

MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF CITY COMMISSIONERS
HELD JULY 11, 2018

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, July 11, 2018 at 12:00 P.M. with the following members present: Commissioners Jacob Volk, Dale Robbins, Rob Hach, Shane Hamre and President Richard Johnson. None were absent. Others present were the Public Utilities Supervisor, Sanitation Supervisor, Fire Chief, Library Director, Airport Manager, City Engineer, City Auditor, and City Administrator.

President Johnson said that the purpose of the meeting was to discuss the 2019 Preliminary City Budget.

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

SPECIAL FUNDS – 2000 ACCOUNTS

2001 – Highway Distribution – Highway distribution revenue is based on data received from the League of Cities. The money comes from fuel tax and vehicle registrations. The budget includes \$32,000 for a mower for Highway 2, \$9,000 for a paint striper and \$10,500 for ½ of the air compressor. It was noted the street sweeper budgeted for 2018 will not be purchased since there is more of a need for snow removal equipment.

2003 – City Share of Special Assessments – This fund includes the City's share of different projects.

2006 – Emergency – Fund balance cannot exceed 5 mills. Forty thousand was added to the fund in 2018.

2008 – Cemetery Fund – Equipment purchases budgeted are \$9,500 for a mower and \$32,000 for one-half of the excavator with trailer. Four mills will be levied for this fund. The fund can operate with a slight deficit since the reserve is high.

2010 – Temporary Employees Fund – Same as 2018.

2012 – Equipment Reserve – This is for replacement of equipment. Discussion followed on purchasing a tarp for the sanitation truck so the loads are covered when going to the landfill. It would cost \$13,000 for a tarp and installation. The funds for the tarp could come from the infrastructure fund.

2021 – Special Assessment on City Property – This was for the Roundhouse project, and the specials have ended. The funds will be transferred to the general fund in 2018.

2030 – Penalty & Interest on Special Assessments – This is used to pay any shortfall on bond funds.

2033 – Infrastructure – \$850,000 was allocated for projects. The new sales tax will tax effect October 1, 2018.

2034 – Economic Development – Seven percent is allocated for this fund. The amount given to Forward Devils Lake is \$50,000 with the remainder going to the Growth Fund.

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 debt service payments. 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 storm sewer projects. Funds were used to replace culverts previously.

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

5477 – Refunding Bonds of 2010 –The last payment for this bond is in 2018.

5478 – Refunding Bonds of 2011 – TIF makes up a portion of this fund.

5479 - Refunding Bonds of 2013 – Everything is on track for this fund.

5480 - Refunding Bonds of 2014 – Everything is on track for this fund.

5481 – Sales Tax Bond of 2015 – Funds were used for the Cenex project and the watermain project for various areas.

5482 – Refunding Bonds of 2015 – Funds were used for the Cenex project and the watermain project for various areas. The fund includes the TIF district.

5483 – Definitive Improvement Warrant of 2017 – The City used an infrastructure loan at 2% interest from the Bank of North Dakota for the Mauve project. The project also includes a TIF district. There are very little closing costs associated with the infrastructure loan.

5484 – Sales Tax Revenue Bond 2017 – An infrastructure loan with interest at 2% is being used to fund the west underpass project. The loan will be repaid with sales tax.

5485 – Refunding Improvement Warrant of 2017 – An infrastructure loan at 2% interest was used for street projects.

5490 – Landfill Closure Debt Service – This fund was for the reserve for the landfill debt. It will be transferred to the landfill closure part of the equipment reserve CD.

TRUST AND AGENCY FUNDS– 8000 ACCOUNTS

8002 – Library Fund – Jared Tolman, Library Director, appeared before the City Commission to present the budget. The numbers are similar to last year. Discussion followed on the creation of the Lake Region Public Library Foundation for large donations and on the Barbara McCormick reading garden. Discussion continued about locating the reading garden on the south end of the building, on how it would be maintained and if it would be gated. Current plans call for blooming plants and bushes, a walkway with engraved pavers and a fence. It was the consensus of the City Commission to check with the City Attorney on whether the Library needs City Commission approval to alter city property and on the authority to spend money from the foundation.

