

MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF CITY COMMISSIONERS  
HELD JULY 27, 2017

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 Thursday, July 27, 2017 at 12:00 P.M. with the following members present: Commissioners Ben Sander, Craig Stromme, Dale Robbins and President Richard Johnson. Commissioner Rick Morse was absent. Others present were Police Chief, Fire Chief, City Auditor and City Administrator.

President Johnson said that the purpose of the meeting was to discuss the 2018 Preliminary City Budget.

The City Administrator stated the Lake Region Heritage Center (LRHC) has asked to have the funds they receive from the City tied to the mill levy so that it increases with the mill value. Currently, the City gives LRHC \$22,000.00. One and one-half mills has been budgeted for approximately \$26,360.00.

Kelly Swenseth, President of the Lake Region Heritage Center, appeared before the City Commission to review LRHC's budget. The 2018 budget has zero net income, but LRHC had to cut staff to do this. Donations are down due to low commodity prices, and LRHC has had to dip into reserves. LRHC had two full-time employees plus a 20 hours/week maintenance person. LRHC will now have one full-time employee, one 30 hours/week employee, and the maintenance position has been cut.

Rachel Lindstrom, Executive Director of Forward Devils Lake, reviewed the 2018 budget. The amount of sales tax was decreased so more could be put into the Growth Fund. On the expense side, the employee will now pay 20% of the health insurance premium; accounting fees was decreased due to moving payroll in-house; and legal was reduced due to lack of use. Dues and subscriptions were increased since they were under budgeted by \$400.00 in 2017. Advertising was reduced. The Bakken Oil and US Summit shows will be attended with the possibility of attending Big Iron. The amount for web page development has been reduced since a lot of work has been done the last two years on it. The meeting expense is for potential clientele and business meetings. Miscellaneous expense was reduced to help balance the budget. It was noted the membership funds have been pulled out of operations, and can be used for items that the operations funds cannot be used for since the operation funds are from public entities.

The City Administrator reviewed with the Commission a copy of the revenues and expenditures for the General Fund.

#### **1000 – GENERAL FUND**

**General Fund Revenue** –Sales tax was lowered to \$3.3 million. The amount under rental of equipment or land is for the BioFiber lease.

**Transfers in** – The amount for admin/legal/engineering was lowered due to the amount of funds available for projects. The increase in the 20% enterprise transfer is due to the sale of water. The \$175,000.000 to be transferred from infrastructure is for the software upgrades – accounting, web page, and employee review software.

**General Fund Expenditures Non-Departmental** – The amount in network manager is for the IT with Marco; however, the amount could be lower if the Police Department is not able to convert to Marco. The City would then need to work out an agreement and payment plan with the Law Enforcement Center for IT services at the Police Department.

The ND Insurance Reserve Fund sent a letter indicating premiums will go up 10%-15% based on claims being paid out. Therefore, the expense item was increased 15%.

Street lighting was decreased since most of the lights have been switched to LED.

The LEC Board rent was increased and should cover the boardings and the medical.

**City Commission** – Adjusted for COLA.

**Municipal Judge** – Adjusted for COLA and includes \$3,500.00 for a commercial shredder.

**Auditing Department** – Adjusted for COLA and added \$113,000.00 for software.

**City Attorney** – Adjusted for COLA.

**Assessing Department** – Adjusted for COLA. The amounts are lower due to one less person working in the department.

**Engineering Department** – Adjusted for COLA.

**City Hall** – Amounts projected from history.

**Police Department** – Adjusted for COLA. The Chief has requested laptops and printers. It was noted the radios will not be supported after 2018 so as the radios break, new ones will need to be purchased. The Chief also discussed the medical costs associated with the jail.

Commissioner Stromme left the meeting at 12:55 P.M.

**Fire Department** – The truck was paid off in 2017. Equipment purchases include a pickup and floor exhaust system. The old pickup will be given to Shade Tree.

**Public Buildings** – Money is budgeted for insurance and maintenance of city-owned buildings.

**Advertising & Promotion** – Same as 2017.

**Weed Control** – Same as 2017 except \$700.00 was included for equipment.

**Planning** – This fund includes contract labor for Steve Zimmer and some money for mapping.

**Shade Tree** – About the same as 2017 except tree purchase and stump removal were increased slightly.

**Street Dept** – Adjusted for COLA; otherwise, it is the same as 2017.

**Transfer out** - Same as 2017.

**9500 – LAKE REGION NARCOTICS TASK FORCE** - Same as 2017.

Discussion followed on reducing the mill rate or keeping it the same and increasing the amount for the Emergency Fund to \$40,000.00. Consensus of the City Commission was to keep the mill rate the same and to replenish the Emergency Fund.

The City Administrator presented the following 2018 budget summary: 1. Cost of living increase is 2%; 2. Family insurance will increase to \$1,750.00/month – \$1,400.00 City & \$350.00 employee; Single plus dependents will be split 90/10 and the deductible will be increased to \$500.00; 3. Equipment purchases include fire department

pickup, laptops and printers for police department, street sweeper, street department mower, flatbed sander truck, transfer truck, auditing software, employee review software, website upgrade and an apparatus floor exhaust system; 4. Sewer charges will increase from \$2.95/1,000 gallons to \$3.20/1,000 gallons and can charge will increase \$.50/can- residential utility accounts will increase approximately \$2.50/month; 5. \$575,000.00 was budgeted for infrastructure projects; 6. \$40,000.00 will be used to replenish the emergency fund; 7. Sales tax budgeted at \$3.3 million and allocations will be 42% property tax relief, 33% infrastructure, 7% economic development, 5% 2010 Bond, 8% 2015 Bond, and 5% embankment O&M, and 7. Mill levy will stay the same, but it equals a 4.71% increase excluding taxable value of new growth.

The public hearing for the 2018 budget will be held at the second City Commission meeting in September.

There being no further business to come before the Commission, President Johnson adjourned the meeting at 1:33 P.M.

LINDA LYBECK  
CITY AUDITOR

RICHARD S. JOHNSON  
PRESIDENT