

**Hazen City Commission
Regular Meeting
January 20, 2020
Hazen City Hall**

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

Others Present: PW Director Brousseau, Attorney Donovan, Auditor Erhardt, Jerod Klabunde (Moore Eng.), Kasey Lesmann, Cory Beery, Matt LeMasters, Matt Goodwin, Justin Weisz, Lisa Weisz, Savannah Winkler, Steven Schwarz, Kurt Milbradt, Bill Zingg, Dustin Wiedrich, Mitchell Dean, Garrett Grossman, Landon Schmidt, Garrett Nelson, and Buster Langowski.

The meeting was called to order at 5:29 PM by President Obenauer.

President Obenauer led the Pledge of Allegiance and Commissioner Pillar said the prayer.

Minutes: Commissioner Wolf moved to suspend the reading and approve the minutes of the January 6th meeting, as presented, second by Commissioner Haack. Motion unanimously carried.

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

CONSULTATION WITH ATTORNEY & ENGINEER

Engineer's Report: Jerod Klabunde, Moore Engineering, informed the commission that he had no updates relating to the Street Project, 5th Street Sewer or Expedition Estates as these are matters that will be worked on when weather permits.

Regarding the Water Storage Improvement project, Mr. Klabunde and Auditor Erhardt attended a meeting of a sub-committee of the State Water Commission on January 16th and it appears the city's project will likely be recommended for funding at the February full board meeting. Mr. Klabunde said they will start to finalize locations for the project and likely conduct soil testing, when possible.

Regarding the ND STREET program application, Mr. Klabunde discussed the possibility of annexing areas of highway right-of-way to make sure the larger scope of the project is considered for funding. The commission reviewed a map of potential areas of annexation which included areas discussed during the June 2019 meetings. Commissioner Stern talked about including the area north of 7th Street near the hospital. Discussing the process, Attorney Donovan said the process can move quickly if there is no objection to the annexation but, there are conflicting statutes relating to right-of-way ownership. President Obenauer asked about the proposed underpass near and was advised it will be west of the county road and 4th Ave NE. Commissioner Pillar moved to proceed with annexation of right-of-way property, in three locations, directly relating to the ND STREETS program, second by Commissioner Wolf. Upon discussion, Mr. Klabunde said the road maintenance agreements with ND DOT will likely be updated if the project is done. Attorney Donovan would like the engineer to prepare legal descriptions for the property to be annexed. On roll call vote; Pillar, "Aye", Wolf, "Aye", Haack, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried.

General items, Mr. Klabunde talked about a heat-line product that installs in water lines to prevent them from freezing. ND Dept. of Environmental Quality was contacted to see if this product could be introduced into the municipal system and has not received a response, as of the time of the meeting. President Obenauer said this needs to be address somehow for the citizens and Commissioner Pillar suggested, depending on the findings of ND DEQ, residents be given the option of installing the heat-line. President Obenauer informed the board that water usage, to prevent freezing, at the residence on Bluegrass Lane is back to normal.

REQUEST OF CITIZENS

Local Permit – Hazen Lions Club: Commissioner Wolf moved to approve local permit 2020-02 as requested by the Hazen Lions Club, second by Commissioner Pillar. Motion unanimously carried.

Free/Reduced Hall Rent – Hazen Alumni Association:

Free/Reduced Hall Rent – SMC Hospice: Commissioner Haack moved to approve the requests for free/reduced hall rent as presented by the Alumni Association for a Craft Fair during the all-class reunion, and as presented by SMC Hospice to package cookies for the annual valentine's day fundraiser, second by Commissioner Stern. Motion unanimously carried.

REPORTS

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

Street/Cemetery: Commissioner Haack had nothing to report at this time. PW Director Brousseau informed the commission that staff will continue to try to remove ice from the streets as the weather improves over the next several days.

Finance/Busing/Library: Commissioner Stern had nothing to report, at this time.

Police/Fire/Forestry: Commissioner Wolf had nothing to report, at this time.

HCD: Buster Langowski informed the commission that the annual meeting of Hazen Community Development will be held at Hazen City Hall on January 22nd.

Mr. Langowski informed the commission that all positions on the Housing Authority/Pioneer Apartment boards are filled. HPA met on January 16th and officer positions have been filled. The board reviewed and approved the 2020 budget and will continue resolve punch list items relating to the garages at the apartments.

President: President Obenauer informed the board that county planning and zoning approved a temporary use permit to mine frac sand. This will mean there could be as many as 200 trucks per day travelling through Hazen over the next several years. The company receiving the permit is working with ND DOT on safety improvements near the mine location. President Obenauer has received input from residents about installing stop signs on Highway 200, in city limits, and reducing speeds on the bypass. President Obenauer added that Hazen will be the only city the trucks will have to pass through.

