

**Hazen City Commission  
Regular Meeting  
February 18, 2014  
Hazen City Hall**

**Present:** President Nygard, Commissioner Obenauer, Commissioner Brunmeier, and Commissioner Stern.

**Absent:** Commissioner Wolf

**Others Present:** Attorney Donovan, Editor Erickson, Planner Frovarp, Auditor Erhardt, Jeff Dietz, Darren Mund, Gary Emter and Buster Langowski.

Meeting Called to order at 5:30 PM CT.

**Minutes:** Commissioner Obenauer moved to dispense with the reading of the February 3<sup>rd</sup> minutes and approve them as presented, second by Commissioner Brunmeier. Motion unanimously carried.

**Agenda:** Commissioner Brunmeier moved to approve the agenda, second by Commissioner Obenauer. Motion unanimously carried.

**CONSULTATION WITH ATTORNEY & ENGINEER**

**Annexation Petition – Enerbase Addition:** The commission has received a petition, Farmers Union Oil Co of Minot, for annexation of the Enerbase Addition and President Nygard asked if there were any questions or comments. Commissioner Stern asked if the section line road would now be one half within the city and one half within the county based on the petition and attorney Donovan advised that it would be. Commissioner Brunmeier moved to approve the annexation resolution for the Enerbase Addition, second by Commissioner Stern. Upon discussion it was asked when the annexation would be effective and it was determined it would be as soon as it was recorded with the county. On roll call vote; Brunmeier, “Aye”, Stern, “Aye”, Obenauer, “Aye”, Nygard, “Aye”, motion carried.

**Main Street Project and Proposed Engineering Agreement:** The commission received a proposed engineering agreement from Kadrmas Lee and Jackson which included comments from Attorney Donovan. President Nygard said the comments are in regard to the ownership of documents once they are prepared and if the billing is to be based on actual cost or as a lump sum, based on percentage, as stated in the agreement. Attorney Donovan indicated there are two lump sums indicated in the agreement and President Nygard suggested the second one could be based on the rates for actual time spent on the project. Attorney Donovan said that past discussions payment has been based on a rate chart or percentage basis. President Nygard suggested using a percentage basis on design and to follow the rate chart for construction engineering, incorporating the other suggestions made by Attorney Donovan. Commissioner Stern had a question as to the liability

statement in the agreement that the engineer is not responsible for errors or omissions by the contractor. President Nygard stated that the contractor would be responsible for any errors and attorney Donovan suggested this document was more of a boilerplate document prepared to get the process started. Commissioner Stern also asked if this agreement is similar to the last agreement the city had made with Ulteig Engineering and Attorney Donovan stated these agreements are relatively standard however there were modifications to the last agreement with Ulteig. President Nygard agreed that the end result is that the contractor is responsible to work and safety of the project not the engineer. Attorney Donovan added that at the same time the engineer should be working with the contractor to ensure the work is performed as outlined in the plans and specifications. Commissioner Obenauer moved to approve the engineering agreement with Kadrmas Lee & Jackson with the changes as presented by attorney Donovan and with payment for the construction engineering based on the rate chart and design engineering to be based on the percentage, second by Commissioner Brunmeier. Upon discussion Commissioner Stern wished to clarify that the estimated cost for design engineering was roughly \$89,500 with another \$143,000 for the construction phase and asked if this included the entire project or if streets that had previously been omitted had been removed from the estimates. President Nygard asked Planner Frovarp to ensure the engineer is aware of the actual scope of the project and to inquire as to what these estimates were based on. On roll call vote; Obenauer, "Aye", Brunmeier, "Aye", Stern, "Aye", Nygard, "Aye", motion carried. Commissioner Obenauer moved to approve a resolution creating and defining the boundaries for this project to include the entire city of Hazen, second by Commissioner Brunmeier. Upon discussion Commissioner Stern had a question as to the city limit line as indicated on the map and Planner Frovarp explained that this is at the edge of the railroad right-of-way. Commissioner Stern also asked about the other streets left out of the original scope of work such as 12<sup>th</sup> Ave between Fastenal and the Alco store. President Nygard said he would also like the engineer to take a look at 9th Ave NW near Jimmy's lounge to see if that should be included in this project as well. Planner Frovarp indicated that engineering firm was intending to be in the city looking at the area later this week. Commissioner Stern then asked if all the projects were going to be assessed throughout the town and if the special assessment board will be determining the benefit. President Nygard stated the special assessment board would define the benefit and the city would be able to make recommendations. Attorney Donovan suggested the city commission stay out of the process until the hearing after the special assessment board has defined the benefit to each property owner as the city acts as the hearing officer to approve the final assessment information. President Nygard said that once the benefit is established by the special assessment board the commission has authority to reduce the amount to a specific property but that same amount must then be assessed to another property. Commissioner Stern had concerns about Ash Road by Roughrider Electric as the property owner has less opportunity to put protest out of the project due to the increased size of the district. President Nygard suggested it would be hard to know how the special assessment board will assess the benefit but the city would still have the opportunity to pick and choose which areas will be addressed at this time, based on the estimates. President Nygard reminded

