
The Mandan City Commission met in regular session at 5:30 p.m. on August 4, 2020 in the Ed “Bosh” Froehlich Room at City Hall, Mandan, North Dakota. Mayor Helbling called the meeting to order.

A. ROLL CALL:

1. *Roll Call of All City Commissioners.* Present were Mayor Helbling and Commissioners Braun, Camisa, Rohr and Larson. Department Heads present were City Administrator Neubauer, Assessing Director Markley, Business Development and Communications Director Huber, Finance Director Welch, Public Works Director Bitz, Engineering & Planning Director Froseth, Principal Planner Van Dyke, Fire Chief Nardello, Human Resources Director Cullen, City Attorney Oster, Library Director Hawes and Airport Director Lawler, Absent: Police Chief Ziegler and Building Official Ouradnik.

B. APPROVAL OF AGENDA: Mayor Helbling inquired if there were any additions or corrections to the Agenda. Hearing none, Commissioner Rohr moved to approve the Agenda as presented. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

Mayor Helbling commented on the Mandan Progress Organization Drive-In Theatre event that was held on August 1st at the Brave Center stating it was very well organized. The School and Park Districts, the Police and Public Works Departments worked together with the MPO nicely and for the good of the community. He extended a thank you to everyone involved in the organization of the event.

C. MINUTES:

1. *Consider approval of the minutes from the July 21, 2020, Board of City Commission meeting minutes.* Commissioner Camisa moved to approve the minutes as presented. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

D. PUBLIC HEARING:

1. *Consider a five-year extension of the Mandan Renaissance Zone Program and a change of boundaries (see New Business No. 1 & Resolution No. 1).* Business Development and Communications Director Huber presented a request to conduct a public hearing to receive public input and consider a Renaissance Zone Committee (RZC) recommendation for approval of an updated Mandan Renaissance Zone Development plan that includes new project qualification thresholds and the addition of nine blocks to the program boundaries. In summary, Mandan received state approval for its Renaissance Zone in 2005. The program capitalizes on existing infrastructure by encouraging investment in the central city or other areas with existing buildings that need to be revitalized to attract businesses and residents. The program is 15 years in length with an option to extend for five years. Mandan’s deadline to renew is August 31, 2020, and the RZC is seeking a 5-year program extension. A total of 73 projects have been completed, adding nearly \$20 million in documented private investment to the area. Director Huber reviewed the qualifying project thresholds:

- New construction on vacant lot: Currently minimum \$55 sq. ft. Recommendation is minimum of \$100 sq. ft for all property types.
- Rehabilitation for Commercial: At least 50% of building value re-invested improvements with at least 80% of minimum for capital improvements. Currently a \$15,000 project minimum. Recommendation is \$40 sq. ft. in capital improvements.
- Rehabilitation for Residential: At least 20% of building value re-invested in improvements with at least 80% minimum for capital improvements. Currently a \$10,000 project minimum. Recommendation is \$15 sq. ft. in capital improvements.

- Purchase with Improvements for Commercial

| <i>Level of Re-investment as a % of the City's assessed building value</i> | <i>Percentage of Property Tax Exemption</i> |
|--|---|
| Less than 19% | 0% |
| 20%-35% | 50% |
| 36%-49% | 75% |
| 50% & More | 100% |

- Purchase with Improvements for Residential

| <i>Level of Re-investment as a % of the City's assessed building value</i> | <i>Percentage of Property Tax Exemption</i> |
|--|---|
| Less than 10% | 0% |
| 10%-19% | 50% |
| 20% & More | 100% |

- Leasehold Improvements: Commercial at least 50% of space's pro-rata share building value re-invested in improvements with at least 80% of minimum for capital improvements. Recommendation adding at least \$40 sq. ft. in capital improvements.
- Lease Projects: Lease of space in a building rehabbed or constructed as a Renaissance Zone project with no additional investment required.

Director Huber stated that the Renaissance Zone Committee has met regularly and considerable progress has occurred with significant projects by a variety of developers helping to elevate the image of downtown Mandan and work continues. There have been 73 projects to date with two more that will be presented at this meeting for approval. The renewal of Mandan's Renaissance Zone requires updating Mandan's development plan of goals and criteria for eligibility. She explained that Mandan can look at adjusting its 28-block zone by adding or deleting blocks. In accordance with state law and city population, Mandan can grow its zone by up to 9 blocks. There can be up to a three-block, non-contiguous area but can have one contiguous area, not two. Eligible blocks can include commercial and residential properties. Applicants meeting a minimum threshold for investment in building improvements and other criteria can receive up to a 100% five-year property tax exemption and a 100% five-year state income tax exemption. Factors to consider in identifying blocks for the potential Renaissance Zone expansion include property owner interest in future plans for construction projects and the degree to which a block would redevelop without incentives however, vacant lots never before developed are not eligible. The Renaissance Zone program has been an important tool to revitalization of properties along Main Street and in the downtown area since its establishment in 2005. The benefit of owning or buying a property in a Renaissance Zone in any North Dakota approved city is the possibility of

tax exemptions for qualifying investments in purchase with improvement, rehabilitation or new construction of commercial and residential properties. Qualifying projects may receive up to a 100% 5-year property tax exemption and a 100% 5-year state income tax exemption.