CORRESPONDENCE

2019 Audit – Rath & Mehrer P.C.: Auditor Erhardt contacted other companies about conducting the city financial audit. Brady Martz was the only company that responded and advised the audit has a base fee of \$10,000 and, depending on other requirements, could be as high as \$15,000.

Commissioner Pillar moved to award the audit to Rath & Mehrer PC at an estimated cost of \$7,300, second by Commissioner Haack. On roll call vote; Pillar, “Aye”, Haack, “Aye”, Stern, “Aye”, Wolf, “Aye”, Obenauer, “Aye”, motion carried.

BHG Planning for the Future Circular: Commissioner Wolf moved to approve advertising in the planning for the future circular at a proposed cost of \$294, for an ad like the previous year, second by Commissioner Stern. On roll call vote; Wolf, “Aye”, Stern, “Aye”, Haack, “Aye”, Pillar, “Aye”, Obenauer, “Aye”, motion carried.

ND Clerk’s Association: The commission reviewed information relating to membership in the ND Clerk of Court Association. The city was a member until the end of 2015. Attorney Donovan said the clerk of court has very specific duties and the association provides conferences that would be useful to new clerk of court. Commissioner Pillar moved to participate in the ND Clerks Association, second by Commissioner Stern. On roll call vote; Pillar, “Aye”, Stern, “Aye”, Haack, “Aye”, Wolf, “Aye”, Obenauer, “Aye”, motion carried.

OLD BUSINESS

Fire Department Pumper Truck Proposal(s): Kasey Lesmann, Hazen Fire Department, informed the commission that he met with Union State Bank representatives regarding financing of the purchase of a new pumper truck. Union State Bank approved rates of 3.09% for a ten-year loan - \$50,414.43/year payment, 3.42% for a twelve-year loan - \$44,133.01/year payment, and 3.75% for a fifteen-year loan - \$37,902.73/year payment. Mr. Lesmann reminded the commission that the fire department and rural fire department have pledged a combined \$15,000/year for a period of ten years. Mr. Lesmann said the current pumper will be sold, with proceeds used to reduce principal, and the department hopes to get \$70,000 on the sale. Matt LeMasters, Hazen Fire Department, said the current pumper truck is twenty-three years old and he hoped it would not fail while on a call. Commissioner Pillar said he is not averse to moving forward to purchase the truck but is concerned over the effect on the budget and suggested USDA may have loans/grants available. Mr. Lesmann said he did not seek corporate sponsorship based on input from the department and employees in the local energy industry. Mr. Lesmann spoke of donations from industry and did not want to jeopardize these as they are used to purchase equipment that may not be specifically budgeted. President Obenauer told the volunteer firefighters, at the meeting, how much he appreciates their hard work and devotion to the department. Dustin Wiedrich, Hazen Fire Department, asked if President Obenauer depends on his vehicle for his life when it was suggested to research purchasing a used pumper truck. Mr. Lesmann added that they would not consider a used truck and would instead look to refurbish the current truck at an estimated cost of \$350,000. Mr. Lesmann addressed a comment of Commissioner Pillar regarding the truck fund and why unexpended funds had to be requested to be placed in the fund at the end of the budget year. Commissioner Stern spoke of using sales tax dollars, if the levy that was used to renovate the pool can be continued for city use. Commissioner Wolf agreed with using sales

tax funds because they are paid by more than just the residents. Commissioner Pillar said the sales tax dollars are not guaranteed, as we've seen in the past, and Auditor Erhardt said the park board is discussing a request to continue the sales tax to ensure parks and equipment are up to standard. There was also discussion of increasing the general fund property tax levy to get additional funds for the truck. Commissioner Wolf moved to approve the purchase of the Rosenbauer pumper truck, at a cost of \$583,714, financed at Union State Bank for a fifteen-year term, second by Commissioner Haack. Upon discussion, Commissioner Stern commented that if we do not put anything into the replacement fund for the term of the loan the city will face the same issue twenty-five years down the road. Mr. Lesmann said the department is very frugal with the funds appropriated and will not be purchasing items that are not vital to department operations. There was continued discussion about obligations of the city and Attorney Donovan said the city could enter into agreements with the department, and rural, for the funds promised. Mr. Lesmann said the fire department has remained, virtually, unchanged even when costs are rising. On roll call vote; Wolf, "Aye", Haack, "Aye", Pillar, "Aye", Stern, "Nay", Obenauer, "Aye", motion carried. Necessary loan documents are to be signed by the Commission President and countersigned by the auditor.

Tax Deed Property – 1123 Expansion Drive: President Obenauer, Commissioner Haack and city staff had the opportunity to inspect the property, taken by county tax deed, offered to the city. It was discussed that there are many visible issues with the property relating to the roof, ceilings and floors. Commissioner Pillar said it is poor timing for the city to look at purchasing it and Commissioner Stern said the property has no useful purpose for the city and suggested letting people that are in the business of buying and selling property consider it.

