RUGBY CITY COUNCIL MEETING MINUTES
MONDAY, AUGUST 3, 2026 – 7:00 PM
ARMORY COUNCIL CHAMBERS AND MICROSOFT TEAMS

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

Council members recited the Pledge of Allegiance.

Roll call was taken by St.Michel.

Council Members present: Lotvedt, Nelson, Kraft, Radomski, Reinke, Larson, Santjer and Zachmeier.

Also, present was Mayor St.Michel, Public Works Employee Hallof, Officer Towe, Attorney Mickelson Hendrickson (by Teams), and Auditor Stewart.

The council considered the agenda. There was a motion by Nelson to approve the agenda as presented. Second by Radomski, all voting yes, motion carried.

The council considered the July 15, 2026, meeting minutes. There was a motion by Lotvedt to approve the minutes as presented. Second by Zachmeier, all voting yes, motion carried.

The bills were reviewed by Larson and Reinke. There was a motion by Larson to approve all bills, excluding KDL Construction. Second by Reinke, roll call vote, all voting yes, motion carried. There was a motion by Reinke to approve the bill for KDL Construction. Second by Lotvedt, roll call vote, Lotvedt – yes, Nelson-yes, Kraft-yes, Radomski-yes, Reinke-yes, Larson-abstain, Santjer-yes, and Zachmeier-yes, motion carried.

Bills Paid Since Last Meeting of 07/06/2026: $348,238.48

26433	Adrian Simpson	$964.38
26434	Andrew Hallof	$1,000.00
26435	Axon Enterprises Inc	$16,571.47
26436	B & M Laundry Service	$182.95
26437	Bonnie Berginski	$724.84
26438	BSN Sports	$2,461.62
26439	Cole Anderson	$150.00
26440	Computer Express	$350.00
26441	Convention & Visitors Bureau	$70.95
26442	Convention & Visitors Bureau	$4,018.10
26443	David A. Schneibel, Jr.	$988.00
26444	EcoLab	$193.44
26445	Elijah Luna	$350.00
26446	Envision	$290.58
26447	First District Health Unit	$70.00
26448	HACTC	$400.00
26449	Heart of America Medical Center	$952.00

26450	Information Technology Dept	$239.85
26451	Interstate Engineering	$6,868.00
26452	Jeremy Johnston	$750.00
26453	John Deere Financial	$1,031.65
26454	Johnson Plumbing	$783.00
26455	Jove Risovi	$50.00
e-check	JP Morgan Chase Bank NA	$5,345.20
26456	MARC	$3,308.63
26457	Midstates Wireless	$476.74
26458	Minot Daily News	$613.08
26459	Morris Seal Coat & Trucking	$53,650.00
26460	Motorola Solutions	$20.00
26461	NAPA Auto Parts	$62.97
26462	ND Department of Health-Chemistry	$20.39
26463	ND Dept of Water Resources	$19,345.50
26464	ND Telephone Co.	$985.59
26465	Otter Tail Power Company	$12,329.03
26466	Pierce County Clerk of Court	$1,000.00
26467	Poitra Concrete	$1,376.25
26468	Rugby Airport Authority	$2,218.42
26469	Rugby Job Authority	$23,816.80
26470	Rugby Lawn & Tree Care	$500.00
26471	Ryli Kuhnhenn	$97.15
26472	Schock's Safe & Lock	$1,455.80
26473	Share Corporation	$587.40
26474	State Tax Commissioner	$172.58
26475	Tessman Company	$8,000.00
26476	Tim Pfeifer	$300.00
26477	Travis Risovi	$150.00
26478	Valli Information Systems	$866.44
26479	Wellabe	$176.25
e-check	Wex Bank	$166.19
ACH	Payroll Checks	$103,026.77
ACH	Social Security	$15,060.44
ACH	Medicare Taxes	$3,522.22
ACH	Payroll Taxes	$6,927.85
26480	AFLAC	$494.62
26481	AFLAC	$1,034.88
ACH	NDPERS	$825.00
ACH	NDPERS	$11,815.50
ACH	Sanford Health / NDPERS	$28,242.96
ACH	California State Disbursement	$787.00

