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The Mandan City Commission met in regular session at 5:30 p.m. on August 18, 2015 in the Ed “Bosh” Froehlich Room at City Hall, Mandan, North Dakota.

Commissioners present were Van Beek, Tibke, Rohr, Braun and Laber. Department Heads present were Finance Director Welch, Police Chief Bullinger, City Attorney Brown, City Administrator Neubauer, Director of Public Works Wright, Fire Chief Nardello, Business Development & Communications Director Huber, Planning & Engineering Director Froseth, and Planner Decker. Absent: Assessor Shaw and Building Official Lalim.

B. APPROVAL OF AGENDA: Commissioner Braun moved to approve the Agenda. Commissioner Rohr seconded the motion. The motion received unanimous approval of the members present. The motion passed.

C. PUBLIC COMMUNICATIONS: Mayor Van Beek invited anyone interested to speak for or against any items on the Agenda to come forward. A second announcement was made to come forward to speak. Hearing none, this portion of the Public Communications was closed.

D. MINUTES:

1. *Consider approval of the following minutes from the Board of City Commission August 4, 2015 regular meeting and August 13, 2015, Special Mtg. (via teleconference call).* Commissioner Rohr moved to approve the minutes as presented. Commissioner Tibke seconded the motion. The motion received unanimous approval of the members present. The motion passed.

E. PUBLIC HEARING:

1. *Conduct public hearing to consider rezoning Lot 19 of Twin City Industrial Sites.* Planner Decker presented a request to rezone two separate parcels from MC to MB to allow for the construction of an asphalt plant. He explained that this will move the boundary line between the two existing districts. The location was the former cheese plant site. He said the plan is to relocate an existing asphalt plant from the west side of the City to this site. He explained how the raw material is transported from rail and that relocation of the plant will eliminate that. He stated that there are approximately 9,000 trips per season of asphalt trucks traversing on Main Street. Aggregate will be stored on site. They are delivered from various suppliers and then Main Street is used to get to the current location west of the City. Those trucks will not use Main Street once the plant is moved to the new location. Planner Decker stated that this rezoning will be a major benefit to Main Street and it will significantly reduce truck traffic. The neighboring properties have given their approval for this use and there are several industrial uses in this area with significant truck traffic. The existing building will be turned into office and storage spaces for future use. There have been no objections, written or verbal received in opposition to this request.

Mayor Van Beek invited anyone interested to speak for or against the rezoning of Lot 19 Twin City Industrial sites to come forward.

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Marc Taylor came forward stating he is neither for nor against the rezoning. He questioned what the plans are for Twin City Drive? When the road was put in it isn't even heavy enough for their business and it's breaking up. With CJ Rigging, in addition to his company's equipment, it should be a consideration. He doesn't think he should have to pay all the taxes to have it redone.

Commissioner Rohr asked Planning & Engineering Director Froseth how long that road has been there. Director Froseth said he did not know when the road on Twin City Drive was put in or reconstructed. Public Works Director Wright indicated it was put in during the early 90's. Typically a 20-year life design is appropriate for asphalt and heavier traffic would require a thicker section. However, he does not know what the current section is on that road. Director Froseth said that Dynatest Consulting did all the City's roads before he started working for the City in 2012 and there may be information pertaining to that road in that report. Mayor Van Beek requested Director Froseth to look back on the Dynatest report and see if this road was designed for commercial use and if the City needs to formulate a plan going forward.

Public Works Director Wright stated that road was redone in the 1990's and they used cement stabilization in the subbase so it was constructed for heavy equipment. But it is over 20 years old. The only maintenance he is aware of is crack sealing and patching as needed that was done by the Public Works Department. Commissioner Laber stated that there are two ways of ingress and egress. Twin City Drive is one option and the other one is to use Memorial Drive. She does not want everyone to think that the traffic that used to go on Main Street would now go on Twin City Drive and that this will create an undue hardship. It may increase some traffic but Memorial Highway is very close and adjacent to this traffic. She suggested that a good plan be put in place.

Planner Decker stated that the issue with Memorial Highway is that there is no traffic light where McDonald's is which is where they would come out. Eventually we would generate enough traffic to put a traffic signal there. There is a traffic signal at Twin City and Main and the idea would be to use that because it is a controlled intersection for the truck traffic. Once Memorial Highway is improved there will be another signal installed and they can exit there.

