

**REGULAR RUGBY CITY COUNCIL MEETING MINUTES**  
**MONDAY, MAY 2, 2022– 7:30PM**  
**CITY HALL COUNCIL CHAMBERS AND BY GOTOMEETING**

Council Members present: Lotvedt, Lunde, Kraft, Bednarz, Berg, Brossart, LaRocque and Trottier. Also present were Mayor Steinke, Auditor Stewart, Jim Olson, AE2S, and Attorney Hartl.

Mayor Steinke called the meeting to order at 7:30 pm.

Council members recited the Pledge of Allegiance.

Roll call was taken by Mayor Steinke.

There was a motion by Berg to approve the agenda. Second by Trottier, all voting yes, motion carried.

The council considered the April 4, 2022, meeting minutes. There was a motion by Bednarz to approve the minutes of the April 4, 2022, regular council meeting. Second by Lunde, all voting yes, motion carried.

The council considered the April 4, 2022 tax equalization meeting minutes. There was a motion by Lotvedt to approve the minutes of the April 4, 2022 tax equalization council meeting. Second by Lunde, all voting yes, motion carried.

The council considered the April 7, 2022 special meeting minutes. There was a motion by Lotvedt to approve the April 7, 2022 special meeting minutes. Second by Kraft, all voting yes, motion carried.

Erik Christianson, Heart of America Medical Center CEO, addressed the council regarding the future hospital building project. He addressed impact costs for the construction of the hospital. This covers the streets, water and sewer lines. Christianson suggested that the costs be split three ways; the hospital, city and property owner to the north.

Christianson went on to explain that the cost to build a new hospital is \$62 Million and that provides 220 full time employees, with \$18 Million in salaries each year. Steinke explained that impact costs, if paid by the city, would need to be figured into future budgets. They reviewed funds that the city has currently and current city projects and the costs associated with those.

Christianson explained that the hospital intends to apply to the state USDA on June 6, 2022. He hopes to have approval of that within 45 days. Once that is approved it will move onto the federal level for review. The hospital plans on beginning site work this fall. Christianson has to submit budget costs, prior to making application to the state USDA. Christianson will include the infrastructure costs in the budget he submits to the USDA. They discussed the infrastructure needs required for the hospital to build. Kraft questioned if 15<sup>th</sup> Street would need to be paved, right away. Lotvedt explained that it does not have to be paved now. Lotvedt explained that the water line will need to be looped for fire protection. Lotvedt explained that the retention pond that will be located on the hospital property is one of the larger costs. Trottier asked Christianson to lay out the USDA time-line. He explained that after the hospital gets

preliminary approval from the state, they intend to install \$1 million dollars' worth of infrastructure, site grading and graveling. Trottier questioned what Christianson is looking to the council for. He explained that in the long run he would like the city to designate funds to offset the hospital impact costs.

Christianson believes that the hospital will employ 220 after they move to the new facility. Christianson expects future hospital closures in North Dakota, which will bring professionals to the community for jobs. Currently they have 28 residents on long term care. The new facility will have 18 beds for long term care. He explained that approximately 33% of their staff for long term care is contract labor. He would rather employ local staff.

LaRocque questioned the cost for paving 15<sup>th</sup> Street of over \$800,000 if this was approximately 2 ½ blocks. Lotvedt agreed this is correct. Steinke explained that \$372,500 is the cost, without paving the road.

Lotvedt explained the history of the infrastructure and development south of Highway 2. Lotvedt explained that if Mr. and Mrs. Chalmers are going to provide the city an easement, they do not want to pay special assessments. Steinke clarified that the cost of the easement, from Chalmers, is forgiveness of specials on their part.

Dale Klein, city employee, suggested that the hospital look into looping their water supply to ensure a constant supply of water at a new site. Steinke suggested that the city engineer and the hospital engineers need to sit down and look into this and the costs.