Director Huber outlined the steps leading up to this public hearing and the City Commission decision-making process that include:

- Publicity of plans to renew the Renaissance Zone Program through the Mandan Business Brief. Property owners of adjacent areas and other target areas have been notified
- A news release was issued July 8, 2020
- A presentation to the Bismarck Mandan Chamber EDC Local Issues Committee on 7/14/20
- A public information meeting held July 21, 2020
- Mailings with a questionnaire were sent on June 30, 2020 to property owners in areas of consideration for the addition of nine blocks and on July 9, 2020 to property owners in the existing boundaries
- Public meetings of the Renaissance Zone Committee on the topics of program renewal, updates to qualifications and the expansion of boundaries held May 26, July 7 and July 27, 2020
- Outreach to the Mandan Progress Organization and Mandan Park District with letters of support were received.

The current process in place includes the City Commission public hearing and consideration of resolution for exemptions and to obtain letters of support from Morton County, the School and Park Districts, the Bismarck Mandan Chamber EDC and the MPO. Upon completion of those items, an updated plan will be submitted with maps and supporting documentation to be sent to the ND Dept of Commerce. The goal is to finalize this action by August 19, 2020.

The Mandan Renaissance Zone Committee voted 7-0 to recommend approval of the application to renew the Mandan Renaissance Zone program with an update of the development plan and the addition of nine blocks as indicated. Director Huber recommended approval of the request as presented.

Mayor Helbling reported that one letter was received from a resident who stated they did not want to be located in the zone. The RZC discussed that letter. There is no down side in being located in this zone as it will not cost anyone rather it is a benefit to living in this zone.

Commissioner Camisa inquired, if there are property owners being put into the district - what are they able to use those funds for? Director Huber explained that a new person located in the block, after formal approval is received from ND Dept of Commerce which is anticipated by September 1st - they will not receive funding. They would need to apply prior to any improvements if they are seeking to purchase, prior to a lease agreement.

Mayor Helbling announced this is a Public Hearing and invited anyone to come forward to comment or speak for or against the request to approve a five-year extension of the Mandan Renaissance Zone Program and a change of boundaries (See: New Business No. 1 & Resolution No. 1). A second announcement was made to come forward to comment or speak for or against the request. A third and final announcement was made to come forward. Hearing none, this portion of the public hearing was closed. (See New Business No. 1 & Resolution No. 1).

2. *Consider Community Development Block Grant Application for Cloverdale Foods Company expansion and purchase of equipment (see Resolution No. 3).* Business Development and Communications Director Huber presented a request to conduct a public hearing regarding Community Development Block Grant (CDBG) funds to be used by Cloverdale Foods Company for the purchase of equipment associated with the Cloverdale Foods plant expansion.

The Lewis and Clark Regional Development Council is coordinating an application by the City of Mandan. The funds can be used for economic opportunities and for housing and living environments for very low and low-income residents through rehabilitation and preservation, economic/job development and public facilities improvements.

The project will be conducted between 9/1/2020 and 8/31/2022. The application being considered would request \$510,000 for the purchase of equipment and administration costs. The equipment purchase associated with a plant expansion will facilitate job retention and creation of CDBG funding of \$510,000. The City Commission will be requested to separately consider a contract with the Lewis and Clark Regional Development Council for collection and servicing of this award.

Director Huber recommended approval of the application for Community Development Block Grant (CDBG) funds as proposed for the purchase of equipment by Cloverdale Foods and passage of the corresponding Resolution of Sponsorship and adoption of “Community Development Policies.”

Mayor Helbling announced this is a Public Hearing and invited anyone to come forward to comment or speak for or against the request to approve a Community Development Block Grant Application for Cloverdale Foods Company expansion and purchase of equipment. A second announcement was made to come forward to comment or speak for or against the request. A third and final announcement was made to come forward. Hearing none, this portion of the public hearing was closed. (See Resolution No. 3)

E. BIDS:

1. *Bids for Contingent Heavy Equipment.*

Director of Public Works Bitz presented a request to allow city staff to advertise for private contractor rates for heavy equipment and operators, mainly utilized to assist in hauling snow. The City utilizes private contractors to help with snow hauling in the winter. The plan is to solicit bids for the snow hauling operations; however, it may be beneficial to establish rates for other heavy equipment use should the need arise as it will be helpful to have established rates in place. Contractors will be requested to provide rates that will be valid for a one-year period, however he pointed out that the City has allowed for a winter rate as well as a summer rate as many of the contractors are more readily available during the winter months.

Commissioner Braun moved to approve staff advertising for bids related to contingency heavy equipment rates for the City of Mandan. Commissioner Camisa seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

F. CONSENT AGENDA

1. *Consider agreement with Lewis and Clark Development Group for origination and servicing of loan to Cloverdale Foods Company for a Bank of North Dakota PACE interest buy down.*
2. *Consider Abatement Application for Roxanne Praus at 4605 Lewis Road NW.*
3. *Consider for approval the annual liquor license for September 1, 2020 to June 30, 2021. Class B. Club (on and off premises) license to be issued only to clubs and lodges whose profits from the sale of alcoholic beverages are used only for benevolent purposes: (i) Mandan Moose Lodge; (ii) Fraternal Order of Eagles.*
4. *Consider agreement with Lewis and Clark Development Group for collection and servicing of a CDLF loan to Cloverdale Foods Company for the purchase of equipment.*
5. *Information on change orders #1 and #2 for Street Improvement District 210, Project 2017-08 (Mandan Hill Addition).*
6. *Consider Missouri West Water System request to serve a subdivision within the City Extraterritorial Jurisdiction.*
7. *Consider approval of the Special Event Permit for the Mandan Moose Club Family Nights and Block Party.*
8. *Consider approval of the City of Mandan JAG and Lottery Grant application to provide funding for the Metro Area Narcotics Task Force.*
9. *Consider entering into a lease agreement with the State of North Dakota for the use of Mandan's radio tower and shelter.*

Commissioner Braun moved to approve Consent Agenda items 1 through 9 as presented. Commissioner Camisa seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

G. OLD BUSINESS**H. NEW BUSINESS**

1. *Consider Renaissance Zone Committee recommendations: Business Development & Communications Director Huber presented the following requests:*
 - (i) *5-year extension of Mandan's Renaissance Zone Program and updated development plan with expanded boundaries.* Director Huber reiterated that the RZC is seeking to extend the program for another five years with the addition of nine new blocks. Commissioner Rohr moved to approve the 5-year extension of Mandan's Renaissance Zone Program and updated development plan with expanded boundaries.

Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

- (ii) *Application for new construction at 700 West Main Street by Ulrich Properties LLP.* The Renaissance Zone Committee received an application for new construction at 700 West Main Street which is the location of the Barney's Arco-branded fuel station. The business has been in Mandan for well over 50 years, possibly closer to 100 years. Clay Ulrich is planning to have an existing 2,064-square-foot building demolished to construct a building about double the

size with a 3,200-square-foot main level and 1,200 square feet on a second level for office and storage space.

Director Huber shared some concept drawings of the new building. It will accommodate the convenience store, tire shop and car wash. The existing fuel pumps and canopy will remain as they were recently updated. The general contractor's estimate for the project is \$1,104,500, putting the investment per square foot well above the current minimum requirement of \$55 psf for a Renaissance Zone project, and the new thresholds planned with the Renaissance Zone program renewal. The City Assessor's estimated value of the new building is \$1,028,400. Using the current levy of 265 mills, the annual property tax on the new building is estimated at \$13,626 for a five-year total of \$68,132. The actual property tax exemption will be subject to prevailing market values and property tax rates in the five subject years. Also included would be the five-year state income tax exemption on income derived from rent of the property.

Director Huber noted the Renaissance Zone Committee unanimously recommended approval of the application for new construction as a Renaissance Zone project to include the five-year 100% property tax exemption on the entire value of the new building and the 100% five-year state income tax exemption. The applicant was in attendance for the meeting and available to answer any questions if needed.

Commissioner Rohr commented that properties on the west end of Main Street are receiving updates in the last few years. Commissioner Braun added this particular building is an icon in Mandan.

Commissioner Braun moved to approve the application for new construction at 700 West Main Street as a Renaissance Zone project to include the five-year 100% property tax exemption on the entire value of the new building and the 100% five-year state income tax exemption. Commissioner Camisa seconded. Roll call vote: Commissioner Rohr: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Commissioner Camisa: Yes; Mayor Helbling: Yes. The motion passed.

(iii) Application for lease of 700 West Main Street by CR Oil, Inc.

Director Huber pointed out CR Oil, is the operating company of Barney's with Arco branded fuel, a convenience store, tire shop and car wash. The business currently has three full-time and four part-time employees. Five-year projections are to have eight full-time and seven part-time employees. Additionally, the business will benefit the community through a projected increase in sales and services with construction of this new building. They are applying for an exemption on the state tax on income derived from business activity in this location at 700 West Main Street. Director Huber noted "this location" is due to CR Oil, Inc. also operating Red Trail Petro in Mandan and the need to isolate the income received from the 700 West Main Street location for this exemption.

The Renaissance Zone Committee unanimously recommended approval of the application for lease of 700 W Main Street as a Renaissance Zone Project with the 100% five-year state income tax exemption.

Commissioner Braun moved to approve Renaissance Zone project approval of lease of 700 West Main Street a building to be constructed as a Renaissance Zone project to include a 100% five-year state income tax exemption for CR Oil, Inc. as the tenant. Commissioner Larson seconded. Roll call vote: Commissioner Larson: Yes; Commissioner Braun: Yes; Commissioner Camisa: Yes; Commissioner Rohr: Yes; Mayor Helbling: Yes. The motion passed.

Mayor Helbling extended a thank you to Mr. Ulrich for his continued support as a resident and business owner in Mandan.

2. *Consider Growth Fund Committee recommendations:*

(i) *Mandan Strong Business Mini-Match Applications.*

Business Development & Communications Director Huber provided a request on behalf of the Mandan Growth Fund Committee (MGF) to consider Mandan Growth Fund (MGF) Committee recommendations regarding applications for the “Mandan Strong” Business Mini Match.

At the City Commission meeting on July 7, 2020, the Commission approved the Mini-Match program to help small, locally-owned businesses challenged by reduced revenues due to COVID-19. Matching funds of up to \$3,000 per business will be available for implementation of strategies related to innovation, adaptability and diversification to become more resilient in the face of crisis. Eligibility requirements and program details are outlined at www.cityofmandan.com/minimatch. Director Huber reported that five applications were received by the deadline of July 27, 2020. The MGF met July 30, 2020, to review applications and made the following recommendations:

- (1) Copper Dog Café Outdoor seating (fence, tables, seating, lighting, plumbing) \$3,000.
- (2) Dialectic Brewing New POS system (\$1,461), lighted sign (\$5,000+, no estimate) POS only (off sale). Commissioner Larson brought up a possible concern that came up (and was resolved) with this request regarding ADA outdoor seating capabilities.
- (3) Feil Orthodontics Applicant – Declined and withdrew request.
- (4) Harvest Catering & Events Connect e-commerce site to in-house hardware for online sales \$1,233.
- (5) The Paddle Trap outdoor tables & chairs \$3,000.

