

**Wahpeton City Council
December 5, 2011**

Present: Bertsch, Hartman, Mitskog, Sturdevant, Dale, and Bohn

Absent: Hansey, DeVries, and Bajumpaa

Also Present: Huwe, Lies, Nelson, Thorsteinson, Broadland, MacIver, and Johannessen

Meeting called to order by Mayor Sturdevant.

PUBLIC HEARINGS/ETC.

Public Hearing on the issuance of bonds pursuant to the Municipal Industrial Development Act to finance a 32-unit assisted living facility in Wahpeton Mayor Sturdevant asked if there was anyone present to protest and there was none. Sturdevant then asked Huwe if any written protests had been received of which there were none.

Resolution No. 3462 Authorizing the Issuance of Municipal Industrial Development Act Bonds for St. Catherine's Assisted Living Community Project Sturdevant introduced guests present as representatives of the project: Dennis Kamstra, President of Living Services Foundation (LSF); Jim Stewart, Bond Attorney for LSF; Bob Sunberg, Board of LSF; Eric Lunde, Piper Jaffrey; and Emmy Tretter, CEO/Administrator of St. Catherine's Living Center.

Council member Bertsch offered the following and moved its adoption:

RESOLUTION NO. 3462

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE
OF LOAN PARTICPATION REVENUE NOTES
(ST. CATHERINE'S ASSISTED LIVING COMMUNITY PROJECT)
(MIDA BONDS)**

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember Mitskog. Lies noted that this would be a \$6 million bond issue. Roll call vote 5-0. Motion Carried.

BIDS / OFFERS / QUOTES

Lift Station No. 3 Electrical Equipment & Controls Replacement Proj. No. SS11-188 Nelson reviewed the bid award summary for Lift Station No. 3 Electrical Equipment & Control Replacement, Project No. SS11-188, of which the letting was held Friday, December 2nd. He said 3 bids were received which were: Summerville Electric, Inc. - \$42,600; Scott's Electric, Inc. - \$44,773; and Nordick Electric - \$49,175. Nelson said the engineer's estimate was \$40,000 and the original advertising authority was \$30,000. He said the project would be funded from the Sewer Enterprise Fund reserves. **Motion by Dale, second by Bertsch, to award the Lift Station No. 3 Electrical Equipment & Controls Replacement Proj. No. SS11-188 to Summerville Electric, Inc. in the amount of \$42,600. Roll call vote 5-0. 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 November 21, 2011

Games of Chance Licenses, Site Authorizations & Special Permits

NDSCS Dental Club – Game of Chance Permit

Recreation Engines Technology Club – Game of Chance Permit

Other Games of Chance and/or special permits

Presentation/Approval of Reports

Correspondence from Juvenile Court – Commending the actions of Police Officer Evan Mehl
Red River Basin Land & Water International Conference
2012 City Council Calendar

Motion by Bohn, second by Mitskog, to approve the Consent Agenda items as presented. Motion Carried.

ITEMS REQUESTED MOVED FROM THE CONSENT AGENDA None.

REPORTS

FINANCE DIRECTOR/AUDITOR

Request approval & adoption of Post Issuance Compliance Procedure & Policy for Bond Issues

Huwe said this was at the direction of the Internal Revenue Service (IRS). She said as a political subdivision in ND, the City issues tax exempt debt and the IRS is being much more diligent in researching tax exempt bond issues to ensure that they are for qualified activities, and that the compliance rules for a tax exempt debt issue are followed for the life of the bond issue. At the recommendation of Bond Counsel Jim Stewart, the City of Wahpeton will need to adopt a formal policy on post issuance compliance, of which Stewart has provided a proposed policy and subsequent checklist created by the National Association of Bond Lawyers and the Government Finance Officers Association. Huwe said this policy ensures continuing tax exempt status of bonds, and designates the responsible parties as the City Auditor as Compliance Officer, coordinated with the Bond Counsel, Financial Advisor, Paying Agent, and Rebate Analyst. Adoption of the policy and checklist by resolution will assist in the consistent application and compliance of the rules pertaining to tax exempt debt issues and the necessary follow up for the term the bonds are outstanding. Huwe then referred to Jim Stewart to further explain the details and need for this policy. Stewart said the policy was prepared as result of changes in some administration procedures at the IRS. He said those entities that don't have the policy and procedures in place for monitoring post issuance compliance could face increased fines and penalties with the IRS. It was noted this policy calls for an annual review of each bond issue. When questioned, City Attorney Lies said that he has reviewed the policy and drafted the resolution to adopt it.

