
The Mandan City Commission met in regular session at 5:30 p.m. on August 20, 2013 in the Ed “Bosh” Froehlich Room at City Hall, Mandan, North Dakota. Commissioners present were Van Beek, Tibke, Rohr, and Braun. Department Heads present were: Finance Director Welch, Police Chief Bullinger, City Attorney Brown, City Administrator Neubauer, Fire Chief Nardello, Business Development and Communications Director Huber, Planning & Engineering Director Froseth, Engineering Project Manager Fettig, and Assessor/Building Official Lalim. Absent: Commissioner Frank and Director of Public Works Wright.

2. *Presentation of years of service to Raeann Drew, Public Works, for 14 years of service to the City of Mandan.* On behalf of the City of Mandan, Mayor Van Beek acknowledged Raeann Drew for her 14 years of service to the City of Mandan.

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

C. PUBLIC COMMUNICATIONS:

D. MINUTES:

1. *Consider approval of the following minutes from the Board of City Commission meeting held on August 6, 2013.* Commissioner Tibke moved to approve the minutes from the Board of City Commission meeting held on August 6, 2013. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

E. PUBLIC HEARING:

F. BIDS:

1. *Consider the award of bid for Street Improvement District 178, Project 2013-04 (Keidel’s South Heart Terrace Phase IV). (See Resolution No. 4).* Justin Froseth, Planning and Engineering Director, reviewed with the Commission the only bid received for this project from Northern Improvement in the amount of \$605,899.85. The engineer’s estimate is \$399,079.40. The developer removed two items from the bid bringing the revised bid down to \$513,999.93 which then brought the Engineer’s estimate down to \$379,063.40 after removing the two items. The final cost for construction and administrative costs will be \$693,899.91. The costs will be assessed to the 38 residents who will receive approximately \$18,754.05 in special assessments. Two corner lots that will receive special assessments from adjacent streets of one-half the cost at \$9,377.03. Froseth recommended accepting the bid from Northern Improvement in the amount of \$513,999.93. Commissioner Tibke questioned whether the developer would be interested in putting the project out for a re-bid in order to be more cost effective. Froseth stated that re-bidding would cause the project not to be completed this year due to being this late in the season. He said that the developer removed the top-soil and seeding costs in order to move this project forward without delay. Commissioner Tibke brought up a

potential discussion for a future retreat regarding the Board's comfort level at special assessing the price per lot. The Board should be considering what additional amount (if any) the City should be expecting the developers to pay upfront. The cost per lot of \$18,754.05 is excessive. In this project the developer has agreed to pick up two of the items. She suggested that the Board discuss addressing special assessment costs and discuss possible revisions to the policy.

Commissioner Tibke moved to approve the bid award for Street Improvement District 178, Project 2013-04(Keidel's South Heart Terrace Phase IV) to the low bidder Northern Improvement in the amount of \$513,999.93. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

