

**RUGBY CITY COUNCIL
REGULAR MEETING
MONDAY, OCTOBER 1, 2012 - 7:30 P.M.
COUNCIL CHAMBERS**

Council Members present: Rheault , Lotvedt, Kraft, Bednarz, Hoffert, Warner, and Geiszler. Also present were Mayor Cichos and City Auditor Hauck. Absent were Councilman Wentz and 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 Hoffert to approve the minutes of the September 4, 2012 regular council meeting and September 26, 2012 Special Meeting. Second by Warner, all voting yes, motion carried.

Steve Brossart was present to request an easement across city-owned land west of Northern Equipment. Brossart would like to get electricity to his land that lies to the west of the city-owned land.

City Attorney Hartl entered the room at 7:35pm.

Discussion was held on the detriments to the city if the easement is granted. There were no issues that the council could come up with at this time. The cables would be placed four to seven feet below ground. City Attorney Hartl stated he saw no legal issues. Motion by Lotvedt to approve the easement. Second by Bednarz. Roll call vote, all voting yes, motion carried.

Ryan Ehli with Vanguard Appraisals, Inc. was present to discuss the process of a city-wide mass appraisal. Senate Bill 2294 was passed in 2011 and requires property cards held by the tax assessor to be complete. Most of the property cards have minimal information on them. The cost for all properties in the city to be appraised is around \$200,000. The process would start in 2015 and take approximately a year to complete. Payments would not be expected until the start of the project and final payment would be expected at project completion. This process would make taxes fair and equitable. Estimates are used for homes in which property owners would not let the Vanguard employees into. Information would be entered into Vanguard Software, which is purchased separately, and used by the tax assessor for finding the appropriate taxable valuations for the city and the county. A lengthy discussion was held. The council asked about an escape clause should there be a law passed that eliminates property tax. Ehli stated that could be addressed in the contract but if that should occur the city would still be responsible for Ehli's time thus far on the project. Motion by Lotvedt to request a contract from Vanguard Appraisals with an escape clause for the council and city attorney to review. Second by Kraft. Kraft stated there is always a need for fair assessments. Roll call vote, all voting yes, motion carried.

The Council reviewed the bill list. Motion by Bednarz to approve the financial statements, payment of the bills, and the bills paid since the last meeting. **Bills paid since last meeting:** 13153 Allen Sundeen \$300.00, 13154 B & M Laundry Service \$125.28, 13155 Bremer Bank

