

**Hazen City Commission
Regular Meeting
September 8, 2015
Hazen City Hall**

Present: President Obenauer, Commissioner Haack, and Commissioner Stern and Commissioner Wolf.

Absent: Commissioner Brunmeier

Others Present: Attorney Donovan, Planner Frovarp, Auditor Erhardt, Editor Arens, Mark Johnson & Mary Schindler (Ulteig), Kelsey Timmer (KLJ), PW Director Neuberger, Buster Langowski, Lori Spina-Hoherz, Cipriano Banda, Renae Snyder, Darrold Bertsch, Vincent Oestreich, Delores Chase, Mike Krause, Ken Link, James Saylor.

Meeting called to order at 5:30 PM CT by President Obenauer.

President Obenauer immediately opened the public hearing on the Tax Exempt MIDA Bond Financing request of Sakakawea Medical Center. No comments were received in support or against the proposed tax exempt financing. The public hearing was closed at 5:31 PM.

Minutes: Commissioner Wolf moved to suspend the reading of the August 17th minutes and approve them as presented, second by Commissioner Haack. Motion unanimously carried.

Agenda: President Obenauer asked to add Hazen Community Development to the agenda as item 10B. Commissioner Haack moved to approve the agenda, as amended, second by Commissioner Stern. Motion unanimously carried.

CONSULTATION WITH ATTORNEY & ENGINEER

Tax Exempt Financing – SMC - Resolution: Commissioner Wolf moved to approve the proposed resolution authorizing issuance of tax exempt bonds for the Sakakawea Medical Center Project, second by Commissioner Stern. On roll call vote; Wolf, “Aye”, Stern, “Aye”, Haack, “Aye”, Obenauer, “Aye”, motion carried.

Surge Project Update/Recommendation on Requested Extras – Ulteig: Mary Schindler, Ulteig, informed the commission that the sewer to the hotel property boundary has been completed. Ms. Schindler then explained the dewatering process at lift station #5. Ms. Schindler informed the commission that the water and sewer has been installed on 10th Street, with the water connected and the sewer connections will be completed when lift station #3 is operational. Attorney Donovan asked about the ground water being pumped and Ms. Schindler said is pumped over ground similar as storm water. In response to a question of President Obenauer, Ms. Schindler said the construction company hit water for the hotel water/sewer except at the last manhole which did cause some lost time. President Obenauer asked about the 10th Street issue and the fact that the company hit water at a

shallower depth than expected. Lori Spina-Hoherz said they would have been done with this work had it not been for the water issues. Mark Johnson, Ulteig, presented information relating to requests of Tand for additional compensation and time. The total amount of compensation requested is \$50,003.05. Based on the information Mr. Johnson suggested it is reasonable to approve payment of \$38,349.67. Mr. Johnson further said that any request for additional time due to wet material would be reasonable but the contractor has not submitted a request for this. Mr. Johnson said there were issues at manhole #20 and if this is an error in the plans the engineer will be responsible but if it was an error in construction the contractor would be responsible. As to manhole #10, Mr. Johnson said revised plans for additional pipe and connectors has been prepared. Ms. Spina-Hoherz, Tand Construction, said that all extras are due to the water issues and said there are still communication issues between the contractor, engineer and city. Ms. Spina-Hoherz indicated it is not reasonable to have to wait for a meeting to address these issues and that this will require communication by all parties rather than pages of material. Cipriano Banda, Tand Construction, said the entire project has been delayed and five (5) days, as mentioned by President Obenauer, won't make a lot of difference. Mr. Banda said the goal is to get lift station #3 done by Monday and see what is happening with lift station #5 and the dewatering. President Obenauer informed the commission that he has been involved in several meetings relating to various issues and he does not have authority to act independent of the commission. President Obenauer asked about the timing of pavement on 10th Street and Mr. Banda said they are waiting to complete the work and connections to lift station #3 before paving will begin. Mr. Johnson said there are other issues that still need to be addressed but the commission has his recommendation with regard to the extra costs. Commissioner Haack said he would like to see some type of submittal for the additional time and Mr. Banda said he would get a letter together to make this request. It was discussed that the project is to be "substantially completed", or functional, by September 15th. Commissioner Haack moved to approve payment for extras on the surge projects in the amount of \$38,349.67, second by Commissioner Wolf. Commissioner Haack suggested a special meeting, if necessary, should a request for additional time be submitted. Upon discussion Mr. Johnson asked Attorney Donovan if the full commission needed to approve the request if there are no costs involved and Attorney Donovan said it would require board action as it is public business. On roll call vote; Haack, "Aye", Wolf, "Aye", Stern, "Nay", Obenauer, "Aye", motion carried.

