

MINUTES OF THE BOARD OF CITY COMMISSIONERS  
HELD AUGUST 18, 2014

The regular meeting of the Devils Lake City Commission was held Monday, August 18, 2014 at 5:30 P.M. with the following members present: President Johnson, Tim Heisler, Craig Stromme, Rick Morse and Dale Robbins. None were absent.

Pledge of allegiance was recited.

Commissioner Morse moved to approve the minutes of the regular City Commission meeting held August 4, 2014, of the special meeting held August 7, 2014 and of the budget meeting held August 11, 2014. The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

**5:30 P.M.** – This was the time set for a public hearing to issue a Class IV retail liquor license to Raymond J Belford dba Lake Region's Razor Edge located at 711 Hwy 19 W. Hearing and receiving no comments, President Johnson closed the hearing.

Commissioner Heisler moved to approve issuing a Class IV retail liquor license to Raymond J Belford dba Lake Region's Razor Edge located at 711 Hwy 19. The motion was seconded by Commissioner Stromme, and the motion carried unanimously.

Jessica Ramey appeared before the City Commission to discuss the cresol by the Roundhouse Subdivision.

Layton White, on behalf of the Lake Region Curling Club, requested 100-130 yards of recycled asphalt from the City's street project to be used for improving their parking lot before they host the 2015 Jr. National Curling Championship. The City Engineer stated normally the recycled asphalt is stockpiled for City work – alleys, right-of-ways, etc. He estimated the value of the material at \$12/yd. The City Engineer stated the material should be mixed with gravel.

Commissioner Robbins moved to approve donating 10 truckloads of asphalt mills to the Lake Region Curling Club. The motion was seconded by Commissioner Morse, and the motion was carried unanimously.

**Commissioner Robbins** - The Public Utilities Supervisor stated everything was fine in the Water Department.

The Public Ways Supervisor said everything was fine.

**Commissioner Morse** - The Public Utilities Supervisor said pipes were ordered for replacing the culverts under 14<sup>th</sup> Ave.

The Public Ways Supervisor stated everything was fine in the Street Department.

**Commissioner Heisler** – The City Engineer reviewed the following projects:

1. Agassiz - Concrete roadway has been placed. Some backfilling needs to be completed.
2. Highland Park – Gravel is in place. Valley gutters and curbs and gutters are substantially completed. Most of the backfilling is finished. Paving will be done as soon as the other roads are finished. The contractor had to rip and replace materials due to the high water.
3. 5<sup>th</sup> Ave from Highway 2 to the east via duct will be closed on Tuesday for paving. Temporary stripping will be done. The roadway is being changed from 4 lanes to 2 lanes with a turning lane.
4. 4<sup>th</sup> St – Milling will begin on Wednesday.

The City Assessor requested donating 100 hours of sick leave to an employee.

Commissioner Heisler moved to approve city employees donating up to 100 hours of sick leave to an employee. The motion was seconded by Commissioner Stromme, and the motion carried unanimously.

**Commissioner Stromme** – The Sanitation Supervisor stated everything was fine.

Sergeant Frank noted the Sports Car Club of America will be holding their auto cross in Ruger Park on August 23<sup>rd</sup>.

The Fire Chief stated Shade Tree is down to one guy. The crew took 75 trees down this year. The Public Ways Supervisor indicated there are 38 dead trees in the cemetery. The Fire Chief will bring an updated tree survey to the next meeting.

**President Johnson** - The City Auditor stated everything was fine.

The City Administrator reviewed the state bid for a vehicle. It would cost approximately \$22,000 for a new van. The old van would be declared surplus and sold. The vehicle would be purchased on the state bid, but the City would go through the local dealer for delivery and pay a destination fee.

Commissioner Robbins moved to approve the City Administrator purchasing a van under the state bid with delivery to the local dealer. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

Bill Fahey, Northland Securities, reviewed the sale of bonds held today. Northland Securities bought the bonds. The issue is for \$2,815,000. The bonds sold with a \$54,000 premium which was retained and will go into the construction funds for each of the projects, and it can be moved between each project. The net interest cost is 2.8833%. The average interest is 2.9%. The first 12-years of the bonds were sold to Devils Lake banks. The last four years went outside of the State. The City's rating is A1 and unless the City changes rating companies that is as good as it will get since Moody's categorizes cities based on size.

Commissioner Robbins moved to approve the certificate of minutes relating to \$2,815,000 improvement warrants and the resolution creating the funds of improvement districts, providing for and appropriating special assessments for the support and maintenance of the funds, and authorizing the issuance of improvement warrants thereon. The motion was seconded by Commissioner Stromme, and the motion carried unanimously.

