

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF CITY COMMISSIONERS
HELD AUGUST 11, 2014

Pursuant to due call and notice thereof, a special meeting of the Board of City Commissioners for the City of Devils Lake, North Dakota was held at the City Offices on Monday, August 11, 2014 at 12:00 P.M. with the following members present: Commissioners Tim Heisler, Craig Stromme, Dale Robbins and President Richard Johnson. Commissioner Rick Morse was absent. Others present were Police Chief; Public Ways Supervisor; Public Utilities Supervisor; Sanitation Supervisor; Tanya Wieler, Human Resource Consultant; and City Administrator.

President Johnson said that the purpose of the meeting was to review and discuss the 2015 Preliminary City Budget.

Tanya Wieler, Human Resource Consultant, discussed position description questionnaires (PDQs) and salary surveys. The PDQs showed some positions needed a salary adjustment, but no adjustments were made. Based on the PDQs and some current salary surveys, some positions should have a grade change. Since the surveys were from cities a little bigger than Devils Lake, a little adjustment was made in order to make the comparison. The average for Devils Lake should be 10% lower than the larger cities due just to size. Discussion followed on the current market salaries, the impact of the oil country, when and how to implement changes, the survey not including benefits, salaries based mostly on population, not all positions available on the survey, and the availability to pay. Also discussed was how some department's workload should not be based on population, but on demographics.

The City Administrator indicated a 4% cost-of-living increase was budgeted even though CPI is at 1.4%. This was done to make up for some of the salary discrepancies. There would still be a surplus of \$35,000 in the general fund to help with some of the grade changes.

The City Administrator reviewed the revenues and expenditures for the Trust and Agency Funds, the Special Revenue Funds, the Debt Service Funds and the Enterprise Funds.

SPECIAL FUNDS – 2000 ACCOUNTS

2001 – Highway Distribution – Highway distribution revenue is based on data received from the League of Cities. Funds to purchase a pickup are included.

2003 – City Share of Special Assessments – This fund includes the City's share of different projects. Several of these projects will be paid off in 2016 and 2017. Property tax was lowered \$20,000. Plan is not to use this fund unless there is a big shortage on a bond issue.

2004 – Sales Tax – The fund was used to pay the lemna loan to the general fund. The final loan payment was in 2014.

2005 – Advertising and Promotion – Same as 2014.

2006 – Emergency – Balance cannot exceed 5 mills.

2007 – Insurance Reserve Premium – Property tax dollars and the rebate received, which is based on their investments and claims, are used to pay the equipment insurance.

2008 – Cemetery Fund – Twenty five thousand has been included to fence the rest of the cemetery.

2010 – Temporary Employees Fund – Same as 2014.

2012 – Equipment Reserve – The fire truck lease comes from this account. Transfers for 2014 include the money for the rest of the fire truck lease.

2021 – Special Assessment on City Property – This is for the Roundhouse project. The assessment goes down as lots are sold, and ends in 2017.

2022 – Public Buildings – This fund is for maintenance on city owned buildings.

2030 – Penalty & Interest on Special Assessments – This is used to pay any shortfall on bond funds.

2031 – Weed Control – This fund is allocated 2 mills.

2033 – Infrastructure – Sales tax was estimated at \$3.4 million for 2015. Nine hundred thousand dollars should be available for projects. Funds will be needed for the City's share of the west underpass.

2034 – Economic Development – Ten percent of sales tax was allocated for this fund. The amount given to Forward Devils Lake is \$60,000 with the remainder going to the Growth Fund.

DEBT SERVICE FUNDS – 5000 ACCOUNTS

5001 – Special Assessment Deficiency – This fund is to help balance the bond payments. It was dropped from \$50,000 to \$20,000.

5005 – Non-Bonded Debt Service – This fund is used to cover small projects which are not bonded. The assessments from the projects funded go back into this account.

5101 - Sewer Separation #1 – 2008 was the last year for assessments.

5476 - SRF Bonds 2010- This fund is for the local share of the embankment raise. The bond will be repaid with sales tax dollars.

5477 – Refunding Bonds of 2010 – Penalty and interest and special assessment deficiency are used for this fund. The last payment is in 2018. There should be \$27,000 left after final payment.

5478 – Refunding Bonds of 2011 – There should be \$400,000 left at the end of this bond which can be transferred to the general fund or to another bond fund.

5479 - Refunding Bonds of 2013 – This is the bond approved on July 29, 2013, and includes the Elkhorn and Highland projects and street projects.

5490 – Landfill Closure Debt Service – The fund was closed in 2013 when the loan was paid off early.

5491 – Landfill Closure Reserve – This fund was closed in 2013 since the bond was paid off.

