

**Hazen City Commission
Regular Meeting
November 26, 2018
Hazen City Hall**

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

Absent: Commissioner Haack

Others Present: PW Director Brousseau, Attorney Kaffar, Planner Senger, Editor Arens, Auditor Erhardt, Josh Reiner & Jerod Klabunde (Moore Engineering), Ted Billadeau (Mayo Construction) & Buster Langowski.

The meeting was called to order at 5:28 PM by President Obenauer.

President Obenauer led the Pledge of Allegiance.

Minutes: Commissioner Pillar moved to suspend the reading and approve the minutes of the November 5th meeting, second by Commissioner Wolf. Motion unanimously carried.

Agenda: Commissioner Wolf moved to approve the agenda, as presented, second by Commissioner Stern. Motion unanimously carried.

CONSULTATION WITH ATTORNEY & ENGINEER

2018 Street Project: Josh Reiner, Moore Engineering, presented an agenda of three items for discussion. The first item is the pavement cores taken on Divide Street. The final report has not been received yet but, there is evidence that areas of asphalt on Divide Street are lower thickness than the anticipated four-inches (4"). Mr. Reiner said this may be isolated instance and the contractor has been asked to investigate the issue. Mr. Reiner said it may be a good idea to look at some additional core samples in the spring. This condition is in the area where the cement treated base was installed, not where it was a mill and overlay. Commissioner Pillar asked about the asphalt condition from the west core samples and was advised that it ranges from one and one-half inch (1 ½") to one and three-quarter inches (1 ¾") and Mr. Reiner said there are no real concerns with this area but, there is reflective cracking appearing.

The second item is a revised Change Order #3, allowing an additional two (2) days for milestone completion, relating to work done on the valley gutter on 2nd Ave NW. After reviewing earlier discussions with the contractor, it was determined that an additional three (3) days had been requested for the valley gutter work. The revised change order allows three (3) days for the valley gutter and an additional day for the manhole pads.

The final item is contractor's Pay Estimate #7. According to contract, there is a reduction of retention from 10% to 5% upon substantial completion so most of the pay estimate is for this reduction and for stored materials for the 2019 chip seal portion of the project. The contractor is requesting \$342,874.36 with an engineer's recommended payment of \$304,808.61. The reduction is based on the amount for patching reduced by the commission on 9/17/2018. There were questions about the

reduction of retention and the commission was advised this is common and the 5% is retained until the project is complete.

President Obenauer asked how the commission would like to proceed regarding Change Order #3.

Commissioner Wolf said the commission relies on the recommendations of the engineer.

Commissioner Wolf moved to approve Change Order #3, as revised to include the additional days, second by Commissioner Stern. Upon discussion Commissioner Stern asked about the liquidated damages and Mr. Reiner said the city can assess damages for eight (8) days or \$20,000. Ted Billadeau, Mayo Construction, said that the streets and sidewalks were completed and open by the milestone date and the only thing not completed was the final seeding and mulching of some areas. Mr. Billadeau said the snow in October and asked the commission to take weather conditions into consideration. President Obenauer asked about an industry standard for substantial completion. Mr. Billadeau said according to DOT contracts this is generally when all safety items are done. Jerod Klabunde, Moore Engineering, said it depends on the how the contract is written, and this contract is not the same as a DOT contract. Mr. Reiner added, the contract defines the milestone completion as all items, as detailed, being done. On roll call vote, to approve the change order as presented; Wolf, "Aye", Stern, "Aye", Pillar, "Aye", Obenauer, "Aye", motion carried.

Commissioner Pillar moved to postpone action relating to liquidated damages, second by Commissioner Stern. On roll call vote; Pillar, "Aye", Stern, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

Commissioner Stern moved to approve Pay Estimate #7 in the amount of \$304,808.61, as recommended, second by Commissioner Wolf. On roll call vote; Stern, "Aye", Wolf, "Aye", Pillar, "Aye", Obenauer, "Aye", motion carried.

Commissioner Pillar authorized President Obenauer's signature on the Bank of ND Requisition #7, based on the approved pay estimate and other costs, second by Commissioner Stern. On roll call vote; Pillar, "Aye", Stern, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

Sewer Televising/Lift Station Cleaning – Kemper/Mayo: President Obenauer said when this matter was discussed previously, a motion was made to expend \$1500 for the televising and cleaning but, this amount was low according to a majority of the commission. The commission was provided contract pricing for this work and options for a percentage of the costs based on the benefit the city received as a result of this work. Mr. Klabunde clarified that Mayo Construction has paid the invoice submitted by Kemper and they are asking the city to share the cost because of the benefit to the city. Commissioner Wolf felt the 50% cost of \$3800 may still be low and suggested a 50/50 share of the bill of \$10,719.22. Commissioner Stern questioned the benefit as the city normally does not have PACE in to do this type of work unless there is an issue. There was additional discussion on the cleaning and televising procedure and Mr. Billadeau said there is a portion of the sanitary line, nearing lift station #1, that "necks" down from ten-inch (10") to eight-inch (8") line. Commissioner Pillar moved to share cost of the televising and cleaning in the amount of \$3,811.45, second by Commissioner Stern. On roll call vote; Pillar, "Aye", Stern, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

Mr. Billadeau informed the commission that the contractor will begin bringing crushing equipment this week and hopes to start crushing next week. The process may take two to three weeks.

