
The Mandan City Commission met in regular session at 5:30 p.m. on June 5, 2012 in the Ed “Bosh” Froehlich Room at City Hall, Mandan, North Dakota. Commissioners present were Helbling, Tibke, Frank, Jackson, and Rohr (participated via speakerphone). 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 and Communications Director Huber, Engineering Project Manager Bechtel, and City Assessor Barta.

MINUTES: *Consider approval of the minutes for May 15, 2012 regular meeting.* Commissioner Jackson moved to approve the minutes of the May 15, 2012 meeting. Commissioner Tibke seconded the motion. The motion received unanimous approval of the members present. The motion passed.

PUBLIC HEARING:

1. *Public Hearing to consider an Ad Valorem tax exemption for Art Mariner D/B/A GR-8 Auto.* City Assessor Richard Barta presented a request for an Ad Valorem tax exemption for Art Mariner D/B/A GR-8 Auto who is transferring their business from Bismarck to 2021 46th Avenue Southeast, Mandan. Barta stated that there were no letters or calls in opposition to the request. Morton County and the Park and School Districts were notified of the request. The Mandan Growth Fund (MGF) recommended approval with the conditions of a 100% exemption for 5 (five) years as clarified by Business Development and Communications Director Huber who attended the MGF Committee meeting. Huber stated that the request qualifies for the full 5 year exemption at 100% as required by the policy.

Mayor Helbling announced that this is the time and date set for a public hearing to consider an Ad Valorem tax exemption for Art Mariner D/B/A GR-8 Auto. He invited anyone for or against the project to come forward to speak.

Linda Morris, Morton County Tax Director’s Office, came forward and indicated that she has spoken with Richard Barta and Ellen Huber and sent an email stating that the Morton County Commission voted 5-0 that they would not support this application and they requested that the City Commission deny this exemption. The reason being is that it is already in business in Bismarck and it is not a start-up business so it is not necessary for them to have the tax exemption. The other reason is there are other restoration and body shops located in the City of Mandan and it would not be proper to give them the exemption. She stated she did read from the Agenda the 5-year tax exemption at the first 2 years at 100%, 3rd year at 75%, and so on down as the Agenda was worded.

Morris said she did not instruct the County Commissioners of the 5-year 100% exemption. She stated that Morton County has some objection to this project.

Commissioner Jackson stated that Morton County was not objecting to it because it wasn’t long enough and asked Morris if the County would still be against it at 5-0 if it were 5-years at 100%? Morris replied absolutely.

Susan Beehler, Mandan resident, came forward and mentioned that her premise is that when the City Commission gives a new business a tax exemption, they are competing with other businesses that are paying property taxes. She indicated she is opposed to this project. She said that Mandan has surpassed what Minot has given for tax exemptions. She brought up the fact that with the oil industry on our borders, there is no reason to give tax exemptions. She stated she was also at the Mandan Growth Fund Committee meeting when the matter was discussed and it appeared that the owner was one of the two employees referenced. At that, an owner does not qualify also as an employee. Mayor Helbling clarified that he also attended the MGF Committee meeting and that Mr. Mariner indicated he was employed along with two more people.

Mayor Helbling again announced that it is a public hearing and asked if anyone else would like to come forward to speak.

Rusty Kruger came forward to speak and stated he was also at the MGF meeting when this matter was presented. His recollection was that Mr. Mariner stated he was building a garage, not a restoration shop. You are correct that he was not one of the two employees that he mentioned but he was under the impression that he was building a 100' x 60' garage wherein he would store personal cars and anyone else who would like to work on their cars in the garage. Krueger suggested the Commission decide if that is a business or not.

Mayor Helbling again announced that it is a public hearing to consider an Ad Valorem tax exemption for Art Mariner D/B/A GR-8 Auto and asked if anyone else would like to come forward to speak. Hearing none, this portion of the public hearing was closed.

Art Mariner came forward and stated that in his restoration shop he has had 2 or 3 full time employees for years. He said that he plans to move his shop from Bismarck over to Mandan. He indicated that his business will be buying and selling cars just as he was doing in Bismarck.

Mayor Helbling stated that he views this as an investment into the Mandan community. Commissioner Jackson mentioned that he has a problem with the policy more so than the exemption. It meets the policy criteria and until it changes it meets the policy guidelines.