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| Bills Paid Since Last Meeting of 4/4/2022: | \$177,943.05 |
| 22199 Aqua-Pure Inc.                       | \$450.00     |
| 22200 B & M Laundry                        | \$239.59     |
| 22201 Bartsch Electric                     | \$3,475.76   |
| 22202 Convention & Visitors Bureau         | \$1,062.32   |
| 22203 Convention & Visitors Bureau         | \$3,050.12   |
| 22204 Darwin Belgarde Towing               | \$200.00     |
| 22205 David Bednarz                        | \$78.98      |
| 22206 Emergency Automotive Tech            | \$574.72     |
| 22207 Envision                             | \$2,109.25   |
| 22208 Ferguson Waterworks                  | \$656.17     |
| 22209 H. E. Everson                        | \$690.16     |
| E-ck Job Service ND                        | \$205.29     |
| 22210 John Deere Financial                 | \$187.82     |
| E-ck JP Morgan Chase                       | \$1,419.45   |
| 22211 Lynette Sanderson                    | \$3.66       |
| 22212 MARC                                 | \$532.26     |
| 22213 MEDICO Life Ins.                     | \$152.75     |
| 22214 Merchants Bank                       | \$14,243.69  |
| 22215 Municipal Code Corp                  | \$1,628.44   |
| 22216 NAPA Auto Parts                      | \$13.57      |
| 22217 ND Dept. of Health/Chemistry         | \$18.54      |
| 22218 ND Telephone Co                      | \$830.55     |
| 22219 Northern Improvement Co              | \$520.00     |

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| 22220                                   | Northern Plains Electric Coop  | \$3,111.07   |
| 22221                                   | Otter Tail Power Company       | \$13,361.66  |
| 22222                                   | PGPOA                          | \$40.00      |
| 22223                                   | Pierce County Tribune          | \$1,371.79   |
| 22224                                   | Pipe Detectives                | \$8,055.20   |
| 22225                                   | RFS, LLC                       | \$488.00     |
| 22226                                   | Rugby Job Authority            | \$22,007.18  |
| 22227                                   | State Water Commission         | \$4,408.05   |
| 22228                                   | Team Lab                       | \$1,556.00   |
| 22229                                   | The Computer Store             | \$199.99     |
| 22230                                   | U. S. Bank / St. Paul          | \$500.00     |
| 22231                                   | Valli Information Systems      | \$704.78     |
| E-ck                                    | Wex Bank                       | \$1,187.64   |
| ACH                                     | Payroll Checks                 | \$49,576.61  |
| ACH                                     | Social Security                | \$7,754.70   |
| ACH                                     | Medicare Taxes                 | \$1,813.60   |
| ACH                                     | Payroll Taxes                  | \$4,979.37   |
| 22232                                   | AFLAC                          | \$950.46     |
| 22233                                   | Required Deduction             | \$731.88     |
| ACH                                     | NDPERS                         | \$725.00     |
| ACH                                     | NDPERS                         | \$8,053.44   |
| ACH                                     | Sanford Health / NDPERS        | \$14,023.54  |
| Bills To Be Approved and Paid 5/2/2022: |                                | \$106,442.22 |
| 22235                                   | Advanced Engineering           | \$46,927.15  |
| 22236                                   | American Welding & Gas         | \$4,558.83   |
| 22237                                   | Aqua-Pure, Inc.                | \$3,825.00   |
| 22238                                   | B & J Excavating Inc.          | \$2,416.00   |
| 22239                                   | Brad Radomski                  | \$700.00     |
| 22240                                   | Brad's Auto Service & Towing   | \$163.00     |
| 22241                                   | Circle Sanitation              | \$20,155.00  |
| 22242                                   | Dakota Farms                   | \$77.40      |
| 22243                                   | David Bednarz                  | \$78.98      |
| 22244                                   | Drive Chevrolet Buick Rugby    | \$66.41      |
| 22234                                   | Environmental Systems Research | \$1,150.00   |
| 22245                                   | Ferguson Waterworks            | \$10.37      |
| 22246                                   | First District Health Unit     | \$75.00      |
| 22247                                   | Glenko Enterprises             | \$2,430.78   |
| 22248                                   | Graymont Western Canada        | \$5,148.56   |
| 22249                                   | Johnson's Plumbing             | \$240.08     |
| 22250                                   | L-Tron Corporation             | \$690.90     |
| 22251                                   | ND Envelope Company            | \$212.75     |
| 22252                                   | Northern States Supply         | \$19.75      |
| 22253                                   | Pierce County Auditor          | \$3,412.50   |
| 22254                                   | Rebecca Jordan                 | \$170.00     |
| 22255                                   | Rugby Broadcasters             | \$91.00      |
| 22256                                   | Rugby Hardware Hank            | \$287.28     |

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| 22257 Rugby Lumber Inc.        | \$4,232.95 |
| 22258 Rugby Service Center     | \$1,260.18 |
| 22259 Team Laboratory Chemical | \$4,789.50 |
| 22260 The Computer Store       | \$1,452.58 |
| 22261 Verizon Wireless         | \$550.27   |
| 22262 Wangler Construction LLC | \$1,250.00 |

The bills were reviewed by the council. Bills were individually reviewed by LaRocque and Berg. There was a motion by Brossart to approve payment of the bills as presented. Second by LaRocque, roll call vote, Trottier- yes, Brossart-yes, LaRocque-yes, Berg-yes, Bednarz-yes, Kraft-yes, Lunde-yes, Lotvedt-yes, motion carried.

