

Wahpeton City Council

July 17, 2017

5:00 p.m.

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

Absent: Bertsch and Hansey

Also Present: Huwe, Lies, Miranowski, Broadland, Priebe, Bakken, Amos, O'Meara and Cain

CALL TO ORDER

Meeting called to order by City Council President Dale.

CONSENT AGENDA ITEMS (presented by the City Council President) ó

Approval of minutes of regular meeting held July 5, 2017

Games of Chance Licenses, Site Authorizations & Special Permits

Other Games of Chance and/or special permits:

Victoria Grenier Medical Benefit ó Raffle Permit

Paula Stelton Benefit ó Raffle Permit

Presentation/Approval of Reports

Fire Dept. Picnic July 31, 2017

Lake Agassiz Regional Council CDBG Transfer of Funds

June 2017 Bill Pay Report \$1,836,653.65 ó see below

June 2017 Financial Statements

City Council President Dale asked if there were any items to be removed from the consent agenda and there were none. **Motion by Wateland, seconded by Lambrecht, to approve the Consent Agenda items as presented. Motion carried with all voting 'aye'.**

REPORTS FROM CITY OFFICERS AND STAFF

FINANCE DIRECTOR

Designation of Depositories and Pledging of Public Deposits – 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 6/30/17 were \$11,834,022.54 reflecting a decrease in cash on hand of \$1,221,962 under the same time last year. The decrease in cash on hand is attributed primarily to cash disbursements related to the Flood Mitigation Project. The pledges of assets from each of the depositories adequately covers the cash deposits on hand. Huwe requested a motion approving the designation of depositories and pledges of assets. **Motion by Schmidt, seconded by DeVries, to approve the designation of depositories and pledges of assets as presented in the memorandum provided (see below).**

Motion carried with all voting 'aye'.

<u>Designated Depository</u>	<u>Funds on Deposit</u>	<u>FDIC/NCUA</u>	<u>Additional</u>	<u>Total Pledged</u>
American Federal Bank	none	n/a	n/a	n/a
Bank of the West	1,388.67	250,000.00	n/a	250,000.00
Banc West Investment Services	511,638.64	511,638.64	n/a	511,638.64
Bremer Bank	4,497,485.87	250,000.00	5,081,514.10	5,331,514.10
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	-
Wells Fargo Bank	5,870,495.41	250,000.00	6,332,199.55	6,582,199.55
	11,834,022.54	2,211,638.64	11,438,682.65	13,650,321.29

Liquor License Application – request motion to approve C-1 License for the Boiler Room ó

Huwe said the Boiler Room has applied for a C-1 Restaurant Liquor License. All of the requirements of a C-1 license have been met with the exception of a certificate of occupancy/final building inspection and a copy of their ND State Retail Liquor License. The initial license issuance will be conditional until these additional items have been received. Huwe requested approval of the 2017 C-1 Liquor License for the Boiler Room with conditions as stated. **Motion by Lambrecht, seconded by Wateland, to approve the 2017 C-1 Liquor License for the Boiler Room with conditions as stated. Motion carried with all voting ‘aye’; with Miller abstaining.**

Memorandum of Understanding for use of Odyssey Case Mgmt. System – request motion to approve ó

Huwe said the ND Court System State Court Administrator has requested each municipal court using the Odyssey Case Management System enter into a Memorandum Of Understanding clarifying roles and responsibilities. Huwe requested approval and permission to enter into the MOU as presented. **Motion by Schmidt, seconded by DeVries, to approve the Memorandum of Understanding for the Use of Odyssey Case Management System and permission to enter into the Memorandum of Understanding as presented. Motion carried with all voting ‘aye’.**

Moody’s Investor Service General Obligation Rating Statement ó

Huwe said the US Public Finance Division of Moody’s Investors Service published their annual comment on the status of the City of Wahpeton’s outstanding indebtedness. Key points made by the analysts were reviewed. The City of Wahpeton was assigned a rating of A1, slightly lower than many Cities at Aa3. Wahpeton’s Financial Position is considered very strong and notable with cash balances far above US medians. Pension liabilities are in line with US medians. Direct debt compared to full property tax base value is materially higher than the US median. The median family income of Wahpeton is 6.7 % higher than overall US levels and contradicted by full value per capita and total full value at \$370 million much weaker than the US median for similar sized cities. The City of Wahpeton earned an institutional score of Aa (higher than the national median) for Management and Governance, specifically the abilities to increase revenues and decrease expenditures. Discussion held.