A second announcement was made by Mayor Van Beek to come forward to speak for or against this request. Hearing none, this portion of the Public Hearing was closed.

2. *Conduct public hearing to consider rezoning property along Old Red Trail.*

Planner Decker explained that this is the site where we will construct the proposed Mandan Sports Complex. The current owner is requesting this site be rezoned to accommodate that use. It is a down-zoning from a light industrial MA to a heavy commercial classification of CC. He said that any of the sites considered by the Park District would have had to have been rezoned. The site is currently undeveloped. The Land Use and Transportation Plan recommended that this area be developed as a commercial site. The Planning and Zoning Commission voted 6-1 to approve the recommendation.

Mayor Van Beek invited anyone interested to speak for or against the rezoning of property along Old Red Trail to come forward. A second announcement was made to come forward to speak. Hearing none, this portion of the Public Hearing was closed.

F. BIDS:

G. CONSENT AGENDA

1. *Consider approval of monthly bills.* ADVANCED ENGINEERING SVC - 25,509.01; BARNHARDT/JUNE - 317.80; BIS-MAN CONVTN & VISITOR - 5,638.74; BOB'S CUSTOM SERVICES - 220.00; K & L INVESTMENTS INC - 76,973.03; KADRMAS, LEE & JACKSON, - 1,003.00; KOSTELECKY/EVE - 500.00; MANDAN PARK BOARD - 147,288.14; MARINER CONSTRUCTION INC - 159,844.56; MCLEISH/NATHAN - 232.00; MILLER/CASEY - 95.00; MORTON COUNTY AUDITOR - 7,565.38; NDAAO - 360.00; OFFICE OF THE STATE AUDI - 165.00; PHILLIP MACKOVSKI, PE - 47,552.29; PRESORT PLUS - 2,339.15; ROSEN/BRANDON - 127.67; ROUGH RIDER INDUSTRIES - 114.92; SWENSON HAGEN AND COMPAN - 4,745.51; WEBQA INC - 3,600.00; POST BOARD - 395.00; MONTANA-DAKOTA UTILITIES - 31,553.18; AT & T - 761.47; BALABAN LAW OFFICE - 1,500.00; BLACK BOX NETWORK SERVIC - 88.00; CENTRAL MECHANICAL INC - 18,540.00; COFELL'S PLBG HTG & EXC - 44,181.00; COMPANION LIFE - 10.00; DAKOTA MEDIA ACCESS - 8,055.00; DAKOTA WEST CONTRACTING - 88,300.00; DENNY'S ELECTRIC & MOTOR - 12,612.60; FETZER ELECTRIC, LLC - 420.00; FORT DEARBORN LIFE - 1,709.06; GLASS/THOMAS J. - 1,500.00; HAWKINS INC - 880.00; HOLTER/DEBORAH - 35.00; ISAKSON/CHARLES - 100.00; JACOBSEN/CARL - 35.00; KELSCH KELSCH RUFF & KRA - 4,000.00; LAUREL UNDESTROM CONST. - 488.00; MANDAN PARK BOARD - 1,500.00; MISSOURI VALLEY PETROLEU - 14,558.07; MOR-GRAN-SOU ELECTRIC CO - 944.79; ND PERS - 112,654.14; NORTHERN IMPROVEMENT CO - 8,523.48; SIMPLEXGRINNELL - 155.00; TOMAN ENGINEERING CO - 10,135.00; WELCH/GREG - 0.00; WINKS/LOREN K - 35.00; POST BOARD - 50.00; WELLS FARGO COMMERCIAL C - 305,878.63; BANK OF NORTH DAKOTA - 2,099,285.59; BIS-MDN TRANSIT BOARD - 516.33; BJORND AHL/DAVID - 1,193.67; BOERGER, LLC - 4,889.15; BURLEIGH CO STATE'S ATTO - 27,569.55; CBI BUSINESS SERVICES - 7,232.34; COLLECTION CENTER INC - 99.14; COMPUTER PROFESS UNLIMIT - 89.00; CROWLEY FLECK PLLP - 4,500.00; CUSTER DISTRICT HEALTH U - 1,075.00; EDLING ELECTRIC INC - 80,901.90; FETZER ELECTRIC, LLC - 15,704.82; FOUR SQUARE CONCRETE LLC - 30,155.00; GRAYMONT CAPITAL INC - 11,759.00; GREAT PLAINS SECURITY SY - 2,545.00; GREAT PLAINS TOWERS - 4,701.00; HAWKINS INC - 9,102.73; HEPPEL OLSON ARCHITETS - 1,064.00; HEWLETT-PACKARD COMPANY - 3,626.18; INFORMATION TECHNOLOGY D - 1,868.35; INFRASOURCE CONSTRUCTION - 19.30; INTERGOVERNMENTAL SHOP - 12,172.76; KADRMAS, LEE & JACKSON, - 36,524.31; KEY'S CRANE SERVICE - 180.00; MANDAN AIRPORT AUTORITY - 1,032.78; MANDAN MUNICIPAL COURT - 2,062.00; MANDAN PARK BOARD - 4,500.00; MEDORA CORPORATION - 2,125.00; MISSOURI WEST WATER SYST - 90.92; MORTON COUNTY