\$3,045.87, 13156 Farmers Union Oil Co. \$1,291.89, 13157 HACTC \$3,955.00, 13158 Hi-Way Tesoro \$884.47, 13159 Joanne Vetsch \$205.41, 13160 John Deere Financial \$109.64, 13161 ND One Call Concepts, Inc. \$41.25, 13162 ND Telephone Company \$527.52, 13163 Bremer Bank \$10.50, 13164 Convention & Visitors Bureau \$8,812.02, 13165 Otter Tail Power Company \$7,876.61, 13166 Rugby Job Authority \$25,130.67, 13167 Alan Reiersen \$250.00, 13168 Kevin Hoium \$100.00, 13169 Merchants Bank \$25,749.57, 13170 Postmaster \$317.45, 13171 Rugby Sanitation, Inc. \$21,104.64, Total Regular Bills Paid \$99,837.79, 13172-13206 Payroll Checks \$43,639.25, Soc. Sec \$5,721.70, Medicare Taxes \$1,595.54, Payroll Taxes \$4,844.76, Electronic Total \$12,162.00, 13207 AFLAC \$156.48, 13208 NDPERS \$8,893.28, 13209 Heart of America Health Plan \$1,148.30, 13210 NDPERS \$605.00, 13211 NDPERS \$5,065.09, 13212 State Tax Commissioner \$1,884.00, Total Bills For Payroll \$73,553.40, Grand Total All Bills Paid Since Last Meeting of 09/04/12 \$173,391.19. **Bills to be paid:** 13213 A & E Auto Parts, Inc. \$46.90, 13214 Aqua-Pure, Inc. \$1,385.00, 13215 Arland Geiszler \$166.50, 13216 Associated Supply Company \$4,655.13, 13217 Bechtold Paving, Inc. \$178.60, 13218 Bremer Bank \$3,045.87, 13219 CRA Payment Center \$154.46, 13220 Dawn Hauck \$100.00, 13221 Deplazes Redi-Mix \$274.50, 13222 Ethanol Products, LLC \$1,508.22, 13223 Fargo Water Equipment \$623.07, 13224 Galls, Inc. \$406.48, 13225 H.E. Everson Company \$103.20, 13226 HACTC \$42.42, 13227 Hawkins, Inc. \$1,720.71, 13228 I Design \$329.70, 13229 Information Technology Dept. \$6.20, 13230 James Hoffert \$166.50, 13231 John Rose \$282.52, 13232 Johnson's Plumbing Service \$48.32, 13233 Justin Maus \$100.00, 13234 Lake Reg. Law Enforcement \$100.00, 13235 Lotvedt Lumber, Inc. \$28.80, 13236 M.J. McGuire Company \$55.09, 13237 Mark Krogstad \$91.36, 13238 Marlene Hoffman \$60.00, 13239 ND Dept. of Transportation \$5,213.43, 13240 ND One Call Concepts, Inc. \$27.50, 13241 Northern Plains Electric Coop. \$2,762.86, 13242 Otter Tail Power Company \$39.19, 13243 Petty Cash \$39.32, 13244 Pierce County Auditor \$2,208.33, 13245 Pierce County Recorder \$26.00, 13246 Pierce County Tribune \$397.60, 13247 Pioneer Mutual Life Ins. Co. \$150.50, 13248 Postmaster \$560.00, 13249 Premier Lube & Tire \$138.95, 13250 Rugby Greenhouse \$52.00, 13251 Rugby Hardware Hank \$2,020.19, 13252 Rugby Lumber, Inc. \$49.81, 13253 Rugby Sanitation, Inc. \$172.00, 13254 Rugby Service Center \$928.24, 13255 Snap-On-Tools \$142.75, 13256 SRT Communications \$31.01, 13257 Streicher's, Inc. \$416.93, 13258 Trophies-N-Tees \$43.50, 13259 Ultramax Ammunition \$314.00, 13260 Verizon Wireless \$161.88, Total Bills Submitted For Approval \$31,575.54. Second by Kraft. Roll call vote: all voting yes, motion carried.

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

Motion by Hoffert to approve the JDA Minutes and Financials. Second by Geiszler, all voting yes, motion carried.

A meeting was held on September 24, 2012, for a hearing on the 2013 Budget. No taxpayers attended the meeting to protest. Motion by Geiszler to approve the 2013 Final Budget at the levying amount of \$528,966.96. Second by Hoffert. Roll call vote, all voting yes, motion carried.

Discussion was held on the property owned by Clint Carlson along 2nd Street SE. The Planning and Zoning Commission held a hearing on August 13th for the rezoning of the land from R-3 (Mobile Home Park District) to R-2 (Multi-Family Residential). Carlson is not in favor of re-zoning the area to R-2 as he feels the community needs an area to place manufactured homes and R-2 does not allow them. Carlson would ultimately like to separate the block into

lots and sell the lots individually. R-3 zoning does not allow the sale of individual lots. The block is 2.1 acres and for R-4 zoning, there must be a minimum of 3 acres, therefore the Planning and Zoning Commission felt that R-2 zoning would be the best fit. Modular homes would still be able to be moved into the area with the council's approval. Today, Carlson provided a plat that would split out the house and the duplex that are currently on the block and leave the rest as one big lot. Further discussion was held. Motion by Hoffert to send the latest proposal and plat from Carlson to the Planning and Zoning Commission. Second by Geiszler, all voting yes, with the exception of Kraft who voted no, motion carried.

A building permit was received for the new hotel, Cobblestone Inn and Suites, to be constructed to the east of Dakota Farms. The building height will be slightly higher than allowed by ordinance only due to a sign. The building itself will not exceed the maximum height. Motion by Lotvedt to approve the building permit. Second by Hoffert, all voting yes, motion carried.

The hotel also submitted a tax exemption request. The exemption is for five years at the following percentages: 100%, 100%, 80%, 60%, 40%. Construction is to begin in October. Motion by Hoffert to approve the application. Second by Bednarz. Roll call vote, all voting yes, motion carried.