ECONOMIC DEVELOPMENT DIRECTOR

EDC Recommendations ó

Priebe reported the following recommendations were made at the Economic Development Commission meeting held July 12th. An application and supporting documentation was received and presented to the EDC for a FLEX PACE for St. Aubin Apartments West LLC. Joe St. Aubin proposes to purchase a 24 unit apartment building and renovate the structure inside and out. The project includes new building entry, new apartment doors, replace 80% of the windows, new flooring in common areas and apartments, new kitchen cabinets and countertops, add dishwashers and replace appliances where needed. Mr. St. Aubin is applying for funding through the Bank of ND program called Flex PACE. The program is an interest buy down initiative where the community and BND share in lowering the borrower’s interest rate to no less than 1%. The term is set by the community. The local lead lender is American Federal. This project does qualify under the guidelines. Bank of ND maximum on this project is \$200,000. With a 70%-30% PACE participation factor, the community’s share of this project is not to exceed \$86,000. Total buydown (community and BND = \$286,000) will last about 10 years on a 20 year amortization. Since this particular property has been on the Council’s dilapidated properties list and given the positive track record of Mr. St. Aubin’s other developments, staff recommended the interest buy down request be granted. In addition to the request, the Council has already approved a tax exemption on the improved value for years 2018-2022. Priebe said the EDC voted unanimously to recommend the City Council approve the interest buydown of up to \$86,000 for this project. **Motion by Bajumpaa, seconded by Schmidt, to approve an Interest Buydown of up to \$86,000 for the St. Aubin Apartments West LLC Project from Sales Tax for Economic Development Funds. Motion carried with a roll call vote of 7-0.**

Priebe explained a 45-plex multi-family building west of the two 39-unit apartment complexes north of Wal-Mart is being proposed by Wahpeton Apartment Homes II, LLC. Total project cost is \$3.5

million. A second buydown funding request was made to the EDC from Wahpeton Apartment Homes II, LLC for a FLEX PACE for Affordable Housing. This particular spin off of the PACE program provides a \$500,000 in interest buydown by the Bank of ND on qualified affordable units as defined by the local EDO. This buy down is matched by the community up to \$214,286 (a 70/30 share). The community may meet its matching requirements through direct cash, loans, equity, investments, land, property or infrastructure, and any combination of these. Property tax exemptions or payments in lieu of property taxes are not eligible. BND requires satisfactory evidence that the housing project will provide rental concessions at a level deemed to be affordable in the subject community. The local EDO will provide annual verification of the borrower's affordable housing compliance. The entire community share of \$214,286 is made up of in-kind contribution of \$121,428 (balance remaining from the initial project) and direct cash of up to \$92,858. This amount is based on current market assumptions and could very well decrease by the time loan documents are signed. In working with Darren Trudeau and PACES Lodging, staff has confidence in this developer and feels that this project will continue to precipitate more developments within the Wahpeton community. Priebe said the EDC voted unanimously to recommend the City Council approve the interest buydown of up to \$92,858 for this project. **Motion by DeVries, seconded by Bajumpaa, to approve the Interest Buydown of up to \$92,858 for the Wahpeton Apartment Homes II, LLC Project from Sales Tax for Economic Development Funds.** Discussion held regarding the definition of affordable housing. An update of the proposed single family homes was also discussed. **Motion carried with a roll call vote of 7-0.**

Economic Development Report ó A written Economic Development activity report was provided. Regarding upcoming events, Priebe said the S400B1 Committee met July 6th and discussed how the meeting with Buxton went. The group is interested in hearing more about this opportunity. The Recruit group is still having conversations with a perspective buyer of three of the JCPenney buildings. A tour of the empty buildings is an idea that is being explored. The next meeting of the S400B1 Committee is tentatively set for July 20th at 7:30 a.m. at the Red Door Classroom. Buxton's Cody Gunstenson will travel back from Texas and make a formal presentation on the Buxton partnership for retail development on Thursday, July 20th from 7:00-8:30 p.m. at the NDSCS Tech Center Rm #87. The public is invited to attend but is asked to RSVP the Economic Development office as seating is limited. The Economic Development office met with YPN (Young Professionals Network). A Tour of Empty Spaces will be conducted on Thursday, August 3rd from 4:00-6:00 p.m. in Wahpeton's central business district. This will be followed by a social at the Red Door Art Gallery and then an open forum dubbed "Click and Think" to brainstorm ideas, identify problems and find solutions to downtown vacancies. A CDC Board meeting will be held at noon on Wednesday, July 19th.

