

MINUTES OF THE BOARD OF CITY COMMISSIONERS
HELD MAY 16, 2016

The regular meeting of the Devils Lake City Commission was held Monday, May 16, 2016 at 5:30 P.M. with the following members present: President Johnson, Commissioners Tim Heisler, Craig Stromme and Dale Robbins. Commissioner Rick Morse was absent.

Pledge of allegiance was recited.

Commissioner Stromme moved to approve the minutes of the regular City Commission meeting held May 2, 2016. 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 VIII hotel liquor license to Lake Region Hotel Group LLC dba Cobblestone Hotel and Suites located at 1801 Highway 2 E. Hearing and receiving no comments, President Johnson closed the public hearing.

Commissioner Stromme moved to issue a Class VIII hotel liquor license to Lake Region Hotel Group LLC dba Cobblestone Hotel and Suites located at 1801 Highway 2 E as recommended by the Police Chief. The motion was seconded by Commissioner Heisler, and the motion carried unanimously.

Commissioner Robbins – The Public Ways Supervisor requested out-of-state travel to pick up the flowers in Minnesota and the fireworks in Wisconsin.

Commissioner Robbins moved to approve out-of-state travel for the Public Ways Department to pick up the flowers in Red Wing, MN and the fireworks in Ellsworth, WI on May 19th and 20th. The motion was seconded by Commissioner Heisler, and the motion carried unanimously.

The Public Utilities Supervisor requested approval for two new city employees to live outside of city limits. One employee would be living about ten miles outside of city limits, and the other one would be temporarily living in Crary.

Commissioner Robbins moved to approve the request for Cory Estenson and Daniel Dawson to live outside of city limits. The motion was seconded by Commissioner Heisler, and the motion carried unanimously.

Commissioner Heisler – The City Engineer stated everything was fine.

The City Assessor reminded the Commissioners about the June 2, 2016 Board of Equalization meeting to be held at noon.

Commissioner Stromme - The Sanitation Supervisor reported everything was fine.

The Police Chief stated Officer Bonney and the canine are back from training in Des Moines, IA, and that he attended Law Enforcement Day at the Capital.

President Johnson – The Public Ways Supervisor stated Tri-State Paving started on street openings today.

The Public Utilities Supervisor said everything was fine in Sewer Department.

The City Auditor stated everything was fine.

The City Administrator said everything was fine.

The Fire Chief said a joint exercise with Grand Forks Fire Department was conducted today at Ruger Park.

The City Attorney said everything was fine.

The City Engineer recommended awarding the seal coat project to Morris Sealcoat & Trucking.

Commissioner Stromme moved to accept the bid from Morris Sealcoat & Trucking, Morris, MN for Street Improvement District #59-16 – Seal Coat in the amount of \$349,236.49 as recommended by the City Engineer. The motion was seconded by Commissioner Morris, and the motion carried unanimously.

Commissioner Morse arrived at 5:39 P.M.

Commissioner Heisler moved to approve the consent agenda which included the following:

1. Appointment of Scott Volk as a member of the Lake Region Public Library Board for a three-year term expiring June 30, 2019;
2. Authorizing the City Auditor to call for bids for custodial service for city office with the bids to be opened on Monday, June 6, 2016 at 5:30 P.M. at the City Office as recommended by the City Administrator;
3. Authorizing the City Auditor to call for bids for a front mount mower with the bids to be opened on Monday, June 6, 2016 at 5:30 P.M. at the City Office as recommended by the Public Ways Supervisor; and
4. Four gaming site authorizations submitted by Devils Lake Youth Activities Association for July 1, 2016 through June 30, 2017 at the following locations: Columbus Club & Building Association of Devils Lake – 522 4th St NE; Nellies Bar & Lounge Inc – 301 4th Ave NE; Proz End of the Line – 101 6th St NE; and Thirsty's LLC – 318 4th St NE

The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

Commissioner Heisler moved to approve Budget Amendment #03-16 – Library. The motion was seconded by Commissioner Stromme, and the motion carried unanimously.

The City Administrator reviewed the beautification budget. Due to a policy change, the Commission has requested the Committee present their budget before starting projects for the year.

