

Wahpeton City Council

September 21, 2015

5:00 p.m.

Present: Schmidt, Lambrecht, Bertsch, Mitskog, Hansey, DeVries, Dale, Bajumpaa, and Wateland

Absent: None

Also Present: Huwe, Lies, Miranowski, Priebe, Guck, Amos, and Cain

Meeting called to order by Mayor Hansey.

PUBLIC HEARINGS/ETC.

Community Development Block Grant Closeout Hearing – Well House #3 POSTPONED TO OCT. 5TH, 2015 PER LAKE AGASSIZ REGIONAL COUNCIL

2016 Budget Hearing – Adoption of Ordinance No. 971 ó Huwe said this is the annual public hearing for the City's proposed property tax levy and adoption of the budget. She reviewed a summary of the City of Wahpeton 2016 Preliminary Budget through a powerpoint presentation. The document is available at City Hall and on the City's website. Huwe then talked about the next steps and considerations. She said the Ad-hoc Committee on the Compensation Study made two motions at their recent meeting, and during follow-up discussions it was wondered if there would be opportunity to adopt the 2016 budget as presented and not finalize the compensation system, which it was answered would be possible. She explained that with the budget being talked about today for adoption the Council can expend less but not more than what's in the proposed budget, so if more time is needed to discuss the implementation of the proposed pay study she requested a motion that would be conditional on further discussion and a proposed compensation plan. She explained that by having a motion that is conditional for adoption of the budget it would allow us to proceed with our certification of levy and then the Council would still have the opportunity to make changes as they see fit to both the compensation system and then if there are unexpended funds they could be designated as we move into the next fiscal cycle. Hansey asked for the Ad-hoc Committee recommendations. **Motion by DeVries, seconded by Bertsch, to move the Engineering Project Manager position from Grade 16 to Grade 17 and to change the status from hourly to exempt from overtime. Motion carried with all voting 'aye'.**

Motion by DeVries, seconded by Bertsch, to adopt the 4 year implementation of the current step and grade system with all employees with 6+ years of service beginning at grade midpoint Grade G and the Engineering Project Manager salaried exempt in Grade 17. Hansey then asked Huwe if any written or oral protests had been received, of which there were none. He then asked if there was anyone present with questions or comments. Perry Miller, former Richland County Commissioner, then addressed the Council. He said he was not here to say whether or not City employees should receive raises, but noted that pay raises tend to be permanent and tax reductions tend to be more temporary. He presented a concept relating to the issue of City government connecting more with the people they serve, to make the people feel like they have an input into what's going on in their City/County/Government. He challenged the Council to do some type of polling of focus groups to find out what the people in the community feel about the services they are receiving, prior to making any decisions regarding pay raises. DeVries said there was a recommendation from the Ad-hoc Committee but wondered about having more opportunity to discuss the pay study implementation. Regarding Miller's comments, Bertsch noted that several public meetings regarding the proposed compensation plan have been held and he was the first to come forward from the public. Miller said he was not present to criticize the pay raises but just wanted to reach out to the community, and noted people tend to not attend meetings unless they are upset and suggested whatever is decided on the pay study, in conjunction with that, money be spent to research what the community wants. Mitskog then commended the staff on putting together this budget, saying they did a good job. She said coming out of the legislative session with Senate Bill 2144, communities and all political subdivisions were tasked