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RECORDER - 61.00; MORTON MANDAN PUBLIC LIB - 16,807.34; MY GOV, LLC - 1,050.00; ND BUILDING OFFICIALS AS - 400.00; ND STATE DEPT OF HEALTH - 320.00; PRESORT PLUS - 1,613.29; RAZOR TRACKING - 100.00; RENNER'S LAWN SPRINKLING - 325.00; STANTEC CONSULTING SERVI - 68,216.81; TERRACON - 650.50; TRAFFIC SAFETY SERVICES - 90.00; VAULT1440, LLC - 1,875.00; WEHRI/RADEANNA - 700.00; WELCH/GREG - 237.02

2. *Consider escrow agreement between City of Mandan, Mandan Park District and Bank of North Dakota related to the .75% sales tax approved by the voters of Mandan on June 9, 2015.*
3. *Consider games of chance for the Knights of Columbus Council 2760 at the Mandan Eagles – Oct. 2, 2015.*
4. *Consider for approval the sale of the used water meters that were changed out during the Water Meter Replacement Project.*
5. *Consider for approval Cultural Heritage Grant application.*
6. *Consider designating a representative to attend the organizational meeting for Missouri River stakeholder issues. Administrator Neubauer will be the representative.*
7. *Consider appointments to Mandan Visitors Committee.*
8. *Consider for approval the Emergency Generator project for south side booster station and communications tower.*

Commissioner Braun moved to approve the Consent Agenda as presented.

Commissioner Laber seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

#### H. OLD BUSINESS:

##### I. NEW BUSINESS:

1. *Consider the Mandan Airport Authority's 2016 Budget.* Marc Taylor, Treasurer with the Mandan Airport Authority, (in the absence of Jim Lawler, Airport Manager), presented the 2016 Airport Authority Budget. Mr. Taylor provided a series of photos of the airport, courtesy of Dr. Dale Klein, depicting the new construction that has been done and the areas that are under construction, including 5 new hangars and the new taxi way that is being put in. The airport has 92 based airplanes now, which is one of the largest in North Dakota.

The Mandan Airport Authority manages the local airport facility. The Authority's five member board is appointed by the City Commission. The Authority is fiscally dependent upon the City because the City Commission levies taxes and must approve any debt issuances. The Airport Authority is reported as a component unit in the City of Mandan's audited financial statements.

The Airport Authority's Board approved the 2016 Budget on July 20, 2015. The City's Budget and Finance Committee met with the Airport Manager on July 23, 2015 to review and discuss the Airport's 2016 Budget. The current balance is \$11,200,000 with a long-term liability of \$600,000; which leaves an equity of

\$1,673,000.

The City of Mandan has included the following revenues for the Mandan Airport Authority in the City's 2016 Budget:

- Property Taxes (4 Mills) = \$262,750
  - Delinquent Taxes = \$4,400
  - Electric Taxes = \$200
  - Mobile Home Taxes = \$3,250
  - State Aid Distribution = \$5,600
  - Disabled Veterans Credit = \$1,750
  - Homestead Credit = \$4,650
- Total Revenues = \$282,600