Commissioner Frank questioned Development Director Huber regarding the discrepancy in the Agenda item description in years three - five. She is looking for clarification that we do the validation of number of employees for them to receive full 100% exemption in years 3-5. So, if those conditions were not met then it would fall back as to what is printed in the Agenda which is 100% for year 1 & 2, 75% for year 3, 50% for year 4, and 25% for year 5. Huber stated that is correct and there are claw back contingencies providing for if the property is sold to a tax exempt entity within 2½ years times the exemption period that they would pay that and it is subject to the automatic door requirements. She confirmed that the Mandan Growth Fund Committee approved of the 5-year at 100% as those jobs are verified at the end of year 2 and must be sustained in years three - five otherwise it will fall back to the lower amount under the policy.

Commissioner Frank stated she supports the tax exemption request and commented that the request does follow policy.

Commissioner Frank moved to approve the Ad Valorem tax exemption for Art Mariner D/B/A GR-8 Auto as proposed by the Mandan Growth Fund Committee in their meeting which is the 100% exemption for 5 (five) years contingent on there being one employee for every \$100,000 including the claw backs that are outlined in the policy.

Commissioner Tibke seconded the motion. Commissioner Rohr commented that his understanding of the tax exemption process is to assist businesses who need assistance and it is not clear that is the case here.

Commissioner Jackson recommended that the City Commission revisit this policy again even though it was just reviewed in March 2012. Mayor Helbling agreed that the policy should be reviewed at least annually and that a clear and constant message be available to everyone as to what the policy states. He commented that the City Commission does not always have to follow the recommendations from the respective boards and not every application that comes before the Commission should be questioned. If the Commission feels the policy should be changed, then it should be placed on the Agenda and handled appropriately. Roll call vote: Commissioner Rohr: No; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Helbling: Yes; Commissioner Jackson: Yes. The motion passed.

2. *Public Hearing to consider an Ad Valorem tax exemption for MTP Holdings, LLC.* City Assessor Barta presented a request from MTP Holdings, LLC to build a new 30 unit apartment building at 2003 Marina Road Southeast, Mandan. The project is estimated to cost over \$3.8 million. There was one protest received. Barta stated that the request is within the policy guidelines and the request is 100% for 2 years.

DeNae Kautzmann, Kautzmann Management and Investments came forward to speak. She stated that they own two apartment buildings in the City of Mandan. She indicated that she objects to the request for an Ad Valorem tax exemption for MTP Holdings, LLC to build a 30 unit apartment complex. She reviewed legislative purpose of NDCC 40.57.1, tax exemptions for new and expanding businesses. She stated that the key purpose of the statute is the creativity of jobs. The application does not provide for any specific job creation. In this case, there is only one employee listed on the application. Apartment buildings do not provide employment, they provide housing. She noted that this application will not create direct sales tax revenue nor will it increase traffic to the business district. The 2nd paragraph of the statute states that the intent of the legislative assembly is that political subdivisions in their determination of whether the tax exemption authorized by this chapter shall be granted shall give due weight to their impact on their affect on industry and business and to that end that an unfair advantage shall not be given to new or expanding enterprises which is to the substantial detriment of existing enterprises. If this application is granted it will give an unfair tax advantage to MTP Holdings and it is detrimental to the existing apartment building owners who are subject to income tax increases during the time that MTP is exempt from paying taxes. Kautzmann referenced 40.57.1.03 in support of the best interests of the municipality and

not whether or not they meet your policies per se. It is her opinion that it is not in the best interest of the City of Mandan to approve this application when the City is over \$80 million in debt. Finally, the law provides that during negotiation and deliberation of a property tax exemption under this chapter, a municipality shall include as non-voting ex officio members of its governing body a representative appointed by a School Board of each district affected of the proposed action and a representative appointed by the Board of Township Supervisors of each Township affected by the proposed action. She stated that she has been to many of these meetings and she has yet to see an ex officio member as part of this process. Sending a copy of the application to the County, Park and School Districts is not appropriate under the law. Kautzmann recommended that those entities be included in this process and if there is little to no interest of participation shown, the citizens should be made aware so they can elect someone to so represent their interest.

