

**RUGBY CITY COUNCIL  
REGULAR MEETING  
MONDAY, NOVEMBER 5, 2012 - 7:30 P.M.  
COUNCIL CHAMBERS**

Council Members present: Rheault , Lotvedt, Kraft, Bednarz, Hoffert, Warner, Geiszler, and Wentz. Also present were Mayor Cichos and City Auditor Hauck. Absent was City Attorney Hartl.

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

There were no additions or deletions to the agenda.

Motion by Warner to approve the minutes of the October 1, 2012 Regular Council Meeting and October 8, 2012 Special Meeting. Second by Wentz, all voting yes, motion carried.

City Attorney Hartl entered the room at 7:32pm.

The Council reviewed the bill list. Motion by Hoffert to approve the financial statements, payment of the bills, and the bills paid since the last meeting. **Bills paid since last meeting:** 13261 B & M Laundry Service \$125.28, 13262 Bremer Bank \$11.50, 13263 Convention & Visitors Bureau \$7,681.48, 13264 Country Inn & Suites \$329.97, 13265 Farmers Union Oil Company \$315.63, 13266 HACTC \$4,892.50, 13267 Hi-Way Tesoro \$869.07, 13268 ND Telephone Company \$589.43, 13269 NDSU Extension Pesticide Prog \$85.00, 13270 Otter Tail Power Company \$6,126.49, 13271 Rugby Job Authority \$18,836.78, 13272 State Tax Commissioner \$612.77, 13273 State Water Commission \$8,025.30, 13274 Postmaster \$306.94, 13275 Rugby Sanitation, Inc. \$21,405.95, Total Regular Bills Paid \$70,214.09, 13276-13298 Payroll Checks \$37,587.43, Soc. Sec \$5,000.24, Medicare Taxes \$1,394.32, Payroll Taxes \$4,437.44, Electronic Total \$10,832.00, 13299 AFLAC \$156.48, 13300 NDPERS \$8,893.28, 13301 Heart of America Health Plan \$1,148.30, 13302 NDPERS \$605.00, 13303 NDPERS \$4,969.85, Total Bills For Payroll \$64,192.34. Grand Total All Bills Paid Since Last Meeting of 10/01/12 \$134,406.43. **Bills to be paid:** 13304 A & E Auto Parts, Inc. \$181.99, 13305 Aqua-Pure, Inc. \$2,250.00, 13307 Bobcat of Grand Forks \$8,995.00, 13306 Black Mountain Software \$100.00, 13308 Brad Radomski \$100.00, 13309 Bremer Bank \$3,057.67, 13310 Chamber of Commerce \$70.00, 13311 Cow Country Supply, Inc. \$3,152.90, 13312 CRA Payment Center \$61.95, 13313 D & S Motors, Inc. \$49.32, 13314 Deplazes Redi-Mix \$80.50, 13315 Ethanol Products, LLC \$2,123.74, 13316 Fargo Water Equipment \$10,279.78, 13317 G & P Commercial Sales \$115.06, 13318 Galls, Inc. \$406.48, 13319 Glenko Enterprises \$1,786.59, 13320 H.E. Everson Company \$10.86, 13321 HACTC \$2,758.05, 13322 Harper Oil Company \$2,066.82, 13323 Hawkins, Inc. \$1,318.50, 13324 Heart of America Med. Center \$12.19, 13325 Icon Architectural Group \$2,337.50, 13326 Integrated Process Solutions \$16,250.00, 13327 Jeremy Monroe \$100.00, 13328 Johnson's Plumbing Service \$313.68, 13329 KZZJ AM 1450 \$73.00, 13330 Laurel Edwards \$300.00, 13331 Leavers Foods \$60.59, 13332 Lotvedt Lumber, Inc. \$62.00, 13333 Mark Krogstad \$236.10, 13334 ND League of Cities \$620.00, 13335 ND One Call Concepts, Inc. \$32.50, 13336 ND Surplus Property \$247.00, 13337 ND Telephone Company \$511.88, 13338 ND Water Users Associaton \$175.00, 13339 Newman Traffic Signs \$382.75, 13340 Northern Plains Electric Coop. \$267.75, 13341 Otter Tail Power Company \$15.66, 13342 Petty Cash \$45.93, 13343 Pierce County Auditor \$2,208.33, 13344 Pierce County Recorder \$16.00, 13345 Pierce County Tribune \$484.89, 13346 Pioneer Mutual Life Ins. Co. \$150.50, 13347

