITARY SEWER OPERATING FUND	\$36,113.25	\$23,294.70	\$59,407.95
203 WASTE REMOVAL OPERATING FUND	\$22,101.16	\$845.04	\$22,946.20
204 WASTE REDUCTION FUND	\$7,817.83		\$7,817.83
205 VECTOR CONTROL FUND	\$7,373.20	\$942.18	\$8,315.38
206 STREET LIGHTING	\$10,586.81		\$10,586.81
209 LIBRARY LEVY FUND	\$4,972.52	\$11,271.92	\$16,244.44
213 ADVERTISING LEVY FUND	\$230.00	\$16,830.98	\$17,060.98
216 AIRPORT 4-MILL LEVY FUND		\$494.96	\$494.96
219 BAND LEVY FUND		\$69.09	\$69.09
222 SOCIAL SECURITY LEVY FUND		\$40,226.18	\$40,226.18
224 RETIREMENT FUND		\$52,940.11	\$52,940.11
226 EMPLOYEE SAFETY COMMITTEE	\$406.99		\$406.99
227 ANNUAL RESERVE WH FUND		-\$3,279.00	-\$3,279.00
229 CAPITAL IMPROVEMENTS FUND	\$25,538.53		\$25,538.53
231 FD BLDG & EQUIP LEVY FUND	\$45,000.00		\$45,000.00
233 REAL ESTATE LEVY FUND	\$103.50		\$103.50
235 SNOW/FLOOD EMERG LEVY FUND	\$693.00		\$693.00
236 LEVEE MAINTENANCE	\$1,877.78	\$7,187.13	\$9,064.91
240 SPECIAL TRANSPORTATION FUNDING	\$3,756.60		\$3,756.60
253 METER DEPOSITS TRUST FUND			\$0.00
271 ECONOMIC DEVEL DEPT FUND	\$1,355.16	\$13,653.72	\$15,008.88
303 MISCELLANEOUS FUND	\$33.00		\$33.00
315 TAX INCREMENT FUND	\$228,100.00		\$228,100.00
316 1% LODGING TAX (ADDTL 1/1/08)	\$16,043.08		\$16,043.08
317 JOB DEVELOPMENT LEVY FUND	\$23,674.61		\$23,674.61
318 WEED MAINT LEVY FUND	\$333.34		\$333.34
319 LODGING TAX FUND	\$2,047.56		\$2,047.56
320 SALES TAX OPERATING FUND	\$17,120.34		\$17,120.34
326 REVOLVING LOAN FUND	\$24,263.00		\$24,263.00
350 EMPLOYEE BONUS MISC. PAYROLL		\$12,400.33	\$12,400.33
365 PD SPEC EQUIP SINKING FUND		-\$8,899.62	-\$8,899.62
393 DOWNTOWN CARE & MTC FUND	\$26,322.14		\$26,322.14
453 R/I #10708 WESTSIDE TIF	\$125.00	-\$224,350.00	-\$224,225.00
454 R/I #10809 REF1 5 ISSUES	\$125.00	\$224,350.00	\$224,475.00
455 R/I #10910 SERIES 2010		\$69,947.04	\$69,947.04
456 R/I #11011 SERIES 2011	\$125.00		\$125.00
457 R/I #11111 SERIES B 2011	\$125.00		\$125.00
458 R/I #11212 SERIES A 2012	\$125.00		\$125.00
459 R/I #11314 SERIES 2014	\$125.00		\$125.00
460 R/I #11415 SERIES 2015	\$5,578.75		\$5,578.75
461 R/I #11516 SERIES 2016	\$125.00	-\$69,947.04	-\$69,822.04
572 SALES TAX FOR FLOOD FUND	\$27,335.35	\$614.82	\$27,950.17
574 5-2-97 (FLOOD PHASE II)	\$624,402.00		\$624,402.00
636 16TH AVE. 11TH ST TO HWY 210	\$11,441.16		\$11,441.16
643 LIBRARY ROOF, WALLS & DOOR	\$26,507.75		\$26,507.75
647 WESTDALE PROJECT	\$480.94		\$480.94
649 WTP LIME SILO & SLAKER	\$2,935.00		\$2,935.00
650 PD RELOCATION	\$101,296.18	-\$2,275.64	\$99,020.54
<b>TOTAL</b>	<b>\$1,696,441.74</b>	<b>\$161,872.41</b>	<b>\$1,858,314.15</b>

## SCHEDULING OF COMMITTEE MEETINGS

The following Committee Meetings were then scheduled:

- a. Planning Commission January 19<sup>th</sup>, 4:00 P.M.
- b. Finance Cmt. January 23<sup>rd</sup>, 12:00 Noon
- c. Public Works Cmt. January 24<sup>th</sup>, 12:00 Noon
- d. CDC Annual Meeting January 30<sup>th</sup> at 11:30 AM NDSCS

**Motion by Bertsch, seconded by Schmidt, to adjourn at 6:06 p.m. Motion carried with all voting 'aye'.**

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Mayor Hansey

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Lynelle Amos, Finance Assistant