

The regular Beulah City Council meeting of October 3, 2016 was called to order at 7:00 pm at Beulah City Hall by Mayor Darrell Bjerke.

Present: Eric Hoffer, Kathy Kelsch, Joel Morgan, Ben Lenzen, Travis Frey, Clyde Schulz, Kelsey Timmer, Brant Keller

Also Present: City Attorney Scott Solem, Assistant Attorney Allyson Hicks, Economic Development Director John Phillips, City Engineer Loren Daede, City Coordinator Russell Duppong, Public Works Foreman Kenny Yeager, Water/Wastewater Foreman Gary Neuberger, Police Chief Frank Senn, Scott Harmstead, Jerry Reichenberg, Kate Johnson, Beulah Residents

Hearing on Zoning Ordinance #420:

Bjerke commented this project is the culmination of two years of work to bring our Zoning Ordinance up to date. Duppong commented the code update has been a complicated process and reviewed recommended changes from P&Z. Scott Harmstead of SRF commented it is a user friendly document, easy to navigate. He stated it is in one comprehensive document for staff to build on. Harmstead commented a Comprehensive Plan is also needed for the City of Beulah as a requirement of the State of ND. Kelsch questioned how the document will be updated as things change. Hicks stated the document will be updated as ordinances are completed and could be changed either by city staff or legal counsel. Bjerke closed the hearing. Schulz made a motion seconded by Frey to have the first reading of Ordinance #420. Duppong stated the zoning code will be on the city website for the public to review. Hoffer clarified the 1st reading will include the recommended changes. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Hearing on Tax Levy Increase:

Bjerke commented on decreased State revenue due to decreased tax collection on oil and agriculture sectors. City departments have been asked to come up with suggestions for efficiencies. If it's not necessary we don't spend the money. He commented that due to the pressure of industries we continue to increase salaries to keep good employees. He commented on the amount of revenue to be received. In the past we have thrown our reserve funds and sales tax funds into the total to balance the budget, but that's not sustainable. We are trying to be as proactive as possible to avoid a future problem. We have now built a two month reserve into our budget. This isn't a dire situation the City is in. Bjerke commented we sent out notices as required and the 20% stated would bring in roughly \$100,000. We are \$180,000 short on revenue and are still not covering all of it. As he is hearing from the State, 2017 is going to be tough and 2018 may be worse. We need to continue functioning properly, keeping good people on board and good services, including police services. Bjerke presented a tax statement from last year and explained where exactly the City increase would be on the statement. A resident questioned if the 20% would just come out of the City/Township amount and Bjerke stated yes. Frey questioned the last City tax increase and Bjerke stated it has been several years. He stated the City receives ½% of the 2% of sales tax collected. A resident questioned how long the 12% tax credit by the State would continue. Bjerke stated he was assured the State has funds put away for this year, but future years will go to the legislature for approval. Bjerke explained the mill levy. Wes Gunsch with the Mercer County Commission commented they have 32% less revenue coming in from the state. He commented when you see your taxes going up, you tend to blame the City, but the City doesn't actually receive that much of the taxes. Gunsch questioned what the budget is for JDA and whether that is essential right now. Bjerke commented JDA has brought in many businesses and helped them. It would need to stay in existence for the

length of the loans to businesses. Gunsch stated JDA and other entities should publish what they are doing and questioned if there will be a mill levy set up for JDA. Bjerke stated yes, that the City allocated funds to JDA in the past but it will now receive 4 mills. Bjerke commented the meetings are open and the newspaper does attend but that some items such as the financial documents of a new business are somewhat confidential. Gunsch questioned the reserve funds the City has currently. He stated elderly citizens have a hard time making monthly payments. Bjerke commented the Homestead Tax Credit is available to provide relief for those residents and they may not need to pay real estate taxes at all. A resident questioned if the tax would decrease if revenue were to increase. Bjerke stated it is possible. He commented on the decrease in Coal Severance Tax and Coal Conversion Tax. A resident asked if this goes to a vote and Bjerke stated the Council will vote on it tonight. Gary Miller questioned if the City is paying for the street in front of the 24-unit apartment complex. Bjerke stated yes, it is coming out of the Sales tax fund and is not being assessed to anyone. In order to get the ND Housing Finance loan, the City was to furnish land and infrastructure for the complex. He stated the complex is not owned by the City, but basically owned by the State of ND. Bjerke closed the hearing.