G. CONSENT AGENDA

1. *Consider approval of monthly bills.* MONTANA-DAKOTA UTILITIES - 16,890.78; ADVANCED ENGINEERING SVC - 20,598.44; AICPA - 225.00; AMERICAN PUBLIC WORKS AS - 169.00; AMERICAN WATER WORKS ASS - 70.00; AMERIPRIDE LINEN & APPAR - 101.12; ASSOCIATED SUPPLY CO., I - 153.65; AYRES ASSOCIATES - 698.00; BIS-MAN CONVTN & VISITOR - 4,601.20; BITNER/RENAE - 70.00; BORDER STATES INDUSTRIES - 1,303.00; BROWN & SAENGER, INC. - 778.68; BULLINGER TREE SERVICE - 2,133.00; CITY OF MANDAN - 294.80; COFELL'S PLBG HTG & EXC - 2,912.00; COLE PAPERS INC - 354.38; DAKOTA STAFFING SOLUTION - 60.60; EIDE BAILLY - 2,000.00; ELECTRONIC COMMUNCIATION - 150.00; ETHANOL PRODUCTS - 2,330.57; FETZER ELECTRIC, LLC - 2,176.92; FREY/JOHN - 50.00; GRAND CENTRAL, INC. - 66.49; GRAYMONT CAPITAL INC - 4,054.62; GREAT PLAINS TECHNL SVCS - 2,158.89; HACH COMPANY - 1,358.52; HAWKINS INC - 10,786.80; ISAKSON/CHARLES - 60.00; JIM POMARLEAU CONST. - 60.00; JOHN'S UPHOLSTERY - 380.10; KNIFE RIVER - 332.71; LEROY'S TESORO - 18.47; MANDAN PARK BOARD - 1,700.00; MANDAN TIRE CENTER - 453.71; MIDWEST TESTING LAB INC - 1,712.25; MONTEITH/PEGGY - 100.00; MORTON COUNTY AUDITOR - 265.00; MVTL LABORATORIES, INC - 248.50; NALCO CHEMICAL CO - 1,402.96; NAPA AUTO PARTS - 91.73; ND INSURANCE DEPARTMENT - 100.00; NDACO RESOURCES GROUP - 1,029.08; NEWTON/SCOTT & ROMA - 375.00; NORTHERN PLAINS EQUIP CO - 1,245.27; OLSON/JOSHUA - 600.00; PREBLE MEDICAL SERVICES - 523.00; QUAM CONSTRUCTION CO INC - 118,500.00; QUEST ENGINEERING INC - 49.20; R K ELECTRIC - 389.78; RENNER'S LAWN SPRINKLING - 2,375.70; ROTO-ROOTER SEWER & DRAI - 700.00; RUNNING'S SUPPLY INC - 978.72; SEVERIN, RINGSAK & MORRO - 60.00; SPECIALTY SLING COMPANY - 100.00; STANTEC CONSULTING SERVI - 5,676.19; TAND CONSTRUCTION LLC - 1,770.56; THOMAS SCIENTIFIC - 158.58; TRAFFIC SAFETY SERVICES - 650.00; UNITED PRINTING INC - 527.35; UNLIMITED EXCAVATING - 900.00; URS CORPORATION - 953.81; W.W. WALLWORK INC - 11,570.24; WE-SHIP-ETC.INC - 12.80; WELLS FARGO REMITTANCE C - 14,180.37; YOUNG/AGLAE - 114.00; FEMA - 0.75; AT & T - 694.93; CENTURYLINK - 5,975.08; MONTANA-DAKOTA UTILITIES - 29,017.45; ALLIANCE CONCRETE LLC - 37,719.21; AT & T MOBILITY - 18.37; BALABAN LAW OFFICE - 1,500.00; CENTURYLINK - 148.77; DAKOTA MEDIA ACCESS - 6,658.08; FORT DEARBORN LIFE - 447.62; GLASS/THOMAS J. - 1,500.00; KELSCH KELSCH RUFF & KRA - 4,000.00; ND PERS - 93,739.43; POSTMASTER - 2,600.00; VALKOV/PETER - 114.69; MANDAN MUNICIPAL COURT - 300.00; EILER/CHADJ -

