

**RUGBY CITY COUNCIL
REGULAR MEETING
MONDAY, JANUARY 3, 2011 - 7:30 P.M.
COUNCIL CHAMBERS**

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

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

Added to the agenda were: Consider NDPERS Amendment to Employer Participation Agreement; Consider purchase of Polycom Soundstation; Consider acceptance of Dave Engeland's resignation; and Consider request to suspend lease payments to HACTC.

Motion by Hoffert to approve the minutes of the December 6 and December 13, 2010 meetings. Second by Geiszler; all voting yes, motion carried.

City Attorney Hartl arrived at the meeting.

Motion by Lotvedt to approve the financial statements, payment of the bills, and the bills paid since the last meeting: 10913 Alltel \$119.90, 10914 Convention & Visitors Bureau \$7,832.32, 10915 Farmers Union \$3,621.67, 10916 Heart of America Library \$7,771.12, 10917 Martha Stroble \$250.00, 10918 ND One Call \$11.70, 10919 ND Post Board \$45.00, 10920 ND Telephone \$511.17, 10921 Otter Tail \$9,774.21, 10922 Rugby Job Authority \$17,314.92, 10923 Postmaster \$265.58, 10924 Rugby Sanitation \$18,912.38, 10925 Zane Reinert \$150.00, Total Regular Bills Paid \$66,579.97; 10926-10962 Dec. Payroll Checks \$44,402.50, Soc. Sec \$6,998.80, Medicare Taxes \$1,636.80, Payroll Taxes \$4,759.73, Electronic Total \$13,395.33, 10963 AFLAC \$466.58, 10964 NDPERS \$8,532.78, 10965 NDPERS \$620.00, 10966 NDPERS \$3,488.14, 10967 State Tax Commissioner \$2,003.96, Total Bills For Payroll \$72,909.29, 10968 Brady, Martz and Associates \$5,000.00, 10969 Rugby Fire Dept. \$7,940.00, 10970-10980 Checks held over, Grand Total All Bills Paid Since Last Meeting \$152,429.26. Bills to be approved: 10981 A & E Auto Parts \$25.98, 10982 Advanced Engineering \$850.00, 10983 Avenet \$500.00, 10984 Bartsch Electric \$89.50, 10985 Brad's Towing Service \$170.00, 10986 California Contractors Supplies \$86.70, 10987 Community Service Program \$6,000.00, 10988 D & S Motors \$180.00, 10989 Ethanol Products \$999.30, 10990 G & P Commercial Sales \$85.75, 10991 H.E. Everson \$9.79, 10992 Hawkins \$1,187.96, 10993 International Inst. Mun. Clerks \$135.00, 10994 KZZJ AM 1450 \$116.00, 10995 Luis V. Coca \$297.52, 10996 M.J. McGuire \$69.88, 10997 Mark Underhill \$23.45, 10998 Marlene Hoffman \$75.00, 10999 ND Municipal Judge's Assn. \$25.00, 11000 ND Rural Water Systems Assn. \$125.00, 11001 Northern Plains Electric \$1,378.54, 11002 Pamida \$245.48, 11003 Petty Cash \$84.24, 11004 Pierce County Auditor \$2,208.33, 11005 Pierce County Tribune \$296.09, 11006 Pioneer Mutual Life Ins. \$236.25, 11007 Postmaster \$413.20, 11008 Power Plan \$12,040.19, 11009 Premier Lube \$29.55, 11010 Ralph Schmidt \$77.30, 11011 Rugby Greenhouse \$109.20, 11012 Rugby Hardware Hank \$293.58, 11013 Rugby Sanitation \$127.00, 11014 Rugby Veterinary Service \$65.50, 11015 SRT \$28.84, 11016 Streicher's \$257.93, 11017 Terry Hoffert \$8.00, 11018 Zep Sales and Service \$203.35, Total Bills Submitted For Approval \$29,154.40. Second by Rheault; roll call vote: all voting yes, motion carried.

Motion by Wentz to approve the Municipal Judge's report for December 2010. Second by Geiszler; all voting yes, motion carried.

Mayor Cichos appointed Council Member Rheault to the Heart of America Library Board, and Council Member Bednarz to the Rugby JDA. Motion by Jacobson to approve the appointments. Second by Wentz; all voting yes, motion carried.

The Council reviewed the Identity Theft Prevention Resolution and Policy recommended for approval by the Water/Sewer/Street Committee. Motion by Hoffert to approve Resolution No. 2011-1 - Identity Theft Prevention Policy, a copy of which is attached. Second by Lotvedt; all voting yes, motion carried.

The Council reviewed the Contract with ICON Architectural Group for a new fire station recommended for approval by the Building/Property Committee. The fee is 7.5% of the construction costs, with an additional fee for site selection, and the contract includes mechanical, electrical, and architectural, but does not include civil engineering. Motion by Lotvedt to approve the contract. Second by Bednarz; roll call vote: all voting yes, motion carried.

