

**Hazen City Commission  
Regular Meeting  
June 24, 2014  
Hazen City Hall**

**Present:** Commissioner Obenauer, Commissioner Brunmeier, Commissioner Haack, Commissioner Stern and Commissioner Wolf

**Others Present:** Attorney Donovan, Editor Coleman, Planner Frovarp, Auditor Erhardt, Dan Wettstein, Terri Phillion, Ken Link, Paula Aardahl, Mary Frovarp, Darrold Bertsch, Mike Manstrom, Dan Frei, Doug Edward, Gary Emter.

Meeting called to order at 5:30 PM CT.

Commission President Elect Obenauer, Commissioner Elect Wolf, and Commissioner Elect Haack received their Certificate of Election and completed the Oath of Office. President Obenauer then opened the floor for nominations for the position of Vice-President. Commissioner Haack nominated Nancy Wolf as Vice President. There were no other nominations and Commissioner Wolf was elected Vice-President by unanimous vote. President Obenauer discussed the portfolio assignments indicating he would like to give his former portfolio to Commissioner Haack unless anyone else had comments. Commissioner Stern stated he likes what he is doing but he would like to see things a little more rounded and portfolios possibly changed in the future. Commissioner Wolf moved to approve the portfolio assignments as presented by President Obenauer, second by Commissioner Brunmeier. On roll call vote; Wolf, "Aye", Brunmeier, "Aye", Stern, "Aye", Haack, "Aye", Obenauer, "Aye", motion carried. The commission then reviewed proposed city appointments. President Obenauer asked if there were any comments and was advised that Mr. Miller no longer wished to serve on the tree board so this position will be published. President Obenauer stated Ulteig Engineer is the current appointee even though the city had contracted with KLJ Engineers for the main street project and President Obenauer suggested the city continue with Ulteig unless there are burning issues. Commissioner Brunmeier moved to approve the appointments as presented, second by Commissioner Stern. On roll call vote; Brunmeier, "Aye", Stern, "Aye", Haack, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

**Minutes:** Commissioner Wolf moved to dispense with the reading of the June 2<sup>nd</sup> minutes and approve them as presented, second by Commissioner Stern. Motion unanimously carried.

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

## **CONSULTATION WITH ATTORNEY & ENGINEER**

**Main Street Project:** Mike Manstrom, Dougherty and Co, advised the commission that the bond sale for the main street project went well and the interest rate on the sale was 2.67% which equates to a 2.79% net interest cost on the issuance of \$2,515,000 Refunding Improvement Bonds of 2014. The bonds are to be amortized over a fifteen (15) year period. Commissioner Stern asked if the interest rate is a variable rate and Mr. Manstrom indicated the interest rate is locked in. Commissioner Stern also inquired about administrative fees and Mr. Manstrom indicated there are no administrative fees other than that of Starion Financial for service as registrar and paying agent for the bonds. Mr. Manstrom asked the city to consider approval of the Resolution Authorizing the Issuance of \$2,515,000 Refunding Improvement Bond of 2014, Prescribing the Terms and Covenants Thereof, and Creating a Fund for the Payment Thereof; and Resolution Creating the Fund of an Improvement District, Providing for and Appropriating Special Assessments for the Support and Maintenance of Said Fund, and Authorizing the Issuance of Improvement Warrants Thereon. Commissioner Stern moved to approve the bond and warrant resolutions as presented, second by Commissioner Brunmeier. On roll call vote; Stern, "Aye", Brunmeier, "Aye", Haack, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

**Main Street Project – Construction Payment #2:** Commissioner Wolf moved to approve Construction Payment #2 to Bituminous Paving in the amount of \$32,255.18, second by Commissioner Haack. Upon discussion Commissioner Stern had questions as to why the Frontage Road changed from three (3) aprons to four (4) and who was responsible for the additional cost. Commissioner Stern also had questions about the use of cement to fill the voids where curb repairs were made. No one was present to represent KLJ Engineers but Attorney Donovan suggested the contractor had completed the work and is entitled to payment. The commission asked that Mr. Boehm (KLJ) be contacted and asked to contact Commissioner Stern to give explanation to his questions. The commission was advised that the seeder will be back to finish work at the curb repairs and that it appears the work on Main Street will likely commence around the third week in July due to delays on current projects. On roll call vote; Wolf, "Aye", Haack, "Aye", Brunmeier, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried.