24,000.00; A & B PIZZA INC. - 31.10; ADVANCED BUSINESS METHOD - 4,085.19; ADVANCED ENGINEERING SVC - 54,510.13; AIRE MASTER OF ND - 70.00; ALERT-ALL CORP - 3,029.40; AMERICAN WELDING SUPPLIE - 24.18; AMERIPRIDE LINEN & APPAR - 215.47; AQUA-PURE INC. - 3,422.00; ARMSTRONG SANIT & ROLL O - 39,472.12; ARROWHEAD CLEANERS & LAU - 556.75; ASC CONSTRUCTION EQUIPME - 2,813.77; ASSOCIATED SUPPLY CO., I - 91.90; AT & T MOBILITY - 438.69; BANK OF NORTH DAKOTA - 1,776,098.87; BECC CORPORATION - 1,184.00; BERG'S 24 HOUR TOWING - 200.00; BILL BARTH FORD INC - 135.00; BIS-MAN AREA CHABR OF CO - 50.00; BIS-MDN TRANSIT BOARD - 488.29; BISMARCK POLICE DEPARTME - 395.68; BORDER STATES INDUSTRIES - 7.49; BROWN & SAENGER, INC. - 1,278.46; BULLINGER TREE SERVICE - 1,125.00; BURLEIGH COUNTY - 3,005.63; BUTCHER BLOCK MEATS - 94.80; BUTLER MACHINERY COMPANY - 39.28; CAPITAL TROPHY INC - 210.00; CBI BUSINESS SERVICES - 7,424.00; CENEX- FUOC BISMARCK-MAN - 19,714.30; CENTRAL DAKOTA HUMANE SO - 20.00; CITY OF BISMARCK - 1,309.94; COLE PAPERS INC - 59.37; COMPUTER PROFESS UNLIMIT - 83.00; CROWLEY FLECK PLLP - 4,500.00; CUSHMAN MOTOR CO. INC. - 54.78; CUSTER DISTRICT HEALTH U - 1,037.02; D & E SUPPLY COMPANY INC - 1,690.82; DAKOTA COMMUNICATION SVC - 60.00; DAKOTA FLUID POWER INC - 225.91; DAKOTA STAFFING SOLUTION - 90.90; DAKOTA SUPPLY GROUP - 25,906.14; DAKOTA TOWING - 405.00; DAN'S SUPERMARKET - 253.17; DYNATEST CONSULTING INC. - 2,280.00; ED ROEHR SAFETY PRODUCTS - 405.30; ELECTRIC PUMP INC - 11,665.18; ELECTRO WATCHMAN, INC - 136.00; ENTERPRISE SOLUTIONS INC - 5,355.00; ETHANOL PRODUCTS - 2,164.55; FACTORY MOTOR PARTS COMP - 102.75; FASTENAL COMPANY/THE - 149.85; FEDERAL PUBLISHING - 278.50; FEDERAL SIGNAL CORP. - 52,506.00; FERGUSON WATERWORKS #251 - 8,699.07; FETZER ELECTRIC, LLC - 2,570.70; FLEET SERVICE INC. - 43.20; GEORGE STROH TRUCKING IN - 3,240.00; GRAND CENTRAL, INC. - 246.57; GRAY OIL COMPANY - 1,409.93; HACH COMPANY - 886.83; HALFTONED APPAREL INC. - 30.00; HAWKINS INC - 1,070.00; HEDAHL'S OF MANDAN INC - 632.64; HEIMAN FIRE EQUIPMENT IN - 344.00; HELMERS/JIM - 10,000.00; HIRSCH FLORIST INC. - 50.00; HOLTER/DEBORAH - 35.00; IGEAR - 228.00; INDIGO SIGNWORKS - BISMA - 3,912.00; INFORMATION TECHNOLOGY D - 1,056.92; INTERGOVERNMENTAL SHOP - 21,482.93; INTERSTATE ALL BATTERY C - 179.94; JACOBSEN/CARL - 35.00; JOHN HENRY FOSTER MN INC - 108.18; KADRMAS, LEE & JACKSON, - 34,097.15; KNIFE RIVER - 1,727.90; LEXIPOL LLC - 7,950.00; LPT IMAGES - 130.00; MAGSTADT/LAWRENCE - 664.84; MANDAN AIRPORT AUTHORITY - 976.68; MANDAN FIRE DEPARTMENT - 583.33; MANDAN MUNICIPAL COURT - 953.99; MANDAN PARK BOARD - 140,415.72; MANDAN PLUMBING & HEATIN - 88.25; MANDAN TIRE CENTER - 601.30; MARINER CONSTRUCTION INC - 15,211.71; MATTHEW BENDER CO - 244.01; MIDWEST TESTING LAB INC - 10,259.50; MISSOURI WEST WATER SYST - 45.27; MJM ENTERPRISES - 2,570.76; MONTANA STATE UNIVERSITY - 150.00; MOR-GRAN-SOU ELECTRIC CO - 11,080.61; MORTON COUNTY AUDITOR - 5,968.90; MORTON COUNTY RECORDER - 132.00; MORTON MANDAN PUBLIC LIB - 15,051.71; NAPA AUTO PARTS - 313.17; ND BUILDING OFFICIALS AS - 700.00; ND DEPT OF TRANSPORTATIO - 334,100.02; ND STATE DEPT OF HEALTH - 320.00; NELSON LEASING INC DBA - 789.36; NEWMAN TRAFFIC SIGNS - 25,563.22; NORMONT EQUIPMENT CO - 5,545.12; NORTHERN IMPROVEMENT CO - 106,101.21; NORTHERN PLAINS EQUIP CO - 355.31; ONE CALL CONCEPT INC - 454.30; PAHLKE STEEL, INC. - 41.86; PARKSON CORPORATION - 1,243.63; PIZZA RANCH - 71.00; PRAXAIR - 28.25; PRESORT PLUS - 767.36; PRO BUILD COMPANY - 30.00; PUBLIC AGENCY TRANINING - 475.00; RENNER'S LAWN SPRINKLING - 612.00; RUNNING'S SUPPLY INC - 454.27; SCHWAN BUICK GMC CADILLA - 480.75; STEIN'S INC - 848.25; SWANSTON EQUIPMENT CORPO - 39.08; THE PAINTERS, INC. - 4,400.00; TIMBER RIDGE PLUMBING HT - 50.00;