Regular meeting was called to order.

Pledge of Allegiance

Recessed for five minutes.

Frey made a motion seconded by Keller to dispense with the reading of the minutes of the last regular meeting on September 19 and the special meeting on September 19 and approve as furnished to the Council by email. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Schulz made a motion seconded by Timmer to approve the 2017 Final Budget and 20% mill levy increase as presented. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Bjerke presented a Proclamation to declare October Arts & Humanities Month. Timmer made a motion seconded by Kelsch to approve the proclamation as presented. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Kelsch commented on a lot purchase request by Charles & Sandra Hankins that has been withdrawn. The lot is now available. Lenzen questioned if there are any legal fees on the sale and Duppong stated no, it did not go to legal counsel yet. Kelsch made a motion seconded by Hoffer to authorize the preliminary zoning code to be put on the website. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Keller made a motion seconded by Hoffer to approve the payment of \$94,450 to Tri-State Coatings for Painting of the 400,000 Gallon Water Spheroid Tower. Daede stated the change orders approved totaled \$9,500. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor. Bjerke questioned where the funds would be taken from and Ferebee stated the Water Equipment Reserve fund.

Keller made a motion seconded by Hoffer to approve the payment of \$11,533.27 to Unlimited Excavating for New Energy Drive. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor. Bjerke commented the funds would come from Sales Tax. Keller stated the bid advertisement is going in this week and there will be a bid opening on October 27.

Motion tabled at previous meeting: Hoffer made a motion seconded by Morgan to approve the recommended garbage rates to go into effect January 1, 2017.

Morgan made a motion to amend the rate increase of tipping carts from \$18.14 to \$19.00, dumpster pick-up from \$30.95 to \$35.00, additional pickups to increase from \$12.50 to \$20.00. Hoffer stated those are the rates in the motion at the last meeting. Schulz commented he made a recommendation to increase additional dumpsters to \$30 instead of \$20. Amendment died for lack of a second. Schulz made a motion seconded by Frey to amend the motion to include the following rate increases:

Small mobile tipping cart rates from \$18.14 to \$19, additional tipping cart from \$5 to \$19, dumpster pickup rate from \$30.95 to \$35 with each additional pickup increasing by the same amount, additional dumpster rate from \$12.25 to \$30 per extra container, Sanitation reserve amount from \$2 to \$3 to cover expenses of garbage trucks and tipping carts.

Frey stated if a tipping cart is damaged by the garbage truck the City will pay for it, but if it is damaged by the resident they would pay for it. Discussion followed. Roll call vote on the amendment found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor. Roll call vote on the main motion found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor. Hoffer questioned if a letter will be sent out and Ferebee stated yes.

Motion tabled at previous meeting: Frey made a motion seconded by Keller to approve moving forward with AE2S for assessor services with the revised contract.

Frey reviewed the search for an assessor. He stated the contract from AE2S was brought up at the last two meetings and the fees were stated at the last meeting. Schulz commented Scott Solem contacted him regarding the assessor position and has been working on putting a proposal together. Schulz stated Solem Law's proposal would be \$36,000 for the year working with three certified assessors from three different counties. A business would be opened in the city. Hoffer commented we have more of a leeway of changing with AE2S. Schulz stated Solem Law would be more assessable to City Hall. Bjerke stated he was assured Solem Law would continue after the first year. Lenzen questioned going with our attorney as an assessor, stating the lack of independence is a big factor. Schulz commented we should support this as an asset to our community and our citizens. Kelsch questioned the amount in the budget for the past assessor. Keller questioned if the City Assessor and City Attorney would cause a conflict of interest. Bjerke stated Solem Law Firm would be the assessor, not Scott Solem. Solem stated he checked with the State of ND and was told that it can be an organization as long as the person certifying the assessments and attending the meetings carries a Class 1 certification. Hoffer questioned the breakdown on pay and what the fee schedule would be for extra duties. Roll call vote on the main motion found Timmer, Schulz, Kelsch, Keller opposed. Frey, Morgan, Lenzen, Hoffer in favor. Tie vote. Bjerke opposed. Motion defeated. Schulz made a motion seconded by Timmer to recommend Solem Law Firm for City Assessor. Kelsch questioned if we are bound after one year. Bjerke stated it is only for one year. Morgan, Kelsch, Keller, Timmer, Schulz in favor. Hoffer, Frey, Lenzen opposed. Motion approved.