Total Income           \$836,850  
 Gross Profit            \$836,850

Payroll Expenses       \$ 91,060  
 Fees & Service Chgs \$ 5,300  
 Insurance               \$ 7,300  
 Travel/Training        \$ 8,000  
 Utilities                \$ 27,800  
 Publishing/Printing   \$ 2,750  
 Dues/Subscriptions    \$ 2,000  
 Supplies/Maintnce     \$ 43,500  
 Repairs/Maintnce     \$ 24,350  
 Airplane Fuel Total   \$375,000  
 Capital Outlay         \$ 50,000  
 New Construction     \$ 0  
 Debt Services          \$ 29,000  
 Leasehold Tax         \$ 14,000  
 Revenue Bonds         \$ 81,500

Total Expenses        \$761,560

Net Ordinary Income   \$ 75,290

Other Income

Fed Grants             \$1,200,000  
 State Aid              \$ 60,000  
 Total Other Inc.     \$1,260,000

Other Expenses

FAA Grant              \$1,200,000  
 State Grant            \$60,000  
 Airport Match         \$60,000

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Total Other Exp.     \$1,320,000

Net Other Income     \$ (60,000)

Net Income             \$ 15,290

Mr. Taylor stated that the hangar rent has increased from \$170 to \$190 which will bring in an additional \$11,000. He also explained there is no consistent way of determining costs for hangar rent charges. He gave examples of what other hangar costs are around North Dakota and Minnesota for comparisons. He explained how fuel costs compare to what other airports charge, with Mandan currently being at \$5.00 and Bismarck is at \$5.45, but that's at full service.

Mayor Van Beek inquired if any Commissioners have any questions for Mr. Taylor regarding the Airport Budget request.

Commissioner Tibke moved to approve the Mandan Airport Authority's 2016 Budget. Commissioner Laber seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

2. *Consider approval of recommendation to select AE2S as consultant engineering firm to assist the City with an overhaul of our GIS.* Planning & Engineering Director Froseth explained that the City's GIS system is in need of improvements to be made to the system. He gave examples of some of the current problem situations. He requested that the City hire a consultant engineer to assist with the engineering to overhaul the current GIS system. Director Froseth said that this matter was brought forward and advertised back in February. It was approved by the Commission as a request for proposal. Subsequently, there were 14 proposals received and five firms were interviewed. But due to summer projects this matter was put on hold. He said that the interview panel ranked AE2S as the best consultant to hire and move forward with this project. The City of Mandan has worked with AE2S on several projects and is currently working with the City on the Waste Water Treatment Optimization Project and they have done our GIS in the past. Director Froseth recommended hiring AE2S for this project based on their proposal and the recommendation from the interview panel.

Commissioner Tibke moved to approved the recommendation to hire AE2S as the consultant engineering firm to assist the City with an overhaul of the GIS. Commissioner Laber seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

3. *Consider 3-way agreement for installation of water and sewer for Lakewood 8<sup>th</sup> Addition.* Planning & Engineering Director Froseth presented a request for a 3-way agreement for the installation of water and sewer for Lakewood 8<sup>th</sup> Addition. This property is located between 34<sup>th</sup> Avenue Southeast and 40<sup>th</sup> Avenue Southeast of Lakewood 8<sup>th</sup> Addition. The utilities only serve the developer of this benefiting land.

Therefore this will be paid for under a 3-way agreement. The developer has negotiated the water and sewer installation with Basaraba Excavating & Dirt Works, LLC, in the low bid amount of \$754,340. A letter of credit has been secured for the project. This agreement would need to be contingent upon recording of the plat by the County Recorder's Office.

City Attorney Brown asked whether the City Commission controls the recording of the plat. Director Froseth replied that the City approves the plat through Planning & Zoning and this Board. Director Froseth's understanding is that the owner is to be responsible for taking it to the Recorder's Office for recording. Attorney Brown suggested revisiting that process, in that if the City approves the plat, the City should control recording it and the cost for recording would be built into the fee. He mentioned that in the past plats have been approved but do not get filed. Director Froseth recommended leaving the contingency in place. However, he agreed that the City will record the plat.