TRUENORTH STEEL, INC - 60.15; ULRICH/DION - 44.99; UNIFORM CENTER & EMBROID - 329.34; VERIZON WIRELESS SERVICE - 2,277.34; WASTE MANAGEMENT OF ND, - 1,392.27; WD LARSON COMPANIES LTD, - 79.50; WEHRI/RADEANNA - 600.00; WELLS FARGO REMITTANCE C - 19,075.50; WENCK ASSOCIATES, INC - 2,522.39; WESCO DISTRIBUTION INC - 8,391.11; WINKS/LOREN K - 35.00; YVETTE/MATTHEWS - 130.00.

2. *Consider approval of Beer Gardens for Spirit of Life Church on September 7, 2013.*

3. *Consider approval of a Disabled Veteran Exemption for Boyd Gilchrist.*

Commissioner Tibke moved to approve the Consent Agenda as presented. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Absent; Commissioner Braun: Yes; Commissioner Van Beek: No. The motion passed.

H. OLD BUSINESS:

I. NEW BUSINESS:

1. *Consider the Mandan Airport Authority's 2014 Budget.*

(i) Dale Klein, Chairman of the Mandan Airport Authority provided an update via a Presentation to the Mandan City Commissioners – Tour of Mandan – August 20, 2013.

Updates that were provided included summaries of the following:

- Update on Mandan Airport
- Request for funding for Support and Economic Development
- Introduce members of the Mandan Airport Authority
- CIP = \$14.4 million over the term
- Runway Reconstruction
- Airport Master Plan Update
- Environmental Assessment of Wetland
- Wetland Mitigation and Hangar site prep
- Hangars
- Construct Tax lane to future hangar sites
- Runway Extension (1,100')
- ND Economic Impact of Aviation December 2010
- FAA Planning, Acquisition, Construction
- Additional commitment of up to \$25,000 for projects

(ii) Jim Lawler, Airport Manager presented the Mandan Airport Authority 2014 Proposed Budget that is approaching \$1 million. He stated that currently the airport runway is under construction with complete removal of the old one from the ground up and replacing it with a new one. Commissioner Rohr asked if the request for the additional \$25,000 is a one-time request or will it be annually during the construction project? Lawler replied that the \$25,000 request is for an on-going annual basis. He stated that the airport has outgrown its accommodations. Commissioner Braun questioned whether there is any plan in place that will bring in or create additional revenue for the airport. Commissioner Tibke explained that the airport can have its own

mill(s) so it goes through the City. Currently it has 4 mills and because of increasing needs extra funds are needed. She stated that the infrastructure has to be in place in order to move forward. She said that the County Commission has also been approached for additional funds. Lawler indicated there is a long-term debt on the hangars. It is hoped that it will be paid off in ten (10) years and when those debts are paid off that will free up funds for the airport. Commissioner Tibke pointed out that the \$25,000 will be requested on an annual basis. She stated that this budget cycle is important. Dale Klein mentioned that hangar rent has been increased but it has stopped currently because of the construction project.

Finance Director Welch commented that there are two separate issues/actions here:

- (1) To consider the 2014 Budget as presented.
- (2) A separate approval for the additional \$25,000 funding from City of which this \$25,000 is not in the City's preliminary budget at this time. This would have to be added into the City's General Fund.

Commissioner Tibke moved to approve the Mandan Airport Authority's 2014 Budget. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

Commissioner Rohr moved to approve the additional \$25,000 additional funding as requested. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

2. *Consider Renaissance Zone Committee recommendation for new construction by Crown Equity, LLC at Collins Avenue and Main Street.* Business Development and Communications Director Huber provided an overview of the project for the Board. She explained the background of the Renaissance Zone Program being a combination state and local program established to help revitalize downtowns and Main Streets through local property tax and state income tax incentives for qualified investment in new construction or rehabilitation of buildings in the zone. Mandan's Renaissance Zone is 28 blocks covering most of Main Street, portions of First Street and even one block to the north that includes the School District's former central administration building. The planned project was previously reviewed by the City Commission last December and January as part of a proposal by Dakota Commercial and Development Company for purchase and redevelopment of the Collins and Main property. Kevin Ritterman, the principal of Dakota Commercial, has formed Crown Equity, LLC, as the entity to own and undertake the project. Ritterman remains its primary stakeholder.