Susan Beehler came forward to speak. She pointed out that questions No. 10 and No. 24 were not completed on the application. She stated that the partnership was formed in March 2012 and there was no indication of who the other partners are. She addressed several concerns including: the unfairness of the tax exemption (if granted) for one of these units would be more than a tax exemption for a home owner; that there will likely be children residing in the units and the Mandan citizens would have to pick up the cost for schooling those children for a period of 2 years; and the MGF Committee has been tasked with providing recommendations as to what tax exemptions should or should not be given when they are not the people the citizens voted for to address the best interests in matters such as these. Beehler stated she opposes granting the Ad Valorem tax exemption for MTP Holdings, LLC.

Debbie Holter came forward to speak. She stated she objects to the Ad Valorem tax exemption for MTP Holdings, LLC based on the same reasons that have already been presented. She stated it is unfair to other apartment complex owners who are paying real estate taxes. There is no sales tax generated and there are no employees generated. She recommended that policy is not statute and the Commission has not been obeying statutes as far as giving away exemptions (she referenced two incidents).

Linda Morris, Morton County Tax Director's office came forward to speak. She stated that the Morton County Commission objected to this request for an exemption on the same grounds of information that was provided earlier. There is only one job listed on the application so there is no incentive to have the employee in Mandan, there is no sales tax generated and the need for apartment buildings in the community is great.

Mayor Helbling announced this is a public hearing to consider an Ad Valorem tax exemption for MTP Holdings, LLC. A second invitation to come forward was extended. Hearing none, this portion of the public hearing was closed. Mayor Helbling commented that all actions of the Commission are reviewed by the City Attorney. He requested City Attorney Brown to provide comments regarding the discussion that has taken place regarding the Ad Valorem tax exemption for MTP Holdings, LLC.

Attorney Brown commented that he has reviewed the statutes that Ms. Kautzmann referenced. He stated that the law is very broad and the policy & exemptions the Commission has adopted in the past have been consistent with what has been set by the legislature. Secondly, whether or not 24 units is arbitrary. He stated that 24 units is arbitrary and that is the decision the Commission has made. It is not unlawful or illegal; it is part of the policy. Finally the membership of a school board or park board representative on the Mandan Growth Fund Committee, (to allow the School Board or the Park Board to give tax exemptions), would not be within the scope of the law intended. The fact they choose to not attend or ignore it, is their problem, not the City's problem.

Mayor Helbling inquired of Ms. Morris if any of the county commission members were large property holders /owners within the City? Morris replied that the reasons stated were the employment factor; that apartment buildings were needed; and the fact that buildings have been constructed and they are already rented out indicating there is a high need for housing; and there would be no sales tax generated. Mayor Helbling commented there may be a conflict of interest concern due to one of the county commissioners owning several apartment complexes within the community. He explained the benefits of allowing tax exemptions to entities in order to bring that business entity into the Mandan community absent state government offices, colleges, or corporations that benefit from those businesses wherein Mandan does not have those opportunities available because of their uniqueness.

Commissioner Frank extended a thank you to the parties who brought their concerns forward tonight. She stated that incentives such as tax exemptions are necessary in order to address the need for affordable housing at rapid growth. She referenced the fact that active employers are unable to hire people due to the lack of housing available for potential employees to reside. With regard to a less than 1% vacancy rate she posed a question to local apartment owners if their units were full. If they are full, considering this request as an unfair advantage to new apartment complex buildings would not be an accurate statement. She stated she agrees with Kautzmann regarding the less than 24 unit complexes and that may be addressed with the policy review as referenced by Commissioner Jackson. Regarding Beehler's comment about a multi-unit community, consideration should be given to affordable housing in particular to single family housing. She reviewed building permits issued year to date. There have been 20 permits issued in Bismarck for multi-family housing (2, 3, or 5 or more units) and in Mandan, there have been 3 permits issued.