The Mandan Growth Fund Committee recommended approval of \$8,207 for Mandan Strong Business Mini-Match applications as requested.

Commissioner Larson asked about the POS system for Dialectic Brewing Company. Director Huber explained this system will help better accommodate their off-sales.

Commissioner Larson moved to approve \$8,207 for Mandan Strong Business Mini-Match applications as recommended by the Mandan Growth Fund Committee. Commissioner Camisa seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

(ii) *Forgivable loan for winner of 2021 Business Pitch Challenge.*

Business Development & Communications Director Huber presented a request to consider a recommendation from the Mandan Growth Fund (MGF) Committee for a forgivable loan to be awarded as a prize in the Third Mandan Business Pitch Challenge.

The MGF met on July 30, 2020 and discussed the forgivable loan as part of a prize package to be offered to the winner of Mandan's Third Business Pitch Challenge scheduled in the spring of 2021. The request was put forth by the City of Mandan Business Development Department on behalf of the Mandan Tomorrow Economic Opportunity and Prosperity Committee in cooperation with the Bismarck Mandan Chamber EDC and the CTB/IDEA Center.

The third annual competition is being planned for 2021 to better mesh with the workloads of the host entities and to allow time for the COVID-19 pandemic to subside. Securing prizes now and announcing the contest by the fall of 2020 will allow aspiring entrepreneurs time to better research their concepts and prepare their applications. Past business challenges have helped identify people interested in opening businesses. Additional information can be found at www.cityofmandan.com/businesspitch for the competition overview, judging criteria, application and scoresheet. No substantive changes are proposed for 2021. Director Huber reviewed the contingencies in order to receive the forgivable loan:

- That the contest winner open or grow a business in Mandan or the surrounding 10-mile radius in Morton County by a date certain (to be determined once the contest deadline and finals dates are set), that is substantially in harmony with the plan presented to competition judges.
- That the business must register with the ND Secretary of State's Office with a Mandan based address and it will have a commercial location in Mandan.
- Home-based businesses are eligible to apply for the Business Pitch Challenge but should be implementing a plan to grow beyond the home. Location in a commercial property will be required for consideration of the Growth Fund Committee prize money.

Director Huber explained the process to apply for and compete for this program. If approved, the contest winner will need to enter into a recipient agreement specifying loan forgiveness in equal increments over the course of 5-years as long as the business does not relocate to another community. A Business Incentive Agreement will also be required and an automatic door will need to be installed.

The MGF voted unanimously (6-0 with 3 members absent) to recommend approval of a \$10,000 forgivable loan to be awarded as a 1st place prize in the 2021 Mandan Business Pitch Competition with contingencies as outlined in the competition overview and recipient agreement. Director Huber recommended approval of this request as presented.

Commissioner Braun moved to approve offering a \$10,000 forgivable loan to the winner of the 2021 Mandan Business Pitch Challenge subject to the contingencies outlined. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

3. *Consider the Mandan Airport Authority 2021 Budget.*

The Mandan Airport Authority 2021 Budget as recommended by the Airport Board was presented by Airport Board Member Marc Taylor. The Mandan Airport Authority manages the local airport facility. The Airport five-member board is appointed by the City Commission. The Airport is fiscally dependent upon the City because the City Commission levies taxes and must approve any debt issuances. The Airport is reported as a component unit in the City of Mandan audited financial statements. Taylor gave an overview of the airport projects that are currently in process and the past year's events and upcoming activities and projects were reviewed.

The City of Mandan will levy the maximum of 4 mills or approximately \$403,000 as requested by the Airport Board for the 2021 Budget. Currently, the airport is running at 50% behind in comparison to previous years. The City also provides \$5,600 annually to the Airport for their share of State Aid Distribution revenue from the State of North Dakota. Total Operating Income is \$589,440; Net Operating Income is \$301,760; Net capital project inflows/outflows is \$(150,000); Net financing inflows/outflows is \$(113,110); Net budgeted cash flow is \$38,645. He reported that the Airport Board approved the 2021 budget at their recent meeting held on July 13, 2020.

Commissioner Braun moved to approve the Mandan Airport Authority 2021 Budget as recommended by the Airport Board. Commissioner Camisa seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

4. *Consider the Morton Mandan Public Library 2021 Budget.*

Library Director Hawes presented the Morton Mandan Public Library 2021 Budget as recommended by the Library Board of Trustees. She provided a power point presentation of activities and events for both adults and children that were held in 2019 and what transpired in early 2020 before COVID-19 created challenges. The needs of the community changed and the library adapted the changes via social media and on-line services. Phase 1 reopening started on May 12, 2020, curbside, pick up items were available. Phase 2 began on May 26th with virtual programs utilizing Facebook live. Phase 3 began on July 6th along with the Summer Reading Program, when the library opened to the public.

The Morton Mandan Public Library serves all citizens of Morton County and the City of Mandan, and is governed by a Board of Trustees, which are appointed by the County Commission and the City Commission. The Library is fiscally dependent upon the county and the city and the County Commission and the City Commission consider the Library budget, levies taxes and must approve any debt issuances. The library is reported as a component unit in the City of Mandan audited financial statements. The City of Mandan owns the library building. The Library Board of Trustees approved the 2021 Budget on July 27, 2020. Director Hawes presented the Library 2021 Budget to the Morton County Commission on July 28, 2020.

The City of Mandan will levy 5.50 mills or approximately \$554,000 as requested by the Library Board of Trustees for the 2021 Budget. The City also provides \$10,650 annually to the Library for their share of State Aid Distribution revenue from the State of North Dakota.

