

**RUGBY CITY COUNCIL
REGULAR MEETING
TUESDAY, SEPTEMBER 4, 2012 - 7:30 P.M.
COUNCIL CHAMBERS**

Council Members present: Rheault , Lotvedt, Kraft, Bednarz, Hoffert, Geiszler, and Wentz. Also present were Mayor Cichos, City Attorney Hartl, and City Auditor Hauck.

Mayor Cichos called the meeting to order at 7:30pm. Council members recited the Pledge of Allegiance. Roll call of council members was taken by Cichos.

There were no additions or deletions to the agenda.

Motion by Geiszler to approve the minutes of the August 6, 2012 regular council meeting. Second by Wentz, all voting yes, motion carried.

Mayor Cichos appointed Arden Warner as a Ward Three Councilman to fill the remaining term for Jerry Harmel's position. Motion by Hoffert to accept the appointment. Second by Bednarz, all voting yes, motion carried. Warner was sworn in and took his seat at the council table.

An Armory Agreement was proposed for the school to be responsible for routine maintenance of the gym floor and for the cleaning of the Armory after school events. The agreement references a committee of city and school representatives to be notified of the Armory schedule on a weekly basis. The Building Committee will be the representatives on the committee from the city. City Attorney Hartl requested that the word 'shall' be changed to 'may' in number one of the agreement. Motion by Lotvedt to approve the agreement with the proposed change. Second by Warner, all voting yes, motion carried.

The Council reviewed the bill list. Motion by Lotvedt to approve the financial statements, payment of the bills, and the bills paid since the last meeting. **Bills paid since last meeting:** 13050 Bremer Bank \$7.65, 13051 Brenda Larsen \$250.00, 13052 Convention & Visitors Bureau \$6,544.77, 13053 Farmers Union Oil Company \$2,209.64, 13054 HACTC \$2,335.00, 13055 Otter Tail Power Company \$9,302.94, 13056 Rugby Job Authority \$25,819.91, 13057 State Fire & Tornado Fund \$28.81, 13058 Postmaster \$317.98, 13059 Rugby Sanitation, Inc. \$21,194.59, Total Regular Bills Paid \$68,011.29, 13060-13098 Payroll Checks \$46,071.26, Soc. Sec \$6,064.11, Medicare Taxes \$1,690.94, Payroll Taxes \$5,477.88, Electronic Total \$13,232.93, 13099 AFLAC \$156.48, 13100 NDPERS \$8,893.28, 13101 Heart of America Health Plan \$1,148.30, 13102 NDPERS \$605.00, 13103 NDPERS \$5,016.91, Total Bills For Payroll \$75,124.16, Grand Total All Bills Paid Since Last Meeting of 08/06/12 \$143,135.45. **Bills to be paid:** 13104 A & E Auto Parts, Inc. \$13.49, 13105 Aqua-Pure, Inc. \$42.00, 13106 Associated Supply Company \$4,767.41, 13107 Black Mountain Software, Inc. \$854.00, 13108 Brady, Martz and Associates \$4,847.71, 13109 California Contractors Supplies \$249.00, 13110 Comfort Inn \$69.00, 13111 Dan B. Brossart \$400.00, 13112 Environmental Equipment \$138.12, 13113 Ethanol Products, LLC \$1,580.23, 13114 Fargo Water Equipment, Inc. \$1,561.50, 13115 Ferguson Waterworks \$204.80, 13116 Flexible Pipe Tool Company \$1,749.75, 13117 Glenko Enterprises \$1,770.28, 13118 Graymont Western Canada, Inc. \$4,447.06, 13119 H.E. Everson Company \$147.39, 13120 HACTC \$488.96, 13121 Hancock Concrete Products \$412.00, 13122 Harper Oil Company \$1,626.90, 13123 Hawkins, Inc. \$2,382.07, 13124 Heart of America Med. Center \$12.19, 13125 Howard's Repair Shop

\$25.00, 13126 I Design \$396.12, 13127 Icon Architectural Group \$21,138.03, 13128 Johnson's Plumbing Service \$85.44, 13129 JS Wholesale & Vending \$380.89, 13130 Leever's Foods \$65.40, 13131 ND Water & Pollution Conf. \$60.00, 13132 Northern Plains Electric Coop. \$3,355.30, 13133 Otter Tail Power Company \$97.53, 13134 Petty Cash \$33.70, 13135 Pierce County Auditor \$2,208.33, 13136 Pierce County Recorder \$13.00, 13137 Pierce County Tribune \$341.25, 13138 Pioneer Mutual Life Ins. Co. \$150.50, 13139 Quill Corporation \$583.34, 13140 Robert Paulson \$175.00, 13141 Rugby Hardware Hank \$682.34, 13142 Rugby Insurance Agency \$130.00, 13143 Rugby Sanitation, Inc. \$190.00, 13144 Rugby Service Center \$997.95, 13145 Rugby Veterinary Service \$268.00, 13146 Share Corporation \$162.15, 13147 Snap-On-Tools \$87.05, 13148 SRT Communications, Inc. \$31.15, 13149 Theone Stevenson \$70.00, 13150 Ultramax Ammunition \$292.00, 13151 Verizon Wireless \$167.24, 13152 Vessco, Inc. \$1,249.48, Total Bills Submitted For Approval \$61,200.05. Second by Rheault. Councilman Hoffert pointed out that the description on the bill to Dan Brossart should be changed to 3rd Avenue SE, instead of SW. Roll call vote: all voting yes, motion carried.

Motion by Hoffert to approve the Municipal Judge's Report for August 2012. Second by Geiszler, all voting yes, motion carried.

Motion by Geiszler to approve the JDA Minutes and Financials. Second by Wentz, all voting yes, motion carried.