Commissioner Robbins moved to approve the certificate of minutes relating to the \$2,815,000 refunding improvement bonds, series 2014A and the resolution authorizing the issuance of the \$2,815,000 refunding improvement bonds, series 2014A, prescribing the terms and covenants thereof, and creating a fund for the payment thereof. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

City Administrator reviewed the resolution for the fire truck. The Volunteers will be borrowing money for the purchase of the fire truck. The City carries the insurance and maintains the truck. The loan will be in the City's name although the Volunteers will be making the payments. The City will need a separate agreement with Volunteers to ensure they make the payments.

Commissioner Heisler moved to approve the certificate of minutes relating to governmental lease-purchase agreement and the resolution authorizing governmental lease-purchase agreement for the new fire truck contingent upon an agreement between the City and Volunteers being signed stating the Volunteers are responsible for the payments. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

The Fire Chief reviewed the ISO. The Department has been changed from a Class 5 to a Class 4. They narrowly missed being a Class 3. The rating impacts the insurance premiums for residential and commercial properties. The insurance rates should decrease due to the class change.

The City Attorney stated everything was fine.

The City Assessor reviewed the purchase agreement. The City has already sold one lot to Mr. Slama, but he is still interested in two more lots.

David Slama appeared before the City Commission to discuss the denial of his purchase agreement for Lots 2 & 3, Block 2, Replat of Smith's Sub. He plans to build 3 houses on the 3 lots. Mr. Dumont is working on the plans, and the plans should be finished by November 1, 2014. Mr. Slama plans to start building in the spring of 2015. The houses will be 2000 square feet with garages of 1000 square feet. Choice Financial of Langdon is handling the financing. Two of the houses will be started in the spring, and the ground work for the third will start when the first two houses are framed. He understands that work needs to be started within two years on each lot.

Commissioner Heisler moved to approve the purchase agreement for David Slama for Lots 2 & 3, Block 2, Replat of Smith's Sub in the amount of \$15,000.00 as recommended by the City Assessor with the stipulation that the construction

on each lot must start within two years. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

The Public Ways Supervisor reviewed the request from Burlington Northern Santa Fe to eliminate a railroad grade crossing. The crossing was by the old water reservoir, and had been taken out. This is just cleanup of paper work.

Commissioner Robbins moved to approve the letter of intent/release to eliminate railroad grade crossing at milepost location 85.41/DOT #103821R and have the Mayor sign the document. The motion was seconded by Commissioner Morse. The City Engineer suggested waiting to approve; however, the Commissioners thought this was a show of good will. The motion carried unanimously.

The City Engineer reviewed the CRP contract. The well field property was enrolled in CRP when the City purchased it. The annual payments were made to the previous owner who leased the property from the City. The former owner had moved and was collecting the CRP payment, but was not paying his rent to the City. The CRP program now has limited funds available to governmental entities for CRP. Even though the City has not been receiving any payments, it still has to follow the program regulations for CRP. Therefore, the City Engineer recommended cancelling the CRP contract and allowing the land to be hayed.

Commissioner Stromme moved to approve the cancellation of the CRP contract and the payment of \$788.50 for the cancellation as recommended by the City Engineer. The motion was seconded by Commissioner Heisler, and the motion carried unanimously.

The City Attorney reviewed the request for the City and the Devils Lake Regional Airport to form a committee to discuss the pending litigation cases with Mr. and Mrs. Kuntz as well as the issues regarding the relocation.

Commissioner Morse moved to approve forming a committee and appointing President Johnson as Chair, City Assessor, City Administrator, City Attorney, John Nord, Terry Fasten from KLJ, Bill Mertens, Renard Bergstrom, and Craig Stromme to the committee to discuss the pending litigation cases with Mr. and Mrs. Kuntz as well as the issues regarding the relocation as recommended by the City Attorney. The motion was seconded by Commissioner Stromme. Discussion followed on the intent of the committee – to negotiate a final agreement and to get all the cases wrapped into one. The motion carried unanimously.

Mr. Kuntz appeared before the City Commission to inquire about getting a payment from the Airport. The Airport Manager stated a pay request is included in the list of bills for \$51,557.28. This is the amount that would bring the City and Airport up to the maximum cap agreed upon by the previous committee of \$596,310.00.

Commissioner Robbins moved to approve payment of the list of bills as submitted. The motion was seconded by Commissioner Morse. On roll call all Commissioners voted aye, and the motion carried.

President Johnson acknowledged the following reports:

1. 2013 Audit;
2. Municipal Court monthly report; and
3. Police Department monthly report.

Commissioner Stromme thanked Eric Arndt for his fair and accurate news reporting and Harry Lipsiea and Louise Oleson for their fair, accurate and unbiased reporting. He also expressed his appreciation to the other Commissioners for governing with respect and dignity and handling people and issues fairly and kindly.

There being no further business to come before the Commission, President Johnson adjourned the meeting at 6:38 P.M.

**LINDA LYBECK**  
**CITY AUDITOR**

**RICHARD S. JOHNSON**  
**PRESIDENT**