The Mandan Renaissance Zone Committee met to review the application on Aug. 6, 2013. Crown Equity LLC is planning to invest nearly \$3.9 million in construction of a four-story, mixed-use building consisting of 3,000 square feet of commercial space with 29 units of one-, two-, and three-bedroom apartments. The

building plan indicates a footprint of 11,513 square feet with total area of 46,052 square feet.

The project meets Mandan's Renaissance Zone criteria. The minimum investment for new construction is \$55 per square foot. The estimate for this building is \$84 psf. Other local RZ goals indicate that new construction have street level commercial space and at least some provision for on-site parking. Approximately 12 parking spaces are planned for the interior of the lot and the applicant plans to enter into an agreement to rent 25 spaces in the public lot to the east of the fire station.

The project is subject to terms of a purchase agreement and business incentive agreement previously approved by the City Commission. The Renaissance Zone Committee agreed to these same parameters in its recommendation for approval. The parameters are that the 100% property tax exemption on the apartment portion of the building be limited to 2 years and that the five-year, 100% exemption on the commercial portion is contingent upon the lease or sale of that space. If not leased or sold and occupied within one year of the issuance of the certificate of occupancy for the remainder of the building, 50% of any Renaissance Zone tax benefits granted for the commercial space would be withdrawn if not fully leased or sold and occupied within two years of the certificate of occupancy for the remainder of the building the remaining 50% of any Renaissance Zone tax benefits for the commercial space would be withdrawn.

The estimated state income tax exemption is zero as the owner will opt for depreciation of the building instead.

Huber explained that the project is on property that has been part of the remediation. It has received approval by the Mandan Remediation Trust for the removal of interior wells on the property with the exception of one that needs to be relocated to the alley. Other wells will remain in the sidewalks on Main and Collins Avenue. The site and building plan also has the approval of the Architectural Review Commission.

Huber added that the project has also been recently approved by the North Dakota Housing Finance Agency for a commitment of \$1 million from the Housing Incentive Fund (HIF) to provide for affordable housing. The funding is contingent upon the dollars being raised by citizens willing to designate their state income tax liability toward the project. The developer's commitment is to provide at least 9 units at a level defined as affordable for those making 80% or less of the area median income. The affordability definition is that a household spend no more than 30% of its gross income for housing.

Huber noted that the applicant is represented at the Commission meeting by Blake Nybakken of Dakota Commercial and Development Company if there are questions for the applicant.

Commissioner Tibke said that she likes the affordable housing component of the project.

Commissioner Rohr inquired if the developer has any tenants secured. Huber explained that the tenant that the developer had been pursuing has chosen to locate elsewhere, so they are seeking one or more tenants. The 3,000 square feet can be leased by one tenant or divided into as many as three spaces.

Commissioner Rohr asked for clarification on whether the applicant must have the commercial space completed to receive the Renaissance Zone tax benefits. Huber explained the claw back provision being tied back to the development agreement for the property, whereby the Commission's wish was not to hold up the apartment portion of the project until a commercial tenant could be secured. Therefore, the Renaissance Zone benefits may begin when there's a certificate of occupancy for the apartment portion of the building, but if the commercial space is not leased in a timely manner thereafter, the most property tax benefit the commercial space would receive is one year at 100% and another year at 50%. The most it can receive, if leased, is five years at 100%.

Attorney Brown noted that an agreement subject to City Commission approval will be needed transferring the development rights and obligations from Dakota Commercial and Development Company to Crown Equity, LLC.

Commissioner Braun moved to approve new construction of the building by Crown Equity, LLC as a Renaissance Zone project with the property tax exemptions as outlined on the building and the 100% state income tax exemption. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Van Beek: Yes; Commissioner Braun: Yes. Commissioner Frank: Absent. The motion passed.

3. *Consider recommendations from Advanced Engineering and Environmental Services regarding the Water Meter/Reading Improvement Project.* Ken Weber, of Advanced Engineering and Environmental Services presented recommendations for the Water Meter/Reading Improvement Project. He summarized that in May 2013, AE2S was approached to do an overall analysis of the condition of the current water meter system. A summary of the information provided by Mr. Weber is as follows:

- Existing System
 - Approximate 6,500 water meter assemblies
 - Related Issues
- Existing System / New System
 - Possible Meter Solutions and explained the components. Both systems allow for a fixed network system or mobile read option
 - Sensus current system - would need 2,400 new meter assemblies
 - Neptune – similar system to Sensus however, 4,200 Neptune brand MXU's for compatibility and increased efficiency.
- Drive-by System – would take day/month to collect all data (mobile) hand held device or a lap-top system
- Additional Considerations:
 - Data Storage for onsite and offsite options
 - Estimated costs of \$40,000 to \$50,000