the commission that the city does have a responsibility to maintain the infrastructure. Attorney Donovan advised the commission that the special assessment board applies benefit to the property not a particular citizen. On roll call vote; Obenauer, "Aye", Brunmeier, "Aye", Stern, "Nay", Nygard, "Aye", motion carried. Commissioner Brunmeier moved to approve the resolution directing preparation of the engineers report and estimates, second by Commissioner Obenauer. Upon discussion Commissioner Stern asked about a statement in the engineering agreement referring to the RV park property and he was informed that this was in regard to the property that was annexed into the city and should be part of the ordinance defining the city boundaries. On roll call vote; Brunmeier, "Aye", Obenauer, "Aye", Stern, "Aye", Nygard, "Aye", motion carried.

**MCR Affordable Housing Project – Site Agreement:** Gontran Langowski informed the board that Hazen Community Development approved a motion recommending the city enter into a one-year site control agreement with MCR affordable housing and to forward a letter of support to Joe Armstrong to keep this the project moving forward. Commissioner Obenauer moved to approve the letter of support for the affordable housing project and to authorize signature on a site control agreement with MCR upon such agreement being finalized and reviewed by attorney Donovan, second by Commissioner Brunmeier. Commissioner Obenauer said the presentation Mr. Armstrong presented was very informative and that the project is requiring no funding from the city and that if this project does proceed it will be a benefit to the city however if it does not proceed it will not cost the city any dollars. President Nygard agreed the only commitment at this time from the city would be to hold this property for one year. Commissioner Stern indicated while the comment is that it will be no cost to the city there may be costs incurred as infrastructure needs to be developed and constructed for this project. Mr. Langowski said some of the costs will depend on the effect that the possible hotel piece could have on this project and infrastructure needs and location however, Mr. Armstrong indicated there may be other funds available for the infrastructure for this project. President Nygard suggested another benefit of the project is the possibility of developing additional property in the area with the costs for infrastructure being recouped from the selling of residential or commercial lots. Commissioner Stern had a question about the community development approval and Mr. Langowski indicated this approval was so that members of his board can accompany Mr. Armstrong at meetings with the North Dakota Housing Finance Association and to show community support for the project. On roll call vote; Obenauer, "Aye" Brunmeier, "Aye", Stern, "Aye", Nygard, "Aye", motion carried. Commissioner Obenauer asked Mr. Langowski to check on the status of the hotel project and report back to the city commission.

## **REQUEST OF CITIZENS**

**Hazen Golf Club:** Jeff Dietz, Hazen Golf Board, met with the commission to update them on the progress the club has made since the last time he met with the commission. Mr. Dietz was pleased to inform the board that they had hired a clubhouse manager and they are very close to hiring a groundskeeper. Mr. Dietz said the board had reviewed all the financial records and has prepared a

budget for 2014. Mr. Dietz advised the board that CBV purchased the golf cart and donated it to the golf club and they have received financial support from HCD and the Park Board, \$10,000 each, which was applied directly to the operating loan leaving a balance of just over \$5,000. Mr. Dietz also informed the board that Union State Bank and a private donor pledged \$3,500 to replace lighting in the clubhouse. Mr. Dietz said he wanted to be open and transparent with the city and the park board and to keep the lines of communication open. President Nygard agreed the golf course, like the pool, is important to the community and that he had talked to Mr. Dietz about the golf board developing a plan and budget. Mr. Dietz is concerned that younger people will not look at Hazen when relocating if the golf course is no longer open. Commissioner Stern asked if the financial support from HCD had been approved by the city commission and Mr. Langowski advised that it was part of the approved budget as uncategorized funds and Attorney Donovan added that once the HCD budget is presented and approved as part of the overall city budget process they do not require additional approval prior to disbursement. Commissioner Obenauer thinks the golf course is important and they should be supported as they don't have not had the opportunity to set sufficient funds aside for equipment and improvements and he would like to see the operating loan paid off. Commissioner Obenauer moved to provide \$5,000 to the golf club to buy-down the remaining operating loan balance. President Nygard called for a second to the motion three (3) times and receiving none declared the motion dies for lack of a second. President Nygard suggested Mr. Dietz work with the city at budget time to address needs of the golf club.

