

**RUGBY CITY COUNCIL
REGULAR MEETING
THURSDAY, SEPTEMBER 3, 2020– 7:30PM
COUNCIL CHAMBERS**

Council Members present: Lunde, Bednarz, LaRocque, Berg, and Longie. Also present were Mayor Steinke, City Attorney Hartl (by phone) and City Auditor Stewart. Absent were Albrecht, Kraft and Trottier.

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

Council members recited the Pledge of Allegiance.

Roll call was taken by Steinke.

There was a motion by Lunde to approve the agenda as presented. Second by Bednarz, all voting yes, motion carried.

Dave and Dawn Laughridge, Gryphon Liquors, addressed the council regarding their business State Liquor License. Mr. Laughridge questioned the council why they no longer had a State Liquor License. He indicated that they closed their business the day prior, due to no longer having a State Liquor License. He questioned why the city had not notified him that he no longer had a city liquor license. He asked that the council re-instate their liquor license.

Attorney Hartl gave the council an overview of the events, beginning at the July 2020 Council Meeting, which led to the Gryphon Liquor's State of North Dakota License being cancelled and the Hangover's Bottle Shop license being issued. Hartl explained that Ms. Halvorson had indicated on her state application for a liquor license, that the intended start date of the new business was August 1, 2020. He explained that the Attorney General's Office uses that date to issue the new license. Upon issuing the Hangover's Bottle Shop liquor license the state kicks out the Gryphon Liquors license, because they are the same address.

Hartl explained that since the purchase or transfer of ownership did not occur as of August 1, 2020, caused the state license for Gryphon Liquors to be cancelled. Hartl explained that the Attorney General's Office would reinstate Gryphon Liquor's state license if the city reissues their city liquor license. Hartl explained the city could re-issue the Gryphon Liquor License, without a new application or fee, for January 1, 2020- December 31, 2020. He went on to explain that this license is not being renewed, but re-issued. He also explained that the council could approve the Hangover's Bottle Shop liquor license and an effective date to reissue that license.

Steinke questioned the Laughridge's as to if there was a new closing date scheduled. Dawn Laughridge explained that there is not a new closing date and they do not know if there will be a closing date. She also went on to explain that when the council approved the license for Hangover's Bottle Shop, the city did not ask them (Laughridge's) if they were selling. Hartl explained that with the information Mrs. Laughridge has presented it would not be appropriate for the council to approve an effective date for the Hangover's Bottle Shop liquor license to be re-issued. Hartl recommended that the city only consider re-issuing the Gryphon Liquors, liquor

license. He explained that if there is ever a closing date or transfer of property at that time Hangover's Bottle Shop can address the council for a re-issuance of their liquor license.

Steinke asked Kate Halvorson if she wanted to add anything. She acknowledged that whatever the Laughridge's wanted was fine.

Steinke asked for a motion to re-issue the Gryphon Liquor's liquor license. There was a motion by Lunde to re-issue Gryphon Liquor's liquor license. Second by Bednarz. Steinke called for discussion. Mrs. Laughridge questioned how the council's actions did not contribute to the cancelling of Gryphon Liquor's state liquor license. Steinke explained the council did what they were asked to do when Hangover's Bottle Shop applied for a city liquor license. Lunde explained that the council was unaware that by issuing Hangover's Bottle Shop city liquor license that it would cancel Gryphon Liquor's state liquor license. Steinke also voiced concern that both parties, being the Laughridge's and Halvorson's, were relying on other people for legal advice. Steinke also indicated that the consequences of issuing a city license and cancelling a state license were unclear to the council when the decisions were made.

Bednarz questioned if the Laughridge's knew that Kate Halvorson was applying for a city liquor license? Laughridge's indicated they were aware that she applied to the council for a city liquor license at the July 2020 council meeting.

Mrs. Laughridge asked for an apology from the city. Steinke explained that she was uncertain that the city had any fault. Berg indicated that it was unfortunate that Gryphon Liquor's had been shut down.

Steinke called for a vote on the motion. All voting yes, motion carried. Steinke handed Mrs. Laughridge her city liquor license.

The council considered the August 3, 2020 council minutes. There was a motion by Bednarz to approve the minutes of the August 3, 2020, regular council meeting. Second by Lunde, all voting yes, motion carried.