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- Updated Accounting Software that is compatible with current data collection and management

Recommendations:

1. Standardize Water Meters (Est. \$2.3M to \$2.4M)
 2. Implement Drive-by data Collection (Est.: \$25,000 - \$35,000)
 3. Vendor presentations as part of plan development
- Project Schedule – initiate as soon as possible (September 3, 2013?)
 - Have bid ready by the end of 2013

Commissioner Rohr questioned whether a Maintenance Contract is required with these programs? Weber replied that once you accept the program, the City would not have to buy a warranty with them.

Jay Perkins, City Water Meter Maintenance Supervisor, came forward to address the Board. He commented that if the City purchases this software package, the Commission should look carefully at the cost of it going forward. That information will come from the presentations from the companies. He said that the company currently being used has upgraded all of its equipment that has lasted 20 years, (basically because of the battery technology). Perkins said that the existing MXU radio system is not compatible with a fixed network system. All companies have changed to a FlexNet system that has more power to send out a signal which is what separates them. Cost has usually been the factor for not upgrading all systems at one time. Finance Director Welch stated that he has looked into some grant money to help pay for this. Perkins commented that it will work depending on how the City approaches it in the future and what staff the City will have available. Perkins suggested that one standardized system be decided upon and then put into place so that everyone has the same program. Cost will be a factor. One consideration will be adding the 2,500 meters that need to be replaced now since they are the older meters and those need to go. Finance Director Welch stated that this will be paid for through the water billing system in the water and sewer base rates on a monthly basis. In the 2013 Budget the City Commission approved \$1.8M of this project which was already built into the existing rate structure for the current year. The balance of \$600,000 of the \$2.4M is built into the 5% increase in the water and sewer base rates for 2014. The City would approach the revolving loan program for a 20-year low interest loan to finance over this period.

Commissioner Tibke moved to approve the recommendations from Advanced Engineering and Environmental Services regarding the Water Meter/Reading Improvement Project and request entering into professional services agreement with Advanced Engineering and Environmental Services on September 3, 2013.

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

4. *Update on potential land acquisition (former Cass Clay site).* City Administrator Neubauer reviewed with the Board an update on the discussions of the former dairy site of Cass Clay which was purchased by Associated Milk Producers, Inc. who sold it to Cass Clay Creamery/Kemps. BSNF would like to sell the property and there are some easements issues being worked on. There are discussions with Kemps on leasing the land from the City. Currently the City is working on an easement issue with BNSF with a potential purchase of the property from Kemps.

Tom Hansen, a Mandan resident came forward and asked where the easement is located in that area? Commissioner Braun replied that it runs parallel with the railroad track. Administrator Neubauer stated that the City wants to ensure that if that property is available for use for something else, that there is room to construct a building with parking spaces similar to Family Dollar and O'Reilly's Auto Parts. If the easement continues there, there would be no parking on the Main Street side.

J. RESOLUTIONS

1. *Second consideration and final passage of Ordinance 1161 relating to authorization for the off-sale of alcohol from a tapped keg in a defined container.* Business Development and Communications Director Huber reviewed with the Board that this Ordinance is the second consideration and final passage for an authorization for off-sale of alcohol known as a "Growler". This Ordinance follows the City of Bismarck ordinance allowing this. Commissioner Tibke moved to approve the Second consideration and final passage of Ordinance 1161 relating to authorization for the off-sale of alcohol from a tapped keg in a defined container. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

2. *Second consideration and final passage of Ordinance No. 1162, An ordinance annexing certain adjoining lands to the City of Mandan, North Dakota, and extending the corporate boundaries thereof (tract of land being a part of S3-T138N-R81W).* Commissioner Rohr moved to approve the Second consideration and final passage of Ordinance No. 1162, An ordinance annexing certain adjoining lands to the City of Mandan, North Dakota, and extending the corporate boundaries thereof (tract of land being a part of S3-T138N-R81W). Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

3. *Consider resolution annexing certain lands adjoining the City of Mandan generally north and west of highway 1806.* Commissioner Rohr asked City Administrator Neubauer if there is any consequence regarding this matter at this time? Neubauer stated that a meeting has been held with several of the residents in the annexation area last night (August 19, 2013). Discussion occurred regarding the major construction projects for this area for the future. Neubauer provided some cost estimates to the residents including how those assessments are spread out and paid for by whom.