8006 – Parking Authority – The City assesses for maintenance of the downtown parking lots. The amount that can be assessed was increased to \$40,000. The amount of carryover was discussed. There is no limit on the carryover amount.

8008 – City Beautification – This fund is used for Christmas decorations, flowers and banners.

8009 – Devils Lake Historical Preservation – A small amount of funds are available from a previous state grant. Funds may pass-through for a project at the VFW.

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 – Last year the City paid 80% of a family plan, 90% of single plus dependent plan and 100% of a single plan. The premium for a family will increase \$100.00 to \$1,850.00/month. Health savings accounts were discussed.

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

8015 – Airport Hangar – The current tenant pays \$500/month in rent and approximately \$183/month for rental of space for other planes. Discussion followed on increasing the rent and on the lease agreement.

9000 – Devils Lake Airport Authority – General Operations – The Airport Manager stated he has requested four mills from the City which is the maximum number allowed. He will request three mills from the County. The rent was raised a little for the terminal lease, and the landing fees have an acceleration clause. The budget includes expenses for three full-time employees and the part-time manager. Money has been set-aside for replacing snow removal equipment and approximately \$609,000 of grant funds will be received for purchasing a road grader, snow blower, tractor and pusher. Butler was the low bidder. Discussion followed on equipment sharing with the City and on boardings.

6001 – WATER DEPARTMENT - \$450,000 from the Northeast Regional Water District buy-in payment will go towards the painting of the water tower and \$100,000 will come from the equipment reserve CD.

WATER DISTRIBUTION – \$650,000 has been budgeted to paint the water tower. Equipment purchases included \$10,500 for one-half of the air compressor, \$32,000 for one-half of the mini excavator with trailer, \$5,000 for one-half of the trench box and \$3,750 for one-half of a valve gate operator.

The water tower will be inspected on Friday, and then we should have a better idea of what needs to be done.

Discussion followed on buy-in funds from NRWD and GRWD, on how much water each entity is currently using and on how much more water each wants.

HAMAR WELLS - \$5,000 for one-half of the trench box and \$3,750 for one-half of a valve gate operator have been budgeted.

WATER TREATMENT PLANT – Similar to 2018.

6002 – SEWER DEPARTMENT – The City Administrator is recommending raising the sewer rate from \$3.20/1000 gallons to \$3.35/1000 gallons with a minimum base of \$12.50.

SEWER OPERATIONS – \$15,000 has been budgeted for lift on 22nd St.

STORM SEWER – Similar to this year.

SEWAGE TREATMENT – Same as 2018. The City Engineer discussed septic haulers, rural sewer and an assessment for the lagoon.

EMBANKMENT – Money has been budgeted to purchase a bush hog mower and a sprayer.

6003 – SANITATION DEPARTMENT – It is being recommended to raise the per cubic yard fee on the commercial dumpster service by \$.50.

INERT DISPOSAL – No big changes for 2019.

TRANSFER STATION – Similar to this year.

Discussion followed on using the extra money from the chassis to purchase the tarp this year. Consensus of the City Commission was to purchase the tarp in 2018.

6006 – WATER SOURCE REPLACEMENT – The City Administrator had spoken with the City's financial advisor and bond counsel. Both indicated the City should payoff this loan with the funds received from NRWD. Discussion continued on keeping the \$9 water fee on the utility to be used for potential projects. The fee will be decided at the end of year when the rates and fees are set for 2019.

Highlights for the 2019 budget include:

1. 2 % cost of living;
2. Family insurance increased by \$100/month;
3. Sewer rate increased \$.15/1000 gallons;
4. Mosquito rate increased \$.50/month;
5. On average the monthly residential utility bill will increase \$1.40;
6. \$850,000 budgeted for infrastructure projects;
7. \$650,000 budgeted for painting the water tower;
8. Plan \$2 million in road improvements; and
9. Mill levy increases by .52mills.

There being no further business to come before the Commission, President Johnson adjourned the meeting at 2:05 P.M.

LINDA LYBECK
CITY AUDITOR

RICHARD S. JOHNSON
PRESIDENT