**North Park Easement Vacation:** Planner Frovarp advised the commission that a petition to vacate an easement had been filed by the City and by The Novak's between Lot 42 and 43 of the North Park Addition. The Novak's are offering one of their lots for sale and there is interest in purchasing their lot and the city lot if the utility easement between them is vacated. Commissioner Stern asked if it could just be left and a variance granted. Planner Frovarp said there may be issues if the property is again sold and such a variance could have an effect on financing availability. Commissioner Stern also asked about the effect this would have on future development and Planner Frovarp stated it should not adversely affect future development as there is a similar easement across the street from this one. Commissioner Haack was advised that utility access is available in this area. Commissioner Brunmeier moved to accept the petition and approve the resolution vacating the utility easement between Lot 42 & 43, Blk 2, North Park Addition, second by Commissioner Haack. On roll call vote; Brunmeier, "Aye", Haack, "Aye", Wolf, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried.

**SWPP Service Agreement Amendment:** Commissioner Wolf moved to approve Amendment No. 1 to Water Service Contract #1736-35 between the City of Hazen, The Southwest Water Authority and the State Water Commission, second by Commissioner Stern. Attorney Donovan explained the amendment relates to industrial use of water under the service agreement. On roll call vote; Wolf, "Aye", Stern, "Aye", Brunmeier, "Aye", Haack, "Aye", Obenauer, "Aye", motion carried.

**Basin Land for Sale:** President Obenauer addressed the matter of land being offered for sale, within city limits, by Basin Electric Cooperative and asked if anyone in the public would like to comment on the matter. Gary Emter suggested the sale of the property is an excellent opportunity for the city to expand, develop and grow and that the city should take a good look at this. Paula Aardahl asked if the city had any plans for developing the area and President Obenauer said he would like to see it developed for residential use. Mr. Emter suggested that commercial use is also an option. Ken Link agreed it is a good opportunity for the city but cautioned that any offer the city makes should consider the cost of infrastructure and that he did not want to see the city go into the "red" on such a purchase. Mr. Emter said it would be very fortunate for the city to be among the top three bidders so they would know who they are dealing with. Commissioner Stern stated he would have to exclude himself from the discussion as he was personally considering a bid on the property but that he did encourage the city to bid on the property. President Obenauer does not want to see the city trying to be a developer of the property but suggested the city must collaborate to see that development does move forward. Attorney Donovan suggested the board decide if they would like to enter into executive session to discuss bidding on the property in detail. Commissioner Brunmeier made a motion to have the city pursue purchase of the property as advertised, second by Commissioner Haack. On roll call vote; Brunmeier, "Aye", Haack, "Aye", Wolf, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried. President Obenauer stated that the next item on the agenda is Executive Session pursuant to 44-04-19.1(09) of the NDCC – Discussion of Sealed Bid for the Purchase of Property. This item may be discussed in executive session. The legal authority for closing this portion of the meeting is NDCC Section 44-04-19.1(09). The topic or purpose of the executive session is for discussion of proposal for sealed bid for the purchase of real property. At this time a motion would be in order to discuss this matter in executive session rather than in an open meeting. Commissioner Wolf moved to enter into executive session, second by Commissioner Brunmeier. On roll call vote; Wolf, "Aye", Brunmeier, "Aye", Stern, "Aye", Haack, "Aye", Obenauer, "Aye", motion carried. The executive session will be recorded and members of the governing body are reminded to limit their discussion during the executive session to the announced topic. Any collective decision, collective commitment, or other final action by the governing board must occur after it reconvenes in an open meeting, unless final action is specifically required by law to be taken during executive session. The prohibition on taking final action during the executive session does not apply to providing guidance or instructions to our attorney. We will now ask the members of the public who are attending the meeting to leave the room. We anticipate adjourning the executive session and reconvening the open portion of the meeting as soon as possible. The minutes will show that the executive session began at 6:17 PM CT

and was attended by President Obenauer, Commissioner Brunmeier, Commissioner Haack, Commissioner Wolf, Attorney Donovan and Auditor Erhardt.

The minutes will show that the executive session was adjourned at 6:31 PM CT. The public has been invited to return to the meeting room and we are now back in open session. Commissioner Wolf moved to submit bid for Basin property for the price as agreed upon in executive session, second by Commissioner Brunmeier. On roll call vote; Wolf, "Aye", Brunmeier, "Aye", Haack, "Aye", Obenauer, "Aye", motion carried.