Commerce Center Parking Lot: The commission received two proposals for repairs to a portion of the parking lot at the commerce center. The first proposal was received from WCS Wilson Concrete Services in the amount of \$56,966 with the city responsible for removal of asphalt and providing class 5 fill material. The second proposal was from Winkler Construction in the amount of \$65,500 including labor, material, removal and disposal of existing parking lot. President Obenauer asked to postpone further action on this matter until the portion of the meeting with HCD (item 10B).

Drought Management – Water Conservation Plan: The commission received information from the ND Rural Water Association with regard to proposed Drought Management and Water Conservation Plans.

Planner Frovarp explained that these are guidelines and are not legally binding documents. President Obenauer asked if this is monitored by anyone and Planner Frovarp indicated not directly they are guidelines to help determine drought conditions and actions the city may use to conserve water in times of drought. Attorney Donovan asked where this would fit in the policy procedures and Planner Frovarp suggested it is simply a policy to provide a means to restrict water use in times of emergency. President Obenauer asked if it would have to be an ordinance to be enforceable and Attorney Donovan said it would have to be an ordinance. President Obenauer then asked if it could be used as a guide to develop an ordinance and Attorney Donovan said he felt uncomfortable with the document, not necessarily the content but the process. Planner Frovarp said Rod Stroh from Rural Water would come to a meeting to answer any questions they may have and he would ask him to attend the September 21st meeting. Ken Link encouraged the commission to study the document prior to any action.

REQUEST OF CITIZENS

Free/Reduced Hall Rent – Sakakawea Medical Center Foundation: Commissioner Wolf moved to approve free use of the city hall, subject to the kitchen fee, for the Sakakawea Medical Center Foundation to conduct a groundbreaking – foundation social on October 14th, second by Commissioner Stern. Motion unanimously approved.

CORRESPONDENCE

Senior Center Repairs/Estimates – Ulteig: President Obenauer asked to take this matter out of order to allow those attending to speak. Mary Schindler, Ulteig, said she had assessed the situation at the Senior Center and put the information in to report form to organize it for easier review. Based on the information and the repairs that the organization would like to see completed it would cost an estimated \$73,000 to \$75,000. President Obenauer asked about the damage to the ceiling and Vincent Oestreich said it was from condensation and that has been taken care of. The sheetrock just needs to be replaced at this point. President Obenauer said there are a lot of items and also informed Mr. Oestreich and those attending that the McLean Mercer Commission on Aging is working with the county to ensure they receive the full two (2) mill levy for senior programs and they would then be able to possibly cover the cost for the air conditioner replacement. Auditor Erhardt had also talked to a party looking for an Eagle Scout project and suggested a new sign for the Senior Center. President Obenauer again said there is much to do to get these repairs done and the commission would consider this as they work on the 2016 budget. Mr. Oestreich thanked the commission and stressed that the parking lot is a priority due to safety concerns and again pointed out the fact that it is owned by the city.

APPROVAL OF APPLICATIONS & BUILDING PERMITS

Building Permit w/Variance Request - Fix: The commission reviewed an application for a building permit with a requested four and one-half foot (4 ½') variance, from LouElla Fix, for construction of an

attached deck at 213 2nd Ave NW. President Obenauer said this is the third request for this location and they have worked to decrease the variance request each time. Planner Frovarp said the deck also serves as entrance to the dwelling. Commissioner Haack moved to approve the building permit and variance request as presented, second by Commissioner Stern. On roll call vote; Haack, "Aye", Stern, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

Building Permit w/Variance Request – Hoffer: The commission reviewed an application for a building permit with a requested variance, from Charlie Hoffer, for construction of a garage addition and tommy lift. Mr. Hoffer was present and stated he would not need to add a structure for the tommy lift. President Obenauer asked who would be doing the construction and Mr. Hoffer stated he would be working with Mr. Swanson (Today's Woodworking) for the construction and they hope to complete it within a couple of weeks after the permit is approved. Commissioner Wolf moved to approve the building permit and variance request as presented, second by Commissioner Stern. On roll call vote; Wolf, "Aye", Stern, "Aye", Haack, "Aye", Obenauer, "Aye", motion carried.

REPORTS

President: President Obenauer informed the commission that he recently participated in a meeting relating to natural gas service to Hazen and Beulah. The process would involve the city creating a gas utility. President Obenauer acknowledged that, when voted on in 2009, the citizens voted the measure down by thirteen (13) votes and suggested maybe it is time to take another look at this. President Obenauer feels that there needs to be good communication with the public to address any questions, such as digging up streets and other matters to install the service. President Obenauer said there will be further information on this matter in the future.