with being mindful to ease the burden on property taxes across the State and she was pleased City staff took that task seriously and are lowering property taxes in Wahpeton, but reminded the Council of why the Hay Group was engaged ó there were questions and inequities in pay. Mitskog stated she still has numerous questions and was not comfortable with the current product so did not feel comfortable approving it tonight. She wanted the plan to be fair for City employees who work very hard to serve the citizens, and agreed with Miller's comments regarding feedback from the public and felt it was prudent to ask the public. She felt that was probably separate from performance that could be addressed with good reviews at the end of the year that are upcoming. Getting back to the product she said she was not comfortable with what the plan states and felt the need for the plan to be fair and equitable to all City employees, and was afraid if implemented right now there may be some disparities that could create some unrest in the organization. She said she wanted the compensation package to be fair to the public/taxpayers too. She urged the Council tonight to consider to certify the current budget but to postpone the implementation of the pay study until further discussion can be held to make sure this is a solid plan that the Council can endorse and implement across our organization. Hansey felt that was what was discussed as far as conditions, but expressed the need to certify the levy and approve the budget in some form tonight. Discussion regarding clarification of the motion on the floor. Lies suggested voting to amend the motion to pass only on the ordinance itself and to hold off on the second part relating to the pay study pending further review. **Motion by Bertsch, seconded by DeVries, to amend the motion from the Ad-Hoc Hay Compensation Study Committee to approve the 2016 Budget with the condition that the Hay Compensation Study is not approved but still under consideration. Motion carried with a roll call vote of 8-0.** Lies then asked for a vote on the original motion as amended. **Motion carried with a roll call vote of 8-0.**

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

ORDINANCE NO. 971
**AN ORDINANCE MAKING AN APPROPRIATION FOR THE CITY OF
WAHPETON, NORTH DAKOTA FOR THE YEAR 2016**

The motion for the adoption of the foregoing Ordinance was duly seconded by Councilmember DeVries. Motion carried with a roll call vote of 8-0.

When asked about certification of levy, Huwe said it would happen as planned and will go to the County Auditor. She said in reviewing a draft of the certification of levy, the County Auditor suggested a change regarding the Fire Department levy so the levy will look a little different than what was provided previously. She explained the Fire Dept. 5 mills will be consolidated into the levy authority in the General Fund. Huwe did not see any other issues with that certification. She said ordinance states that will make that certification prior to October 1st and felt should be able to get that done.

CONSENT AGENDA ITEMS (presented by the Mayor) ó

Approval of minutes of regular meeting held September 8, 2015

Games of Chance Licenses, Site Authorizations & Special Permits

Friends of the Library ó Raffle Permit

Southern Valley Figure Skating Club ó Raffle Permit

Humane Society of Richland/Wilkin Counties ó Raffle Permit

Presentation/Approval of Reports

August 2015 Financials

August 2015 Bill Pay Report \$790,999.06 ó see below

Fall Cleanup Week ó collection at Waste Management Oct. 12th ó 16th

2014 CDC Water Fluoridation Award

Volunteer Appreciation ó Bobcat Volunteers

Prairie Arts ó Accolades to Wahpeton

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

REPORTS FROM CITY OFFICERS AND STAFF
FINANCE DIRECTOR

Liquor License Transfer – request motion to approve ó Huwe explained there has been a purchase agreement between BACCHUS INC., the former Prairie Spirits, and Casey's General Store. She said Casey's General Store has submitted a complete liquor license application packet and are seeking to transfer that B-2 Off-sale License from Prairie Spirits to themselves for temporary business operations. Casey's will open a store at 902 16th Avenue North, the former Stop-N-Go building, with the intention to be open on an extremely limited basis as they are planning on construction of their new store in north Wahpeton. Huwe said they have met all of the requirements including the floor plan, the insurance certificates, the designation of manager, and have submitted a copy of their State liquor license application which they will not receive until they receive their City license. She said they have been inspected twice by the City Building Official and have met all of the conditions of compliance. Huwe requested a motion to approve the license transfer. **Motion by DeVries, seconded by Dale, to approve the B-2 Liquor License Transfer from BACCHUS Inc. to Casey's General Store.** Discussion regarding the liquor license transfer process, which Lies explained/clarified. It was noted the current license holder Gerald Shannon and his legal counsel Simone Sandberg were present if there were any questions. **Motion carried with all voting 'aye'.**

Brew Ales & Eats Development Agreement – request referral to Finance Cmt. ó Mayor Hansey will refer this item to Finance, Economic Development & Personnel Committee.

