

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF CITY COMMISSIONERS
HELD AUGUST 5, 2015

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 Wednesday, August 5, 2015 at 12:00 P.M. with the following members present: Commissioners Tim Heisler, Dale Robbins and President Richard Johnson. Commissioners Craig Stromme and Rick Morse were absent. Others present were Fire Chief, Assistance Fire Chief, City Engineer, Airport Manager, Public Ways Supervisor and City Administrator.

President Johnson said that the purpose of the meeting was to review resolutions for a special assessment district and to discuss the 2016 Preliminary City Budget.

Commissioner Heisler moved to approve the resolution creating Water, Sewer and Street Improvement District No 60-15 (Cenex) and ordering the preparation of a preliminary report. The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

The City Engineer reviewed the preliminary report for Water, Sewer and Street Improvement District No 60-15. The probable project cost for Phase I - Sanitary Sewer and Water Main is estimated at \$1.5 million. Phase II – Frontage Road & Goulding’s Road Improvements is estimated at \$768,000. The water and sewer will be wrapped around the parcel, and the intersection of Goulding’s Road will need to be realigned. A little bit of real estate may need to be acquired to make the intersection safer for the traffic. Another item to be reviewed and discussed is whether the City expands the shared use path to pick up the Cenex Convenience Store, a hotel and possibly a fast-food restaurant. In order to meet Cenex’s schedule, a development agreement was completed that outlined cost share and the bidding of the project by the developer. Advertising will start August 10th with bids being opened at a special City Commission meeting on August 26th. Cenex would need to concur with the bids to proceed with the project. Discussion followed on the risk to the City on incurring costs if the project does not proceed.

Commissioner Robbins moved to approve the resolution approving the preliminary report and directing preparation of plans and specifications for Water, Sewer and Street Improvement District No 60-15 (Cenex). The motion was seconded by Commissioner Heisler, and the motion carried unanimously.

Commissioner Robbins moved to approve the resolution approving plans and specifications and directing advertisement for bids for Water, Sewer and Street Improvement District 60-15 (Cenex). The motion was seconded by Commissioner Heisler, and the motion carried unanimously.

The City Administrator indicated the preliminary budget shows a mill reduction of 3 mills because of the increase in valuation. The budget includes a 2% cost-of-living increase and an increase of the family health insurance by \$100/month.

The City Administrator reviewed the revenues and expenditures for the Trust and Agency Funds, the Special Revenue Funds, the Debt Service Funds and the Enterprise Funds.

TRUST AND AGENCY FUNDS– 8000 ACCOUNTS

9000 – Devils Lake Airport Authority – General Operations – The Airport Manager stated the airport receives 3 mills from the City; however, it receives fewer than 3 mills from Ramsey County. He is working to increase the mills each year from Ramsey County. He added a fuel reimbursement revenue for the fuel sold to Skywest Airlines. Building maintenance was increased due to the aging of the buildings and equipment. Also added was new equipment and tools for \$5,000.00. The new fire truck should arrive in October 2015. At the end of August/September of 2015, some construction to widen the runway safety area will be completed. The certification inspector put in a safety recommendation for the crosswind runway. Either in 2016 or 2017 it will need to be milled and overlaid. Service with Skywest Airlines is working very well. New hangars are going up this year and next year. Discussion followed on the deficit forecasted for 2016, the amount in reserve, and the City’s share of upcoming airport projects.

9500 – Lake Region Narcotics Task Force – The City pays about half of the costs with Ramsey County paying 25% and the remainder split between Benson County, Cavalier County and Towner County/City of Cando.

8002 – Library Fund – The mill levy was dropped to 5.5 mills starting in 2015. In order to qualify for State funds, a positive increase in the taxes has to be kept.

8004 – Planning – Ten thousand was included for contract labor – Zimmer. No property tax is included in this fund.

8006 – Parking Authority – The City assesses for maintenance of the downtown parking lots.

8007 – Shade Tree – Three mills are allocated for this fund. Equipment maintenance was increased for tires on the skidsteer. The Fire Chief stated there is more wrong with the truck than originally thought. Discussion followed on if Sanitation would be replacing a truck soon and if Shade Tree would be able to have the old chassis; however, there is no plan for Sanitation to replace a truck anytime soon. The boom truck is working well, but the skidsteer is repaired annually. At the end of August, Shade Tree will be down to one employee. The stump removal line item will be short. It costs about \$100/tree, and 200 stumps need to be removed. Consensus of the City Commission was to get as many of the stumps removed as possible since there is money in the reserve. Bids to cut down 20 trees will be opened on August 20, 2015.