Commissioner Stromme moved to approve the 2016 Beautification budget as recommended by the City Administrator. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

Two development agreements for 16th St SE were reviewed. The gravel road would be extended. The costs would be split 15% city, 25% developers and 60% TIF. The developers have acknowledged the 16% city charge for administration, legal and engineering. Also discussed was the special assessment for the water and sewer project. When the water and sewer project was completed, it was agreed not to assess these outlots until the land was sold; therefore, the agreements include adding the special assessments for water and sewer to the current special assessment. Each developer will attest to the other agreement since the project cannot be completed if only one developer agrees to it.

In the agreement for LaMotte Properties, two more homes will be constructed over the next four years.

Commissioner Heisler moved to approve the development agreement with LaMotte Properties. The motion was seconded by Commissioner Robbins. Discussion followed on location of district, the number of outlots, and the future construction. The motion carried unanimously.

In the agreement for Sungate Properties, 4 four-plexes will be built in the next six years.

Commissioner Stromme moved to approve the development agreement with Sungate Properties. The motion was seconded by Commissioner Heisler. It was noted that the developers had no issue with special assessment amount. The motion carried unanimously.

The City Engineer reviewed the offer from KLJ Engineering on behalf of the ND Department of Transportation for acquiring right-of-way adjacent south and east of the west viaduct from the City of Devils Lake for the west underpass project. A temporary construction easement is also being requested for access from the recycling area. They would enter from 2nd Street for access to get to the railroad along the corridor. Plans should be completed mid-Summer with bid opening this fall. Some prep work could happen this year. The project may cover two construction seasons. Sixth

Street, 6th Ave and 5th Ave will have additional overlay added before the viaduct project begins since it will be used as a detour during the viaduct project.

Commissioner Heisler moved to approve the notification and appraisal waiver, the memorandum agreement, the temporary easements and the agreement for entry and construction from the ND Department of Transportation for acquiring right-of-way needed for project #NHU-3-019(044) and NHU-3-020(074) – PCN 17504 and PCN 17505 Ramsey County in the amount of \$10,694.20 as recommended by the City Engineer. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

Rachel Lindstrom, Executive Director of Forward Devils Lake, appeared before the City Commission to request flex funds for City Plaza. The project totals \$4 million with the local share being \$50,000. Twelve full-time jobs and twenty-five part-time jobs will be created. Currently, the building has seven tenants with room for nine more tenants. The community portion will be repaid at end of loan.

Commissioner Stromme moved to approve flex funding for City Plaza Properties LLC. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

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

President Johnson acknowledged the following reports:

1. City Auditor monthly report;
2. Fire Department monthly report; and
3. Police Department monthly report.

The City Attorney recommended recessing until Acting City Attorney, Dan Gaustad, arrived for the executive session.

Commissioner Morse moved to recess until Acting City Attorney, Dan Gaustad, arrives. The motion was seconded by Commissioner Robbins, and the motion carried unanimously.

Commissioner Robbins moved to reconvene the meeting at 6:50 P.M. The motion was seconded by Commissioner Stromme, and the motion carried unanimously.

Commissioner Heisler moved to enter into executive session to discuss pending litigation with Ultra Green Packaging, Inc. The motion was seconded by Commissioner Stromme. On roll call all voted aye, and the motion carried.

Executive session of the Commission was called to order at 6:51 P.M. on May 16, 2016 with President Dick Johnson, Commissioners Tim Heisler, Craig Stromme, Rick Morse and Dale Robbins, City Administrator Terry Johnston, City Attorney Tom Traynor, Acting City Attorney Dan Gaustad and Forward Devils members Rachel Lindstrom, John Nord, Guy DeSautel, Barry Gage and Al Freidig.

During the executive session the City Commission met with the Acting City Attorney to discuss pending litigation with Ultra Green Packaging, Inc. Pursuant to N.D.C.C. §§ 44-04-19.1 and 44-04-19.2, the Commission may convene into executive session for attorney consultation, pursuant to N.D.C.C. 44-04-19.1 and 44-04-19.2, regarding the pending litigation against Ultra Green Packaging, Inc. and to discuss negotiating strategy and /or provide negotiating instructions to its attorney on possible resolution of case.

Commissioner Stromme moved to adjourn the executive session at 7:57 P.M. on May 16, 2016. The motion was seconded by Commissioner Morse, and the motion carried unanimously.

There being no further business to come before the Commission, President Johnson adjourned the meeting at 7:57 P.M.

**LINDA LYBECK
CITY AUDITOR**

**RICHARD S. JOHNSON
PRESIDENT**