Commissioner Jackson commented on the policy issue. He stated that he normally votes for the request if within policy guidelines but that he has a problem with the policy itself. He encouraged everyone to come to the next special session to assist him with arguing for changes. Many hours have been invested in developing the policy and until it is changed, it stands as is. Commissioner Tibke addressed the high density housing and population issues. She stated that the car count is one of the main ways to give retailers an opportunity to relook at the Mandan community. It is one of the ways to judge the population. Having high density housing is one of the recommendations from the studies conducted by the experts and we do try to follow them. In moving forward,

Commissioner Tibke suggested this be kept in mind. Commissioner Jackson disagreed with Commissioner Tibke's comments.

Commissioner Frank moved to approve a property tax incentive for new or expanding businesses for MTP Holdings, LLC in accordance with the recommendation from the Mandan Growth Fund Committee to receive a 100% exemption for two years, meet the claw-back agreement requiring re-payment of the exemption if the property sold to a tax exempt entity within 7 years and also under state statute. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: No; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Helbling: Yes; Commissioner Jackson: Yes. The motion passed.

BIDS:

1. Consider the award of bids for Sidewalk Improvement Project for 2012.

Engineering Project Manager Bechtel reviewed with members a request to award the bid for the Sidewalk Improvement Project for 2012. He stated there were 3 bids received with the low bid presented by KO Construction in the amount of \$324,283.00. He recommended approval of the bid to KO Construction.

Commissioner Frank presented a question with regard to what homeowners should know with regard to requesting a sidewalk improvement project such as this. Bechtel explained that the City maintains a master list of work to be done and if anyone would be interested in improvements to their sidewalk or apron to their property they could be put on the master list and the City would contact the contractor. All costs would be assessed to the homeowner through the assessment process over a period of ten years. In the alternative, a homeowner can take out a permit and if their private contractor is approved by the City the homeowner can have the repairs done themselves.

Commissioner Frank moved to approve the contract for Sidewalk Improvement Project for 2012 to KO Construction for the amount of \$324,283.00. Commissioner Jackson seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Helbling: Yes; Commissioner Jackson: Yes. The motion passed.

2. Consider award of bids for Street Improvement District #167 (Keidel's South Heart Terrace Phase II). Engineering Project Manager Bechtel reviewed with members a request to award the bid for Street Improvement District #167 (Keidel's South Heart Terrace Phase II) to the low bidder, Northern Improvement in the amount of \$444,865.20.

Commissioner Tibke moved to approve the bid for Street Improvement District #167 (Keidel's South Heart Terrace Phase II) to the low bidder, Northern Improvement in the amount of \$444,865.20. Commissioner Frank seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Helbling: Yes; Commissioner Jackson: Yes. The motion passed.

CONSENT AGENDA:

1. Consider approval of the following site authorizations for the Cystic Fibrosis Association of ND from July 1, 2012 through June 30, 2013: i. Colonial Lounge and ii) Stage Stop. The Board approved of the site authorizations for the Cystic Fibrosis Association of ND from July 1, 2012 through June 30, 2013: i. Colonial Lounge and ii) Stage Stop.
2. Consider approval of the following site authorizations for the Fort Abraham Lincoln Foundation from July 1, 2012 through June 30, 2013: i. West Side Bar and Grill/Mulligans; ii) Seven Seas; iii) Midway Lanes; iv) Lonesome Dove and v) Broken Oar. The Board approved of the site authorizations for the Fort Abraham Lincoln Foundation from July 1, 2012 through June 30, 2013: i. West Side Bar and Grill/Mulligans; ii) Seven Seas; iii) Midway Lanes; iv) Lonesome Dove and v) Broken Oar.
3. Consider games of chance for ND Bankers Association (NDBA) at Captain Freddy's June 5-June 11, 2012. The Board approved of the games of chance for ND Bankers Association (NDBA) at Captain Freddy's June 5-June 11, 2012.
4. Consider for approval the final plat of Living Water Addition. The Board approved of the final plat of Living Water Addition.
5. Consider for approval the final plat of Meadow Ridge 2nd Addition. The Board approved of the final plat of Meadow Ridge 2nd Addition.
6. Consider for approval the application for beer garden and street dance event. The Board approved of the application for beer garden and street dance event.
7. Consider Mandan WTP Optimization final time extension change order. The Board approved of the WTP Optimization final time extension change order.
- ~~9. Consider entering into an Engineering Services Agreement with Advanced Engineering for the Waste Water Treatment Plant Effluent Lift Station and Outfall Pipeline Rehabilitation.~~
10. Consider site authorization for Prairie Public Broadcasting at the Round Up Bar and Grill for July 1, 2012, through June 30, 2013. The Board approved of the site authorization for Prairie Public Broadcasting at the Round Up Bar and Grill for July 1, 2012, through June 30, 2013.
11. Consider site authorization for Horse Race ND at Dean's Steakhouse for July 1, 2012 through September 30, 2012. The Board approved of the site authorization for Horse Race ND at Dean's Steakhouse for July 1, 2012 through September 30, 2012.