Neubauer explained there are several matters yet to be resolved to determine actual costs until the zoning and infrastructure is determined.

Commissioner Rohr moved to approve the resolution annexing certain lands adjoining the City of Mandan generally north and west of highway 1806. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

4. *Consider Resolution Approving Contract and Contractor's Bond for Street Improvement District Nol. 178, Project 2013-04(Keidel's South Heart Terrace Phase IV).*

Commissioner Tibke moved to approve the Resolution Approving Contract and Contractor's Bond for Street Improvement District No. 178, Project 2013-04(Keidel's South Heart Terrace Phase IV). Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

5. *Consider the introduction and first consideration, and call for a public hearing of Ordinance No. 1163 making the annual appropriations for expenditures or expenses of the City of Mandan, North Dakota, for the fiscal year commencing January 1, 2014, and ending December 31, 2014, and making the annual tax levy for the year 2013.*

Finance Director Greg Welch presented the following introduction and first consideration, and call for a public hearing of Ordinance No. 1163 adopting the 2014 Budget.

The City of Mandan is required to prepare the annual Budget in accordance with the Municipal Budget Law (North Dakota Century Code Chapter 40-40) and also with existing City Ordinances, Resolutions, contacts and agreements. In addition to these legal requirements, the City's Significant Budget Policies provide further direction and guidance to the budgeting process. The Preliminary 2014 Budget is in compliance with these legal requirements and City Policies. The proposed Budget for 2014 is submitted to you as a recommendation from the City's Budget and Finance Committee. The City's Budget and Finance Committee consists of the following members: Sandy Tibke, City Commissioner (Finance Portfolio), Jim Neubauer, City Administrator, and Greg Welch, Finance Director.

REVENUES

Total = \$25,657,750

- Property Taxes = \$3,459,500 or 13%
- 1% City Sales Taxes = \$2,535,200 or 10%
- Licenses and Permits = \$769,900 or 3%
- Intergovernmental = \$3,931,900 or 15%
 - State Aid Distribution, Highway Tax Distribution, etc...
- Water, Sewer, Solid Waste, Street Light Utility Charges = \$8,663,900 or 34%
- Special Assessments = \$4,582,300 or 18%

EXPENDITURES

Total = \$26,793,450

- Salaries and Benefits = \$8,911,900 or 33%
- Operations and Maintenance = \$6,591,500 or 25%
- Debt Service-Principal and Interest = \$8,440,950 or 31%
- Capital Outlay = \$2,849,100 or 11%

MAJOR FUNDS

All Major Funds have met required minimum fund balance operating reserves.

- Provides for economic stability.
- Assists in maintaining the City's bond rating.
- General Fund and Cemetery Fund = 17%
- Utility Funds = 25%
- Water and Sewer Utility Fund:
 - Base Rate increase:
 - Residential = \$3.50 per month
 - Commercial and Industrial = \$7.00 per month
 - Apartment (3+ units) = \$10.50 per month
 - Purpose: Capital Outlay improvements

TAXABLE VALUATION

Taxable Valuation (estimated) = \$50,857,611

- Increase from Tax Year 2012 (2013 Budget) = 9.1%
- 1 Mill = \$50,857
- Increase from 2012 to 2013:
 - Residential property = 14.4%

MILL LEVY

Mill Levy = 82.61 Mills

- Decrease from Tax Year 2012 (2013 Budget) = 10.94 Mills
 - Additional Property Tax reduction from the City Sales Tax Fund (40% to 50%) to the General Fund = 4.98 Mill Levy decrease
- City's share of 1 Mill for Tax Year 2012 (2013 Budget) = 24%

PROPERTY TAXES

Property Taxes = \$4,201,120

- Decrease from Tax Year 2012 (2013 Budget) = \$160,543
- The decrease in the City property taxes for an existing residential home valued at \$200,000 with an average valuation increase of 6.8% (Board of Equalization) in the true and full value, excluding special assessments = \$47.95

SALARIES AND BENEFITS

Salaries = \$6,630,600

- Increase from 2013 Budget (revised) = \$851,600

Benefits = \$2,281,300

- Increase from 2013 Budget (revised) = \$238,700
- Human Resources Department and Finance Department are considering and reviewing the following options:
 - City to contribute more to the employee share of a family policy for the purpose of recruitment and retention.
 - Long-term Disability
 - Cafeteria Plan