According to the 2006 Memorandum of Understanding (MOU) between the Morton County Public Library and Mandan Public Library, the funding formula from each entity for the Library budget is to be "based on population statistics" and "if in the future the population statistics shift, the future board would then determine the most equitable formula." At the time the MOU was approved, the contribution formula was "2/3 city and 1/3 county since the City of Mandan is approximately 2/3 of the population of Morton County."

The most recent population estimates released in 2020 by the U.S Census Bureau (as of July 1, 2019) reports Morton County at 31,364 and the City of Mandan at 22,752. Based on the recent population statistics the City of Mandan population is 72.5% of the population of Morton County. The Library 2021 Budget reflects the following funding contributions from each entity: Morton County at \$213,000 or 26.1%; and the City of Mandan at \$601,791 or 73.9%, which equals a total of \$814,791, or 100%. Director Hawes reviewed the budgeted line items and the Library renovation project status currently in process was presented. She recommended approval of the 2021 Budget as presented.

Commissioner Camisa extended a thank you to Director Hawes and the Library staff for their extra motivational activities during the COVID period.

Commissioner Larson moved to approve the Morton Mandan Public Library 2021 Budget as recommended by the Library Board of Trustees. Commissioner Camisa seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

I. RESOLUTIONS AND ORDINANCES:

1. *Consider resolution to renew Mandan's Renaissance Zone.* (New Business No. 1(i))
Commissioner Rohr moved to approve the 5-year extension of Mandan's Renaissance Zone Program and the updated development plan with expanded boundaries. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

2. *First consideration of Ordinance No. 1348 An Ordinance to Amend and Re-enact Section 10-2-10 of the Mandan Code of Ordinances Relating to Fireworks.*

City Administrator Neubauer reported that this matter was discussed at a previous City Commission meeting wherein City staff were requested to bring this matter back with a draft revision to Ordinance No. 1348 as it relates to fireworks possession, manufacture, storage, sale, handling and use of fireworks are prohibited within the city limits with the following exceptions, in particular, removing the day of July 2nd and changing the time period to use fireworks. In addition, the fine for violating the Ordinance revised to reflect a fine of \$150 per occurrence. The revised Ordinance will include the revisions as outlined and will read as follows:

(1) *Storage and handling of fireworks as allowed in Section 5604.*

(2) *The use of fireworks for fireworks displays as allowed in Section 5608 is an exception to the prohibition of use of fireworks in the city, provided the requirements of Sections 5601.2.3 and 5601.2.4 are met. The possession, use, discharge, or explosion of fireworks, as defined by*

§23-15-01, NDCC, not including bottle rockets, is permitted from the hours of 12:00 p.m. (noon) to 11:59 p.m. on July 3rd and July 4th of each year, and, from the hours of 5:00 p.m. on December 31st to 1:00 a.m. on January 1st of each year. Any person who violates the provisions of this section shall, upon conviction, be guilty of an ordinance violation, punishable by a fine of one hundred fifty dollars (\$150.00). Any person cited for a violation of this section shall be deemed to be charged with a noncriminal offense and may utilize the same procedures for appearance, payment of statutory fee, posting and forfeiture of bond, waiver of hearing, or hearing as is provided for noncriminal traffic offenses pursuant to the provisions of Chapter 24 of the Mandan Municipal Code. Any person failing to appear at the time designated, after signing a promise to appear, without paying the statutory fee or posting and forfeiting bond is guilty of a Class B misdemeanor. Failure to appear without just cause at the hearing must also be deemed an admission of commission of the violation charged.

Commissioner Larson moved to approve the First Consideration of Ordinance No. 1348 an Ordinance to Amend and Re-enact Section 10-2-10 of the Mandan Code of Ordinances Relating to Fireworks. Commissioner Camisa seconded the motion. Commissioner Braun voiced his concerns in opposition to this amendment. He commented that for those residents who use fireworks products that they assist in cleanup of the debris that is left behind. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: No; Mayor Helbling: Yes. The motion passed.

3. *Consider resolution of sponsorship and adoption of Community Development Policies for a Community Development Block Grant. (Public Hearing No. 2)* Commissioner Camisa moved to approve the application for Community Development Block Grant (CDBG) funds as proposed for the purchase of equipment by Cloverdale Foods and passage of the corresponding Resolution of Sponsorship and adoption of “Community Development Policies.” Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

4. *Consider second and final consideration of Ordinance 1345 relating to a zoning map amendment from A Agricultural to RM Residential.* City Planner Van Dyke presented the second and final consideration of Ordinance 1345. This request is a rezone from A Agriculture to RM Residential for the purposes of residential construction in the middle school area. The subject property is the proposed Sunset Avenue 1st Addition that was discussed at the July 21, 2020 City Commission meeting. He reported that the only change from the first consideration to the second is the removal of the restriction of five (5) to eight (8) dwelling units. Density will be addressed in the development agreement for the subdivision. Planner Van Dyke recommended approval of the final consideration of Ordinance 1345 as presented.

Commissioner Camisa moved to approve the second and final consideration of Ordinance 1345 relating to a zoning map amendment from A Agricultural to RM Residential. Commissioner Braun seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

5. *Consider the introduction and first consideration, and call for a public hearing of Ordinance No. 1346 making the annual appropriations for expenditures or expenses of the City of Mandan, North Dakota, for the fiscal year commencing January 1, 2021, and ending December 31, 2021, and making the annual tax levy for the year 2020.* Finance Director Welch, on behalf of the Budget and Finance Committee presented the first consideration of Ordinance No. 1346, Preliminary 2021 Budget.

