

**MINUTES OF THE BOARD OF CITY COMMISSIONERS
HELD MAY 20, 2013**

The regular meeting of the Devils Lake City Commission was held Monday, May 20, 2013 at 5:30 P.M. with the following members present: President Johnson, Commissioners Craig Stromme and Dale Robbins. Commissioners Tim Heisler and Rick Morse were absent.

Commissioner Stromme moved to approve the minutes of the regular City Commission meeting held May 6, 2013. The motion was seconded by Commissioner Robbins. It was noted that the effective date for Ordinance No. 911 should be August 1, 2013. The motion carried unanimously.

5:30 P.M. - This was the time set for the bid opening for 2013 Asphalt and Street Repair. The following bid was opened and read:

Tri-State Paving & Concrete, Inc. - Grand Forks, ND
ND Contractor License No. 39411 Class A

Item	Quantity	Unit Price	Extended Price
HBP Class 27 or 29	400 TN	\$ 70.00	\$ 28,000.00
Paver Patch	100 TN	\$136.50	\$ 13,650.00
Asphalt Street Repair (5")	500 SY	\$ 76.00	\$ 38,000.00
Asphalt Street Repair (7")	500 SY	\$ 98.00	\$ 49,000.00
Concrete Street Repair	250 SY	\$137.00	\$ 34,250.00
Asphalt Street Opening (5")	250 SY	\$ 76.00	\$ 19,000.00
Asphalt Street Opening (7")	250 SY	\$ 98.00	\$ 24,500.00
Concrete Street Opening	50 SY	\$150.00	\$ 7,500.00
Mill & Overlay Curblin	5000 FT	\$ 14.36	\$ 71,800.00
Total Bid			\$285,700.00

Commissioner Stromme moved to accept the bid as read, and refer it to the Public Ways Supervisor for further review and recommendation. The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

5:30 P.M. - This was the time set for the bid opening for 2013 Curb, Gutter, and Sidewalk. The following bids were opened and read:

1. Elshaug Concrete Construction LLC - Devils Lake, ND Bid \$141,271.50
License No 47700 B Cashier's Check \$2,825.43
2. Tri-State Paving & Concrete Inc, Grand Forks, ND Bid \$136,463.00
License No 39411 A Cashier's Check \$2,729.26

Commissioner Robbins moved to accept the bids as read, and refer them to the City Engineer for further review and recommendation. The motion was seconded by Commissioner Stromme, and the motion carried unanimously.

5:30 P.M. - This was the time set for the bid opening for 2013 Sand, Gravel and Rip Rap. The following bids were opened and read:

1. NZC Express – New Rockford, ND
Bid did not meet requirements and was not read.
2. Soper Construction LLP - Devils Lake, ND
ND Contractor License No. 38688 Class B

Item	Quantity	Unit Price	Extended Price
Class 44 or 45 Sand	1000 CY	no bid	no bid
Screened Sand	1000 CY	\$10.80	\$10,800.00
Class 13 Gravel	1500 CY	\$12.80	\$19,200.00
Placement of Gravel	per CY	\$1.00	
Lagoon Rip Rap	100 CY	no bid	no bid

3. Close Construction - Milton, ND
ND Contractor License No. 4387 Class A

Item	Quantity	Unit Price	Extended Price
Class 44 or 45 Sand	1000 CY	\$11.95	\$11,950.00
Screened Sand	1000 CY	\$10.95	\$10,950.00
Class 13 Gravel	1500 CY	\$12.90	\$19,350.00
Placement of Gravel	per CY	\$ 2.00	
Lagoon Rip Rap	100 CY	\$32.50	\$ 3,250.00

4. Tri State Paving & Concrete Inc - Grand Forks, ND
ND Contractor License No. 39411 Class A

Item	Quantity	Unit Price	Extended Price
Class 44 or 45 Sand	1000 CY	no bid	no bid
Screened Sand	1000 CY	\$11.71	\$11,710.00
Class 13 Gravel	1500 CY	\$12.90	\$19,350.00
Placement of Gravel	per CY	no bid	no bid
Lagoon Rip Rap	100 CY	no bid	no bid

Commissioner Stromme moved to accept the bids as read, and refer them to the Public Ways Supervisor for further review and recommendation. The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

5:30 P.M. – This was the time set for the bid opening for a fire truck. The following bids were opened and read:

1. North Central Emergency Vehicles – Lester Prairie, MN	Bid \$410,000.00
2. Heiman Inc – Lyons, SD	Bid \$443,783.00
3. Great Plains Fire Inc – Fergus Falls, MN	Bid \$461,544.00
4. M&T Fire and Safety – Brookings, SD	Bid \$419,371.00

Commissioner Robbins moved to accept the bids as read, and refer them to the Fire Chief for further review and recommendation. The motion was seconded by Commissioner Stromme, and the motion carried unanimously.

Gene Pennell and Kathy Stevens appeared before the City Commission to describe pocket maps, to explain how they are created, to discuss options available to produce them and to gauge interest in having a map done for Devils Lake.