Commissioner Braun moved to approve the resolution approving the plan and specifications authorizing the execution of a 3-way agreement for water and sewer improvements of Project 2015-12 Lakewood 8<sup>th</sup> Addition on approval of the plat recording. Commissioner Laber seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

J. RESOLUTIONS AND ORDINANCES:

1. *First consideration of Ordinance 1214 rezoning Lot 19 of Twin City Industrial Sites.* Commissioner Tibke moved to approve the First consideration of Ordinance 1214 rezoning Lot 19 of Twin City Industrial Sites. Commissioner Laber seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

2. *First consideration of Ordinance 1217 rezoning land along Old Red Trail (sports complex site).* Commissioner Laber moved to approve the First consideration of Ordinance 1217 rezoning land along Old Red Trail (sports complex site). Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

3. *Second consideration and final passage of Ordinance 1213 – Correcting previous annexation documents.* Commissioner Laber moved to approve the Second consideration and final passage of Ordinance 1213 – Correcting previous annexation documents. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

4. *Consider the introduction and first consideration, and call for a public hearing of Ordinance No. 1215 making the annual appropriations for expenditures or expenses of*

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*the City of Mandan, North Dakota, for the fiscal year commencing January 1, 2016, and ending December 31, 2016, and making the annual tax levy for the year 2015.*

Greg Welch, Finance Director, came forward to present the introduction and first consideration, and call for a public hearing of Ordinance No. 1215 adopting the 2016 Budget. He extended a thank you to the Department Managers and Supervisors for their hard work in developing the Budget proposals and to the Portfolio Commissioners for their participation in the departmental Budget hearings. A special thank you went to Commissioner Tibke who holds the Finance Portfolio and is a member of the Budget and Finance Committee for her time commitment during the Budget discussions. He also wanted to thank City Administrator Neubauer, who is also a member of the Committee for coordinating and organizing the Budget meetings and to Assistant Finance Director Pfeifer for making this Budget presentation possible.

Director Welch stated that the City of Mandan continues to be a growing community and with the City's growth come the challenges and responsibilities to deliver and provide quality services to citizens in an effective and efficient manner while at the same time offering those services at an affordable cost to our taxpayers and customers. The Budget and Finance Committee feels that it has achieved that goal of balancing services with cost.

Director Welch stated that the Committee respectfully submits the preliminary 2016 Budget to the Board in accordance with the City's fiscal policies and procedures.

The following is the Budget and Finance Committee's recommendation for the 2016 Budget:

#### REVENUES

Revenues = \$31,864,300

- Special Assessments – \$5.3M from infrastructure benefiting properties pays for the annual Debt Service on the Special Assessment Bonds resulting from maintenance projects and new developments.
- Property Taxes = \$3.6M or 11% of total Revenues
- City Sales Tax – 1% Sales Tax (\$2.6M) according to City Ordinance pays for Property Tax Reduction, Debt Reduction, Street and Water & Sewer Infrastructure Improvements, and Job & Economic Development Projects.
- City Sales Tax – 0.75% Sales Tax (\$1.9M) approved by the voters on June 9 will pay for the annual Debt Service on the \$22M Revenue Bonds for the Mandan Park District Projects.
- Intergovernmental (\$6.3M) – State Aid Distribution, Oil and Gas Impact (Hub City funding), Highway Tax Distribution, Fire Insurance Premium Taxes, etc... is used to pay for various services, Capital Outlay items, and Projects.
- Utility Charges – \$9.5M from customers pays for the City's Water, Sewer, Solid

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Waste, and Street Light services.

### EXPENDITURES

Expenditures = \$30,668,500

- Debt Service – \$8.9M pays for the annual Principal and Interest payments on the City's Capital Leases, Special Assessment Bonds, Revenue Bonds, and State Revolving Fund Loans.
- Bank of ND-Escrow Agent – 0.75% City Sales Tax (\$1.9M) will pay for the annual Debt Service Principal and Interest on the \$22M Revenue Bonds for the Mandan Park District Projects through an Escrow Agreement with the Bank of ND. The City will be required to deposit the 0.75% Sales Tax received from the ND State Tax Department to the Escrow Fund on a monthly basis.
- Capital Outlay – \$2.4M pays for Building Improvements, Machinery and Equipment, Vehicles, and Infrastructure Projects.
- Operations and Maintenance – \$7.1M pays for Professional Fees and Services, Utilities, Supplies, Repairs, Subsidies, etc...
- Salaries and Benefits – \$10.3M pays for the City's Full Time and Part Time employees, Overtime, Social Security and Medicare, Pension, Health Insurance, and other Benefits.

### MAJOR FUNDS

The City's Budget Policy requires a minimum Fund Balance Operating Reserve of 17% in the General Fund and Cemetery Fund, and a minimum Fund Balance Operating Reserve of 25% in the Utility Funds.