Director Welch explained that the City of Mandan is required to prepare the annual budget in accordance with the North Dakota Century Code. In addition, the City's Budget Policies & Procedures and the Board's Annual Budget Working Session provide further guidance to the budget development process. The City's budget is coordinated by the Finance Department under the direction of the Budget and Finance Committee with the assistance from commissioners, department managers, supervisors and staff. The City's preliminary 2021 Budget is submitted to the Board as a recommendation from the Committee.

The City's General Fund is the primary operating fund and accounts for all financial resources not accounted for in another fund. The General Fund has 19 departments with separate operating budgets. The City's Special Revenue Funds account for specific revenue sources that are restricted or committed to expenditure for specified purposes. The City has 15 separate Special Revenue Funds such as the Highway Distribution Fund, Cemetery Fund, 1% City Sales Tax Fund, 0.75% City Sales Tax Fund, Mandan Growth Fund, etc. The City's Debt Service Funds account for the accumulation of resources that are restricted, committed, or assigned to expenditure for principal and interest. The City has two separate Debt Service Funds. The City Visitors' Promotion Capital Construction Fund accounts for the 1% City restaurant and lodging tax for the purchase, equipping, improving, construction, maintenance, repair, and acquisition of buildings or property consistent with visitor attraction and promotion. The City's Enterprise Funds account for operations that are financed primarily through user charges and operated in a manner similar to private business enterprises. The City has three separate Enterprise funds: 1) Water and Sewer Utility Fund. The City's Water and Sewer Utility Fund has 8 departments with separate operating budgets, 2) Solid Waste Utility Fund, and 3) Street Light Utility Fund. The City Shop Fund accounts for the purchase of fuel.

The total revenues from all funds amounts to \$32.3M and total expenses from all Funds amounts to \$33.7M. The \$1.4M difference between total revenues and total expenses is primarily due to the General Fund allocating \$1.3M of available fund balance reserves to offset the General Fund's operating budget, capital lease payments and capital outlay costs.

The total revenues of \$32.3M from all Funds consist of: utility charges = \$11.3M (utility or water bill, landfill, etc.), property taxes = \$5.2M, special assessments = \$5.1M (infrastructure projects), 1% & 0.75% city sales taxes = \$4.4M (1% city sales tax= \$2.5M, 0.75% sales tax = \$1.9M), intergovernmental = \$3.6M (federal, state and local government revenue collections), and other = \$2.7M. The total expenses of \$33.7M from all funds consist of: salaries and benefits = \$12.1M, debt service = \$9.8M, operations and maintenance = \$8.3M, and capital outlay = \$3.5M.

The total salaries of \$8.4M from all funds consist of: full time employees = \$8M and other overtime and part time employees = \$435K. The City received the results of a Salary Study prepared by Condrey and Associates. Based on the various plans and options included in the Salary Study, the Committee, for budget purposes, selected Plan C (97% of market) and Modified-2 option. The total implementation cost for Plan C Modified-2 option = \$431K (including benefits, excluding Library and Airport). The Committee recommends budgeting the cost of the employee salary adjustments over two years; 2021 Budget = \$215.5K and 2022 Budget = \$215.5K. No cost of living adjustment (COLA) for the 2021 Budget and 2022 Budget due to the total cost of the employee salary adjustments resulting from the Salary Study. The City Commission will need to approve the Salary Study and the Board may also consider other employee salary options for the Committee to bring back to the City Commission for further discussion. The Committee recommends holding the open accounting technician position in the finance department as a vacant full-time position resulting in a cost savings for the 2020 Budget and 2021 Budget. The Committee recommended adding three new full-time employees in the General Fund (engineering department – engineering technician, police department – 2 police officers-patrol). The engineering technician position will be funded by special assessment fees from infrastructure projects and the two police officers (patrol) will be funded by a COPS Hiring Program Grant with a City cost share of 25%. The Committee also recommends adding two new part time employees (General Fund – street department – building and grounds worker, Water and Sewer Utility Fund – utility maintenance department – waterline maintenance laborer). The total benefits of \$3.7M from all Funds consist of: health insurance = \$2.3M, pension = \$667K, Social Security and Medicare = \$644K, and other = \$62K. The North Dakota League of Cities is recommending a 15.55% increase in health insurance (NDPERS) monthly premiums, effective July 2021 for the period July 1, 2021 – June 30, 2023 for a total cost increase (existing employees) of \$250K. The Committee will continue to evaluate and review the City's group health insurance premium cost percentage and vesting schedule. The total salaries and benefits of \$12.1M from all funds consist of: salaries = \$8.4M and benefits = \$3.7M.

The total operations and maintenance of \$8.3M from all funds consist of: professional fees and services = \$3.2M, supplies = \$1.1M, repairs = \$1.0M, utilities = \$930K, and other \$2.0M. The total debt service of \$9.8M from all funds consist of: special assessment bonds = \$5.7M, revenue bonds = \$2.7M, Starion sports complex = \$1.1M, and other \$355K. The total debt service consists of: principal = \$7.7M, interest = \$1.9M, and debt service charges/issuance costs = \$133K. The total capital outlay of \$3.5M from all funds consist of: Water and Sewer Utility Fund = \$2.3M, General Fund = \$865K, and Other Funds = \$390K. The Board of City Commissioners were provided with a list of capital outlay items recommended by the Committee for the 2021 budget. City departments are continuing to develop a long-term equipment replacement plan in order to properly address the City's future capital outlay needs and to establish an Equipment Replacement Fund to budget the expenditures for various departments with anticipated or projected funding sources. The following 2021 infrastructure projects are included in capital outlay: 1) 3rd Street Scrub Seal Application (10th Avenue SW east to Memorial Highway SE) = \$310K funded through the General Fund, 2) Sanitary Sewer Trunk System (Old Red Trail) = \$800K funded through the Water and Sewer Utility Fund, and 3) I-94 Sanitary Sewer Trunk Extension (Collins Avenue to Sunset Boulevard) = \$900K funded through the Water and Sewer Utility Fund. The following 2021 infrastructure projects are included in the Capital Improvement Program and are recommended by the Committee contingent upon the