Grand total of all bills paid after 8/03/2020 meeting: \$172,846.15

20747 A-1 Evans Septic Service	\$200.00
20748 B & M Laundry	\$16.15
20749 Brody Schneibel	\$75.00
20750 Cole Schneibel	\$25.00
20751 Convention & Visitors Bureau	\$1,251.73
20752 Convention & Visitors Bureau	\$4,157.50
20753 Dave Bednarz	\$74.75
20754 David Wermerskirchen	\$241.83
20755 Envision	\$707.91
20756 G & P Commercial Sales	\$65.48
20757 Hawkins	\$1,771.51
20758 iDesign Inc.	\$102.50
20759 Jeremy Johnston	\$275.00
20760 John Deere Financial	\$119.74
20761 Johnson's Plumbing	\$298.28

e-CK	JP Morgan	\$943.33
20762	JS Wholesale & Vending	\$415.50
20763	Landen Foster	\$85.00
20764	Logan Harner	\$75.00
20765	Mike Santjer	\$70.00
20766	NAPA	\$129.46
20767	ND Dept of Health/Chemistry	\$18.54
20768	ND One Call Concepts	\$46.25
20769	ND Telephone Co	\$748.21
20770	Northern Plains Electric Coop	\$3,449.95
20771	Otter Tail Power Company	\$12,699.43
20772	Pierce County Tribune	\$622.69
20773	Rugby Job Authority	\$31,261.17
20774	Travis Risovi	\$425.00
20775	Valli Information Systems	\$634.90
20776	Verizon Wireless	\$80.02
e-CK	Wex Bank	\$580.41
20777	Mark Krogstad	\$74.75
ACH	Payroll	\$303.09
	Social Security	\$58.26
	Medicare Taxes	\$13.62
	Payroll Taxes	\$103.35
ACH	Payroll	\$65,444.83
	Social Security	\$10,304.06
	Medicare Taxes	\$2,409.88
	Payroll Taxes	\$6,669.38
20778	AFLAC	\$938.88
ACH	NDPERS	\$385.00
ACH	NDPERS	\$47.65
ACH	NDPERS	\$8,342.56
ACH	NDPERS / Sanford Health	\$16,083.60

Total Bills to be approved at 9/3/2020 Meeting \$139,186.96

Auto. Withdrawal (ACH)/BND (Bank of ND)/

2018 Raw Water Line Revenue Bonds	\$12,550.00
20779 3rd Street Station	\$132.09
20780 ACME Tools	\$252.98
20781 Advanced Engineering	\$10,641.05
20782 Aqua Pure	\$5,636.05
20783 B & J Excavating	\$2,046.00
20784 Brad Radomski	\$700.00
20785 Brad's Auto Service & Towing	\$106.00
20786 BSN Sports LLC	\$88.54
20787 Circle Sanitation	\$18,465.75
20788 Colonial Research Chemical Corp	\$787.55

20789	Core & Main LP	\$3,635.05
20790	Dakota Farms	\$60.93
20791	Ethanol Products	\$1,579.56
20792	First District Health Unit	\$60.00
20793	Gooseneck Implement Co.	\$19,250.00
20794	H. E. Everson	\$5.72
20795	Hartley's School Buses	\$8,623.88
20796	Integrated Process Solutions	\$500.00
20797	Interstate Billing Service	\$281.64
20798	Jim Weinmann	\$94.28
20799	Johnson's Plumbing	\$864.23
20800	Josey Munson	\$496.80
20801	Killoran Trucking & Brokerage Inc.	\$6,046.75
20802	Maxair, LLC	\$638.58
20803	ND One Call Concepts	\$15.05
20804	ND Sewage Pump & Lift Station	\$100.00
20805	Newman Signs, Inc.	\$425.99
20806	Normont Equipment Co	\$191.65
20807	Northern States Supply	\$316.64
20808	Northside Lounge	\$62.10
20809	Petty Cash	\$4.65
20810	Pierce County Auditor	\$3,412.50
20811	Pierce County Treasurer	\$95.27
20812	Portraits By Misti	\$60.00
20813	Productivity Plus	\$142.62
20814	Rebecca Jordan	\$170.00
20815	Recreation Supply Co	\$114.50
20816	Robert Spallinger	\$1,336.12
20817	Rugby Broadcasters Inc.	\$246.75
20818	Rugby Farmers Union Elevator	\$45.00
20819	Rugby Hardware Hank	\$820.52
20820	Rugby Insurance Agency	\$19.00
20821	Rugby Service Center	\$795.93
20822	Rugby Veterinary Service	\$119.80
20823	Sanitation Products	\$1,136.15
20824	Souris Basin Planning Council	\$5,000.00
20825	Streicher's Inc.	\$1,128.78
20826	Team Laboratory	\$680.00
20827	US Bank St. Paul	\$21,135.00
20828	US Bank St. Paul	\$450.00
20829	Verizon Wireless	\$429.26
20830	WatchGuard Video	\$5,990.25
20831	West Shore Services	\$1,200.00
Grand Total All Bills Submitted for 9/03/2020:		\$312,033.11