General Fund – \$497K decrease in Fund Balance is due to Capital Leases and Capital Outlay (one-time expenditures). The City's Budget Policy also states that operating deficits for Major Funds will only be allowed for one-time expenditures such as Capital Outlay and special projects approved by the Board. One-time expenditures will only be paid from funds in excess of the minimum Fund Balance Operating Reserve. The General Fund (Capital Improvement Fund Balance) = \$2M

The other Major Funds have only modest increases in their respective Fund Balances.

Water and Sewer-Base Charge – the Rate increase is pending possible cost share funding from the ND State Water Commission and the timing of the proposed Water Treatment Capital Improvement Projects (\$2.6M) associate with the funding.

Solid Waste-Base Charge – the Residential Rate increase of \$0.95/month/family living unit is due to the Solid Waste Hauling Services Agreement with Armstrong Sanitation & Roll-Offs.

Director Welch stated that on July 21, the Board was presented with several recycling options based on bid proposals. The Board deferred these options and proposals to the Budget and Finance Committee for their review and to determine the impact to the 2016 Budget. Based on the low bid of \$4.38 recycling fee/unit/month, the City's estimated annual cost for 2016 (year 1) if all single family homes and multifamily residential

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buildings are included would amount up to \$506K. To pay for this service in 2016 (year 1), the City would establish a Residential Base Rate of \$5.50/month/family unit (\$4.38 recycling fee + City's 25% operations and maintenance coverage ratio) for those residential units receiving the service. The Base Rate would become effective on January 1, 2016. Director Welch summarized the following recycling options to the Board: A) no recycling curbside single sort recycling amounting to \$0 cost to the City; B) provide four recycling collection sites amounting to \$16K to \$53K and no increase in the Residential Base Rate at this time; and C) provide residential curbside single sort recycling amounting up to \$506K. If the Board selects Option C, the City would save an estimated \$57K annually on solid waste hauling services due to approximately 14% of the residential garbage considered to be recyclable items. The \$57K savings would decrease the proposed Residential Base Rate for hauling services from \$0.95/month/family living unit to \$0.85, a savings of \$0.10/month/family living unit. Under Option C, the City's new total Residential Base Rate increase would amount to \$6.35/month/family living unit (\$0.85 for hauling services + \$5.50 for recycling services) or \$76 annually. At this time, the Budget and Finance Committee requests the Board's decision for the 2016 Budget.

Commissioner Laber commented that there is not an abundance of landfill space available and now is the time to fully participate in recycling efforts. The best way to offer that to our citizens is through residential curbside single sort. She stated that she is in favor of "Option C" implementation. Commissioner Rohr questioned whether it would be reasonable to offer "Option B" which is to have recycling sites available, and see how that works and then go into "Option C". Because once you go into "Option C" you could not go back to "Option B". Commissioner Laber replied that she feels the message needs to be clear that the citizens need to be responsible for recycling due to landfills being full. Hauling costs are more and that is why the solid waste base rate keeps on going up. Either we can manage it and start recycling or we will continue to have increases in costs and not have the opportunities to recycle waste. She does not believe "Option B" is anything better than what is offered now. She believes that "Option C" is what needs to happen to manage this. Mayor Van Beek stated he concurs with Commissioner Laber on "Option C" noting that we are in the day and age that we all need to start recycling and be mindful of saving the landfill areas.

Public Works Director commented on participation. The \$50,000 plus savings that is anticipated in the solid waste hauling was based on 14% reduction in solid waste which is what Bismarck experienced the first year of recycling. Commissioner Braun commented that he is in favor of "Option C" in that he would like to see Mandan as a community leader in its efforts of a recycling project.