The Council reviewed the JDA Minutes & Financial Statements.

The Council reviewed resolutions and guidelines for property tax exemptions recommended for approval by the Finance Committee. Finance Committee Chairman Jacobson explained the different exemptions and their purposes. Motion by Lotvedt to approve Resolution 2011- 2 - Resolution regarding Residential Tax Exemption for New Residential Construction for New Single Family, Condominium, and Townhouse Residential Properties (NDCC 57-02-08(35)), a copy of which is attached. Second by Hoffert; roll call vote: all voting yes, motion carried. After reviewing the resolution and guidelines for residential & commercial improvements, the council tabled the issue until the February meeting, when the resolution and guidelines can be better clarified. Motion by Hoffert to approve Resolution 2011 - 3 - Resolution regarding Residential Tax Exemption for Builders (NDCC 57-02-08(42)), a copy of which is attached. Second by Geiszler; roll call vote: all voting yes, motion carried. The JDA will also be working on new guidelines for tax exemptions for new and expanding businesses and will present the guidelines to the council in the next few months.

The Council reviewed the NDPERS Amendment to Employer Participation Agreement. Council Member Geiszler explained the amendment. Motion by Jacobson to approve the NDPERS Amendment. Second by Hoffert; all voting yes, motion carried.

The Council reviewed the purchase of a Polycom Soundstation for the Council Chambers. Motion by Lotvedt to approve the purchase. Second by Wentz; roll call vote: all voting yes, motion carried.

The Council reviewed the resignation letter submitted by Street Supervisor, Dave Engeland. Motion by Geiszler to accept the resignation. Second by J. Harmel; all voting yes, motion carried. Mayor Cichos thanked Engeland for his 25 plus years of dedication to the city.

Motion by Jacobson to a request to suspend lease payments for building rental to the Heart of America Correctional & Treatment Center. Second by Hoffert. Hoffert called the question, suspending discussion; all voting yes, motion carried.

Farmers Union Board members were present to notify the council of their upcoming plans to start their building project in April.

There were no applications for raffle or special event permits.

Committee Reports: Buildings/Property – Met with the Architect on Dec. 27. Discussion held on a gas chlorine system at the swimming pool. Motion by Bednarz to accept the proposal from Associated Pool Builders Inc., for \$34,130.00, with the city installing a gas chlorine system. Second by Hoffert. More discussion followed. Motion by Hoffert to amend the motion to require the gas chlorine building be aesthetically pleasing. Second by Lotvedt, all voting yes on the amendment. Vote on original motion, roll call vote: all voting yes, motion carried. Finance – established tax exemptions. Ordinances/Rec – no report. Personnel - no report. Public Safety – discussed impound lot, fire hydrant snow cleaning, snow removal practices, grant for alcohol free New Year's eve party, speed limit on Hwy 3, state vehicle auctions, sending someone to the law enforcement academy, and accidents on private property. Water/Streets/Sewer – discussed upgrades to the water plant software and hardware computer system with Rod Rock, Integrated Process Solutions, and recommended the Council purchase the option #8 system upgrade for \$49,866.44, with an additional \$5,000.00 for 2 new computers, antennae's, and labor. Council Member Jacobson explained the need for the upgrades, as the computer system has not been updated since first installed in 1999. Motion by Hoffert to amend the 2011 budget for water plant computer upgrades from \$40,000.00 to \$54,866.44. Second by Geiszler, roll call vote: all voting yes, motion carried. Lengthy discussion was held on the streets and snow removal, and commercial contractors dumping snow on private property without permission. Motion by Lotvedt to approve water plant computer upgrades in the amount of \$54,866.44. Second by Wentz, roll call vote: all voting yes, motion carried. Discussion was also held on possibly hiring commercial contractors to help haul snow and widen out the streets.

Correspondence Received, Special Meetings and Reminders: Planning Commission meeting on Monday, Jan. 10 at 7pm; Water/Sewer/Street Committee Meeting changed from Jan 11th to Thursday, Jan. 13 at 4pm; Offices closed on Martin Luther King Holiday - Monday, Jan. 17; Ordinance/Recreation Committee Meeting on Wednesday, Jan. 19 at 4pm; Special Building/Property Committee Meeting on Monday, Jan. 24 at 4pm; LEC Meeting at Courthouse Community Room (Public Safety Committee) on Monday, Jan. 24 at 7pm; Finance Committee Meeting on Wednesday, Jan. 26 at 4pm; Public Safety Committee Meeting on Thursday, Jan. 27 at 4pm.

There being no further business to transact or to come before the Council at this time, Mayor Cichos adjourned the meeting at 9:02pm.



Karla Harmel, City Auditor

1/12/11

Date Submitted