Commissioner Morse arrived at 5:50 P.M.

Commissioner Stromme – The Police Chief said everything was fine.

Commissioner Robbins – The Public Utilities Supervisor stated everything was fine in the Water Department.

The Public Ways Supervisor said the cemetery is being prepared for Memorial Day. The monument was refurbished.

Commissioner Morse – The Public Ways Supervisor requested out-of-state travel for picking up the flowers in Red Wing, Minnesota and the fireworks in Wisconsin.

Commissioner Stromme moved to approve out-of-state travel for the Public Ways Supervisor to pick up the flowers in Red Wing, Minnesota and the fireworks in Wisconsin. The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

The Public Ways Supervisor reviewed the bid for asphalt and street repairs. The bid prices are the same as last year except for the price for HBP Class 27 or 29. He would recommend accepting the bid from Tri-State Paving.

Commissioner Stromme moved to accept the bid from Tri-State Paving for \$70.00/ton for HBP Class 27 or 29, for paver patch at \$136.50/ton, 5" asphalt street repair at \$76.00/sy, 7" asphalt street repair at \$98.00/sy, concrete street repair at \$137.00/sy, 5" asphalt street opening repair at \$76.00/sy, 7" asphalt street opening repair at \$98.00/sy, concrete street opening at \$150.00/sy and mill & overlay curblin at \$14.36/ft. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

The Public Utilities Supervisor said redundant power was installed for the main sanitary lift station.

President Johnson – The City Engineer stated there will be an open house on Thursday, May 23, 2013 from 6:00 P.M. to 7:00 P.M. with the Planning Commission meeting to discuss changes in zoning for an area zoned as commercial where residential houses are located. With the changes in loan guidelines, residents are having trouble qualifying for financing because of the commercial zoning.

The City Assessor said the annual equalization meeting will be at noon on Wednesday, May 22, 2013.

The City Auditor stated everything was fine.

The City Administrator reviewed the infrastructure fund. Sales tax projections were based on the history of the last eight years. The annual expenses paid from the fund were listed. Discussion followed on the future assessment payments to be made from the fund. It was noted the airport cost share for this year was at \$450,000. Discussion continued on the pending projects. New projects for this year are over \$1,000,000. The special road project money received can be used for road improvements on the east end of town. A balance of \$300,000 was carried forward from last year. The water and sewer departments have high reserve balances. Two hundred thousand from each the water fund and sewer fund can be used for the water and sewer projects. It was noted the Applebee's project was not listed. Costs for this project are estimated at \$47,000 with the City paying 25%. However, the City Engineer stated there were other improvements costs associated with the project for which the City would be responsible for. These costs are estimated at \$20,000 to \$25,000.

The Fire Chief requested a waiver from Section 10.30.130 for raising funds for MDA by the firefighters and volunteers during Devils Run.

Commissioner Robbins moved to approve granting a waiver to Section 10.30.130 of the City of Devils Lake Ordinances for the firefighters and volunteers to solicit funds for MDA during Devils Run. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

The Fire Chief stated on Wednesday ten haz-mat operations personnel would be in Grand Forks for a joint exercise for regional response.

The City Attorney said everything was fine.

The second reading of Ordinance No. 914 – Franchise Required was read.

Commissioner Robbins moved to approve the second and final reading of Ordinance No. 914 – Franchised Required with an effective date of August 1, 2013– An ordinance which upon adoption shall be codified as Section 13.34.010 of the Devils Lake Municipal Code. The motion was seconded by Commissioner Stromme, and the motion carried unanimously.

Commissioner Stromme moved to approve the consent agenda which included the following:

1. Parade permit submitted by Devils Run on June 1, 2013 to begin at 9:50 A.M.; and
2. Parade permit submitted by KEM Shrine/Lake Region Flag Corps on June 1, 2013 to begin at 9:30 A.M.

The motion was seconded by Commissioner Morse. It was noted the Shrine parade would be leaving from Prairie View, and, the Devils Run will begin at Our Savior's and follow the Shrine parade. The motion carried unanimously.

Commissioner Stromme moved to approve the 2013 Budget Amendment 02-13 – Library. The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

The City Engineer reviewed the development agreement with Dakota Apple Partnership. The City has a sewer line easement, but no easement for the waterline. Applebee's needs the water and sewer lines relocated. Applebee's will pay to relocate the sewer line since the City has an easement. The City will release that easement. The City will pay for relocation of the waterline. Applebee's will give the City an easement for the lines crossing the property. Also, alley improvements are needed on the east side since there are storm sewer issues. The cost share is 25% of approximately \$48,000.

Commissioner Robbins moved to approve the development agreement with Dakota Apple Partnership as recommended by the City Engineer. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

The City Assessor reviewed the request from Emily Mootz to purchase lots in the Roundhouse Subdivision. She plans to move in a prebuilt modular home.