Powerplan \$239.65, 13348 Premier Lube & Tire \$35.25, 13349 Quill Corporation \$285.02, 13350 Rugby Fire Dept. \$6,615.74, 13351 Rugby Hardware Hank \$460.55, 13352 Rugby Lumber, Inc. \$102.76, 13353 Rugby Sanitation, Inc. \$650.00, 13354 Rugby Service Center \$1,209.48, 13355 Rugby Veterinary Service \$444.00, 13356 Schneider Custom Hauling \$2,551.50, 13357 SRT Communications, Inc. \$31.12, 13358 St. Michel Furniture \$280.00, 13359 Staples Credit Plan \$128.88, 13360 Swanston Equipment Corp. \$165.56, 13361 Team Laboratory Chem. Corp. \$534.00, 13362 Troy Munyer \$179.52, 13363 Verizon Wireless \$160.89, Sub-Total Bills Submitted For Approval \$77,942.38, Automatic Withdrawal - Wells Fargo Bank / Dist. 2009-1 Bond Payment \$91,758.75, Total Bills Submitted For Approval \$169,701.13. Hoffert wanted to make a note of some bigger bills including, the purchase of the new Bobcat, the purchase of water lines from Fargo Water for the new hotel, the purchase of new radios from Integrated Process Solutions to be in compliance with the new FCC regulation, the payment to Laurel Edwards for the canopy at the Don's Drive Inn that was torn down, and the Wells Fargo principal payment for the 2009 Street Project. Second by Warner. Roll call vote: all voting yes, motion carried.

Motion by Geiszler to approve the Municipal Judge's Report for October 2012. Second by Wentz, all voting yes, motion carried.

Jeff Lingerfelt was present to discuss the challenges the Heart of America Medical Center is facing. With the increase in health insurance, many people have opted for a higher deductible plan. When these people are hospitalized, they seem to have a hard time finding the money to pay their deductible. HAMC wrote off around \$750,000 in bad debt and charity care in 2012. This number is expected to rise in 2013. In addition, HAMC has seen outward migration of staff to the oil fields and have had to increase wages to keep employees. Lingerfelt would like the council to consider a 1% sales tax increase. This would put the sales tax in Rugby at 8%. If the council will not approve the increase now, HAMC may petition to be on the 2014 ballot or possibly request a special election.

Clint Carlson was present to discuss the zoning on his land located along Second Street SE. Carlson would like the area zoned so manufactured home owners could own their own lots. The city zoning R-4, Mobile Home District, would allow the sale of individual lots for manufactured housing. The Planning and Zoning Commission recommended that the area be zoned R-2, Multi-Family Residential, since there is already a duplex on the block. The council would then be able to approve anything being moved onto the block. Carlson is now proposing a different zoning map of the block of which the Planning and Zoning Commission has not seen. Motion by Geiszler to send the issue back to the Planning and Zoning Commission. The motion died for lack of a second. Discussion was held. The council minutes from July 2, 2012, state that the original plat presented by Carlson would be approved provided that the area be rezoned. Since the Planning and Zoning Commission conducted a hearing to change the zoning to R-2, the council would only need a motion and a vote to change the zoning to R-2 so Carlson could sell the existing duplex and the house on the block; however, Carlson was not in favor of this.

A resolution was proposed for the annexation of the area south of the Cobblestone Motel location which will be used for the construction of water mains, sewer mains, and eventually a street. The County Recorder is in the process of reviewing the resolution to make sure it is correct and can be recorded the way it is written. Motion by Hoffert to approve the resolution, subject to the review or modification of the legal description or the need for a plat. Second by Lotvedt, all voting yes, motion carried.

A resolution was presented for the creation of a special assessment district for Outlots 419 and 420. A Finance Committee meeting was held after the noon special council meeting earlier today to discuss what areas should be included in the district. Issues arose during the discussions because of what areas would benefit from the infrastructure. If only phase one is completed, there should be no issues in describing the district; however, if the whole project is completed, the area just to the east of Outlot 419 would greatly benefit from the water, sewer, and street. Since that area is not in city limits, the area could not be assessed. The council discussed the possibility of completing the whole project right away due to the low interest rates. Further discussion was held. Bud Chalmers, owner of the land just to the east of Outlot 419, stated previously that the city would have first rights to buying the land. Motion by Hoffert to request that the Job Development Authority pursue the purchasing of approximately three acres to the east of Outlot 419. Second by Warner, all voting yes, motion carried.

Two additional resolutions were presented but until the special assessment district is defined, the resolutions cannot be passed.

The second reading of amended "Animals" ordinance was held. The words 'poultry', 'fowl', and 'livestock' were added to the 'Keeping of Certain Animals Prohibited' section. Motion by Lotvedt to approve the second reading. Second by Geiszler, all voting yes, motion carried.