The council reviewed the financial reports as presented. There was a motion by Berg to approve the financial reports as presented. Second by Bednarz, roll call vote, all voting yes, motion carried.

The council considered the April 2022 Municipal Court Report. There was a motion by Lotvedt to approve the April 2022 Municipal Court Report. Second by Kraft, all voting yes, motion carried.

Laurie Odden, CVB Executive Director, explained that the Public Works employees were awarded the Chamber of Commerce Customer Service Award for the month of April. Odden explained that they have a new Chamber of Commerce and Convention and Visitors Bureau board member. They will be hosting an open house at the new Chamber and CVB office June 1. The Living Local app that Odden has been working with should be ready to launch in the next few weeks. Lotvedt questioned if the CVB owns the Geographical Center Monument. Odden explained that she believes that the owners of the building next to the monument own it. They discussed having this surveyed possibly.

Trottier questioned if the advertising budget could be shared with the Job Development advertisement budget. Odden explained their major advertising budget is for their Rugby Brochures that they place in rest areas across the state. Their main advertising is geared towards tourism. Steinke explained that the JDA advertising is not geared the same for the most part. Trottier questioned what advertising the JDA does. Steinke will find out and let him know. Odden explained that BEK TV would do an advertisement for the community for \$1,500 if she could find entities that would want to share in that cost. The entities would then own the commercial. LaRocque questioned what the cost to hosting the job fair was. Odden explained that advertising is main cost to hosting a job fair. Kraft believes that some of the JDA advertising cost was signs for the Chalmers Addition lots. There was a motion by Trottier to approve the CVB minutes and financials. Second by Lotvedt, all voting yes, motion carried.

The council reviewed the JDA minutes and financials. Executive Director Frigaard was not present. There was a motion by Kraft to accept the JDA minutes and financials. Second by Brossart, majority voting yes, motion carried.

Recreation: LaRocque questioned why the committee's did not meet in April. Steinke explained that the Auditor was out of the office. He questioned Hartl as to the authority the Mayor has to cancel committee meetings. Hartl explained he will have to research the question. Trottier questioned the Mayor's authority to cancel committee meetings as well. Hartl will look into this.

Bednarz questioned where the recreation grounds rehabilitation was at. Berg explained that he has not spoken to Cory Espe regarding what will be done this spring. They have not received applicants for Recreation Director and Recreation Manager. There have been applications turned in for coaches. Stewart explained that the registration is scheduled for May 24 & 25.

Bednarz questioned if the picnic shelter was moving forward this spring. Berg explained that he has spoken to Robert Richerson, Richerson Handyman Service and he was going to generate a new estimate. Stewart will forward the estimate to Berg.

Steinke recommended that Chairman Berg review the recreation applications to see if any of the applicants would be suitable to fill the Director or Manager Positions. The council discussed the recreation program and the need for the two positions to be filled soon.

Finance: The committee will begin working on the 2023 budget.

Public Works: Chairman Bednarz explained that they had met with Andrew, from SUEZ, and discussed the council approval to order agitator motors. They believe that these will take time to obtain and ordering sooner would be beneficial to the city. The council discussed the need to have the clarifier plans and specifications approved by the Department of Health prior to construction. They discussed the potential of having to have an engineering firm draw up the plans and stamp and seal them. They discussed the need to have the water storage tanks inspected internally.

There was a motion by Lotvedt to allow SUEZ to move forward and order the agitator motors for the new clarifiers.

There was a motion by Kraft to approve the two MaGuire Iron contracts, in the amount of \$5,550, to inspect the water storage tanks. Second by Lotvedt, roll call vote, all voting yes, motion carried.

Bednarz seconded the motion to allow SUEZ to move forward and order the agitator motors for the new clarifiers, roll call vote, all voting yes, motion carried.

Buildings: Chairman Berg gave an update on the swimming pool project as well as the Armory projects. Lotvedt explained that the Armory roof had leaked and the floor did get damaged in a spot. The company refinishing the floor will need to be notified so that they can sand down that area when they complete the entire floor.

Jim Olson addressed the council regarding the pay request for Mike Swanson Construction. The requested amount is \$115,200. This leaves a balance of \$46,509.60. There was a motion by

Lotvedt to approve the pay request from Mike Swanson Construction in the amount of \$115,200. Second by Brossart, roll call vote, all voting yes, motion carried.