## **REQUEST OF CITIZENS**

**SMC Update:** Darrold Bertsch, SMC Administrator, met with the commission to update them on matters relating to Sakakawea Medical Center. Mr. Bertsch referred to the recent visit of Senator Heitkamp stating it was a very good visit and she is a good person to be around. Mr. Bertsch informed the commission that SMC has been approved to proceed with construction at the current site and to include clinic space and other updates. Mr. Bertsch had no detailed plans or costs at this time but the construction is expected to be around \$10-\$12 million dollars and will be completed in phases to ensure that current services are maintained during the construction. Mr. Bertsch stated they hope to have design completed by fall for approval in January 2015 and to begin construction with completion by fall of 2016. The hospital has been approved for a low-interest loan through the Bank of ND and he feels the hospital is very important to our community. President Obenauer agreed the hospital is a pillar of our community and Commissioner Stern stated he is very excited to see the advances in technology and the facelift to the hospital structure.

**Stop Sign Consideration – 3<sup>rd</sup> St NW:** Paula Aardahl appeared before the commission and stated she was not here when the dike across 3<sup>rd</sup> Street had been discussed and removed but she has concerns that the traffic along this street has increased as well as the speeds they are travelling. Ms. Aardahl said she has contacted the police department and discussed how the yield sign at the intersection of 4<sup>th</sup> Ave NW and 3<sup>rd</sup> Street is generally disregarded. Ms. Aardahl said this is not only a problem of young drivers and she is concerned that, because of the lack of sidewalks, many people walk on the street and she fears someone may be hurt. Ms. Aardahl said she is really concerned about the amount of traffic that may be on this street while Main Street is being repaired and she would like to see stop signs installed to control traffic. President Obenauer asked if Ms. Aardahl thought a stop sign at the intersection of 5<sup>th</sup> Ave and 3<sup>rd</sup> Street would be helpful and she stated she did not think that would be enough as they should have to stop at more than one place to slow them down. President Obenauer said he appreciated Ms. Aardahl coming to the meeting as this has been discussed previously but a stop sign cannot be put at every intersection and he understands the concern as 3<sup>rd</sup> Street is relatively narrow. Steve Frovarp said, as a resident, he has seen many near accidents near the 4<sup>th</sup> Ave/3<sup>rd</sup> Street intersection and he has noticed an increase in speed of traffic since the dike was removed. Mary Frovarp said there are also visibility issues for residents when they are backing from their property onto the street. Commissioner Stern stated that a lot of the concern has to do with enforcement in the

area and Ms. Aardahl said she agrees but she understands that at certain times of the day the enforcement is concentrated on the area around school. Ms. Aardahl also said that much of the time the drivers are aware of where the police may be located. Commissioner Haack said this should be included on the agenda for the next meeting and the commission needs to consider other variables to reduce traffic speeds on 3<sup>rd</sup> Street. Ms. Aardahl again stated that the yield signs have no effect and Commissioner Stern questioned if a stop sign would help much if drivers aren't obeying the yield sign.

**Oktoberfest Celebration – Hazen Chamber:** Terri Philon met with the commission, on behalf of the Hazen Chamber of Commerce, to advise them that they are planning an outdoor event for October 10 and 11<sup>th</sup> and would like to close a portion of Main Street for the event. Commissioner Brunmeier moved to approve closing of Main Street from 1<sup>st</sup> Ave NE to 4<sup>th</sup> Ave NE from 8:00 AM CT on Friday October 10<sup>th</sup> through midnight on October 11<sup>th</sup>, second by Commissioner Wolf. Upon discussion Chamber member Dan Frei advised that the street may not be open immediately at midnight as it will take time to disperse the crowd and clean up the area. On roll call vote; Brunmeier, "Aye", Wolf, "Aye", Haack, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried.

#### **APPROVAL OF APPLICATIONS AND BUILDING PERMITS**

**Moving Permit – J. Bannister:** Planner Frovarp advised the commission that Jeff Bannister has requested a permit to move a garage from the current location on Lot 1, Block 1, Original Townsite to Lot 9, Block 105, North Star First Addition. The application for permit was published in the official newspaper on June 19, 2014. Commissioner Wolf moved to approve the moving permit as presented, second by Commissioner Stern. On roll call vote; Wolf, "Aye", Stern, "Aye", Brunmeier, "Aye", Haack, "Aye", Obenauer, "Aye", motion carried.

**Option to Purchase – C. Landsem:** Planner Frovarp presented an option to purchase as submitted by Connie Landsem for the purchase of Lot 42, Block 2, North Park Addition at a price of \$4,139.64 plus administrative costs and attorney fees of \$200.00. Commissioner Wolf moved to approve the option to purchase residential real estate as presented, second by Commissioner Stern. On roll call vote; Wolf, "Aye", Stern, "Aye", Brunmeier, "Aye", Haack, "Aye", Obenauer, "Aye", motion carried.