Salaries and Benefits = \$8,911,900

- Increase from 2013 Budget (revised) = \$1,090,300
 - Salary Study adjustments = \$224,400
 - 12 new employees = \$658,750
 - Police Department = 5
 - Calls for service has had a strong upward trend since 2006. Calls for service totaled 8,327 in 2006 and 12,692 in 2012, an increase of 52%. Calls for service in 2013 is trending slightly higher than 2012. One officer was added to the staff in 2013. Prior to 2013, staffing has been stable for many years. An internal Staffing Study was conducted in 2011 and again in 2012. The analysis indicated that the patrol staffing level should be 28 patrol officers. The Department is currently staffed with 20 officers. One of the five new employees is a Warrants Officer. The City has more than 300 un-served municipal warrants.
 - Fire Department = 4
 - Calls for service regarding fire emergencies, EMS emergencies, inspections, and re-inspections have increased significantly from 1999 to 2012. The Department had six employees in 1998, seven employees in 2004, ten employees in 2006, and eleven employees since 2007-2008.
 - Other Departments = 3
 - 2.5% Performance adjustments = \$153,050
 - Part-time adjustments = \$32,450
 - Volunteer Firefighters
 - Seasonal/Temporary

DEBT SERVICE

Debt Service-Principal and Interest = \$8,440,950

- Total Principal and Interest = \$71,760,356
 - Principal = \$60,425,628
 - Interest = \$11,334,728
- Bonded Indebtedness:
 - General Obligation Bonds = \$864,783
 - Special Assessment Bonds = \$41,943,248

-
- Budget and Finance Committee will resume discussions concerning Developer Agreements for new subdivisions.
 - Revenue Bonds = \$28,952,326
 - Amortization:
 - % of Debt Service retired in 10 years = 85%
 - % of Debt Service retired in 15 years = 99%
 - \$2.4M Loan is anticipated from the Drinking Water State Revolving Fund (DWSRF) Program to finance the Water Meter/Reading Improvement Project.
 - Project is included in the North Dakota Department of Health's DWSRF Intended Use Plan.
 - Bond Rating = A1

CAPITAL OUTLAY

Capital Outlay = \$2,849,100

- General Fund = \$1,041,550
 - Street Department = \$750,000
 - Snow Blower
 - 2 Tandem Dump Trucks
 - 2 Street Sweepers
- Cemetery Fund = \$410,000
 - Office/Maintenance Building = \$400,000
 - General Fund = 50%
 - City Sales Tax Fund = 50%
- City Sales Tax Fund = \$152,600
 - Traffic Signal Improvements
- Water and Sewer Utility Fund = \$983,500
 - Waterline Maintenance Department = \$484,950
 - Tandem Dump Truck
 - Watermain Replacement Project
 - Sewerline Maintenance Department = \$252,500
 - Storm Lift Station Project (River Drive)
 - Sewermain Replacement Project
 - Meter Reading Department = \$100,000
 - Water Meters (new construction)
- Solid Waste Utility Fund = \$75,000
 - Concrete Project (Southside of Transfer Station)
- Street Light Utility Fund = \$54,000
 - LED Lights Replacement Project
 - City Sales Tax Fund = \$35,950

ANNUAL COST FOR CITY SERVICES

The annual cost for City services for an existing \$200,000 residential home with an average valuation increase of 6.8% (Board of Equalization) and using 8 units of water per month, excluding special assessments = \$1,672

- Decrease from 2013 Budget = \$6

The City will publish a Notice of Public Hearing on August 30, 2013 for the second and final consideration of Ordinance No. 1163 adopting the 2014 Budget on September 17, 2013. The Preliminary 2014 Budget will also be posted on the City's website at cityofmandan.com.

Commissioner Tibke extended a thank you to Finance Director Welch, Administrator Neubauer and Department heads for their assistance in preparing the 2014 Budget.

Commissioner Tibke moved to approve the introduction and first consideration, and call for a public hearing of Ordinance No. 1163 making the annual appropriations for expenditures or expenses of the City of Mandan, North Dakota, for the fiscal year commencing January 1, 2014, and ending December 31, 2014, and making the annual tax levy for the year 2013. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Absent; Commissioner Braun: Yes; Commissioner Van Beek: Yes. The motion passed.

K. OTHER BUSINESS

There being no further actions to come before the Board of City Commissioners, Commissioner Braun moved to adjourn the meeting at 7:41 p.m. Commissioner Tibke 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