Schulz commented the pool has been drained, winterized and the final inspection is taking place. Two positions on the pool board will be available this year for three year terms. The West River Transit board meeting will be held later this month and a part-time driver has been hired. The Wellness Center is hoping to go to bids this fall for construction. Schulz stated the motor went out on a 2012 police vehicle with 60,000 miles on it. To replace the motor it will cost about \$9,000 and

a new vehicle would be around \$30,000. Schulz recommended repairing this one to get as many years as possible out of it. Senn commented the police department normally runs four vehicles. He described the available options. Hoffer made a motion seconded by Schulz to bring the police vehicle back to Beulah Downtown Conoco to put in a new motor. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor. Frey commented there is \$20,000 available in the Equipment fund and we can look at leasing the next vehicle.

Timmer and Keller had no report.

Lenzen made a motion seconded by Frey to approve the payment of \$132,513.19 to Bechtold Paving, Inc. for SID #25 on Keller Drive. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor. Lenzen commented on a letter from a resident regarding a sign and the intent of sending a letter with an option for the sign. Schulz mentioned inconsistencies in regards to dead end signs. Lenzen commented the area missing a sign will be addressed and a sign will be placed. He stated Yeager has been diligently trying to make the signs consistent. Lenzen questioned another area and Bjerke commented he should check with Daede regarding it.

Daede commented the tower painting is going well. About 100 feet of water line is in on Keller Drive.

Solem commented a petition will be submitted to replat and rezone the area for the Wellness Center. He stated Phillips and he will be working on assessments for SID #24 and #25 this week.

Yeager stated they are working on drainage ditches; mowing lagoons, the gun range and Sun Valley; putting up the snow fence; and replacing some sign posts. They have taken down flags, banners and flowers, applied for a burn permit, changed oil on the blade, and took a load of recycle to Minot. In the next weeks they will haul sand from the mine, bring over the snow plows, burn the woodpile, fill in drainage ditches, haul furniture and do leaf sweeping.

Duppong commented a letter will need to be sent out to south side residents to secure propane tanks as requested by FEMA. He commented on items coming up at P&Z this week. He commented on a drainage issue being worked on with the County near Hwy. 49. Lenzen made a motion seconded by Schulz to authorize engineering to provide estimates on options to repair the drainage area with a limit of \$500. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Ferebee presented a raffle permit for Beulah Wellness Center Foundation at the Beulah Civic Center on January 28, 2017. Frey made a motion seconded by Lenzen to approve the raffle permit as presented. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Schulz made a motion seconded by Frey to transfer \$61,413.99 to the General Fund from the Pool Fund on January 1, 2017 to repay the loan amount from the City. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Schulz made a motion seconded by Lenzen to approve the August Financial Reports. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Phillips commented on the apartment complex stating the Council approved the \$2.15 million in tax exempt bonds which is debt to LSS Housing, so it is not all state money. He commented 30% of the project was funded by the Housing Incentive Fund and the building is taxable. Phillips commented on sales tax and the increase in sales tax collected since Cobblestone came to Beulah. JDA has assisted AmericInn, Corval and Challenger in coming to Beulah and it is an essential tool to bring growth to the City. He stated the Greystone was empty for many years before JDA refurbished it. The third floor is being proposed to become an incubator for home based businesses.

Lenzen made a motion seconded by Schulz to approve bills as presented. Roll call vote found Keller, Hoffer, Kelsch, Morgan, Timmer, Schulz, Frey and Lenzen in favor.

Meeting adjourned at 9:50 pm.