Commissioner Jackson moved to approve the Consent Agenda items 1-7 and 10-11 as presented. Commissioner Tibke seconded the motion. The motion received unanimous approval of the members present. The motion passed.

Commissioner Frank requested No. 8 be removed for discussion:

8. Consider entering into an Engineering Services Agreement with Advanced as Engineering. Commissioner Frank asked what benefits exist with the agreement in place. She suggested that some clarification should be obtained that would outline a minimum dollar amount spent in order to maximize the \$25,000. It was suggested that the City commit to a certain rate rather than a retainer type of agreement which could result in a cost savings.

Commissioner Frank motioned to table this matter in order to allow Engineering Project Manager Bechtel additional time to discuss the terms of the agreement with Advanced Engineering. Commissioner Jackson seconded the motion. Commissioner Tibke pointed out that one of the reasons the City continues with the agreement with Advanced Engineering Services is because they are familiar with the Water Treatment Plant and its functionality. The motion received unanimous approval of the members present. The motion passed.

OLD BUSINESS:

1. *Consider Purchase & Business Incentive Agreements with Riverwest Development, LLC, for development of property at 1403 27th Street NW (approximately 3.10 acres).* Business Development and Communications Director Huber reviewed with the Board the proposed Purchase and Development Agreements to facilitate the sale and development of 3.1 acres of city owned land located at 1403 27th Street NW, at the intersection of Sunset Drive and 27th Street Northwest in Mandan. At the May 15th meeting, the City Commission voted to approve Purchase and Business Incentive Agreements with an additional condition to limit any residential use to mixed-use. This was to accommodate the buyer's request to allow for the possibility of attaching studio apartments to the back of the buildings to support traveling staff. The mixed-use limitation was to prevent any stand alone apartments, townhouses, or single family residential on the parcel. The buyer has agreed to this condition if the city as seller relinquishes mineral rights to the property and included a sunset provision for the development agreement ending 12/31/18. The agreement has those provisions included along with all the same commitments as originally proposed including the payment by Riverwest of \$270,000. Huber recommended approving the agreements as presented today. Kathy Spilman, Riverwest Development is available to answer any questions. Huber noted that there was an error in the legal address of the property in the Agenda packet that was sent out. The legal address of Lot 1, Block 3, School District 5th Addition is in the revised edition. City Attorney Brown stated that the City owns one-half of the oil, gas and mineral rights on the property. (One-half of 3 acres would be 1.5 acres so it probably does not have a value.) He noted that there was no stipulation for mineral rights in the original agreement.

Commissioner Frank moved to approve the Purchase & Business Incentive Agreements with Riverwest Development, LLC, for development of property at 1403 27th Street NW (approximately 3.10 acres) as presented. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Helbling: Yes; Commissioner Jackson: Yes. The motion passed.

NEW BUSINESS:

1. *Consider Growth Fund Committee recommendation regarding property tax exemption policy.* Business Development and Communications Director Huber stated that this was an item discussed at the Commission's Special Working Session held on March 27, 2012, in which there was consensus to consider changes to the policy:

(1) To give credit for jobs created in the 12 months prior to the date of application within the provision that allows for 100% exemption for 5 years based on the creation of at least one job for every \$100,000 of structural value subject to exemption.

(2) To indicate in the policy the amount of exemption that has been provided for multi-family projects of 24-units or more, which has been two years at 100%.

(3) To clarify the claw back provision in the event a property would be sold to an entity exempt from property taxes to indicate that the period of the claw back during which repayment is required is equal to 2.5 times the length of the exemption.

Huber stated that these three changes were reviewed by the Mandan Growth Fund Committee at their May 30, 2012, meeting and they voted to approve of the changes.