Bills to be approved at 08/03/2026 meeting: $89,652.82

26482	American Welding & Gas	$66.69
26484	Brandjord Chevrolet	$201.25
26502	Circle Sanitation	$20,709.25

26513	City of West Fargo PD	$150.00
26483	CNH Industrial Accounts	$15.15
26500	Core & Main LP	$4,233.93
26485	Dakota Fire Extinguishers	$154.64
26501	David Jaeger	$1,300.00
26486	First District Health Unit	$160.00
26511	Graymont LLC	$7,821.74
26487	Hartley's School Buses	$7,906.95
26488	Hawkins Inc	$3,311.57
26489	Johnson's Plumbing	$8,046.25
26512	KDL Construction LLC	$8,400.00
26491	Locators & Supplies Inc	$136.49
26492	M. J. McGuire, Co	$85.28
26507	Maguire Iron Inc	$2,650.00
26504	Mike Swanson Construction	$1,384.00
26505	Minot Daily News	$492.65
26514	NAPWDA	$45.00
26493	Pierce County Auditor	$3,765.33
26496	Rebecca Jordan	$170.00
26503	Robert Spallinger	$1,375.00
26490	Rugby Broadcasters Inc	$106.00
26494	Rugby Greenhouse	$54.95
26495	Rugby Hardware Hank	$1,204.67
26497	Rugby Lumber, Inc.	$1,531.41
26498	Rugby Service Center	$3,565.12
26510	Running Supply Inc	$339.01
26509	Shaine Towe	$477.81
26499	Verizon Wireless	$780.18
26508	Wayne's Construction	$8,000.00
26506	Yvonne Hagen	$1,012.50

Chad Duchscher and Steve Fritel addressed the council regarding the Main Street America Car Show held in July. They had 260 cars participating and approximately 700 people in attendance that evening. They thanked the council for the city's efforts to help put the event on. Fritel explained that they plan to do this again in the future. There was a motion by Lotvedt to support the Main Street America Car Show in the future. Second by Larson, all voting yes, motion carried.

The council considered the monthly financials that included the cash report, expenditures vs. budget, and revenues vs. budget. There was a motion by Lotvedt to approve the financials as presented. Second by Radomski, roll call vote, all voting yes, motion carried.

The council considered budget transfers/amendments for 2009-1 2017 RIB Citywide Street Improvement Project, transfer of special assessments collected as delinquent special assessment payment transferred to the General Fund in the amount of $56,921.99. The second was for the Series 2015 Go Fire Station Bond Debt Sinking balance transfer to the General Fund in the

amount of $20,839.69. The third was to transfer 2017 Phase II WTP Improvement Fund Balance to 5011 Water Supply & Treatment Enterprise Capital Improvement Fund in the amount of $74,857.48. There was a motion by Nelson to approve journal voucher 1017, 1018, & 1019 budget amendment/transfers. Second by Reinke, roll call vote, all voting yes, motion carried.

The council reviewed the July municipal court report. There was a motion by Kraft to approve the July municipal court report. Second by Radomski, all voting yes, motion carried.

Portfolio Reports

Buildings/Property: Portfolio Holder Lotvedt explained that the Armory caretaker job should be advertised since the job has changed since renovations have taken place at the Armory. Lotvedt explained that 9th St SE should be expanded to Golf Course Road for access. He has been asked to consider expanding Country Road south of US Hwy 2 to access the city lift station. Both projects would be a gravel surface only at this time. Lotvedt explained that the hospital is still working towards building a new ambulance building and may need the 15th St sewer expanded to the east to tie onto.

Finance: Portfolio Holder Nelson had nothing to report.

Ordinance: Portfolio Holder Zachmeier is looking into a couple of outdated ordinances.

Personnel: Portfolio Holder Radomski is working on an employee survey.

Public Safety: Portfolio Holder Kraft had nothing to report.

Public Works: Portfolio Holder Larson explained that the department had a water break on Main Ave over the weekend. They are working on updating a couple of VFD's for the water wells.

Recreation: Portfolio Holder Santjer explained that they have put 5 tons of clay on Diamond 3. The surface is much improved. The other 5 tons will be added in the spring.

Library Board: Reinke explained that Mandie Medalen has been invited to attend a National Library Gathering in Reno Nevada to elaborate on things she has been able to attract to our local library.

