

**RUGBY CITY COUNCIL MEETING MINUTES
MONDAY, FEBRUARY 6, 2023– 7:00 PM
COUNCIL CHAMBERS AND MICROSOFT TEAMS**

Mayor LaRocque called the meeting to order at 7:00 pm.

Council members recited the Pledge of Allegiance.

Roll call was taken by Mayor LaRocque.

Council Members present: Kraft, Zachmeier, and Gannarelli.

Council Members present by TEAMS: Nelson, Brossart and Lotvedt.

Also present were Mayor LaRocque, Auditor Stewart, and Attorney Murray.

Absent were Larson and Schneibel.

A maturing CD at Merchants Bank and correspondence from Council Member Schneibel regarding the Recreation Portfolio and the liquor license for Kay Quick were added to the agenda. There was a motion by Lotvedt to approve the agenda as amended. Second by Zachmeier, all voting yes, motion carried.

The council considered the January 17, 2023, meeting minutes. There was a motion by Kraft to approve the January 17, 2023, meeting minutes. Second by Brossart, all voting yes, motion carried.

Bills Paid Since Last Meeting of 01/03/2023:	\$ 496,705.72
22892 Dale Klein	\$148.59
22893 American Welding & Gas Inc	\$1,007.82
22894 Aqua-Pure Inc	\$450.00
22895 B & J Excavating Inc	\$231.94
22896 B &M Laundry Service	\$150.82
22897 Column Software PBC	\$1,097.71
22898 Computer Express	\$350.00
22899 Convention & Visitors Bureau	\$592.77
22900 Convention & Visitors Bureau	\$2,486.57
22901 Ecolab	\$173.80
22902 Envision	\$1,090.39
22903 First District Health Unit	\$75.00
22904 G & P Commercial Sales	\$16.14
22905 H. E. Everson Co	\$114.90
22906 Hawkins Inc	\$1,014.10
22907 Home of Economy	\$24.99
22908 Information Technology Dept/BND	\$33.25
22909 John Deere Financial	\$282.44
22910 Johnson's Plumbing	\$80.00
E-CK JP Morgan Chase Bank	\$749.91
22911 NAPA	\$46.35

22912	ND Dept of Health/Chemistry	\$124.47
22913	NDTC	\$782.94
22914	Northern Plains Electric Coop	\$3,191.97
22915	Northern States Supply Inc	\$63.00
22916	Otter Tail Power Company	\$13,619.26
22917	Pierce County Tribune	\$156.76
22918	Power Plan	\$2,478.24
22919	Rugby Broadcasters Inc	\$119.75
22920	Rugby Farmers Elevator	\$20.00
22921	Rugby Greenhouse	\$53.00
22922	Rugby Insurance Agency	\$28,865.00
22923	Rugby Job Authority	\$22,935.49
22924	Rugby Welding & Machine	\$234.08
22925	Staples Credit Plan	\$786.05
22926	State Water Commission	\$4,697.25
22927	Uniform Center	\$7.00
22928	Valli Information Systems	\$736.33
22929	Wagner Construction	\$301,518.28
22930	Wayne's Construction	\$6,500.00
E-CK	Wex Bank	\$1,216.41
ACH	Payroll Checks	\$57,553.86
ACH	Social Security	\$8,681.18
ACH	Medicare Taxes	\$2,030.34
ACH	Payroll Taxes	\$5,471.07
22931	AFLAC	\$992.45
ACH	Emp. Cancer / Accident Ins.	\$992.45
ACH	Deferred Compensation Plan	\$800.00
ACH	Retirement Plan	\$8,523.85
ACH	Group Health Insurance	\$14,330.20

Bills To Be Approved and Paid 02/06/2023: \$ 144,609.16

22932	American Welding & Gas	\$4,848.38
22933	Brad's Auto Service & Towing	\$114.00
22934	C & H Repair	\$224.60
22935	Circle Sanitation	\$20,065.00
22936	Colonial Research Chemical Corp	\$2,579.72
22937	Computer Express	\$258.99
22938	Dakota Farms	\$71.22
22939	Dale Klein	\$695.82
22940	Dave Jaeger	\$950.00
22941	First District Health Unit	\$90.00
22942	H. E. Everson	\$146.61
22943	Heart of America Library	\$3,532.59
22944	Home of Economy	\$73.27
22945	Interstate Engineering Inc	\$61,340.60
22946	James Erbes	\$370.74