Commissioner Rohr commented that the changes appear to accomplish what needs to be done. Commissioner Jackson stated he has concerns with No. 1 and No. 2 because of the amount of the exemptions that are going to be given.

Commissioner Frank moved to approve the proposed changes to the property tax policy and guidelines. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Helbling: Yes; Commissioner Jackson: No. The motion passed.

2. *Consider approval of creating a new position in the Assessing Department.*

City Assessor Barta reviewed with the Board a request to create a new position for an appraiser in the Assessing Department for the purpose of maintaining the newly updated property value records. This position will allow the office to perform appraisals in a more timely fashion. There is money in the budget to support this request. At the end of June two of the temporary positions will be eliminated. This job position is necessary to make sure the city wide assessment is conducted regularly. Commissioner Jackson said this position was budgeted for and this position should not affect any of the other departments.

Commissioner Tibke moved to approve creating a new position in the City Assessor's Department. Commissioner Frank seconded the motion. Commissioner Frank commented that with regard to homeowners and the matter of property taxes, this is the first step in making sure the City addresses that property taxes accurately reflect the properties in the City of Mandan. The motion received unanimous approval of the members present. The motion passed.

3. *Consider the preparation of a Watershed Study.* Engineering Project Manager Bechtel reviewed with members a request to consider a Watershed Study in north Mandan in anticipation of expansion and growth in that area. Bechtel stated that in 2004 a Watershed Study was conducted for the Mandan Middle School south basin for the matter of determining the proper methods for storm water management within the basin. That study has been extremely valuable to the City and developers. The north basin that is now being proposed for study is approximately 217 acres and of 1/3 of the area is in the planning stages for development. There is interest in a regional storm water pond for

the watershed. Bechtel stated that the study conducted in 2004 cost around \$40,000 and it is anticipated that amount will be sufficient to cover the costs of the current request for the north basin. Bechtel stated that an RFP will be developed by a committee that will outline the criteria of what would be done to complete the study and then sent out to prospective engineering firms to bid the project. He has not checked with the state to see if any funding is available and he said that some work has been done in that area already by another engineering firm and he will discuss with them what has been done so far. Tesoro Refinery and Morton County Water Resource Board has expressed that they would present this to their Boards to see if they would be agreeable to participate as far as the cost involved.

Mayor Helbling commented that he is in favor of a study on the north end but stated that much of that land is owned by the county. Commissioner Jackson stated that he would suggest contacting the State Water Commission for funding because projects such as this will have funding available. He stated it would be helpful to know what Tesoro and Morton County would contribute before making a decision on what the City will do.

Commissioner Jackson recommended tabling the Watershed Study until the questions have been answered with regard to funding assistance from the state, Tesoro Refinery and Morton County Water Resource Board. Commissioner Tibke seconded the motion. The motion received unanimous approval of the members present. The motion passed.

4. *Update on the North Mandan Street Improvement Project.* Engineering Project Manager Bechtel reviewed the timeline of events for this project that started September 11, 2011 wherein the Toman/Wenck team was hired to engineer the project. Events have occurred over the last several months with the most recent being the bid opening that occurred on 5/31/12. He provided a summary presentation of the job. He stated that the public hearing and bid awards are scheduled for review and discussion at the June 19th meeting. There are approximately 1,000 parcels in that project. There have been approximately 90 protest letters received so far. Mayor Helbling stated that this project overlaps with the Sunset Drive project scheduled for 2013. If this project moves ahead there will have to be consideration given to overlaying on the Sunset Drive project. Bechtel stated that alternatives are being considered now in order to bring down some of the projected costs. Commissioner Rohr and Commissioner Jackson stated they have had several discussions with homeowners who are concerned about the cost of the assessments. Mayor Helbling commented that the current roads have been there for 30-35 years and repairs will have to be done regardless while looking at options in order to keep the costs as reasonable as possible. Commissioner Frank requested Bechtel give a summary of what Sunset Drive would consist of if the project was reconfigured. Bechtel replied that the Sunset Drive project is on schedule for 2013 and federal dollars have been secured to reconstruct that street which is typically an approximately 80/20 cost share. The city shares 50% of the 20% cost so approximately 25% of the project gets special assessed to the entire street project and that district has not been created yet. He agreed with Mayor Helbling's suggestion of looking closer at the numbers and to make a determination of costs prior to entering into the project. Commissioner Frank requested Bechtel to look at those homeowners who may be impacted on the arterial roads even

though they are not located directly on those roads (9th Avenue Northeast that turns into Sixth; 6th Avenue NW up to Boundary, 14th Street NW west of Sunset and 3rd Avenue NE). Bechtel clarified that 6th and 9th are considered arterial. Mayor Helbling stated that this is an update only and no action is required at this time.