NDLC Annual Conference in Fargo Sept. 24th – 26th ó Huwe said if anyone was still interested in attending the conference they can contact Jerri Cain at City Hall to get registered.

ECONOMIC DEVELOPMENT DIRECTOR

Economic Development Report Including Recommendations from the Planning Commission, Renaissance Zone Authority & Economic Development Commission

ó Priebe said the Renaissance Zone Authority reviewed a request for a Purchase with Major Improvements at 1001 2nd Avenue North formerly the location of Prairie Spirits. This property is in RZ Block 2 and zoned B-2 Business. Alisa and Allen Yaggie own the property and are interested in renovating the 2400 SF building for 2 businesses: part of the space for the relocation of Alisa's chiropractic business and the other part for a new retail venture Dakota Coffee Co. The current building would be gutted and all new electrical, heating and cooling and kitchen facility installed. There would be indoor and outdoor seating for the coffee/pastry shop. A 1,174 SF addition to the south is included in the \$300,000 worth of improvements. Based on the current true and full value of the building, the estimated five-year property tax benefit comes to just over \$6,000 per year or a total of \$30,440. The applicants expect to complete the remodeling by mid-November. The RZA recommends the Wahpeton City Council approve the Renaissance Zone application from Alisa & Allen Yaggie D/B/A AAY Properties LLP for a partial property tax exemption on improvements only as presented. **Motion by Wateland, seconded by Lambrecht, to approve the Renaissance Zone application for Purchase with Major Improvements at 1001 2nd Avenue North from Alisa & Allen Yaggie D/B/S AAY Properties, LLP for a partial property tax exemption on improvements only as presented. Motion carried with a roll call vote of 7-0; and Mitskog abstaining.**

Priebe said the Renaissance Zone boundary revisions that were approved last week have been approved by the State via e-mail. The new boundaries look great according to Rikki Roehrich, Renaissance Zone Program Manager at the State level, who will send out a confirmation letter regarding the change. Seven blocks were added and a half block was moved. Roehrich initially thought an MOA would be necessary but upon further review she can now accept these changes without the need to do that. Priebe noted Wahpeton is slated for a new MOA in 2018. Wahpeton's original Renaissance Zone was created in 2003 and it's a 15 year program, and can go again for an additional 5 years. Priebe said the newly

added properties along with the properties that are already within those boundaries will be receiving updated information on the Renaissance Zone program so if there is any additional interest in developing a zone project or investing within the zone they will have that information and can contact the Economic Development office.

Regarding the Co-op Housing Project for West Briarwood, Priebe said it would now be referred to as River Pointe Cooperative. She said there are some documents that need to be reviewed with respect to a market study on the feasibility of this particular housing concept, so she has in her office a pre-development loan promissory note, a pre-development loan program loan agreement, and a proposal and contract for professional services from Maxfield Research Inc. Priebe asked that these documents be referred to the Finance Committee for further review. Mayor Hansey will refer this item to Finance, Economic Development & Personnel Committee.