Brenda Foster, JDA Executive Director, gave an update on the housing development. The JDA had a meeting today and made a motion to allow the city to go ahead with the first phase of infrastructure for Outlots 419 and 420 with the intent to bond the costs and assess those costs to the purchasers of the lots. The council discussed the issues and the problems that the taxpayers may have with the city pursuing this option. The city is also waiting to hear back from the bonding company as to the options for completing the project in different pieces with smaller bonds and rolling them into one bond. Motion by Hoffert to proceed with the infrastructure on Outlots 419 and 420 to complete Phase One. Lotvedt stated that the infrastructure money may be used to extend the water and sewer on 10th Street and to help with costs for the lift station that is needed. Second by Lotvedt. Roll call vote, all voting yes, motion carried.

Mayor Cichos appointed Nick Brossart as the City Tax Assessor. Motion by Geiszler to approve the appointment. Second by Wentz, all voting yes, motion carried.

Tax Assessor Brossart discussed the required updates needed on the property cards according to ND Senate Bill 2294. A mass appraisal may be needed for the City to obtain all the information, in addition to making all true and full values equitable to all taxpayers. Vanguard Appraisals has submitted a proposal for \$198,710 to complete the appraisals. The appraisals would not be able to be conducted until 2015. In addition, software would be needed to maintain the data. A lengthy discussion was held on the options. The county has already agreed to purchase the software and the city would be responsible to pay the remote login fees plus half the annual service renewal. The cost proposal for the software is good for 90 days. The council discussed whether there were other vendors that may be able to provide the same services. Motion by Geiszler to delay the decision and visit with other cities and counties to see how they are handling the project. Second by Lotvedt, all voting yes, motion carried.

Councilman Lotvedt discussed options for providing water and sewer to the new hotel site along Highway 2. Costs are estimated to be \$96,000 for water and sewer, but the numbers are not final. Easements need to be obtained for infrastructure and roads. Motion by Hoffert to pursue getting the necessary easements for the proposed project and to obtain a final cost estimate. Second by Warner, all voting yes, motion carried.

Further discussion was held on annexing land in that area. Motion by Geiszler to annex all the land from the South edge of the hockey arena, east out to the County Road. Discussion was held. Geiszler changed the motion to begin the annexation procedure to annex the land within the boundaries of the trees, known as Outlots 403 and 404, and to include the areas for the necessary easements. Second by Hoffert, all voting yes, motion carried.

Finance Committee Chairman Geiszler and City Auditor Hauck gave an update on the 2013 Preliminary Budget. Some budget requests were taken out and some remained in the budget. Currently the 2013 Preliminary Budget is \$528,966.96. Discussion was held on wages. In 2013, the employees are required to contribute an additional 1% into NDPERS. Social Security contributions will increase 2% back to the percentage it was in 2010. Health Insurance will also increase. A 5% increase in wages is incorporated into the budget. Motion by Geiszler to maintain the existing payroll benefits plus provide an increase of 5% to wages. Second by Wentz. Discussion was held. Roll call vote, all voting yes, motion carried. The 20 cent annual service credit will still remain in effect.

Motion by Wentz to approve the 2013 Preliminary Budget at \$528,966.96. Second by Kraft. Roll call vote, all voting yes, motion carried.

The Councilmen received a copy of the 2011 Financial Audit Report from Brady Martz. The report can be taken home for review.

Discussion was held on the slough east of 5th Avenue. The cattails were mowed and the area looks good. Greg Brossart would like to rake it up and hay it. The city should not have to worry about burning the dried cattails.

All raffles were presented to the council at one time. Requesting approval were raffles for the Haaland Estates, SWAT Wrestling, and Little Flower PTO. City Attorney Hartl stated all raffles were in order. Motion by Lotvedt to approve the raffle requests. Second by Warner, all voting yes, motion carried.

Committee Reports: **Public Safety** – Chairman Hoffert reported that electronic speed signs were being looked into. Removal of trees on 9th Street SW will happen soon and the sidewalk issue will be addressed next spring. **Finance** – Chairman Geiszler reported that there is a special budget hearing meeting on September 24th. The 2013 Final Budget will need to be approved at the October Council Meeting. **Ordinances/Rec** – Chairman Bednarz reported that the committee looked into an ordinance to ban trucks hauling anhydrous from traveling through town. Since an ordinance is in place, signs should be placed along the highways to use truck routes. Motion by Bednarz to put up signs to have trucks hauling chemicals to use truck routes. Second by Hoffert, all voting yes, motion carried. An off-highway vehicle ordinance was also discussed. **Water/Streets/Sewer** – Chairman Wentz discussed the issues with providing an alternate bulk water fill site. There are liability issues. Cenex would like the site on their property and would maybe share in the costs. The costs should be

looked into further. Two public works vehicles have been put out for bids as well as the old police Durango. **Personnel** – no report. **Buildings/Property** – City Attorney Hartl reported that the deed for the Fire Hall land should be ready for signing at the end of next week.

The North Dakota League of Cities annual conference will be held in Grand Forks on September 20-22. A special budget hearing will be held on September 24, 2012 at 7:30pm.

Meetings this month: Planning and Zoning Commission Meeting- September 10, 7:30pm; Committee Meetings on Wednesday, September 19 – Public Safety 9am, Finance at 10am, Ord/Rec at 11am, Water/Streets/Sewer at 1pm, Personnel at 2pm, Buildings/Property at 3pm. Special Budget Meeting – September 24 at 7:30pm.

There being no further business to transact or to come before the Council at this time, Mayor Cichos adjourned the meeting at 9:52pm.

Dawn Hauck, City Auditor

Date Submitted

David Cichos, Mayor

Date Approved