LIBRARY REPORT

Library Report ó Bakken reported there are two weeks left of the Summer Reading Program, which ends July 28th. Today they had a no-sew blanket project with about 10 blankets made that will be given to Someplace Safe, a local crisis shelter. Tomorrow there will be a "Frozen" party and next Tuesday there will be a "Mine Craft" party. Attendance for summer reading has been steady for both programming and the lunch program served at the library. The closing party for the Summer Reading Program will be a mini carnival on the library lawn with games, pizzas, and prizes on August 1st. Food For Fines continues through July 28th. Friends of the Library meet July 19th at 10:00 a.m. President Rhonda Weeda has announced she will be stepping down so are now looking for an active President for the Friends of the Library. The Library Board will meet July 27th at 4:00 p.m.

PUBLIC WORKS DIRECTOR

Miranowski requested referral to Public Works Committee **of an Update on the Volunteer Park Levy Slide.** City Council President Dale will refer this item to the Public Works & Public Safety Committee.

2017 Alley Improvement Project Bid Opening Summary & Request Approval to Award Contract Resolution No. 3649

ó Miranowski reported the low bid for the project went to Comstock Construction in the amount of \$44,621. The estimate was \$42,021. The residents were contacted who are requesting that the project move forward even though the cost came in higher than estimated. Council member Bajumpaa offered the following and moved its adoption:

RESOLUTION NO. 3649
**RESOLUTION AWARDING CONTRACT FOR CONSTRUCTION
OF AN IMPROVEMENT IN
STREET IMPROVEMENT DISTRICT
(Alley Reconstruction – Block 33 of Bade’s Addition - Project No. ST17-232)**

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

Library Boiler Replacement – request permission to advertise for bids ó Miranowski explained the need to replace the boiler at the library and proposed changing it to a forced air system. **Motion by Lambrecht, seconded by Schmidt, to approve advertising for bids for the Library Boiler Replacement.** Discussion held. **Motion carried with all voting ‘aye’.**

COMMUNICATIONS FROM THE MAYOR & COUNCIL

Recognition – Retirement of Economic Development Director Jane Priebe Aug. 4th

Council member DeVries presented Economic Development Director Priebe with a plaque expressing congratulations on her retirement and gratitude in appreciation of the benefits to the public through her dedication and expertise during her 38 years of public service to our community, from 1979 ó 2017. Appreciation was shown through a round of applause, then a standing ovation following a final thank you from Priebe.

Assistance to Fire Fighters Grant Announcement ó Wateland said the Wahpeton Volunteer Fire Department received notice on July 14th of a federal grant award in the amount of \$205,213. The funds will be used to replace the Fire Department self-contained breathing apparatus (SCBA), including 25 units, 50 bottles and 45 masks. The useful life expectancy of current equipment expires in 2020. The local match is \$10,260 (5%) and will be funded from the Fire Department Mill Levy. We appreciate the effort the Fire Department Officers have put into the multiple grant submissions to get this critical service delivery component funded.

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 July 10th. **PILOT Application Review – Wahpeton Apt. Homes II, LLC – motion to recommend and set a public hearing for Aug. 7th, 2017 at 5:00 p.m. ó Motion by DeVries, seconded by Bajumpaa, to approve the PILOT Application for Wahpeton Apartment Homes II, LLC in the scenario prepared by the City Assessor, and to set a Public Hearing for it on August 7th, 2017 at 5:00 p.m. Motion carried with all voting ‘aye’.**

City Website Update Proposal – motion to recommend approval of the proposal from GovOffice at a cost of \$3,200 annually 2017-2019 ó Motion by DeVries, seconded by Lambrecht, to approve the City Website Update Proposal from GovOffice as presented at the cost of \$3,200 per year for 3 years (2017-2019). Motion carried with a roll call vote of 7-0.

Refunding Improvements Bond Issue #11617 – discussion

2018 Budget Preparation Update – motion to recommend approval of goals as proposed ó Motion by DeVries, seconded by Schmidt, to approve proceeding with the 2018 Budget Goals as proposed. Motion carried with all voting ‘aye’.

Position Description Updates – motion to recommend approval of the Fire Chief and Fire Dept. Secretary position descriptions as presented. Motion to recommend approval of the Community Development Director Position description. Motion to recommend approval to proceed to advertise the Community Development Director position. ó Motion by DeVries, seconded by Miller, to approve the Fire Chief (Volunteer Dept.) Position Description and also the Fire Dept. Secretary (Volunteer Dept.) Position Description as presented. Motion carried with all voting ‘aye’.