Priebe explained the property north of Walmart is currently being developed and PACE's Lodging has been actively seeking other developers for the properties surrounding that area. Ben Ide of Haan Development has shown interest. Priebe said he is requesting a letter of support for affordable housing. Some photos of the type of housing unit they are proposing were then circulated, which Priebe said would be a townhouse complex of from 8 to as many as 12 units. She said they are looking at the lots along 17th Avenue North because in order to receive federal funding, because they are income based, they cannot be located next to railroad tracks as was originally planned. Ben Ide of G. A. Haan Development, a real estate development company located in Harbor Springs, Michigan, then joined the meeting via skype. Priebe told Ide she had introduced the Council to the concept of the townhouses that would be rented to low moderate income individuals, which is the 30 to 60% of median income. Ide explained they develop multi-family properties primarily with the housing tax credit and their properties are spread between four states: North Dakota, South Dakota, Wyoming and Michigan. In North Dakota, Ide said they have properties in Dickinson and Williston, and some under construction in Watford City. Ide said what he is asking for from the Council is a basic letter of support stating that you are aware of their development and that there is no opposition to what they are planning, which is a 40 unit development that will feature 2 and 3 bedroom townhome units with income and rent restrictions between 30% of area median income and 60% of area median income. He said they are planning a 2-story townhouse design, and there most likely will be garages attached to the project, there will be a community space with a kitchen and manager's office, and there will be a manager's unit on site. Ide said, as a company, they own everything they develop so the projects they have done over the last 10 or so years they still own all of those. They self-manage themselves and have a management entity and property management that oversees the management of all of their properties, and their properties are assets to the communities they are in. He then welcomed any questions. **Motion by Bajumpaa, seconded by Dale, to authorize the Mayor of Wahpeton to sign a letter of support for the G. A. Haan Development affordable housing project along 17th Avenue North.** Discussion held.

Bajumpaa asked about the average cost to renters. Ide answered that the income limits in this area are pretty high so they could charge as much as, for a 60% 2 bedroom unit, \$915, and for a 3 bedroom \$1,050. He said they typically try to stay either 10% below the tax credit limit or 10% below the market rent so the 2 bedrooms he has underwritten at \$600 and 3 bedrooms underwritten at \$700. He said they have a market study commissioned to verify that those rents are attainable and once they receive that information they will set the final rents. Schmidt said it wasn't said for certain if there were going to be garages, and Ide said it comes down to if it's in the budget. He noted that all the townhomes they have done to date have included garages. If included they would be standard one stall garages. Bertsch asked about the square footage of the units which Ide answered the 2 bedrooms townhomes would have 1100 SF of living area and the 3 bedrooms would have 1300 SF, and does not include the garages which are about 331 SF. Regarding the number of units, Ide said they will work with the site they have to determine that. When asked about the market study, Ide said they should have that back next week. He said their application is due the end of the month so everything is coming together fairly quickly. Ide said he has tried to anticipate the rents and has done an informal market analysis himself. Bertsch asked about a timeline, which Ide answered the application is due to the ND Housing Finance Agency September 30th and it typically takes approximately 2 months to complete the process. He explained each year ND Housing Finance Agency provides a Qualified Allocation Plan, which is a document that

says how they are going to allocate their credits across the State, and they give preference to certain types of projects. Developers compete across the State, applications are received by ND Housing, they score all of those and make sure they are complete, that they have the minimum threshold requirements ó which includes a letter of support from the city, and once they have scored all of the projects they then make the awards. Ide said there will then be a 4-5 month due diligence period so they will be working with lenders, their tax credit investor, be working on civil and architectural drawings, and trying to get the project permitted with the City, so would anticipate a spring start in April or May 2016, then a 12 month construction schedule so it is expected the units will be coming online spring of 2017 and would hope to be fully leased out by summer 2017. **Motion carried with all voting ‘aye’.** Priebe noted she has talked to PACE’s Lodging about this area and they feel it is a good thing, as it may allow them to move to phase II faster than they thought ó as early as next spring.

LIBRARY DIRECTOR

Library Report ó Guck said she attended the ND Library Association Conference last week in Jamestown. She said it was a wonderful time and that it’s nice to get together and talk to other librarians, who are always lots of fun. Guck said she presented two conference sessions, one on e-Books in Bars and one on 3-D printing. She said both were very well attended and went very well with a lot of interest shown. Guck noted that this past year she served as President of the ND Library Association so she is now officially done, but as past President she will be responsible for planning the conference so she is now the conference chair for next year which will be held in Dickinson and she was excited to be a part of the planning process. Guck then took the opportunity to say how thankful she was that, in this position, she is able to take these opportunities to participate in their professional organization and association. For her profession, she felt it was important for her career and for libraries to help get things going.