**Street Light – Fayette Drive:** Planner Frovarp had received a request for a street light on Fayette Drive as the area has seen several new homes constructed in the last year. Planner Frovarp said the request did not require action at this time but the commission should keep this in mind for action in the near future. President Nygard suggested a map of Fayette and Elbowoods Drives be developed with recommended light locations and estimated costs included. Commissioner Stern said there was also a request for an additional light on Sunflower Lane earlier in 2013.

## **INTRODUCTION, READING AND APPROVAL OF ORDINANCES**

**Chapter I, Article I, Government Organization – Jurisdiction:** The first reading of the ordinance defining the city boundaries to include all annexed property, since the previous ordinance approval. Attorney Donovan advised that the city boundaries are set by ordinance which requires two (2) readings prior to updating them. Attorney Donovan also said there are still areas adjacent to the city boundary that could be considered for future updates. Commissioner Brunmeier moved to approve the first reading of Chapter I, Article I, of the city ordinances defining the boundaries of the city, second by Commissioner Stern. On roll call vote; Brunmeier, "Aye", Stern, "Aye", Obenauer, "Aye", Nygard, "Aye", motion carried.

## **REPORTS**

**President:** President Nygard thanked Commissioner Obenauer for filling in at the previous meeting and advised the board that he is working to develop the building and permit process and hoping to have something for review by the March 3<sup>rd</sup> meeting. This may involve changing or updating some of the city ordinances.

**Water/Sewer:** Commissioner Brunmeier reported there have been some water breaks and freeze-up issues which have been addressed.

**Street/Cemetery:** Commissioner Stern had nothing to report.

**Finance/Busing:** Commissioner Wolf was absent but the board was advised the new transit van has been placed in service.

**Police/Fire:** Commissioner Obenauer had nothing to report.

**Approval of Bills:** Commissioner Brunmeier moved to approve payment of bills, second by Commissioner Obenauer. The pre-paid and bills approved to be paid are as follows: Harlow's Bus Sales Inc, 36777.00; Acme Tools, 365.99; Ameripride Linen & Apparel Services, 341.30; Bison Sites, 150.00; Black Hills Ammunition, 129.50; Cardmember Services, 260.55; Cenex, 3248.34; Convention and Visitors Bureau, 1589.20; D&E Supply Co Inc, 260.90; Dakota Communications, 855.15; Dakota Pump & Control Co Inc, 560.00; David Brousseau, 10.50; Dell Business Credit, 1445.19; Discovery Benefits Inc, 25.00; Duckwall Alco Stores Inc, 89.98; Grand Forks Fire Equipment Co, 335.54; Hazen Community Development, 45.00; Hazen Hardware Inc, 1041.44; Hiway Express, 3723.49; Lange & Donovan PLLP, 1093.75; Lonny Buchmann, 230.00; Mel Roth Oil, 3888.25; Mercer County Treasurer, 4055.94, Montana Dakota Utility, 4776.62; ND Department of Health, 32.00 NAPA Auto Parts, 656.37; ND Clerk of Court Association, 60.00; North Dakota One Call Inc, 1.10; Northland Financial, 302.00; Power Plan, 736.86; Preble Medical Services Inc, 10.00; Roughrider Electric Coop Inc, 4002.74; Share Corp, 683.53; Ulteig Engineers Inc, 1857.00; USA Blue Book, 301.80; West River Telecommunications, 832.83. Motion unanimously carried.

There being no further business the meeting was adjourned at 6:36 PM CT. The next regular meeting of the commission will be March 3, 2014 at 5:30 PM CT in the Commission Room of the Hazen City Hall.

Approved: \_\_\_\_\_  
Mark Nygard,

Attest: \_\_\_\_\_  
Monte J. Erhardt, Auditor