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

The financials were reviewed by the council. Stewart presented the cash report, expenditure report and revenue report to the Council. There was a motion by Longie to approve the financials as presented. Second by Berg, roll call vote, Lunde-yes, Bednarz-yes, Berg-yes, LaRocque-yes, and Longie-yes motion carried.

The council considered the August 2020 Municipal Judges Report. There was a motion by Berg to approve the July 2020 Municipal Judges Report. Second by LaRocque, all voting yes, motion carried.

Jim Olson, AE2S, addressed the council. Also attending from AE2S was Jason Strand. They distributed the assessment of 2 ½ Ave and 6th Street SE. The assessment includes, water, sewer, storm water, manholes and streets. They also discussed drainage and cost options.

Olson showed the council 14 pictures of the sewer lines that were televised as well as the manholes along the stretch of 2 ½ Ave and 6th St SE. The photos showed the cracks in the clay tile along the route. It also showed where the sewer main was no longer round, but now oval. While this is typical of clay tile, it is important to address in the future to avoid total collapse of the sewer main.

Olson also explained that service connections in places were stuck so far into the main that the camera could not get by it. He then showed a photo that the storm sewer could be seen from inside the sewer main. He indicated that the water is still flowing, remarkably, in the sewer main. He went on to show pictures that had tree roots coming through the clay tile. He indicated that there was approximately 200 feet of tile that they could not get through to camera because it was so flattened.

Olson presented two options for the council to consider. Option 1 is estimated at a total project cost of \$5,406,611.61- this included 2 ½ Ave SE, 3rd Ave SW, 3rd Ave SE, 4th St SW, 6th St SE, 9th St SE & 10th ST SE. Option 2 adds from 6th St SW and Road to Lagoons for an additional \$ 1,348,188.24. Total cost for Option 1 and 2 is \$6,754,799.85. This would repair, water, sewer, storm water and streets along the entire project.

Olson explained that USDA Rural Development has funding that could be applied for to use for this project. The USDA funding is 45% grant money and 55% paid by the city.

The council reviewed Task Order #5. This is to have AE2S Nexus to develop a pre-planning grant application in accordance with UDSA Rural Development standards. The cost, to the city, for Task Order #5 is \$7,500. This would have AE2S make application for the city, for the planning grant of \$30,000. The \$30,000 will cover the cost of the Preliminary Engineering Report.

LaRocque questioned how many residences and business would be affected by this water, sewer, storm water and street project. Steinke explained that this project affects the entire south east part of town. Gooseneck Equipment, Chalmers, Country Rd, Unique/Territorial Drive and the high schools sewer lines all flow to this project area.

Olson asked the council to consider approval of Task Order #5. There was a motion by Berg to approve the AE2S Task Order #5. Second by LaRocque, roll call vote, Lunde-yes, Bednarz-yes, Berg-yes, LaRocque-yes, and Longie-yes motion carried.

The council reviewed the Comprehensive Land Use Plan Proposals from both AE2S and Interstate Engineering. The bid from AE2S was in the amount of \$ 29,800 and the bid from Interstate Engineering was \$ 33,763. The Souris Basin grant stipulates that the lowest bid must be accepted. There was a motion by Bednarz to accept the Comprehensive Land Use Plan Proposal from AE2S in the amount of \$ 29,800. Second by LaRocque, roll call vote, Lunde-yes, Bednarz-yes, Berg-yes, LaRocque-yes, and Longie-yes motion carried.