Guck then talked about the Adult Spelling Bee, which will be held this Saturday, September 26th from 4-7 pm at the Firehouse Pub. She said there are currently 5 teams registered with a lead on a couple of other teams who may submit their entries. Guck said she has had wonderful help from her book club girls, who have joined the Friends of the Library and are now their programming committee, so all of the money raised from the event will be for programming at the library. She was hoping to raise \$1,000 which she said they have already met through team registrations and donations, and are at \$1,325. At the Spelling Bee she said they will also be selling food and t-shirts, and be holding a coloring contest, so there will be a lot of opportunities for fun. Guck then thanked Huwe and the Council for their support of her ideas, and announced that she was contacted, via e-mail, by the American Library Association who had been made aware of the spelling bee sponsored by the library in Wahpeton and asked her to write up how she did the spelling bee for their programming website, which she was recognized for through a round of applause. She felt it was good validation that people are taking notice.

PUBLIC WORKS DIRECTOR

PW Report ó Miranowski requested referral to Public Works Committee **of a Request from St. John’s School for a bus unloading area on the North Side of the School.** Mayor Hansey will refer this item to the Public Works & Public Safety Committee.

Miranowski then provided some updates, saying they are continuing sanitary sewer cleaning with the City crews, and also supplement with the jet vac truck. He said he received notice today from the Health Department who was here on September 16th to conduct their annual inspection for the City’s waste water operations and the treatment facilities and the City received a very good inspection and passed the annual review. He also announced that this week they will be spraying broadleaf on the levy early in the morning so just wanted residents to be aware of this.

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 September 14th.

Insurance Agent of Record – motion to recommend designation of Jeff Kleven with Insure Forward as Agent of Record ó **Motion by DeVries, seconded by Bertsch, to approve designating Jeff Kleven with Insure Forward as the City of Wahpeton’s Insurance Agent of Record. Motion carried with Dale, Bajumpaa, Wateland, Schmidt, Lambrecht, Bertsch and Mitskog voting ‘aye’; and DeVries voting ‘nay’.**

2016 Preliminary Budget – discussion

Public Works & Public Safety Committee Report

Bajumpaa said the Public Works & Public Safety Committee met at noon on September 15th.

Land Sale for Parcel No. 17-3309.000 – motion to recommend the City retain ownership at this time ó **Motion by Bajumpaa, seconded by Lambrecht, to approve the City of Wahpeton Retain Ownership of Land Parcel No. 17-3309.000 at this time. Motion carried with all voting ‘aye’.**

Richland County Water Resource District – Culvert Replacement Request – discussion

400 Block Request for Cost Sharing for Sidewalk Replacement – motion to recommend the City decline cost participation ó **Motion by Bajumpaa, seconded by Bertsch, to approve the City Decline Participation in Cost Sharing for the 400 Block Sidewalk Replacement. Motion carried with all voting ‘aye’.**

Partnership between NDSCS & City for Police Dept. Project – Mayor appointment of designated contacts ó Hansey said he appointed a committee of himself, Steve Dale, Police Chief Thorsteinson, and Matthew Anderson.

403 2nd St. S. Land Transfer Request – motion to recommend sale of southern 3øto adjacent property owner with contingencies ó **Motion by Bajumpaa, seconded by Schmidt, to approve the Sale of the South Three (3) Feet of Lot 13 (403 2nd Street South) to the Adjacent Property Owner with Contingencies. Motion carried with a roll call vote of 8-0.**

Yard Waste Collection – motion to recommend approval of a contract for services with Jay Schnell to provide composting services ó **Motion by Bajumpaa, seconded by Mitskog, to approve a Contract for Services with Jay Schnell to Provide Composting Services at \$5 per cy for Fall Yard Waste Collection. Motion carried with a roll call vote of 8-0.**

Motion by Bajumpaa, seconded by Mitskog, to approve Amendment to the Waste Collection and Disposal Contract with Waste Management at \$75 per dumpster. Motion carried with all voting ‘aye’.