APPROVAL OF APPLICATIONS & BUILDING PERMITS

Building Permit – Industrial Zoning District – M. Clarys: Planner Senger explained that Mr. Clarys is proposing an addition to the structure at 112 11th Ave NW. The project will include re-platting of the current property boundaries and construction of a 40'x50' garage addition. Commissioner Pillar moved to approve the building permit, as presented, second by Commissioner Stern. On roll call vote; Pillar, "Aye", Stern, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

Building Permit – Commercial Zoning District – Mandate Holdings: Planner Senger informed the commission that Mandate Holdings is proposing interior renovations of the property located at 145 Main Street West. The renovations will include remodeling a public restroom to be ADA compliant and an additional restroom for employee use. Since this is a commercial structure, and will add an additional restroom, a permit is required. Commissioner Wolf moved to approve the building permit, as presented, second by Commissioner Stern. Upon discussion it was clarified that one restroom will be renovated and an additional restroom added. On roll call vote; Wolf, "Aye", Stern, "Aye", Pillar, "Aye", Obenauer, "Aye", motion carried.

REPORTS

President: President Obenauer had nothing to report at this time.

Water/Sewer/Garbage: Commissioner Stern had nothing to report at this time.

Street/Cemetery: Commissioner Haack was absent. PW Director Brousseau informed the commission that the department has all equipment ready for snow and they are sanding streets as necessary. When asked, PW Director Brousseau said all the snow dump sites are in ready and property owner permission to dump has been received.

Finance/Busing: Commissioner Wolf had nothing to report at this time.

Police/Fire/Forestry: Commissioner Pillar informed the commission that the fire department, rescue squad has responded to six (6) calls in the last couple of weeks and the department is planning some year-end purchases of tools and equipment.

HCD: Buster Langowski reported that the public hearing regarding the Renaissance Zone will be held at city hall on Wednesday, November 28th at 7:00 PM CT.

CORRESPONDENCE

SW Water 2019 Water Rates Memorandum: The commission received notice that the SW Water rates for 2019 will increase \$.80/1000 from \$4.43/1000 to \$5.23/1000. Commissioner Stern said with the rates increasing every year the city will have to consider rate changes and the city will look at indexing the rate a specific amount over what the city is charged. By indexing the rate, the city will not have to adopt a resolution each time and the public can be notified through the city website and through written notice on the utility bills. Further information will be provided at the next commission meeting.

Rath & Mehrer PC – Audit Letter: The commission reviewed a letter from Rath & Mehrer PC to conduct the audit of city finances for the year ending 12/31/2018, at a cost, not to exceed, \$6,300.

Commissioner Wolf moved to enter into agreement with Rath & Mehrer PC for the independent audit of city finances, second by Commissioner Stern. On roll call vote; Wolf, "Aye", Stern, "Aye", Pillar, "Aye" Obenauer, "Aye", motion carried.

President Obenauer asked about the MDU Agreement and was informed it will be on the next agenda as the auditor is seeking additional information for options to paint or wrap the main street poles, rather than purchasing poles.

Approval of Bills and Financial Statements: The commission discussed the Northern Technologies Invoice for work completed, so far, on the asphalt core samples. Mr. Klabunde said the field work has been completed, the original estimate for the work was more than \$3,200, and they are only waiting for the written report. The commission determined the bill was reasonable. Commissioner Pillar moved to approve the bills as presented, second by Commissioner Stern. Pre-paid and bills approved for payment are as follows: MDU, 4874.03; Roughrider Electric Coop Inc, 3538.63; West River Telecommunications, 1109.94; Tractor Supply Credit Plan, 101.86; US Postal Service, 274.51; Hello Further, 13.50; Mayo Construction, 3811.45; Bank of ND, 35899.00; Cenex, 1670.26; Chip Wizard, 40.00; Cynthia Thomas, 188.20; D&E Supply, 144.18; Fitterer Oil LLC, 60.00; Hazen Motor Co, 151.67; Hazen Public School, 75.00; Hazen Welding, 594.70; IAAO, 125.0; ITD, 10.30; J&M Hardware, 91.97; J-S Sanitation, 62.00; Jesse Folkerts, 97.38; Lange Donovan & Kaffar, PLLP, 1997.50; Mandate Machinery Inc, 92.89; Marc Corp, 481.42; Marco Technologies LLC, 367.97; Mary Nygard, 2795.00; Mayo Construction 304808.61; Menards, 23.40; Mercer Co Treasurer, 4559.79; Mercer Co Weed Board, 436.01; ND Dept of Health, 32.00; ND One Call Inc, 30.65; Northern Technologies Inc, 1717.50; Otto Environmental, 113.49; POST Board, 45.00; Peggy Rahn, 42.00; Purchase Power, 208.99; RDO Truck Centers, 40.67; Roughrider Electric Coop Inc, 55.00; SBM Inc, 165.61; Stein's Inc, 83.50; Swanston Equipment, 187.70; The Hub, 584.13; Verizon Wireless, 117.42. On roll call vote; Pillar, "Aye", Stern, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

There being no further business the meeting was adjourned at 6:22 PM CT. The next regular meeting of the commission will be Monday, December 3, 2018 at 5:30 PM CT in the Commission Room of the Hazen City Hall.

Approved: _____
Jerry Obenauer, President

Attest: _____
Monte J. Erhardt, Auditor