Commissioner Laber moved to select "Option C" of recycling options that will provide residential curbside single sort recycling for the entire community of the City of Mandan. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

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TAXABLE VALUATION

Taxable Valuation (estimated) = \$69,154,110

- Increase from Tax Year 2014 (2015 Budget) = 21%
- Increase from Tax Year 2006 = 126%
- Residential = \$49.6M
- Commercial = \$18.5M
- Agriculture and Other (Utilities) = \$973K
- 1 Mill = \$69,154

Morton County Board of Equalization:

- Increase in residential property = 17%
- Average increase in existing residential property = 14%
- Increase in commercial property = 35%
- Average increase in existing commercial property = 20%

MILL LEVY

Mill Levy = 66.10 Mills

- Decrease from Tax Year 2014 (2015 Budget) = 8.93 Mills
  - Impacts the General Fund.
- Decrease from Tax Year 2006 = 45 Mills
- City's share of 1 Mill for Tax Year 2014 (2015 Budget) = 24%
- General Fund (47.89 Mills) – primarily pays for Public Safety (Police and Fire) services.
- City's Share of Special Assessments (1.54 Mills) – pays for assessments on City owned properties.
- Public Transportation System (Bis-Man Transit Board) 2.00 Mills – City's share of the Capital Area Transit (CAT) as approved by the voters in April 1992.
- Liberty Memorial Bridge (1.02 Mills) – City's cost share until 2026.
- Street Improvement District #145 (0.48 Mills) – Collins Avenue until 2023.
- Street Improvement District #148 (0.17 Mills) – Mandan Avenue until 2024.
- Airport (4.00 Mills) – maximum Levy.
- Library (7.00 Mills) – maximum Levy of 4.00 Mills + 3.00 Mills as approved by voters in May 1983.
- Library – Morton County levies 2.80 Mills or 180K for the 2015 Budget.

The City's Budget Policy states that the City's share of the Mill Levy will not exceed the average city mill levy for the prior year of the other 11 largest cities in the State of ND.

The average City Mill Levy for the other 11 largest cities (excluding Mandan) in ND for Tax Year 2014 = 80 Mills

The increase in the City's Taxable Valuations during the last 10 years has

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contributed to the decrease in the City's Mill Levy over the same period.

### PROPERTY TAXES

Property Taxes = \$4,571,404

- Increase from Tax Year 2014 (2015 Budget) = \$269,463
  - New Construction = \$173K
  - Expired Exemptions = \$96K
- General Fund Property Tax increase = \$73K
- Airport Property Tax increase = \$47K
- Library Property Tax increase = \$82K

No Property Tax increase for an existing \$250,000 residential home with a valuation increase of 14%, excluding special assessments.

- Existing properties with a valuation increase under 14% will pay less.
- Existing properties with a valuation increase over 14% will pay more.

### SALARIES AND BENEFITS

Salaries = \$7,557,250

- Increase from 2015 Budget (revised) = \$79,550
- Full Time = \$7.0M
  - 124 employees
- Part Time = \$221K
- Overtime = \$282K
- No market or performance adjustments due to the lack of funding primarily in the General Fund.
  - Committee Recommendations:
    - Provide one-time or semi-annual experience/longevity adjustments contingent upon available funds from the 2015 Budget.
    - Conduct a Classification and Compensation Study based on updated job descriptions and implement the adjustments for the 2017 Budget.

Benefits = \$2,728,850

- Increase from 2015 Budget (revised) = \$111,800
- 27% of total Salaries and Benefits
- Health Insurance = \$1.4M
  - NDPERS increase effective July 2015 = 15.1%
  - Monthly premiums are fixed until June 30, 2017.
  - Eide Bailly is conducting an Employer Health Reform Analysis.
- Pension = \$639K
- Social Security and Medicare = \$578K
- Other = \$116K

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Total Salaries and Benefits = \$10,286,100

- Increase from 2015 Budget (revised) = \$191,350

Reclassifications and new employees = \$69,457

- Grounds Maintenance
  - Reclassify Cemetery Superintendent to Grounds Maintenance Superintendent.
  - Cost = \$0
- Cemetery
  - Reclassify Equipment Operator to Equipment Operator I.
  - Cost = \$4,391
- Wastewater Treatment
  - Wastewater Treatment Plant Operator I (new full-time employee)
  - Cost = \$51,531
- Utility Maintenance
  - Utility Operator (new part-time employee)
  - Cost = \$13,535

#### OPERATIONS AND MAINTENANCE

Operations and Maintenance = \$7,116,050

- Net increase in departmental spending cap = \$289,700
- The City's Budget Policy requires departments to provide a written explanation to justify the need for additional appropriations (expenditures) above (in excess of) the base Operations and Maintenance (O&M) spending cap.
- Departmental increases are located on page 15 in the Agenda Documentation.