A resolution was proposed to annex Outlots 403 and 404. Outlot 404 is the location of the new hotel. Discussion was held on also annexing land around the outlots to allow easements for roads and infrastructure. The easement areas were not included in the present resolution for annexation. Those areas can be annexed at a later date so as not to hold up the hotel construction. Motion by Lotvedt to approve the resolution. Second by Warner, all voting yes, motion carried.

The council discussed a proposal from Bobcat to trade in the city's current Bobcat for a new one for a cost of \$8,995. The proposal also states that a Bobcat with 0-250 hours can be traded for a cost of \$2,500. It is expected that at least \$3,000 worth of work will need to be done on the current Bobcat. Motion by Bednarz to approve the proposal. Second by Geiszler. Roll call vote, all voting yes, motion carried.

The first reading of Ordinance 382, amending the Animals ordinance was held. The words "fowl, poultry, livestock" were added to the "Keeping of Certain Animals Prohibited" section. Motion by Lotvedt to approve the first reading of the ordinance. Second by Hoffert, all voting yes, motion carried.

A short discussion was held on the tractor that the city will lease for \$1.00 from Northern Equipment. The tractor has been ordered but has not arrived yet. The city will keep the tractor for the winter and then return it to Northern Equipment in the spring. The city purchased a front mount snow blower in 2011 that is used along with the tractor.

City Attorney Hartl presented a special event permit application for 3rd Street Station to serve alcohol at the movie theater on October 27th and a 2am closing application for Crooks Lounge on October 28th. Motion by Hoffert to approve both applications. Second by Kraft, all voting yes, motion carried.

Committee Reports: Public Safety – Chairman Hoffert reported that the city received \$2,025 when the 2006 Police Durango was auctioned off. Hoffert would like the council to think about

updating bad pieces of sidewalk. Hoffert suggested designating a certain amount of funds from the Infrastructure Fund each year to update sidewalks. The committee is still reviewing the digital speed signs. Safe Routes to Schools is now called TAPS. Motion by Geiszler to allow a rate of \$30/hour for DUI and Seatbelt overtime for Police Officers. The money is reimbursed to the city from the state. Second by Hoffert, all voting yes, motion carried. The Police Department received automated defibrillators from the Ambulance for their squad cars and for practice. **Finance** – Chairman Geiszler reported that the committee is still working on means for funding the infrastructure for the new addition and the new hotel. **Ordinances/Rec** – Chairman Bednarz discussed the committee is working on an ordinance for regulating ATV use. Anyone under 18 would require a helmet, not allowed in cemeteries or parks, insurance is required, and must register with the city for a cost of \$15/year. Those not registered with the city would get a \$50 fine. This would allow driving on city streets. Discussion was held. A state course is available for those under driving age. More information is needed. The committee will continue to research the issues. **Water/Streets/Sewer** – Committee Member Lotvedt reported that two public works vehicles were sold. The committee is still working on the alternate bulk water fill site and on the water shut off and turn on rates. **Personnel** – no report. **Buildings/Property** – Chairman Lotvedt reported that we are still waiting for some information from the architects for the fire hall. Bleachers for the Armory will be addressed at the next committee meeting. **Infrastructure** – Chairman Lotvedt stated that easements are being worked on. Legal descriptions are needed. It is not looking good for the project to start this fall.

A public input meeting for the Comprehensive Land Use Plan will be held on Monday, October 22, 2012 at 7pm at Ottertail.

The council received a letter from Jay Burkhartsmeier resigning as building inspector. An advertisement will need to be placed in the paper to find someone to replace him.

Meetings this month: Planning and Zoning Commission Meeting- October 8, 7:30pm; Committee Meetings on Wednesday, October 17 –Finance at 10am, Ord/Rec at 11am, Water/Streets/Sewer at 1pm, Personnel at 2pm, Buildings/Property at 3pm. October 24 - Public Safety 9am.

There being no further business to transact or to come before the Council at this time, Mayor Cichos adjourned the meeting at 9:40pm.

Dawn Hauck, City Auditor

Date Submitted

David Cichos, Mayor

Date Approved