Council member Bohn offered the following and moved its adoption:

RESOLUTION NO. 3463
RESOLUTION APPROVING AND ADOPTING
POST-ISSUANCE COMPLIANCE PROCEDURE
AND POLICY FOR BOND ISSUES – 12/5/2011

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

Huwe noted that the Council typically reviews the statement of outstanding indebtedness the second meeting in December, so prior to year end the Council will receive the City's overall municipal indebtedness which will be the same time the checklist will be used to make sure the outstanding bond issues are compliant with IRS regulations.

Request approval of 2012 City Licenses Huwe said a proposed list of 2012 City licenses had been provided, and all applications and payments have been received. She requested the 2012 license applications be approved contingent on each applicant meeting the conditions of license. **Motion by Hartman, second by Bertsch, to approve the 2012 City Licenses applicants list as presented**

contingent on substantiation of compliance. Huwe commented that all licenses are recurring. Discussion held. **Motion Carried.**

Utility Billing Bulk Mail Alternatives – request referral to Finance Cmt. Mayor Sturdevant will refer this item to Finance & Personnel Committee.

Special Council Meeting Dec. 12th at 5:00 p.m. for \$3.29 mm Bond Sale

2012 City Council Calendar

POLICE CHIEF

Request Permission for Holiday Parade Chief Thorsteinson said the Wahpeton-Breckenridge Chamber has requested holding the Holiday Parade on December 10, 2011, at 6 pm that will necessitate blocking off the north half of Dakota Avenue to normal traffic from the river to 12th Street. **Motion by Mitskog, second by Hartman, to approve the request for the Holiday Parade. Motion Carried.**

PUBLIC WORKS DIRECTOR NELSON

PW Report – Nelson addressed an item listed under the Public Works Committee report, **Agreement for Engineering Services with Interstate Engineering, Inc. for 11th St N Reconstruction, Ave B to 16th Ave N, SU-8-991(031)028, Project No. ST12-187.** Nelson said at the last Public Works meeting a contract had not yet been received with the final negotiated amount. He said the contract has now been negotiated at the staff level for an amount of \$178,804, and requested approval of that contract. Nelson then explained the services provided in that contract. **Motion by Hartman, second by Dale, to approve the Agreement for Engineering Services with Interstate Engineering, Inc. for 11th St N Reconstruction, Ave B to 16th Ave N, SU-8-991(031)028, Project No. ST12-187 in the amount of \$178,804. Roll call vote 5-0. Motion Carried.**

Nelson requested referral to PW Committee for **authorization to advertise for requests of proposals for aerial photography.** Mayor Sturdevant will refer this item to Public Works & Public Safety Committee.

Nelson requested referral to PW Committee for **request to advertise for a wheel loader.** Mayor Sturdevant will refer this item to Public Works & Public Safety Committee.

Nelson was then asked to give an update on the recent water/sewer main breaks.

COMMUNICATIONS FROM THE MAYOR AND COUNCIL

Bertsch said the community has received an invitation to a “Virtual Curbside Chat” by Strong Towns, a Minnesota-based nonprofit, nonpartisan group of urban planners, engineers, and finance professionals to be held December 6, 2011 at 1:00 p.m. at Fergus Falls Library. This event is free and open to the public.

REPORTS FROM THE CITY COUNCIL COMMITTEES

Finance Committee Report

Bohn said the Finance Committee met at noon on November 28th, and also December 5th.

Revised application for Payment in Lieu of Taxes for St. Catherine’s Assisted Living Project – motion to negotiate a PILOT exemption up to \$315,000 over 10 years – Motion by Bohn, second by Bertsch, to approve the PILOT schedule for St. Catherine’s Assisted Living Project and set a public hearing date for January 3, 2012. Motion Carried.