Water/Sewer: Commissioner Brunmeier was absent but requested the auditor inform the commission that, as part of the hospital construction process, additional valves are being proposed to isolate water service and the hospital has agreed to share the cost to install two (2) additional valves at a location in 8th Ave NE. The estimated cost to the city will be \$2,500 and the city staff recommends that the city participate. Commissioner Wolf moved to approve the installation of the valve as presented, second by Commissioner Haack. On roll call vote; Wolf, "Aye", Haack, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried.

Street/Cemetery: Commissioner Stern informed the commission that new tires are needed for the garbage truck and estimates were received from the following: Cenex - \$3,723, Mel Roth - \$3,526. Commissioner Stern moved to purchase the tires for the garbage truck from Mel Roth Oil, second by Commissioner Wolf. On roll call vote; Stern, "Aye", Wolf, "Aye", Haack, "Aye", Obenauer, "Aye", motion carried.

Finance/Busing: Commissioner Wolf informed the commission that the bus advisory board met again on September 3rd to discuss the facility, fundraising and other matters. The advisory board still needs one more public member. Commissioner Wolf also informed the commission that the buses are full for the school routes and we are trying to find additional drivers to increase the school route capacity.

Police/Fire/Forestry: Commissioner Haack informed the commission that the computers in the police department vehicles are beginning to fail and a quote for new laptops was obtained from NRG Resources in the amount of \$1559.20 each. Commissioner Haack moved to purchase two (2) laptops from NRG Resources, second by Commissioner Stern. On roll call vote; Haack, "Aye", Stern, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

President Obenauer asked if the city is done addressing Dutch Elm disease for this year and Commissioner Haack said yes but he would confirm this with Forester Melberg.

OLD BUSINESS

Bus Facility Location Discussion: Commissioner Wolf informed the commission that the recent meeting of the bus advisory board reviewed alternative sites for the bus facility and the committee recommends a location on city property north of the city shop. Commissioner Wolf said the committee considered available utilities and feel street parking should be adequate at this location. The plan is that the vehicles will enter and exit from the west side of the facility and will not go into the shop yard. President Obenauer said he doesn't know if there is a perfect location and Ken Link suggested that if this location is not approved by Federal Transit perhaps the city could look at trading property with West Dakota Lumber for the lot west of the credit union. Commissioner Wolf said she didn't think that location would be acceptable since many of those objecting to the location by the library thought a steel building would be an eye sore. The commission asked the auditor to begin the process to get approval for the location as recommended by the bus advisory board.

Hazen Community Development: President Obenauer asked Gontran Langowski if HCD has discussed sharing some of the cost for the parking lot repairs at the commerce center. Mr. Langowski said that in the last three and half years HCD has paid more than \$12,000 for snow removal. Mr. Langowski then informed the commission that he would like to speak to them about the Pioneer Home project. Mr. Langowski advised that they will be hand delivering information to the ND Housing Finance Agency on Friday and they need to refine some estimate numbers for the project. Mr. Langowski also said they need to cover some construction engineering and construction management costs on the front end to get pre-development funds so HCD is proposing to use sales tax funds for the additional \$40,000 to keep the project moving forward with the understanding that the funds would be replaced when the project is completed. Commissioner Stern asked if the funds are gone if the project does not go through. Mr. Langowski said they are very confident the project will be completed and informed the commission that they have already received more than \$800,000 of the necessary \$1,100,000 in tax pledges. Mr. Langowski said they need to get about another \$100,000 to \$150,000 in tax pledges and the remained will come from general pledges and he will check again on the amount pledged when he meets with NDHFA on Friday. President Obenauer said there is a chance that the funds could be lost and Mr. Langowski said yes it is possible. Mr. Langowski then said HCD has already invested \$90,000 in the project and the public supports their efforts and they are confident the project will be completed. President Obenauer suggested it may be a matter of being in too deep not to proceed with this

additional funding. Commissioner Wolf moved to authorize expending sales tax dollars from the enterprise fund in the amount of \$40,000 for the Pioneer Home project engineering and construction management, second by Commissioner Haack. On roll call vote; Wolf, "Aye", Haack, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried.