Olson presented Wagner Construction's pay request #1 in the amount of \$651,372.77. Olson explained that all products being paid for have been received and are on the ground in Rugby. There was a motion by LaRocque to approve Wagner Construction's pay request #1 in the amount of \$651,372.77. Second by Berg, roll call vote, all voting yes, motion carried.

Wagner Construction has requested a change order regarding two 48 inch crossings at the lagoons. Olson explained that they found pipe that was notched. Wagner has submitted a Change Order to install insulated sanitary sewer main pipe at the crossings with the storm sewer. The total amount of the change order is \$26,505.00. Olson explained that currently the pipe is not insulated, however with the notched pipe the concern is that the new pipe could possibly freeze. Olson recommends that the city approve the change order. There was a motion by LaRocque to approve the change order for Wagner Construction in the amount of \$26,505.00. Second by Bednarz. Kraft questioned if the current pipe is going to be cut into the 48" pipe. Olson explained that if the current pipe is cut into the 48" line, the new line will be cut in as well. Steinke called for a roll call vote, all voting yes, motion carried.

Olson explained that Wagner Construction reached a deal with Cindy Schaan to utilize her property to park equipment, etc. In exchange they will be installing water and sewer on her empty lots. This will be at no charge to the city.

Olson explained that progress meetings with Wagner Construction will begin on May 13 and happen every two weeks.

Olson explained that the sewer main at the ball diamonds has been televised. Olson distributed a memo regarding the findings across the ball diamonds. He gave the Pipe Detectives binder and flash drive to Stewart to maintain the record. He explained that the line is very tore up and shallow. Lotvedt explained that he did review the footage and that the line has been cleaned out very well. He would like to see a clean out placed on each end to monitor the line. This should be budgeted for in 2023 or 2024.

The council considered resolution 2022-4 Providing for the Issuance and Sale of Loan Anticipation Revenue Bonds for the 2 ½ Ave Project. Stewart explained that the bond sale took place earlier today and Collier Securities was the low bid. There was a motion by Lotvedt to approve resolution 2022-4 Providing for the Issuance and Sale of the Loan Anticipation Revenue Bonds for the 2 ½ Ave Project. Second by LaRocque, roll call vote, all voting yes, motion carried.

The council considered a request for proposal for audit services from Brady Martz. Brady Martz was the only company that submitted a proposal for audit services. There was a motion by Kraft to approve the Brady Martz proposal for audit services. Second by Lunde, all voting yes, motion carried.

The council conducted the second reading of Ordinance 435 – Adopting the Republication of the 1967 code for the City of Rugby, North Dakota. There was a motion by Kraft to approve the second reading of Ordinance 435- Adopting the Republication of the 1967 code for the City of Rugby, North Dakota. Second by Brossart, all voting yes, motion carried.

The council reviewed Individual Board Member Free Speech v. Board Free Speech. This was issued by the United States Supreme Court. Trottier explained that this was applied to a school board and he is inquiring how it would apply to a city council regarding censorship. Hartl explained that he could request an Attorney General Opinion. There was a motion by Trottier to have Attorney Hartl request an Attorney General Opinion on the topic. Second by Bednarz, majority voting yes, motion carried.

The council reviewed a cost participation agreement from the ND DOT to the city for the frontage road extension along US Highway 2 with the City of Rugby to accommodate the construction of a new hospital. The estimated cost of the project is \$825,000 with the city cost being approximately \$162,095. There was extensive discussion regarding the construction of the frontage road extension only if the hospital project moves forward. There was a motion by Kraft to approve the cost participation agreement from the ND DOT for the frontage road extension in the approximate amount of \$162, 095. Second by Brossart, roll call vote, Trottier- yes, Brossart-yes, LaRocque-yes, Berg-yes, Bednarz-yes, Kraft-yes, Lunde-yes and Lotvedt-yes, motion carried.

The council considered an application from Dennis and Gail Danielson for a zoning request application to build a fence on a 5 acre lot; in the extra-territorial zoning the city shares with Pierce County. There was a motion by Lotvedt to approve a zoning request application for Dennis and Gail Danielson to build a fence.

The council reviewed and considered proclamations for Arbor Day, Police Week, and Emergency Medical Services Week. There was a motion by Trottier to approve the three proclamations. Second by Brossart, all voting yes, motion carried.

There being no further business to transact or come before the Council at this time, there was a motion by Bednarz to adjourn the Council Meeting. Second by Lotvedt, all voting yes, motion carried. Meeting adjourned at 9:19 p.m.

\*These are unofficial minutes, subject to edits, and have not been approved by the city council.