Laurie Odden, Convention and Visitors Bureau Executive Director, addressed the council. She explained that the minutes, financials, by-laws, articles of incorporation and mission statement were all included in their council packets. She explained that their by-laws have had a second reading and they have removed INC. from the by-laws. Steinke clarified that the CVB removed the INC. and became a non-profit corporation? Odden explained that yes, they had removed the INC. and requested the same agreement with the city that the Job Development Authority has regarding insurance and benefits. Steinke explained that a separate non-profit corporation is not the same as the JDA. Steinke explained that the corporation would need to be dissolved to become an arm of the city. Hartl explained that they removed the INC. from their name; however it does not change their status as a non-profit corporation. The CVB, according to Hartl, still remains a separate entity and not an arm of the city until the corporation is dissolved. Berg questioned why the CVB is required to send minutes and financials to the city if they are not an arm of the city? Steinke explained that is necessary because they receive money from the city. Steinke asked if the CVB would need to dissolve their corporation to become an arm of the city. She explained that if the CVB Executive Director wanted to be considered an employee of the city, their non-profit corporation would need to be dissolved.

Odden explained that the request came from their assumption that the city could administer their benefits and the CVB would then reimburse the city for the benefits. Hartl questioned the city doing the payroll for a non-profit corporation. Hartl gave the example that The Friends of the Lyric, to his knowledge, is a non-profit corporation and the city would not be doing their payroll and expenses, etc.

LaRocque questioned how the Job Development Authority purchased the Lyric Theater and Johnson Clinic, if they are an entity of the city, without council approval? Steinke believes their ordinance allows them to own property. LaRocque questioned if they would need approval from the governing body. Steinke suggested more research on this topic.

Steinke clarified that if the CVB would like to dissolve their corporation and become an arm of the city, they would run their own budget and pay their own bills. This is how the JDA operates under the city.

Berg questioned what happens if the CVB dissolves the corporation, and they become an arm of the city? Steinke explained that the council would need to approve their mission statement and policies, similar to the JDA. It was questioned if the council would have to accept their current CVB board members. Steinke believes that the council would accept their current board, until their rotation of members could be established. Berg clarified that the council does not pick the members of the JDA Board.

Hartl questioned the motivating factor of the CVB for this change. Steinke explained that Odden would like to be a city employee with city benefits. Odden explained that this is part of it, however she has to report to the city, just like other city employees, by posting minutes, providing reports, etc. Steinke explained that today, the CVB is a separate existing corporation, that is not part of the city. Odden agreed that is how it is currently set up and is not sure her board will want to dissolve the corporation. Odden questioned if any other entity has to provide the same information to the city that does not operate as a city employee. Steinke explained that if the city were to fund any other entity, like they do the CVB; they would have to report to the council also.

Odden explained her board accepted a donation from the Rugby Jaycee's for the Geographical Center Monument in the amount of \$2,000. The CVB upcoming events include a Wine Walk scheduled for September 24 as well as a Harvest Festival on September 26. Odden thanked the council.

There was a motion by Lunde to accept the Convention and Visitors Bureau minutes, mission statement and by-laws. Second by Bednarz, all voting yes, motion carried.

The council addressed the Job Development Authority minutes and financials. Liz Heisey, JDA Executive Director, was not present. There was a motion by LaRocque to table the JDA minutes and financials until the next meeting so Liz can explain either in person or over the phone. Second by Longie, all voting yes, motion carried.

Renaissance Zone Committee: LaRocque reported that they had reviewed an application for Brad Wangler and Derick Welk, however they had already completed the project. The committee denied the application and encouraged Wangler and Welk to apply for the Payment In Lieu of Taxes program.

Recreation Committee: LaRocque reported that they had discussed the State Babe Ruth Tournament. They discussed the progress the program and employees had made this last summer. New fixtures will be installed in the restrooms of the recreation building. The drain tile will be installed this fall. Berg explained that the contractor he found has a less evasive way of installing the tile and the fences, etc. do not have to be removed for the installation.

Finance Committee: Reminder that the Budget Hearing will be September 8, 2020 at 7:00p.m.

Ordinance Committee: Lunde explained that they have Ordinances for first and second readings appearing on the agenda today.

Public Works Committee: Chairman Bednarz explained the pool is painted. B & J Excavating will be installing the manhole on 6th ST SE and drainage basins on 6th St SE beginning next week. City Wide Clean-Up was uneventful. He reminded the council that they will be sealing some streets yet this fall. Longie questioned if the main lift station generator had been installed yet. Troy Munyer, Street and Sewer Supervisor explained that the generator is in the state, but has not arrived yet. Longie also questioned the CARES ACT and available money. Stewart explained that the city has applied for \$152,000 for reimbursement of law enforcement wages and benefits for March 2020-July 2020. There will be another reimbursement period, August 2020- September 2020, that will also be applied for.