#### DEBTSERVICE

Debt Service-Principal and Interest = \$8,928,150

Debt Service reflects the annual Principal and Interest payments on the City's Leases, Bonds, and Loans.

Amortization:

- % of Debt Service retired in 10 years = 86%
- % of Debt Service retired in 15 years = 99%

Total Debt outstanding (as of July 2015) = \$72,061,244

- Principal outstanding = \$62,321,567
- Interest outstanding = \$9,739,677
- General Obligation Bonds = \$741,873
  - Maturity date = 2026
- Revenue Bonds/State Revolving Fund Loans = \$29,206,029
  - Maturity date = 2032

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- Special Assessment Bonds = \$41,617,376
    - Maturity date = 2029
  - Capital Lease Debt = \$495,966
    - Maturity date = 2020

New Debt to be issued:

- Capital Leases – \$1.3M contingent upon the approval of Capital Outlay.
  - Fire Department = \$450K – Fire Truck
  - Street Department = \$172K – Wheel Loader
  - Landfill = \$687K – Landfill Compactor
- Special Assessment Bonds – \$9M for 14 Special Assessment Districts.
  - Fall 2015
- Revenue Bonds – \$22M for the Mandan Park District Projects.
  - 0.75% City Sales Tax was approved by the voters on June 9.
  - Spring 2016 to Summer 2017
- State Revolving Fund Loans – \$6.5M available capacity balance (as of July 2015) for four current Projects.

BANK OF ND-ESCROW AGENT

Bank of ND-Escrow Agent = \$1,959,850

- Proposed Escrow Agreement with Bank of ND requires City to deposit 0.75% Sales Tax received from ND State Tax Department to Escrow Fund on a monthly basis.
- Purpose: Debt Service principal and interest payments on anticipated Revenue Bonds.

CAPITAL OUTLAY

Capital Outlay = \$2,378,350

- Capital Outlay items are located on pages 20-21 in Agenda Documentation.
- Building Improvements = \$185K
- Machinery and Equipment = \$525K
- Vehicles = \$62K
- Infrastructure Projects = \$1.6M

ANNUAL COST FOR CITY SERVICES

The annual cost for City services for an existing \$250,000 residential home with a valuation increase of 14% and using 8 units of water per month, excluding special assessments = \$1,777

- Increase from 2015 Budget = \$11

Director Welch explained that due to the recycling option that was voted on tonight, each household can now expect to pay \$6.35 more per month or \$76 per year for the solid waste hauling and recycling services.

Director Welch explained the next steps in the 2016 Budget process:

- 
- On August 28, 2015 the City will publish a Notice of Public Hearing of Ordinance No. 1215 adopting the 2016 budget on September 15, 2015.
  - On September 15, 2015 the City will conduct a Public Hearing at 6:00 p.m. and pass the second and final consideration of Ordinance No. 1215 adopting the 2016 Budget and also approve the Resolution establishing the rates and charges for services from the Solid Waste Utility Fund.
  - On October 10, 2015 the due date for the City to certify a copy of the Levy as adopted and the final Budget to the Morton County Auditor.
  - The preliminary 2016 Budget will be posted on the City of Mandan website at [www.cityofmandan.com](http://www.cityofmandan.com).

Commissioner Laber extended a thank you to Director Welch and his team for the work done on the budget. With regard to the recycling plan that will go into effect, there will have to be education provided for the public and how that will be accomplished. She recommended having a complete package available when the budget is approved including education materials to send out to citizens.

Commissioner Laber moved to approve the introduction and first consideration, and call for a public hearing of Ordinance No. 1215 making the annual appropriations for expenditures or expenses of the City of Mandan, North Dakota, for the fiscal year commencing January 1, 2016, and ending December 31, 2016, and making the annual tax levy for the year 2015. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Laber: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

Mayor Van Beek also extended a thank you to Director Welch and staff for the work put in to preparing and presenting the 2016 City of Mandan Budget.

K. OTHER BUSINESS:

There being no further actions to come before the Board of City Commissioners, Commissioner Tibke moved to adjourn the meeting at 6:57 p.m. Commissioner Laber seconded the motion. The motion received unanimous approval of the members present. The motion passed.

/s/ James Neubauer

James Neubauer,  
City Administrator

/s/ Arlyn Van Beek

Arlyn Van Beek,  
President, Board of City  
Commissioners