22947	Johnson's Plumbing	\$6,820.00
22948	Lexipol, LLC	\$484.10
22949	M. J. McGuire, Co.	\$2,059.27
22950	Medico Life Ins	\$129.25
22951	Midwest Glass & Door Inc	\$2,137.00
22952	ND Chiefs of Police Assoc.	\$200.00
22953	ND Court Clerks Assoc.	\$100.00
22954	ND Municipal Judges Assoc	\$25.00
22955	ND One Call Concepts	\$12.45
22956	Northern Plains Electric Coop	\$3,426.86
22957	Petty Cash	\$20.40
22958	Pierce County Auditor	\$3,412.50
22959	Pierce County Tribune	\$727.64
22960	Precision Autobody & Glass	\$323.95
22961	Rebecca Jordan	\$170.00
22962	Rick Larson	\$474.70
22963	Rugby Broadcasters Inc	\$29.75
22964	Rugby Fire Dept	\$6,318.06
22965	Rugby Hardware Hank	\$223.63
22966	Rugby Lumber Inc	\$4,946.79
22967	Rugby Service Center	\$964.42
22968	Rugby Veterinary Service	\$169.00
22969	Schaan Oil Co	\$46.53
22970	Schock's Safe & Lock	\$11.00
22971	Share Corporation	\$109.03
22972	St. Michel Furniture Inc	\$3,831.55
22973	Staples	\$496.06
22974	Troy Munyer	\$209.60
22975	Verizon Wireless	\$667.56
22976	Water Smith Inc	\$6,030.00
22977	Workforce Safety & Insurance	\$4,671.52

The bills were individually reviewed by Kraft and Zachmeier. There was a motion by Kraft to approve the bills as presented, excluding the AE2S bill for \$14,863.00. Second by Gannarelli, roll call vote, all voting yes, motion carried.

The council considered the monthly financial reports. Stewart reviewed the financial reports with the council. There was a motion by Kraft to approve the financial reports as presented. Second by Zachmeier, roll call vote, all voting yes, motion carried.

7:06pm Jon Nelson joined the meeting.

Zachmeier questioned what the AE2S bill was for. The statement showed that the construction services was being closed out at 100% complete. The council discussed the January 10, 2023, AE2S statement in depth. They discussed Phase 060 Construction Services and the final payment of \$13,700 to that phase being requested. Lotvedt explained that when the project is

complete and closed out, AE2S should be paid the \$13,700. Murray explained that the council should clarify in a motion what their wishes are if they are not going to pay the bill to AE2S. The council discussed their concerns with AE2S billing Additional Services. The council believes that the charges billed under Phase 090 Additional Services in the amount of \$1,163.00, should be billed under Phase 060 Construction Services. There was a motion by Kraft to notify AE2S that the \$13,700 will not be paid until the 2 ½ Ave project is done and the council is requesting additional information on the 090 Additional Services in the amount of \$1,163.00; information should be in writing, they do not want to have AE2S to physically attend unless remotely. Second by Brossart, roll call vote, all voting yes, motion carried.

The council reviewed and considered the monthly financial reports to include the cash report, expenditure and revenue reports. There was a motion by Kraft to approve the monthly financial reports as presented. Second by Gannarelli, roll call vote, all voting yes, motion carried.

The council reviewed and considered the 2022 Year End Summary. There was a motion by Lotvedt to approve the 2022 Year End Summary. Second by Zachmeier, roll call vote, all voting yes, motion carried.

The council considered a renewal advice for a 12-month CD at Merchants Bank. The current CD will mature on February 14, 2023. Stewart presented current rates at various institutions in the community. The best rate was 4.25% for a term at 19-months at Merchants Bank. There was a motion by Lotvedt to approve the CD renewal at 19 months and 4.25% at Merchants Bank. Second by Kraft, roll call vote, all voting yes, motion carried.

The council considered the January 2023 Municipal Court Report. There was a motion by Kraft to approve the January 2023 Municipal Court Report. Second by Gannarelli, all voting yes, motion carried.

Wade Senger, Interstate Engineering, addressed the council regarding the bid opening for Phase III of the Water Treatment Plant. He explained that two bids were received. One was from ICS, Inc. in the amount of \$536,000 and the second was from American General Contractors in the amount of \$660,100. Senger explained that he contacted ICS after the bid opening and they have worked on water plants in Linton, Ray and Parshall. Their welders are certified to work on the water treatment plant. Senger explained that the bid is in order and Senger recommended that the council accept the bid from ICS, Inc. in the amount of \$536,000.00. He explained that the engineer's estimate of cost was \$600,000 so the ICS, Inc. bid is under budget.