RESOLUTIONS & ORDINANCES:

1. *Second consideration and final passage of Ordinance No. 1122, a franchise granting to MDU Resources Group, Inc., a corporate, its successors and assigns, the franchise and right to construct, maintain and operate, within and upon, in and under the streets, alleys and public grounds of the City of Mandan, Morton County North Dakota an electric distribution system for transmitting and distributing electricity for public and private use.* Commissioner Tibke moved to approve the Second consideration and final passage of Ordinance No. 1122, a franchise granting to MDU Resources Group, Inc., a corporate, its successors and assigns, the franchise and right to construct, maintain and operate, within and upon, in and under the streets, alleys and public grounds of the City of Mandan, Morton County North Dakota an electric distribution system for transmitting and distributing electricity for public and private use. Commissioner Jackson seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Helbling: Yes; Commissioner Jackson: Yes. The motion passed.

2. *Second consideration and final passage of Ordinance No. 1123, a franchise granting to Mor-Gran-Sou Electric Cooperative, Inc., its successors and assigns, the franchise and right to construct, maintain and operate, within and upon, in and under the streets, alleys and public grounds of the City of Mandan, Morton County North Dakota an electric distribution system for transmitting and distributing electricity for public and private use.* Commissioner Tibke moved to approve the Second consideration and final passage of Ordinance No. 1123, a franchise granting to Mor-Gran-Sou Electric Cooperative, Inc., its successors and assigns, the franchise and right to construct, maintain and operate, within and upon, in and under the streets, alleys and public grounds of the City of Mandan, Morton County North Dakota an electric distribution system for transmitting and distributing electricity for public and private use. Commissioner Jackson seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Helbling: Yes; Commissioner Jackson: Yes. The motion passed.

3. *Resolution establishing rates and charges for Residential and Commercial/non-resident services from the Solid Waste Utility Fund.* Director of Public Works Wright stated that at the 5/1/12 Commission Meeting the Commission voted to approve a \$12 per ton to \$15 per ton increase of the inert material taken at the landfill also at that time a \$2 minimum to a \$3 minimum charge of inert material brought out to the landfill. The motion was based on Mandan residents only. The Commission also requested a commercial non-resident fee schedule. The schedules of 8 North Dakota cities were compared along with the city of Hayes, Kansas (*thank you ~ Commissioner Rohr*). There is a variety of costs and everyone has a different situation at their landfill. Only one city (Bismarck) had a resident vs. a commercial non-resident fee schedule. The City of

Mandan falls into the need for a commercial non-resident schedule. He stated that the recommended resolution for the commercial non-residential rates as presented is fair. Mayor Helbling stated he agrees with the recommendations as presented.

Commissioner Jackson moved to approve the Resolution establishing rates and charges for Residential and Commercial / non-resident services from the Solid Waste Utility Fund. Commissioner Tibke seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Tibke: Yes; Commissioner Frank: Yes; Commissioner Helbling: Yes; Commissioner Jackson: Yes. The motion passed.

OTHER BUSINESS:

1. *June 12, 2012, Election Day:* Mayor Helbling encouraged citizens to get out and vote for their candidate. Early voting is June 6, 7, 8 and 11.
2. *Buggies-N-Blues Weekend* is scheduled for this weekend - June 9th and 10th.

There being no further actions to come before the Board of City Commissioners, Commissioner Jackson moved to adjourn the meeting at 7:25 p.m. Commissioner Tibke seconded the motion. The motion received unanimous approval of the members present.

/s/ James Neubauer

James Neubauer,
City Administrator

/s/ Timothy A. Helbling

Timothy A. Helbling,
President, Board of City
Commissioners