6001 – WATER DEPARTMENT – The City Administrator researched the history of why the water usage was high in that one year, and has been lower ever since. The usage was high during the months of May, June, July, August and September of that year. Spring was early that year, and the summer very dry. High usage was due to sprinkling. The City Administrator would like to increase the water rate by 20 cents – from \$3.00 to \$3.20. The rate was increased in July 2014 from \$2.80 to \$3.00.

WATER DISTRIBUTION – Hydrants were increased. Equipment purchases include new meter reader. Discussion followed on curb stop replacement. All the funds allocated for curb stop replacement would be used each year if the department had time to do all the replacements.

HAMAR WELLS – Expenses are the same as this year except for electricity which is the biggest line item.

WATER TREATMENT PLANT – Expenses are about the same as this year except for an increase in lab fees.

6002 – SEWER DEPARTMENT – Rates are the same for sewer.

SEWER OPERATIONS – Expenses are about the same as this year except for a slight increase in electricity.

STORM SEWER – Time for one employee is split here and for the dike.

SEWAGE TREATMENT – Electricity and heat were increased slightly.

EMBANKMENT – This includes ½ person for embankment and pump stations maintenance. Since most of the embankment is seeded, discussion followed on mowing the embankment, and what to use – a Aebi dike mower or tractor with bush hog mower. The Aebi mower, dedicated slope mower, is \$145,000 plus \$14,000 for the deck. The parts are expensive although the current one has held up good. Previously a tractor was used to mow; however, with the slopes

safety was a concern. The Public Utilities Supervisor has arranged to test some tractors on the slope to see how comfortable employees are with it. A tractor would cost \$54,000. Safety will be a major factor. The funds for the equipment will need to be paid out of the fund balance because the funds in the equipment reserve are for a lemna harvester.

6003 – SANITATION DEPARTMENT – Electricity, heat and recycling were increased a little. Garbage bags were added for this year. This is the blue city bags which are only purchased every so often.

INERT DISPOSAL – No changes for this year.

TRANSFER STATION – No changes for this year.

6006 – WATER SOURCE REPLACEMENT – No change.

TRUST AND AGENCY FUNDS– 8000 ACCOUNTS

8002 – Library Fund – The mill levy was dropped to 5.5 mills. In order to qualify for State fund, a positive increase in the taxes has to be kept. It is not dependent upon the mills. The director's salary was increased this past year.

8004 – Planning – Property tax was taken out since the fund balance was large. The fund is used for mapping, zoning and renaissance issues.

8006 – Parking Authority – The City assesses for maintenance of the downtown parking lots.

8007 – Shade Tree – Three mills are allocated for this fund. The amounts for stump removal and equipment maintenance were increased.

8008 – City Beautification – This fund is used for Christmas decorations, flowers and banners. Discussion followed on the replacement of the downtown lights.

Commissioner Heisler would like the lot next door used for something or maintained properly. The future plan is to add a commissioner room. Consensus of the Commission was to have the City Assessor research the adding the commissioner room.

8009 – Devils Lake Historical Preservation – Small amount of funds are available from a previous state grant.

8010 – Job Development Authority – Three mills are allocated for this fund. The amount for Forward Devils Lake is for operating expenses.

8011 – Self Insurance Fund – BCBS doesn't have the new numbers yet. The family premium was increased by \$50 - \$40 employer and \$10 employee. Single and single with dependents will increase slightly.

8013 – Lake Region Growth Fund – Income for this fund includes \$265,000 in sales tax and \$20,000 in loan repayments.

8015 – Airport Hangar – Fifteen thousand dollars from the Growth Fund is used to help repay the hangar loan to the general fund. Two payments are left on this loan. The current tenant pays \$500/month in rent and approximately \$183/month for rental of space for other planes.

9000 – Devils Lake Airport Authority – General Operations – The City provides 3 mills. Skywest does not pay ARFF fees, but the landings fees are at higher rate. Expenses are close to the same as 2014.

9500 – Lake Region Narcotics Task Force – Salary will be dependent on what is decided for the Police Department.

The City Administrator indicated valuations went up about 10% so overall the mills will decrease by 5.09 for a total of 96.71. The budget includes a 4% cost of living raise and \$50 increase in the family health insurance premium.

The Public Ways Supervisor requested a structure for covering the salt/sand mixture. The structure would cost \$75,000, and it would be \$14,000 for 5 inches of asphalt. The City Administrator indicated funds are available in the infrastructure account to do it this year.

Commissioner Stromme moved to approve calling for bids for a structure to cover the sand/salt mixture. The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

The next budget meeting is scheduled for Monday, August 18, 2014 at 11:30 A.M.

There being no further business to come before the Commission, President Johnson adjourned the meeting at 1:38 P.M.

LINDA LYBECK
CITY AUDITOR

RICHARD S. JOHNSON
PRESIDENT