Buildings Committee: Chairman Berg explained that AE2S had been there and done a walk thru of the Armory. They are looking at renovations that could be made and what funds would be available to assist with that. There will be a update at the next committee meeting.

Public Safety Committee: Chairman Longie explained that they had discussed signage for truck parking issues and residential areas and recommended that to the Ordinance Committee. They had also discussed a 4 way stop to the north west of First Lutheran Church.

LaRocque had unfinished business to bring to council. It regarded the tabled Gaming Authorization for Citizen's Assistance Programs from the July meeting. There was a motion by LaRocque to deny the Gaming Authorization for Citizen's Assistance Programs. Steinke questioned Hartl as to how to handle this particular issue. Hartl agreed it would be appropriate to address this tabled item. Steinke called for a second. Lunde seconded the motion, all voting yes, motion carried.

The Council held the second reading of Ordinance 426- Purchasing Procedures. This involves the competitive bid threshold. There was a motion by Lunde to accept the second reading of Ordinance 426- Purchasing Procedures. Second by Bednarz, all voting yes, motion carried.

The Council held the second reading of Ordinance 427- Vehicles for Hire – repeal. The Ordinance Committee reviewed Chapter 4.36 Vehicles for hire, and determined that the entire ordinance was very out of date and un-necessary. They do not want to limit, nor control what types of vehicle ride services may be offered in the community. There was a motion by LaRocque to accept the second reading of Ordinance 427-Vehicles for Hire. Seconded by Lunde, all voting yes, motion carried.

The Council held the first reading of Ordinance 428- Annual Appropriations. This ordinance directly relates to the approved 2021 city budget. There was a motion by Lunde to approve the first reading of Ordinance 428-Annual Appropriations. Second by Longie, roll call vote, Lunde-yes, Bednarz-yes, Berg-yes, LaRocque-yes and Longie-yes, motion carried.

The council considered applications for Local Permits, for raffles, Rugby Area Convention & Visitors Bureau and Rugby Sports Boosters- amendment. Attorney Hartl indicated he had reviewed the two applications and explained the amendment for the Sports Boosters. He indicated they were all in order. There was a motion by Longie to approve the applications for Local Permit for Rugby Area Convention & Visitors Bureau and Rugby Sports Boosters. Second by LaRocque, all voting yes, motion carried.

The council reviewed a Renaissance Zone Application for Brad Wangler and Derick Welk for property located at Sveums Sub-Division Lot 2. As stated by the Renaissance Zone Committee, the project did not qualify for the exemption due to the project being started and completed prior to application. There was a motion by LaRocque to deny the application for Renaissance Zone for Brad Wangler and Derick Welk for property located at Sveums Sub-Division Lot 2. Second by Berg, all voting yes, motion carried.

The council considered a request to meet with the attorney representing the city in the civil litigation with the Zachmeier's. There was a motion by Lunde to meet with the attorney representing the city, in person, in executive session, to discuss the litigation. Second by Bednarz, all voting yes, motion carried.

Steinke reviewed the correspondence received, special meetings and reminders. Brosz Engineering has questions regarding the upcoming Highway 3 project. The council reviewed the correspondence submitted. A memorandum of understanding is requested between the City of Rugby and MJ McGuires. There was a motion by Lunde to establish a memorandum of understanding between the City of Rugby and MJ McGuires. Second by Longie, all voting yes, motion carried. Attorney Hartl will draft this document.

Brosz Engineering also questioned the type of material the City of Rugby wants to be replaced along the boulevard near 418 3rd St SW & 3rd ST SW all along Hwy 3. There was a motion by LaRocque to return the area to its existing condition upon completion of the Hwy 3 project. Second by Berg, all voting yes, motion carried.

The third question was if the city plans to pass on the cost share portion of the storm drain on to the landowners through special assessment or other methods. There was a motion by LaRocque to table this question pending further information. Second by Lunde, all voting yes, motion carried.

Reminder that September 8, 2020 at 7:00pm will be the Special Budget Meeting.

There being no further business to transact or come before the Council at this time, there was a motion by Berg to adjourn the Council Meeting. Second by Lunde, all voting yes, motion carried. Meeting adjourned at 9:11p.m.

Susan Steinke, Mayor

ATTEST: _____
Jennifer Stewart, City Auditor

Date Approved