President Obenauer then began discussing the parking lot repair and recommended the commission consider accepting the proposal of Winkler Construction which includes removing the current asphalt parking lot in the proposed repair area. Commissioner Haack had concern with controlling access in the parking lot once repairs are completed. President Obenauer asked if the funds are available and where from, directing the auditor to provide this information at the next meeting. Commissioner Stern said he would still like to see a financial commitment from HCD or perhaps the city could get the funding through a special assessment process. Mr. Link said that if the cost and specifics of the job are known HCD could consider financial assistance. Mr. Link also said the additional costs for a special assessment (legal/publishing) also need to be considered. Commissioner Stern said another option would be to make the repairs in 2016 when he would like to see street projects constructed. No further action on this matter at this time.

NEW BUSINESS

State Aid – Transportation Grant Agreement: Commissioner Wolf moved to approve the agreement with ND Department of Transportation for State Aid grant funding, second by Commissioner Haack. Motion unanimously approved.

City Hall Roof Repair Proposal: Commissioner Stern presented a cost estimate to repair the northeast portion of the roof of city hall. In times of high rain fall water collects on the roof opposite the drain. Twin City Roofing has provided an estimate in the amount of \$21,000 to make repairs to have the water properly drain from the roof. Commissioner Stern moved to make repairs to the roof as quoted by Twin City Roofing, second by Commissioner Haack. Upon discussion director Neuberger said this is also an issue on the other portion of the roof, just not quite as bad and suggested the city consider completely reconstructing the roof so it is not flat. On roll call vote; Stern, "Aye", Haack, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

2016 Preliminary Budget Notice: The commission reviewed the preliminary budget notice and asked that a special meeting be scheduled, no later than September 16th, to review and make adjustments to the budget prior to publication. Commissioner Stern would like to see sales tax dollars set aside for street projects in the budget.

Blue Cross/Blue Shield Renewal Documents: The commission was informed that the Blue Cross Blue Shield renewal information, with a less than 4% increase, is ready for signature. The renewal does not make any changes to coverages or deductible amounts. Commissioner Haack moved to approve the Blue Cross Blue Shield renewal, second by Commissioner Wolf. On roll call vote; Haack, "Aye", Wolf, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried.

Approval of Bills: Commissioner Wolf moved to approve the bills, second by Commissioner Stern. Pre-paid and bills approved for payment are as follows: Northland Financial, 302.00; US Postal Service, 285.29; Verizon Wireless, 115.78; Universal Premium Fleetcard, 3732.86; Payroll, 129347.81; Ameripride Linen & Apparel Service, 467.15; BHG Inc, 1083.80; Bobcat of Mandan, 41.72; Cardmember Service, 150.00; Carla Pfeifer, 10.24; Cenex, 197.58; Chamber of Commerce, 160.00; Convention & Visitors Bureau, 2364.31; D&E Supply Co, 82.38; Dan Wettstein, 320.00; Dept of Transportation, 846.56; Ferguson Waterworks, 270.49; Hazen Community Development, 2241.31; Hazen Hardware Inc, 898.89; Hazen Motor Co, 853.13; Hazen Public Library, 254.05; High Plains Concepts, 232.09; Hiway Express, 293.43; J&L Automotive, 679.51; J&M Hardware, 60.99; J&R Vacuum, 37.98; Kandi McConnell, 31.50; Kasey Lesmann, 100.00; Krause’s Super Valu, 154.64; Lange Donovan & Kaffar PLLP, 1505.00; Lignite Tire, 75.00; Loren Wiest, 490.00; Mel Roth Oil, 361.30; Mercer Co Treasurer, 4713.37; MDU, 4045.25; ND Dept of Health, 32.00; ND Safety Council, 200.00; NAPA, 496.06; National Pen Co LLC, 1258.35; Pam Borlaug, 78.20; Pride Contracting, 395.00; Productivity Plus Acct, 258.33; Ron Muth, 120.00; Ron Neuberger, 100.00; Roughrider Electric Coop Inc, 55.00; Roughrider Electric Coop Inc, 2135.01; Sakakawea Medical Center, 13.06; Samantha Melberg, 81.65; SBM Inc, 207.75; Share Corp, 1263.45; Southwest Water Authority, 56046.90; Stroup Insurance, 135.00; Surplus Property 106.00; Ulteig Engineers Inc, 29322.51; Union State Bank, 37452.81; Verizon Wireless, 199.23; West Dakota Lumber, 7.75; West River Telecommunications, 839.13. On roll call vote; Wolf, “Aye”, Stern, “Aye”, Haack, “Aye”, Obenauer, “Aye”, motion carried.

There being no further business the meeting was adjourned at 7:08 PM CT. The next regular meeting of the commission will be Monday, September 21, 2015 at 5:30 PM CT in the Commission Room of the Hazen City Hall.

Approved: _____
Jerry Obenauer, President

Attest: _____
Monte J. Erhardt, Auditor