Larson explained the Findings of Fact from the Planning and Zoning Commission regarding the rezoning of the remainder of the JDA owned Chalmers Addition Lots from R-1 to R-2. St.Michel explained that the R-2 Zoning would allow twin homes, but any living quarters beyond that would have to be considered at Planning and Zoning as a conditional use. Before a conditional use would be considered, residents would be notified as they have been this time. Deb Goven addressed the council regarding the change. She was looking for a guarantee that only twin homes would be built and not apartments, affordable housing, row homes, rentals, or low-income housing. It was explained that the council cannot guarantee anything. Brian Hoffart, JDA Executive Director, explained that the R-2 Zoning gives more flexibility for selling the lots. Hoffart explained that the roadblocks that the current residents have put up in the past regarding

development in Chalmers Addition is one of the reasons he is looking to rezone the balance of the JDA owned lots to R-2 to alleviate the burden it would place on a potential owner/builder. Hoffart explained that the JDA cannot discriminate on who they sell lots to based on what they are going to do with the lot. If someone wants to build a residence and rent it out, the JDA or City cannot stop that. They continued to discuss scenarios. There was a motion by Kraft to approve the Finding of Facts recommendation from Planning and Zoning regarding the balance of the JDA owned Chalmers Addition lots being rezoned to R-2. Second by Larson. Roll call vote, all voting yes, motion carried unanimously.

New Business

Stewart presented the preliminary 2027 Budget. Stewart reviewed the difference in the estimate of mill value from last year to this year. Levy comparison was reviewed with the council. The 2027 budget is requesting an increase in General Fund Levy of $39,400 from the 2026 budget. Public Recreation Levy increase of $5,575, Snow Removal Levy reduction of $4,175, Airport Authority and Library Levy remained unchanged, and the JDA Levy increased $3,281. Total overall increase in dollars from the 2026 Budget is $44,081. Stewart explained that the city had a carryover of .51% from the 2026 budget 3% increase cap. The proposed 2027 budget will have a carryover of 1.80% of the 3% cap. This leaves the city with a total 2.31% carryover for the 2028 budget. The cost of living, employee raises, health insurance estimated increase and other employee factors were all discussed extensively. The council was made aware of all the projected infrastructure, equipment and maintenance improvements in the 2027 budget. Nelson explained that the proposed budget is consistent with past budgets with steady maintenance and equipment improvements, yet we still have part of the 3% cap that we carry forward for future needs. There was a motion by Nelson to approve the preliminary 2027 Budget. Second by Larson, roll call vote, all voting yes, motion carried.

The council considered the budget hearing date. There was a motion by Lotvedt to set the 2027 Budget Hearing date of September 16, 2026, 6:00pm, in the Armory Council Chambers. Second by Nelson, all voting yes, motion carried.

The council held the first reading of Ordinance 478 Annual Appropriations. There was a motion by Zachmeier to approve the first reading of Ordinance 478. Second by Santjer, all voting yes, motion carried.

Attorney Mickelson Hendrickson explained that the petition from Blue Cube Partners has some legal issues should the city support this petition. Mickelson Hendrickson referred to a document that JDA Director Hoffart prepared regarding this petition and the issues that should be considered by the council. Her concern is with the request in the petition and the century code authority. The request is much broader than the statute allows. Stewart explained that the bond company the city utilizes has been in contact with the bond attorney who is out of the office currently. They will be reviewing this and get back to the city with their opinion.

Hoffart reviewed the petition that Blue Cube Partners had prepared and the scope of their proposal. Hoffart explained that they have a new mobile home in the park they have been trying to sell or lease for one year now, that has not moved. Hoffart cited a lack of market for what

they are offering and the pricing. Hoffart concluded that the JDA does not recommend the project based on the current petition that was filed. There was a lengthy discussion regarding the trailer park properties in the community. There was a motion by Lotvedt to table the petition from Blue Cube Partners. Second, by Kraft, majority voting yes, motion carried.

There was no public comment.

The next council meeting is scheduled for Wednesday, August 19, 2026, at 7:00pm.

There being no further business to transact or come before the council at this time, Lotvedt motioned to adjourn the meeting. Second by Radomski, all voting yes, motion carried. The meeting adjourned at 9:10p.m.

_____ Attest: _____

Robert St.Michel, Mayor Jennifer Stewart, City Auditor