**Local Permit – American Legion Post 189:** The commission reviewed an application for a raffle permit as presented by the American Legion Post 189 to raise funds for projects and the veteran memorial. The raffle will be conducted at Hazen City Hall in November and the total amount of prizes is estimated at \$1,500. Commissioner Brunmeier moved to approve local permit #2014-09 as requested by the American Legion Post 189, second by Commissioner Haack. On roll call vote; Brunmeier, "Aye", Haack, "Aye", Wolf, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried.

**Fireworks Sales Application/Permit – Black Powder Fireworks:** The commission reviewed an application for permit to sell fireworks at the All Seasons Arena as submitted by Mary Ann Klein on behalf of Black Powder Fireworks. Fire Chief Wettstein advised the commission that he would inspect the location but did not have objection to the permit as the location has been used previously to sell fireworks. Commissioner Wolf moved to approve the fireworks sales permit as requested, second by

Commissioner Haack. On roll call vote; Wolf, "Aye", Haack, "Aye", Brunmeier, "Aye", Stern, "Aye", Obenauer, "Aye", motion carried.

## REPORTS

**President:** President Obenauer advised the commission that he and Commissioner Brunmeier had met with Mary Hillerud to draft an ordinance relating to sale of tobacco products and it will be available for review at the July 7<sup>th</sup> meeting. President Obenauer also said that he had attended the meeting of the ND Housing Finance Association with HCD Director Langowski and Mr. Armstrong and that the meeting was very informative and they received some tips on how to refine the application and broaden eligibility for the project.

**Water/Sewer:** Commissioner Brunmeier presented a quote for parts to replace an impeller on the pump at lift station #4 at a cost of \$2,020.00. Commissioner Brunmeier moved to approve the purchase of the impeller, second by Commissioner Stern. Upon discussion it was determined the parts were only for the impeller and the city staff would install the item when received. On roll call vote; Brunmeier, "Aye", Stern, "Aye", Haack, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried. Commissioner Brunmeier also asked the commission to consider possible uses for the water plant facility as it would be very difficult and take several days to get the system up and running should there be issues with southwest water supplies. Commissioner Stern would like to find some use as there are still outstanding obligations on the building and President Obenauer feels there needs to be some type of back-up system for water supply. Commissioner Brunmeier also advised the commission that Planner Frovarp has been sending letter to property owners with regard to nuisance complaints.

**Street/Cemetery:** Commissioner Stern advised the commission that the contractor had attempted to repair the damage use path north of Cenex and the repairs are not acceptable. Commissioner Stern has contacted the project engineer with ND DOT and he will meet with him when he is back in the area to see if proper repairs can be made when the Main Street project is being done. Commissioner Stern advised that the truck parking area has been completed and the city staff did a good job of preparing and finishing the project. Commissioner Stern advised the commission that Kenny Klein has accepted the public works position and will be begin on June 30<sup>th</sup>. Commissioner Stern also had questions as to replacing the flashing light at the intersection of 4<sup>th</sup> 3<sup>rd</sup> Ave NW and Hwy 200 and was advised that the ND DOT was going to see if the light was necessary or if other traffic control signals could be used. Commissioner Stern would like the commission to consider what is to be done with the Armory building and Commissioner Wolf advised that HCD is looking at potential buyers for the property. Commissioner Stern advised the commission that the public works department has received a quote to purchase a replacement mower trading in the Dixon mower. Commissioner Stern moved to approve the purchase of a John Deere mower model Z235 42" mower for \$2000 after trade-in, second by Commissioner Brunmeier. On roll call vote; Stern, "Aye", Brunmeier, "Aye", Haack, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

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

**Police/Fire:** Commissioner Haack had nothing to report but state he is looking forward to working with the departments to make a smooth transition moving forward.