8008 – City Beautification – This fund is used for Christmas decorations, flowers and banners. Clarification of what the money should be used for is needed. They gave some money to the schools for signs and are talking about doing a sign for public works. Is this the right thing to be using the money for? Last year, the committee wanted to grant funds to businesses for awnings; but it was determined that city money can't be spent on private businesses. Consensus of the City Commission was to have the City Administrator come up with guidelines for the use of the money

8009 – Devils Lake Historical Preservation – Small amount of funds are available from a previous state grant.

8010 – Job Development Authority – Three mills are allocated for this fund. The amount for Forward Devils Lake is for operating expenses.

8011 – Self Insurance Fund – Claims are high this year. The family premium will be increased by \$100/month - \$80 employer and \$20 employee. Premiums for single and single with dependents will increase slightly.

8013 – Lake Region Growth Fund – Income for this fund includes 10% of sales tax and loan repayments.

8015 – Airport Hangar – Fifteen thousand dollars from the Growth Fund is used to help repay the hangar loan to the general fund. 2016 will be the last year of payment on this loan. The current tenant pays \$500/month in rent and approximately \$183/month for rental of space for other planes.

SPECIAL FUNDS – 2000 ACCOUNTS

2001 – Highway Distribution – Highway distribution revenue is based on data received from the League of Cities. Funds for snow removal are estimated at \$40,000, and \$35,000 is included to purchase a dump truck at the state auction.

2003 – City Share of Special Assessments – This fund includes the City's share of different projects. Property tax was dropped since the City's share of new projects is funded by sales tax. Four projects being paid from this fund will be completed in 2016. Excess funds can be transferred to the general fund since it is property tax money.

2005 – Advertising and Promotion – Same as 2015.

2006 – Emergency – Balance cannot exceed 5 mills.

2007 – Insurance Reserve Premium – Property tax dollars and the rebate received, which is based on their investments and claims, are used to pay the equipment insurance.

2008 – Cemetery Fund – Twenty five thousand was included in the 2015 budget to fence the rest of the cemetery. The 2016 budget includes shingling the building.

2010 – Temporary Employees Fund – Same as 2015.

2012 – Equipment Reserve – The only item requested was a dump truck.

2021 – Special Assessment on City Property – This is for the Roundhouse project. The assessment goes down as lots are sold, and ends in 2017. The excess can be transferred to the general fund.

2022 – Public Buildings – This fund is for maintenance on city owned buildings. The City Administrator is working with someone on a possible grant for the daycare building.

2030 – Penalty & Interest on Special Assessments – This is used to pay any shortfall on bond funds. 2016 will be the last year for transfers.

2031 – Weed Control – A large mower needs to be replaced. This fund is being used because of the large surplus. This fund is allocated 2 mills.

2033 – Infrastructure – Forty percent of sales tax goes to this fund. Funds will be needed for the City's share of projects. Five percent or approximately \$40,000 is needed for the airport fire truck coming in 2015. Discussion followed on the commitments of the City.

2034 – Economic Development – Ten percent of sales tax was allocated for this fund. The amount given to Forward Devils Lake is \$85,000 with the remainder going to the Growth Fund. The temporary, part-time position will be discussed at the general fund meeting.

2042 – Asset Forfeiture Buy Fund – Funds came from seized assets.

DEBT SERVICE FUNDS – 5000 ACCOUNTS

5001 – Special Assessment Deficiency – This fund is to help balance the bond payments. The last year to transfer \$20,000 is 2016. The balance can be transferred to the general fund.

5005 – Non-Bonded Debt Service – This fund is used to cover small projects which are not bonded. The assessments from the projects funded go back into this account.

5101 - Sewer Separation #1 – This fund can be used for sewer projects. The money for the culverts at 14th Avenue came from this fund.

5476 - SRF Bonds 2010- This fund is for the local share of the embankment raise. Five percent of the sales tax dollars is used to repay the bond.

5477 – Refunding Bonds of 2010 – The last payment for this bond is in 2018. There should be \$10,000 left after final payment which can be transferred to the general fund.

5478 – Refunding Bonds of 2011 – There should be \$400,000 left at the end of this bond which can be transferred to the general fund or to another bond fund.

5479 - Refunding Bonds of 2013 – This fund includes the roads at Elkhorn and Highland and street projects on 4th, 5th and 6th Street. This bond may be retired early due to the additional homes added in the areas.

5480 - Refunding Bonds of 2014 – Everything looks good.

A new fund will need to be created for the 2015 bonds.

5490 – Landfill Closure Debt Service – The fund was closed in 2013 when the loan was paid off early. The fund will be closed out in 2015 and transferred to Sanitation.

It was noted that the Public Utilities Supervisor is looking at adding another employee to the Water Department. This will be discussed at the August 18th budget meeting.

The next budget meeting is scheduled for Tuesday, August 18, 2015 at 12:00 P.M.

There being no further business to come before the Commission, President Johnson adjourned the meeting at 1:20 P.M.

**LINDA LYBECK
CITY AUDITOR**

**RICHARD S. JOHNSON
PRESIDENT**