Living Services Foundation/Wahpeton LLC						
Year of Ex	Est. Value	Est. Mill	PILOT Pmt	Exempted	Total Amt.	Year
1	\$2,410,396	0.44	\$ -	100.00%	\$ 52,929	2012
2	\$2,410,396	0.45	\$ 3,619.00	93.30%	\$ 53,987	2013
3	\$2,410,396	0.46	\$ 9,819.00	82.17%	\$ 55,067	2014
4	\$2,410,396	0.47	\$ 16,019.00	71.48%	\$ 56,168	2015
5	\$2,410,396	0.48	\$ 22,219.00	61.22%	\$ 57,292	2016
6	\$2,410,396	0.48	\$ 28,419.00	51.37%	\$ 58,438	2017
7	\$2,410,396	0.49	\$ 34,619.00	41.92%	\$ 59,606	2018
8	\$2,410,396	0.50	\$ 40,819.00	32.86%	\$ 60,798	2019
9	\$2,410,396	0.51	\$ 47,019.00	24.18%	\$ 62,014	2020
10	\$2,410,396	0.52	\$ 62,000.00	1.98%	\$ 63,255	2021
			\$264,552.00	\$315,002.29	\$579,554.29	

Ward Boundaries Review – discussion

Economic Development Loans Receivable Aging Report

Funding Dakota Ave. Care & Mtc. – referral from EDC ongoing discussion

Funding Wahpeton Community Center Improvements from Sales Tax for Rec Set-Aside – referral from EDC ongoing discussion

Public Works Public Safety Committee Report

Hartman said the Publics Works Public Safety Committee met at noon on November 29th.

Lease Fees for Antennae on Water Towers – discussion

Presentation of Project Concept Report for 6th St S Shared Use Path - discussion

Amendment No. 1 to Agreement for Engineering Services with Interstate Engineering, Inc. for 6th St S Shared Use Path, TEU-8-999(030)027, Project No. SW12-185 – motion to recommend approval of amendment not to exceed \$11,310 – Motion by Hartman, second by Dale, to approve Amendment No. 1 to Agreement for Engineering Services with Interstate Engineering, Inc. for 6th St S Shared Use Path, TEU-8-999(030)027, Project No. SW12-185, not to exceed \$11,310. Roll call vote 5-0. Motion carried.

Funding Source for Dakota Sidewalk Snow Removal – motion to recommend Fund 394 be used for expenses – Motion by Hartman, second by Bohn, to approve using Fund 394 Downtown Development Process Fund as a funding source for Dakota Sidewalk Snow Removal until another funding source is found. Roll call vote 5-0. Motion Carried.

Bids for LS No. 3 Electrical Equipment and Controls Replacement, Project No. SSS11-188 (bid opening 12-2-11) – see bid awards

Agreement for Engineering Services with Interstate Engineering, Inc. for 11th St N Reconstruction, Ave B to 16th Ave N, SU-8-991(031)028, Project No. ST 12-187

Agreement for Repairs, Replacement, Operations & Maintenance of Water and Sewer Mains on NDSCS Campus – motion to recommend PW Director proceed with negotiations with NDSCS –

Motion by Hartman, second by Dale, to authorize PW Director Nelson to proceed with negotiations with NDSCS on this project. Motion Carried.

Airport Park land ownership – motion to recommend the park excluding the levee setbacks, parking lot access and footprint be deeded to the Park Board – **Motion by Hartman, second by Mitskog, to approve the Airport Park land, excluding the levee setbacks, parking lot access, and footprint be deeded to the Park Board.** Attorney Lies then advised that a 2/3 vote of the Council members, which would be six affirmative votes, is needed to deed land. This item will be kept on the agenda until that is achieved.

Revisions to Policy for Design and Placement of Residential Driveways – motion to recommend approval of the revised policy as presented by the PW Director – **Motion by Hartman, second by Dale, to approve the Revisions to Policy for Design and Placement of Residential Driveways. Motion Carried.**

SCHEDULING OF COMMITTEE MEETINGS

The following Committee Meetings were then scheduled:

- a. Finance Committee December 12th, 12:00 Noon
- b. Special Council meeting for Bond Sale December 12th, 5:00 P.M.
- c. Public Works Committee December 13th, 12:00 Noon
- d. Planning Commission December 15th, 4:00 P.M.
- e. Flood Committee December 16th, 7:00 A.M.

Regarding the set meetings, Bohn said that Finance Committee may meet at 5 p.m. instead of noon on December 12th if it works for the committee members.

Motion by Mitskog, seconded by Hartman, to adjourn.

Mayor Sturdevant

Lynelle Amos, Finance Assistant