The council discussed a contract proposed by Vanguard Appraisals. The cost is estimated to be \$201,390 to conduct a mass appraisal of the entire city. City Attorney Hartl had questions on the contract. Mayor Cichos directed Hartl to get his questions answered before action will be taken on the contract. Senate Bill #2294 is requiring information on property cards that is currently not on the property cards for the parcels in the city. The bill allows for other people, instead of large companies, to be trained and conduct the mass appraisal and be supervised by a person appointed by the city council. Council Member Geiszler was requested to contact the State Tax Commissioner's office to get more details.

Mayor Cichos gave an update on the Cobblestone Motel tax exemption status. The tax exemption application was revoked since construction was to be started prior to the approval of the application. The motel group will be pursuing a 'payment in lieu of taxes' instead. The group has not yet submitted an application for this method but still has time to do so.

Council Member Bednarz requested an update on the theater. JDA Executive Director Foster was present and discussed the steps that have been taken. A man from Rolla was in the theater last week and made suggestions on how to fix it up. The costs are estimated to be \$100,000 to \$150,000. DJ Anderson plans to close the theater at the end of December. The Chamber and the JDA are looking into ways to get the public involved to save the theater.

City Attorney Hartl presented a special event permit application and three raffle applications. Motion by Hoffert to approve the special event application for Crooks Lounge for a 2am closing on November 25, 2012. Second by Lotvedt, all voting yes, motion carried.

Motion by Geiszler to approve the three raffle applications, including Rugby Panther Boosters 50/50, Rugby Dollars for Scholars 50/50, and Rugby Volunteer Fire Department Auxiliary. Second by Wentz, all voting yes, motion carried.

Committee Reports: **Public Safety** – Chairman Hoffert wanted the council to be aware that Sheriff Lunde is on medical leave until the end of the year so the Sheriff's Department is short-handed. The City Police Department employees may be filling in on their days off. The

'No Anhydrous Tanks' signs will be put up soon on the highways. An alternate site for bulk water fill is still being looked into. **Finance** – Chairman Geiszler reported that there was a special meeting held with the Fire Department and Firemen's Auxiliary regarding fund raising options for the new fire hall. Brenda Foster has agreed to spearhead the project. A letter will be sent to all Pierce County Taxpayers requesting donations. A thermometer sign will be placed at the fire hall site and one will be printed in the corner of the Tribune. **Ordinances/Rec** – Chairman Bednarz reported that a lady wanting to start a winter soccer program approached the committee. With nowhere to have the practices, the idea was abandoned. She may still want to conduct a summer soccer program. An ordinance regulating ATV's in the city will be presented soon. **Water/Streets/Sewer** – Chairman Wentz reported that bids were opened for a new payloader. Bids came from RDO at \$135,284 and Butler at \$157,971. The RDO bid was accepted with the option to place our current payloader up for bids instead of trading it for \$44,000. Motion by Wentz to approve the purchase. Second by Lotvedt. Roll call vote: all voting yes, motion carried. Water shut off rates were proposed to be changed from \$20 to \$50. Motion by Wentz to change the shut off rate to \$50 for delinquent billings. Second by Bednarz, all voting yes, motion carried. An easement to provide sewer to the Chamber building is needed. Shelly Block, Chamber Director, is working with DOT to get the proper approvals to improve the building. Block also received verbal permission from the Hub for the easement. Tuesday, November 7<sup>th</sup>, Bartlett and West will be coming to inspect the water tower. **Personnel** – no report. **Buildings/Property** – Chairman Lotvedt reported the Fire Hall project is now in the Finance Committee's hands. Aluminum bleachers have been purchased for the Armory. The city crew will put them together. Rates for the Armory were proposed to be changed. Motion by Lotvedt to change the rates to \$180/day for the first three days and \$100/day for each day after. Second by Geiszler, all voting yes, motion carried. **Infrastructure** – Chairman Lotvedt stated that all the equipment for the Cobblestone Hotel has arrived. The existing water line behind Dakota Farms was found today. The city crew is digging the water line and the sewer line will be dug by B & J Excavating using their laser.

The councilmen reviewed a letter from the Rugby Amateur Hockey Association requesting days for open skating. Reminder: City offices will be closed on November 12, 2012 to observe Veterans Day and November 22, 2012 to observe Thanksgiving Day. Motion by Hoffert to close city offices on November 23, 2012 with employees using vacation or a personal day for the time off. Second by Lotvedt, all voting yes, motion carried.

Meetings this month: Planning and Zoning Commission Meeting- November 12, 7:30pm; Water/Sewer/Streets – November 14 at 1pm, Committee Meetings on Wednesday, November 21 – Public Safety at 9am, Finance at 10am, Ord/Rec at 11am, Personnel at 2pm, Buildings/Property at 3pm.

There being no further business to transact or to come before the Council at this time, Mayor Cichos adjourned the meeting at 9:25pm.

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Dawn Hauck, City Auditor

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Date Submitted

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David Cichos, Mayor

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Date Approved