Lotvedt questioned if ICS, Inc. was flexible with the schedule to work in the Fall of 2023 and Spring of 2024. Senger explained that they were satisfied with that as they have a busy summer already planned. ICS, Inc. may be able to schedule the first train of the water treatment plant to be done this spring and the second train be completed this fall. Once the bid is awarded, they will firm up their schedule and let the city know. There was a motion by Lotvedt to accept the bid from ICS, Inc. in the amount of \$536,000, including Alternate Bid No. 1, contingent upon review and approval of the bid by the Department of Water Resources. Second by Zachmeier. The council had brief discussion regarding possible contingencies and change orders. LaRocque

called for a roll call vote, all voting yes, motion carried. Senger explained that a standard contract will be forwarded to the city for review.

Convention and Visitors Bureau: Laurie Odden, Executive Director, addressed the council and updated them regarding the current and future events that the CVB will be sponsoring. There was a motion by Kraft to approve the CVB minutes and financials. Second by Gannarelli, all voting yes, motion carried.

7:41pm Senger left the meeting.

JDA: Karl Frigaard, Executive Director, addressed the council. Kraft asked Nelson for an update on the natural gas through the legislative session. Nelson explained that the bill moving forward is changed from the \$150,000,000 subsidy to the state purchasing capacity in the pipeline to spur the development of the pipeline due to the lack of a major user. Nelson explained that there is a need for a large industrial or ag project along Hwy 2 that will utilize a large load of natural gas, 365 days a year. Currently there is not enough users with a high enough demand in the area to spur development. The council continued to discuss natural gas and the need to bring it to Rugby and surrounding communities.

Frigaard continued to inform the council on current happenings at the JDA. There was a motion by Nelson to approve the JDA minutes and financials as presented. Second by Lotvedt, all voting yes, motion carried.

Portfolio Reports

Buildings/Property: Lotvedt explained that the remodel at the Armory is still in progress.

Finance: Nelson explained that the only thing is the Certificate of Deposit that was addressed.

Ordinance: Zachmeier will be meeting with Attorney Murray to discuss ordinances and to review the enforcement portion of the nuisance ordinances.

Personnel: Gannarelli reported that a revised employee handbook policy 703 Corrective Action and Discipline is awaiting Attorney Murray's review.

Public Safety: No report.

Public Works: Kraft reported that the employees have been clearing off the snow and ice from the streets. Kraft explained that he is working on a procedure for travel for employees. Kraft is suggesting that City Hall make the arrangements at hotels and complete registrations for conferences, etc. This will help ensure that correct rates and tax exemptions are all received. Kraft explained that the Hwy 3 DOT project did not receive any bids once again. Nelson explained that a redesign of the project may be necessary to include a lift station. He indicated that the DOT understands the need for an asphalt lift on the current roadway if the construction will not occur this summer. Nelson will set up a meeting with the DOT and the Mayor.

Lotvedt clarified that the council had approved Interstate Engineering, up to \$10,000, to design the waterline for 15th St SE. The council was informed that of the three easements for the city to complete the water line, two of them have been completed. The Park Board will be meeting on the third one this week.

Nelson explained to the council the training that is offered through the state for water operators.

Recreation: Schneibel was absent but had emailed that an applicant had been received for the Recreation Director. After a director is hired, they will begin advertising for recreation coaches.

The council conducted the second reading of Ordinance 442, Rugby Municipal Code Chapter 14.8 Water Service. There was a motion by Lotvedt to approve the second reading of Ordinance 442. Second by Nelson, all voting yes, motion carried.

LaRocque explained that Schneibel had submitted information to the State Fire Marshall's office regarding the occupancy of Kay Quick's new bar. The Fire Marshall had confirmed that the occupancy of the bar is 98 people based on the drawing of the business they have received. If the occupancy exceeds 100, a sprinkler system will be required.

Murray explained that one of the state requirements for a liquor license is a fire inspection. Murray explained the contingent items that the Council approved in conjunction with Ms. Quick's approval of her liquor/beer license. Once all conditions are met, Murray explained that the liquor/beer license will be issued by the city. Kraft clarified that a council meeting is not necessary to issue the license once contingent items are complete. Murray clarified that the council has approved issuance of a license, upon the contingent items being complete and a council meeting is not required.

The council reviewed and considered two applications for Local Permit. Rugby Senior Citizens and Rugby High School FBLA Chapter were the applicants. There was a motion by Lotvedt to approve the Rugby Senior Citizens Application for Local Permit. Second by Kraft, all voting yes, motion carried.

There was a motion by Gannarelli to approve the Rugby High School FBLA Chapter Application for Local Permit. Second by Zachmeier, all voting yes, motion carried.

The next meeting is scheduled for February 21, 2023, at 7:00p.m.

There being no further business to transact or come before the council at this time, there was a motion by Lotvedt to adjourn the council meeting. Second by Gannarelli, all voting yes, motion carried. Meeting adjourned at 8:30p.m.

Frank LaRocque, Mayor

Attest: _____
Jennifer Stewart, City Auditor

Approved