City's ability to provide the funding for the local cost share: 1) ND 1806 Improvements (Main Street – Heart River Bridge), 2) ND 1806 Reconstruction (I-94 – 27th Street NW), 3) 19th Street Trail – Phase II, and 4) ND 810 Concrete Median Barrier (Memorial Highway – McKenzie Drive). City departments are continuing to update the long-term Capital Improvement Plan in order to properly address the City's future infrastructure projects and to match those projects with anticipated or projected funding sources.

The total General Fund revenues of \$12.2M consist of: property taxes = \$4.8M, state aid and highway tax distribution = \$2.5M, 1% city sales taxes = \$2.3M, and other = \$2.6M. The General Fund property taxes do not pay for 100% of the cost for public services such as police/fire protection and public works since other revenues contribute to the funding for providing these services. The General Fund property tax increase of \$211K (net of 5% taxpayer discount) will be directed to pay for the cost of the City's 25% cost share of the COPS Hiring Program Grant for two additional police officers (patrol) and for the General Fund health insurance cost increase (existing employees). The North Dakota League of Cities is recommending the following budget projections for State revenue collections for cities: 1) State Aid Distribution (2020 = 20% decrease from June – December, 2021 = 10% decrease) and 2) Highway Tax Distribution (2020 = 20% decrease from June – December, 2021 = 5% decrease). The State Aid Distribution decrease from 2019 actual to 2021 Budget = \$353K to be offset by the City's General Fund balance operating reserve. The Highway Tax Distribution decrease from 2019 actual to 2021 Budget = \$208K to be offset by the City's General Fund balance operating reserve. The 1% City Sales Tax increase from 2019 actual to 2020 Budget (revised) = \$197K and a \$0 increase for the 2021 Budget due to the remaining uncertainty of the economy in the future. While the City's sales tax collections in July (for May sales and purchases) performed well due to the reopening of the local economy and perhaps also to online sales activity. However, for budget planning purposes, Finance Director Welch stated that his department would prefer to see a trend of several months or quarters of positive economic growth before considering moving from the no increase sales tax revenue projection for the 2021 Budget. The total General Fund expenditures of \$13.5M consist of: salaries and benefits = \$9.2M, operations and maintenance = \$3.3M, and capital outlay & debt service = \$990K. The General Fund expenditure increase of \$700K consist of: salaries and benefits = \$639K, operations and maintenance = \$152K decrease, capital lease payments = \$110K, and capital outlay = \$103K. \$1.3M is projected to be available from the revised 2020 unreserved General Fund balance to offset the following costs for the 2021 Budget: 1) operating deficit = \$353K, 2) capital lease payments = \$125K, and 3) capital outlay = \$865K. The total General Fund balance will be reduced to \$2.1M or the 17% minimum reserve for the 2021 Budget. The Government Finance Officers Association recommends, at a minimum, a General Fund Balance Reserve of no less than two months operating revenues or expenditures. The Fund Balance Policy was approved by the Board of City Commissioners in subsequent years. The Policy provides for economic & financial stability and assists in maintaining the City's bond rating.

The total taxable valuation of \$100.8M (projected) for tax year 2020 consist of the following increases: existing property = \$3.2M or 3.4% and new construction & expired property tax exemptions = \$1.3M or 1.3% for a total of \$4.5M or 4.7%. Currently, for tax year 2019 (2020 Budget), the City levies 63.54 mills or 24% of the total mills of all the Mandan taxing entities combined. The total levy of 63.54 mills or \$6.4M for tax year 2020 consist of: General Fund =

50.04 mills or \$5.0M, Airport = 4.00 mills or \$403K, Library = 5.50 mills or \$554K, and other Funds = 4.00 mills or \$403K. The total City mill levy will not increase for tax year 2020 (2021 Budget). The total property tax increase of \$289K for tax year 2020 (2021 Budget) consist of: new residential property and expired tax exemptions = \$50K, new commercial property and expired tax exemptions = \$33K, and existing property = \$206K. The General Fund will receive \$222K of the property tax increase to pay for the cost of the City's 25% cost share of the COPS Hiring Program Grant for two additional police officers (patrol) and for the General Fund health insurance cost increase (existing employees) and the other mill levy Funds will receive \$67K. The total City property tax increase for a residential property valued at \$275,000 with no valuation increase in the true and full value, excluding special assessments = \$0. The total City property tax increase for a residential property valued at \$275,000 with an average 3.4% valuation increase in the true and full value, excluding special assessments = \$27.

The total increase in the City utility (water) bill for a residential property using 800 cubic feet or 8 units of water = \$3.00 per month or \$36 for the year. The increase in the City's utility bill consist of: water and wastewater base charge = \$1.95 (raw water intake project), solid waste collection and hauling base charge = \$0.05 (solid waste collection and hauling services), and solid waste recycling base charge = \$1.00 (recycling collection, transportation and processing services). The City's current Recycling Collection, Transportation and Processing Services Agreement with Waste Management expires on December 31, 2020. Waste Management proposed a new 5-year Contract. The City Commission tabled the action on the Contract on July 7, 2020. If the Contract is not approved, the City's solid waste collection and hauling base charge will need to increase due to the additional tons hauled and disposed at the City of Bismarck Landfill.