Waste Water Pond Odor Concerns – discussion

Dilapidated Properties Report – discussion

New Business

The new reporter from the Daily News, Frank Stanko, was introduced.

August 2015 Bill Pay Report

DISBURSEMENTS FUND	ACCOUNTS PAYABLE	PAYROLL & GL	TOTAL
101 GENERAL FUND	\$228,307.40	\$26,301.87	\$254,609.27
201 WATER OPERATING FUND	\$167,906.81	\$35,625.00	\$203,531.81
202 SANITARY SEWER OPERATING FUND	\$82,430.01	\$23,160.28	\$105,590.29
203 WASTE REMOVAL OPERATING FUND	\$22,026.04	\$781.38	\$22,807.42
204 WASTE REDUCTION FUND	\$15.00		\$15.00
205 VECTOR CONTROL FUND	\$2,717.74	\$2,163.97	\$4,881.71
206 STREET LIGHTING	\$10,407.19		\$10,407.19
209 LIBRARY LEVY FUND	\$13,101.93	\$15,474.78	\$28,576.71
213 ADVERTISING LEVY FUND	\$1,398.15		\$1,398.15
216 AIRPORT 4-MILL LEVY FUND		\$449.98	\$449.98
217 PLANN COMMISSION LEVY FUND	\$1,958.60	\$605.22	\$2,563.82
226 EMPLOYEE SAFETY COMMITTEE	-\$762.61		-\$762.61

227 ANNUAL RESERVE WH FUND		-2,594.00	-2,594.00
229 CAPITAL IMPROVEMENTS FUND	\$4,040.29		\$4,040.29
233 REAL ESTATE LEVY FUND	\$14,658.92		\$14,658.92
234 SPECIAL STREET MAINT FUND	\$4,120.32		\$4,120.32
236 LEVEE MAINTENANCE	\$2,098.20	\$9,440.35	\$11,538.55
253 METER DEPOSITS TRUST FUND	\$184.22		\$184.22
271 ECONOMIC DEVEL DEPT FUND	\$3,463.25	\$12,009.64	\$15,472.89
303 MISCELLANEOUS FUND	\$200.00		\$200.00
305 VECTOR CONTROL DIST LEVY FUND	\$90.00	\$520.06	\$610.06
318 WEED MAINT LEVY FUND	\$1,845.00		\$1,845.00
319 LODGING TAX FUND	\$2,192.80		\$2,192.80
320 SALES TAX OPERATING FUND	\$45,803.97		\$45,803.97
325 SALES TAX H.E.L.P. HOUSING FUND	\$130.00		\$130.00
326 REVOLVING LOAN FUND	\$234.47		\$234.47
350 EMPLOYEE BONUS MISC. PAYROLL	\$4,150.00		\$4,150.00
365 PD SPEC EQUIP SINKING FUND	\$437.98		\$437.98
390 CLUBHOUSE MAINTENANCE	\$223.00		\$223.00
393 DOWNTOWN CARE & MTC FUND	\$532.53		\$532.53
574 5-2-97 (FLOOD PHASE II)	\$23,761.82		\$23,761.82
622 3RD AVE N. RECON PROJ	\$2,092.50		\$2,092.50
636 16TH AVE. 11TH ST TO HWY 210	\$16,970.00		\$16,970.00
643 LIBRARY ROOF, WALLS & DOOR	\$10,325.00		\$10,325.00
TOTAL	\$667,060.53	\$123,938.53	\$790,999.06

SCHEDULING OF COMMITTEE MEETINGS

The following Committee Meetings were then scheduled:

- a. Finance Cmt. September 28th, 12:00 Noon
- b. Public Works Cmt. September 29th, 5:00 P.M.
- c. Planning Commission October 5th, 4:00 P.M.

Motion by Mitskog, seconded by Bajumpaa, to adjourn at 6:30 p.m.

Mayor Hansey

Lynelle Amos, Finance Assistant