Motion by DeVries, seconded by Lambrecht, to approve the Community Development Director Position Description. Discussion held. Miller commented that he felt the City should not act too hastily in filling this position and may want to consider a contracted employee in the interim to help on a part-time basis until the regional effort is figured out. **Motion carried with all voting ‘aye’.**

Motion by DeVries, seconded by Wateland, to approve proceeding to advertise for the position of Community Development Director. Motion carried with all voting ‘aye’.

Public Works & Public Safety Committee Report (no meeting held July 11, 2017)
Property Concerns 3rd Ave. N.

2017 Alley Improvements

Residential Waste Hauling Contract Renewal

Position Description

Pond #1 DO Levels

Building Official Updates

ROW Consideration Adjacent to Bank of the West

NDSCS Easements for City Water & Sewer Mains

June 2017 Bill Pay Report

DISBURSEMENTS FUND	ACCOUNTS PAYABLE	PAYROLL & GL	TOTAL
101 GENERAL FUND	\$209,806.88	\$57,071.98	\$266,878.86
201 WATER OPERATING FUND	\$175,807.37	\$41,903.71	\$217,711.08
202 SANITARY SEWER OPERATING FUND	\$26,093.89	\$26,831.11	\$52,925.00
203 WASTE REMOVAL OPERATING FUND	\$22,552.78	\$914.10	\$23,466.88
204 WASTE REDUCTION FUND	\$463.50		\$463.50
205 VECTOR CONTROL FUND	\$603.90	\$3,042.30	\$3,646.20
206 STREET LIGHTING	\$10,181.21		\$10,181.21
209 LIBRARY LEVY FUND	\$7,182.90	\$11,964.25	\$19,147.15
216 AIRPORT 4-MILL LEVY FUND		\$494.96	\$494.96
226 EMPLOYEE SAFETY COMMITTEE	\$264.99		\$264.99
227 ANNUAL RESERVE WH FUND		-\$3,440.00	-\$3,440.00
233 REAL ESTATE LEVY FUND	\$471.96		\$471.96
234 SPECIAL STREET MAINT FUND	\$28,750.92		\$28,750.92
236 LEVEE MAINTENANCE	\$6,710.27	\$9,390.65	\$16,100.92
240 SPECIAL TRANSPORTATION FUNDING	\$3,951.00		\$3,951.00
253 METER DEPOSITS TRUST FUND	\$207.76		\$207.76
271 ECONOMIC DEVEL DEPT FUND	\$3,463.15	\$14,504.72	\$17,967.87
303 MISCELLANEOUS FUND	\$57.50		\$57.50
315 TAX INCREMENT FUND	\$3,750.00		\$3,750.00
316 1% LODGING TAX (ADDTL 1/1/08)	\$6,000.00		\$6,000.00
317 JOB DEVELOPMENT LEVY FUND	\$6,319.71		\$6,319.71
318 WEED MAINT LEVY FUND	\$980.00		\$980.00
319 LODGING TAX FUND	\$4,055.94		\$4,055.94
320 SALES TAX OPERATING FUND	\$32,323.70		\$32,323.70
325 SALES TAX H.E.L.P. HOUSING FUND	\$200.00		\$200.00

326 REVOLVING LOAN FUND	\$17,015.90		\$17,015.90
365 PD SPEC EQUIP SINKING FUND	\$255.00		\$255.00
389 GOLF COURSE DONATIONS	\$5,000.56		\$5,000.56
393 DOWNTOWN CARE & MTC FUND	\$11,411.49		\$11,411.49
401 BDSGC CART SUBLEASE	\$3,499.00		\$3,499.00
572 SALES TAX FOR FLOOD FUND	\$480,088.26		\$480,088.26
574 5-2-97 (FLOOD PHASE II)	\$563,328.11		\$563,328.11
622 3RD AVE N. RECON PROJ	\$35,361.50		\$35,361.50
639 E. SANITARY SEWER 13-02-02	\$90.92		\$90.92
649 WTP LIME SILO & SLAKER	\$5,510.00		\$5,510.00
650 PD RELOCATION	\$2,215.80		\$2,215.80
TOTAL	\$1,673,975.87	\$162,677.78	\$1,836,653.65

SCHEDULING OF COMMITTEE MEETINGS

The following Committee Meetings were then scheduled:

- a. Planning Commission July 20th, 4:00 P.M.
- b. Finance Cmt. July 24th, 12:00 Noon
- c. Public Works Cmt. July 25th, 12:00 Noon

ADJOURNMENT

Motion by Lambrecht, seconded by Schmidt, to adjourn at 5:50 p.m. Motion carried with all voting ‘aye’.

City Council President Dale

Lynelle Amos, Finance Assistant