## **OLD BUSINESS**

**10<sup>th</sup> Street Extension:** Extension of 10<sup>th</sup> Street to County Road 18, north of Cenex, was placed on the agenda to determine if the city would like to pursue construction. Commissioner Stern expressed concerns with regard to installing utilities, to proper depth, for the proposed RV Park and stated he would like to see this property turned into lots for storage structures for boats or campers and save the funds that would be required for water/sewer installation. President Obenauer questioned then if the RV Park is still part of the plan and Commissioner Stern advised that he had talked to Park Board Member Mund about extending the current RV Park east to allow for additional units. Commissioner Stern is not opposed to extending the street but would like to make sure the design was such that traffic speeds could be controlled to avoid a situation similar to 3<sup>rd</sup> Street. Gary Emter said the land was promised to the Park Board and discussion of locating the park farther north would not be acceptable because of the high voltage power line. Dan Frei also said the park board is looking at developing the RV Park in anticipation of the influx of several hundred workers for the construction at Dakota Gasification and that the park construction could be paid for in a matter of a couple of years. Mr. Emter said the park board also has an opportunity to get a building that would be suitable for the RV Park that would just need to be moved to the new location. Commissioner Stern asked if the city were to put a cap on the amount of funds to be expended for the RV Park would it be acceptable to the park board and President Obenauer suggested perhaps meeting with the Park Board on July 14<sup>th</sup> to discuss the matter further.

## **NEW BUSINESS**

**2014-2015 Auditor's Bond Resolution:** Pursuant to ND Century Code the auditor's bond must be established by resolution in an amount equal to 25% of the average amount of money subject to the auditor's control or \$250,000, whichever is least. Commissioner Wolf moved to approve the resolution establishing the auditor's bond in the amount of \$250,000, second by Commissioner Stern. On roll call vote; Wolf, "Aye", Stern, "Aye", Brunmeier, "Aye", Haack, "Aye", Obenauer, "Aye", motion carried.

**Bank Signatures:** With the change in the composition of the commission, Commissioner Haack moved to approve President Jerry Obenauer, Vice-President Nancy Wolf, and Auditor Monte Erhardt as signors for financial instruments at the designated banking depositories of the city, second by Commissioner Stern. On roll call vote; Haack, "Aye", Stern, "Aye", Brunmeier, "Aye", Wolf, "Aye", Obenauer, "Aye", motion carried.

Ken link asked what the city's decision was with regard to the curb and gutter issues near his residence and he was advised that the city will be repairing this location and the location on Sunflower Lane this year, when time permits.

**Approval of Bills:** Commissioner Wolf moved to approve payment of bills, second by Commissioner Stern. The pre-paid and bills approved to be paid are as follows: Roughrider Electric Coop Inc, 3424.72, Verizon Wireless, 273.09, US Postal Service, 276.55; Ameripride Linen & Apparel Service, 365.49; Antelope Creek Trucking, 15000.00; Bituminous Paving Inc, 99020.10; Bob Gobar, 35.00; Cenex, 2506.23; Convention & Visitors Bureau, 1331.71; D&E Supply Co, 31.25; Dakota Communications, 30.00; Dakota Fire Extinguishers, 306.17; Dan Wettstein, 320.00; Discovery Benefits Inc, 25.00; Ecolab Pest Elimination, 97.29; Emilio Colin, 93.03; Ferguson Waterworks, 1344.45; Hazen Community Development, 3439.30; Hazen Hardware Inc, 541.14; Hazen Motor Co, 178.90; Hazen Parks & Rec, 10000.00; Hazen Welding, 85.00; Hiway Express, 3969.58; Information Technology Dept, 75.00; Interstate Battery, 48.40; Joyce Lemer, 21.00; K&K Spraying, 1900.00; Kadrmas, Lee & Jackson Inc, 26450.31; Krause's Super Valu, 73.13; Kurt Milbradt, 100.00; Lange & Donovan PLLP, 3324.00; Lonny Buchmann, 85.00; Lowe's Garden Center, 26.45; Mel Roth Oil, 169.90; Mercer Co Water Resource District, 11142.00; Mercer County Auditor, 206.52; Mercer County Sheriff's Dept, 14000.00; Montana Dakota Utility, 4289.71; Monte Erhardt, 175.48; ND Department of Health, 15.00; ND Department of Health, 32.00; NAPA Auto Parts, 414.24; North Dakota One Call Inc, 99.00; Northern Safety Co Inc, 1009.12; Northland Financial, 302.00; Patty Johnson, 12.55; Peggy Rahn, 10.50; Pitney Bowes, 420.00; Plunkett's, 135.20; Power Plan, 49.62; Preble Medical Services Inc, 40.00; Ron Muth, 100.00; Sakakawea Hazen Clinic, 215.00; Sakakawea Medical Center, 116.34; SBM Inc, 34.60; Share Corp, 981.75; Steve Frovarp, 52.55; Ulteig Engineers Inc, 2719.75. Motion unanimously carried.

There being no further business the meeting was adjourned at 7:47 PM CT. The next regular meeting of the commission will be July 7, 2014 at 5:30 PM CT in the Commission Room of the Hazen City Hall.

Approved: \_\_\_\_\_  
Jerry Obenauer, President

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