GovCard Program/Agreement: The commission reviewed information relating to Approval Payment Solutions credit card program that has been endorsed by the ND League of Cities. The program provides for lower user fees, passed on to residents, than the current system. Commissioner Pillar moved to proceed with implementing the Approval Payment Solutions "GovCard" program, second by Commissioner Stern. Upon discussion, the only cost to the city is the setup fee of \$300 and \$495 for a card terminal, if requested. On roll call vote; Pillar, "Aye", Stern, "Aye", Haack, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

NEW BUSINESS

Hazen Fire Chief – Election 1/14/2020: Commissioner Wolf moved to appoint Cory Beery to the position of Hazen Fire Chief and Matt LeMasters to the position of Assistant Fire Chief pursuant to the elections held on January 14, 2020, second by Commissioner Stern. Motion unanimously approved.

City Hall Improvements – Lighting/Electrical Estimate: The commission reviewed a proposal to replace the fluorescent lighting in the city halls with LED lighting and to redistribute outlet circuits to better handle large events in the city hall. The estimated cost is \$5,167 and Auditor Erhardt has requested funding of \$2,500 from the Convention and Visitors Bureau. Commissioner Haack moved to approve the lighting and outlet improvements, at an estimated cost of \$5,167, second by Commissioner Stern. On roll call vote; Haack, "Aye", Stern, "Aye", Pillar, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

Election Agreement – Mercer County: Commissioner Haack moved to approve the election agreement with Mercer County to conduct city elections in conjunction with the county elections, second by Commissioner Wolf. On roll call vote; Haack, “Aye”, Wolf, “Aye”, Pillar, “Aye”, Stern, “Aye”, Obenauer, “Aye”, motion carried.

2019 Budget Amendments: The commission reviewed proposed amendments to the 2019 city budget. Revenue amendments are: Highway Distribution Fund-\$233,797.99; Deficiency Fund-\$14,323.10; Cemetery Fund-\$201.21; Hazen Sales Tax Fund-\$16564.78; SID 2009 Sanitary Bore Fund-\$15288.59; 2010 Flood Protection Fund-\$1,371.06; 2013 Elbowoods Fund-\$8,768.27; 2014 Street Project Fund-10,330.68; 2016 Street Project Fund-\$70,748.30; 2018 Street Project Fund-\$1,040,735.53; Water Utility Fund-\$3,107.79; Library Fund-\$12304.62. Expenditure amendments are: Highway Distribution Fund-\$128,595.45; Promotions Capital Construction Fund-\$183.02; Hazen Sales Tax Fund-\$76822.53; HCD Sales Tax Fund-1,045.00; 2010 Sewer Replacement Project Fund-80.00; 2018 Street Project Fund-\$989,766.43. Commissioner Pillar moved to approve the budget amendments, as presented, second by Commissioner Stern. Upon discussion, Attorney Donovan asked where the excess revenue dollars go and was advised that revenue above the estimated amounts is deposited to each designated fund. On roll call vote; Pillar, “Aye”, Stern, “Aye”, Haack, “Aye”, Wolf, “Aye”, Obenauer, “Aye”, motion carried.

Approval of Bills: Commissioner Haack moved to approve the bills, as presented, second by Commissioner Stern. Pre-paid and bills approved for payment are as follows: ASCAP, 363.00; BHG Inc, 1332.41; Coal Country CHC, 252.00; Dakota Fire Extinguishers, 586.88; Dakota Transit Assoc, 140.00; Donnelle Sorensen, 125.00; Donovan & Kaffar PLLP, 1200.00; Fitterer Oil, 1240.30; Hazen Parks & Rec, 1038.42; Hazen Welding, 1613.75; ITD, 10.30; Mercer Co Historical Society, 25.00; Mercer Co Sheriff’s Dept, 14000.00; Millennium Express, 13.80; MDU, 5253.64; Monte Erhardt, 105.95; Moore Engineering Inc, 8405.00; ND Dept of Health, 32.00; ND One Call Inc, 7.40; Northern Safety Co, 138.36; OK Tire Store, 403.22; Power Plan, 712.72; Purchase Power, 108.99; Roughrider Electric Coop Inc, 4506.76; Shannan Senger, 27.26; St. Alexius Medical Center, 250.00; Stamps.com, 50.00; The Hub, 691.87; Union State Bank, 100.00; US Postal Service, 271.74; Workforce Safety & Insurance, 2056.55. On roll call vote; Haack, “Aye”, Stern, “Aye”, Pillar, “Aye”, Wolf, “Aye”, Obenauer, “Aye”, motion carried.

There being no further business, the meeting was adjourned at 7:00 PM CT. The next regular meeting of the commission is scheduled for Monday, February 3, 2020 at 5:30 PM CT in the Commission Room of the Hazen City Hall.

Approved: _____
Jerry Obenauer, President

Attest: _____
Monte J. Erhardt, Auditor