The total annual cost for City services (property taxes and utility bill) for an existing \$275,000 residential property with no valuation increase and using 8 units of water per month, excluding special assessments = \$1,895 or \$36 increase or 1.9%. The total annual cost for City services (property taxes and utility bill) for an existing \$275,000 residential property with an average 3.4% valuation increase and using 8 units of water per month, excluding special assessments = \$1,922 or \$63 increase or 3.4%.

On August 5, 2020, the City will provide a copy of the preliminary 2021 Budget Statement and Notice of the Public Budget hearing date to the Morton County Auditor. By August 31, 2020, the Morton County Treasurer will provide a written notice to the owner of each parcel of taxable property with the total estimated property tax, based on the preliminary 2021 budget statement, and the date, time and location of the public budget hearing. On September 15, 2020, the City will conduct a Public Budget hearing at 6:00 p.m. and pass the second and final consideration of Ordinance No. 1346 adopting the 2021 Budget and approve the Resolutions establishing the rates and charges for services. On September 16, 2020, the City will submit a certified copy of the levy as adopted and a certified copy of the final 2021 Budget to the Morton County Auditor. The preliminary 2021 Budget will be posted on the City's website at www.cityofmandan.com.

Finance Director Welch stated that salary and capital outlay spending decisions will need to be evaluated based on the state of the economy. The Finance Department will continue to analyze, measure and gauge the revenue collections month by month because our current economy is

unprecedented right now and the city is going to have to be very careful and cautious, and be conservative with the city's projections. This concluded Director Welch's budget presentation.

Commissioner Larson asked where the 3.4% valuation increase comes from. Assessing Director Markley stated that percentage came from the valuation increase information noticed back in April.

Mayor Helbling commented that the Budget Committee discussed the Condrey Salary Study versus the cost of living raises. The City of Bismarck determined they are giving the 3% cost of living increase next year so that will put the City of Mandan in a situation again. The City adopted the Condrey study and there will be many employees on the lower end that won't receive any pay increase for the next two years if the City goes with 50% in 2021 and 50% in 2022. That puts the City at a much bigger disadvantage. He recommended that the \$215,000 be held and that the City of Mandan does not do a cost of living increase at this time and leave it in the budget and see how COVID-19 affects the revenues coming in to the City of Mandan. Even if the City waits until later in 2021 to distribute that money, prorated, and give it back to the employees. If things stay as they are today, the City can give that money back as a cost of living increase or they adopt the decisions. He did not think those decisions need to be made at this time.

Commissioner Larson commented that the strongest asset is the city staff and she said she has not seen the Condrey Salary study to know how that breaks out. She recommended planning for one or the other – a cost of living increase or an increase based on the study that was done.

Mayor Helbling stated that he understood the Budget Committee provided a recommendation to implement one or the other at some point. Commissioner Larson stated her preference would be to implement the 2.7% increase included in the budget. Commissioner Camisa recommended adopting the Condrey Salary study now with the understanding that the minimums be adjusted when new employees are hired so the City of Mandan is more attractive. Commissioner Rohr commented that when bringing the lower end up, new employees sometimes start out at a salary that some of the current employees have taken 3 or 4 years to get up to. Director Welch stated that a decision will have to be made with salary adjustments and capital outlay and those decisions will have to be contingent upon the state and local economy and then subsequently, they will have to be monitored on a monthly basis. Depending on trends, the Budget Committee may have to go back and re-visit certain areas. Mayor Helbling stated that more discussions will need to occur in determining when and where the funds will go. He stated that it is important that the city employees know that money is being set aside for their benefit.

Commissioner Larson inquired about the recycling program and when will that topic come back to the City Commission for further discussion? City Administrator Neubauer stated that the increase will be \$1.00 per month for recycling costs if the program continues. He said the matter can be brought for discussion to the next meeting and that a decision will need to be made prior to the final budget. He said that as explained earlier, if the recycling program is removed, there will be an additional cost to the normal garbage pickup and that will not cost as much as the recycling charge but there will have to be an additional cost to the garbage fee.

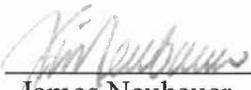
Commissioner Camisa moved to approve the introduction and first consideration and call for a Public Budget Hearing of Ordinance No. 1346 making the annual appropriations for expenditures or expenses of the City of Mandan, North Dakota, for the fiscal year commencing January 1, 2021, and ending December 31, 2021, and making the annual tax levy for the year 2020. Commissioner Rohr seconded the motion. Roll call vote: Commissioner Rohr: Yes; Commissioner Camisa: Yes; Commissioner Larson: Yes; Commissioner Braun: Yes; Mayor Helbling: Yes. The motion passed.

Mayor Helbling extended a thank you to Finance Director Welch and the Finance Department staff and all the department heads for their work done on the budget process.

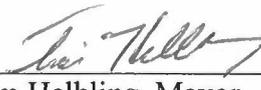
J. OTHER BUSINESS:

K. ADJOURNMENT:

There being no other business to come before the Board, Commissioner Braun motioned to adjourn the meeting at 7:37 pm. Commissioner Camisa seconded the motion. The motion received unanimous approval of the members present.



James Neubauer
City Administrator



Tim Helbling, Mayor
Board of City Commissioners