Commissioner Robbins moved to approve the sale of Lots 3 and 4, Block 6, Roundhouse Subdivision to Emily Mootz for \$4,500 plus the outstanding special assessment principal balance of \$2,344.03 as recommended by the City Assessor. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

The City Assessor reviewed the request from Jerry and Linda Schmidt to purchase lots in the Roundhouse Subdivision. They had listed three choices. Their first choice was for the lots Emily Mootz had been working with the City on; therefore, those lots are unavailable for the Schmidts. The City Assessor stated he would not sell the lot listed in their third option since there are drainage issues and a catch basin located in the middle of the lot. Discussion continued on the purchasers having two years to build on the lots in Roundhouse. After two years, the City can take the lots back.

Commissioner Morse moved to approve the sale of part of Lot 10 and Lot 11, Block 7, Roundhouse Subdivision for \$3,500 plus the outstanding special assessment principal balance of \$2,135.21 to Jerry and Linda Schmidt as recommended by the City Assessor. The motion was seconded by Commissioner Robbins. Discussion continued on available lots, the requirement to have a house within two years on the lots, and the required setbacks. The motion carried unanimously.

Chris Schilken, Executive Director of Forward Devils Lake, reviewed the request from Gilbertson's Funeral Home for a lot in the Industrial Park for construction of a crematory. A crematory has to be in an industrial zoned area. They are looking at the three acres north of Ultra Green Packaging. The building would be 50'x60'. The developers are working with an architectural firm from Grand Forks. Crematories are regulated by the ND Funeral Home Association and the ND Department of Health.

Commissioner Stromme moved to approve providing a lot in the Industrial Park to Gilbertson's Funeral Home for construction of a crematory as recommended by Forward Devils Lake. The motion was seconded by Commissioner Morse. Businesses located next to it are okay with the project. The motion carried unanimously.

The City Engineer reviewed the improvement for Elkhorn Subdivision. The City received a request for curb and gutter, but in order to do that the roadway needs to be paved. Over 50% of the property owners signed the request and waived the right to protest; but City did probable costs and sent notices. Comments were received on how the project is being special assessed especially as it relates to corner lots – TIF 60%, City 25%, Assessed 15% (½ spread on lot area; ½ on frontage).

Commissioner Morse moved to approve the resolution determining insufficient protests were filed in Street Improvement District No 46-12 (Elkhorn Subdivision) as recommended by the City Engineer. The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

The City Engineer reviewed the change order for Strata Corporation. This change order would add the work for Elkhorn Subdivision to the original contract for 22nd Street and Lincoln Ave. The unit prices will be the same for this project as for the previous project. The costs are under the engineer's estimate and can be completed in the time frame wanted for this project.

Commissioner Robbins moved to approve Change Order No. 3 for Strata Corporation for Street Improvement District No 44-12 (22nd St & Lincoln) for reshaping and compacting existing gravel base, placement of curb and gutter, and installation of 4.5 inches of Class 29 or higher quality asphalt in Elkhorn Subdivision for a net increase in the amount of \$389,401.00 as recommended by the City Engineer. The motion was seconded by Commissioner Morse. Discussion followed on the amount to be assessed. The motion carried unanimously.

The City Administrator reviewed tax increment financing options since a few more requests have been received for this type of financing. He got development costs for curb and gutter, water and sewer for both asphalt streets and gravel streets. He then looked at different scenarios for development - size of lots, if houses on one side of the street or both, and if multiple lots for one house. In the past the City has paid 25% of the project costs for the TIF projects. However, we are taking the property tax the City would get for services to pay for the project, and the City still has to do the services without getting money for the services. Discussion followed on the risks the City incurs for TIF projects. If there is a shortfall for the bond payment, the developer would need to make up the difference; however, there is nothing stopping the developer from walking away from the project. Discussion continued on establishing covenants for TIF projects that would govern the buying of lots. Most cities do not use TIF districts anymore since the costs have gotten so high, and the State has lowered property taxes. The payback for the project takes longer because of the lower property taxes. The city cost share of 25% should be for special assessment projects and not for TIF projects. Discussion followed on the 25% city cost share being replaced by special assessments. Setting criteria for projects to qualify for a TIF district was discussed.

Other items discussed were the project needing to be in a blighted area, setting a maximum exposure for the City, and having the planning commission review the projects.

The City Administrator reviewed the temporary employee salary schedule. The Department Heads are having trouble hiring people for summer. The City Administrator is requesting to increase the starting wage for the Temporary I employees from \$8.00 to \$9.00.

Commissioner Robbins moved to change the starting salary for Temporary I employees from \$8.00 to \$9.00 as recommended by the City Administrator. The motion was seconded by Commissioner Stromme, and the motion carried unanimously.

Commissioner Stromme moved to approve payment of the list of bills as submitted. The motion was seconded by Commissioner Robbins. On roll call all Commissioners voted aye, and the motion carried.

President Johnson acknowledged the following reports:

1. Fire Department monthly report; and
2. Police Department monthly report.

The work timeline for Applebee's and the status of Wal-mart were discussed.

There being no further business to come before the Commission, President Johnson adjourned the meeting at 7:05 P.M.

LINDA LYBECK
CITY AUDITOR

RICHARD S. JOHNSON
PRESIDENT