Darrell R. Bjerke, Mayor

Heather Ferebee, Auditor

Check Range: 34394 to 34518

Payroll Check Range: -81008 to -81903

Employees	115,058.91
FIT	15,005.07
New York Life 457b	1,050.00
SDU	527.08
MN Child Support	575.62
FIT	11,777.02
SDU	527.08
MN Child Support	575.62
FIT	14,833.01
SIT	3,330.32
Job Service ND	797.04
SDU	527.08
MN Child Support	575.62
NDPERS	27,888.96
ALFAC	792.06
West River Telephone	97.94
Downtown Gas & Auto	3978.75
West River Telephone	1597.91
MDU	16943.67
Mainstay Funds	5823.08
New York Life	1751.39
Bituminous Paving Inc.	18669.68
Zimmerman Contracting, Inc.	1218.75
Brandoz Concrete	1672.40
Bechtold Paving Inc.	28846.44
Bechtold Paving Inc.	50773.23
Darrell R Bjerke	337.40
BHG, Inc.	24.59

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Ingram Library Services	1241.80
Jim Anderson	15.00
Baker & Taylor	26.59
Hazen Drug Co	147.80
North Dakota One Call Inc.	311.10
Bronson's Marketplace	47.11
HAWKINS INC	2319.99
Lignite Tire	260.00
Black Mountain Software	12145.00
Roughrider Electric Cooperative Inc.	4446.02
Solem Law Office	3534.78
Beulah Airport Authority	90.04
North Dakota Dept. of Health	64.00
Verizon Wireless	443.60
SRF Consulting Group, Inc.	1459.57
Loren Wiest	280.00
Information Technology Dept.	197.80
Mercer County Treasurer	6058.68
NAPA Auto Parts	371.09
Beulah Lumber Company	81.82
BHG, Inc.	911.07
AmeriPride Linen & App Serv	726.10
Farmers Union Oil Company	1971.44
Interstate Engineering, Inc.	25070.07
Sweeney Controls Company	3136.35
Bryan Tomchuk	65.00
Hedahls Headquarters	24.52
Shopko Stores Operating Co.	128.29
Strata Corporation	121.00
Knife River Veterinary Clinic	91.39
Kollman Construction	800.00
Neuberger Oil Co.	500.00
Dakota Pump & Control, Inc.	4800.00
Killoran Trucking & Brokerage	5503.97
Beulah Electric	395.00
Mercer County Office of Tax Eq	38.00
Mercer County Auditor	164.74
Mercer County Sheriff's Dept.	150.00
Southwest Business Machines	816.98
Pekas Precision Lawn Care	1500.00
Midwest Doors Inc.	462.15
Dakota Fire Extinguishers	11.00
Michael Todd Company	2139.22

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Brock White Company	780.82
Sanford Health Occup Med Bis	30.00
Productivity Plus Account	1405.25
Powerplan	1230.31
Sletten Excavating, Inc.	600.00
Hiway Express Hazen	11.15
Norma Reich	180.00
MainStay Suites	178.00
ND League of Cities	20.00
DirectMED	284.84
Stein's Inc.	62.52
Pauline Berry	50.00
In Joy	50.00
Jessica Gaube	50.00
Jean Hins	25.00
Dakota Sanitation Inc.	636.00
J & M Hardware Inc.	807.56
Petty Cash	105.90
AT&T Mobility	133.04
Beulah Park District	61989.03
Starion Bond Services	21983.75
Matthew Bender & Co. Inc.	22.94
NDACo Resources Group, Inc.	455.00
Starion Bond Services	10280.50
Bryan Tomchuk	28.00
Coal Country CHC	26.00
Clay's Plumbing & Heating Inc.	810.88
MARC	151.74
Midwest Tape	451.89
Stu Campbell	106.88
Gale/CENGAGE Learning	20.85
MINITEX	71.00
Ben Newman	157.50
Kurt Zazeski	332.00
Kenny Yeager	330.53
Darrell R Bjerke	97.40
Heather Ferebee	97.40
Jason DuPaul	50.00
Anthony Kalvoda	50.00
Gary Coleman II	50.00
Teresa Ausborn	50.00
Eric Anderson	50.00
Cycles, Color & Chrome	50.00

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Dustin Pekas	99.06
Darla Knutson	97.40
Nancy Bickerstaff	23.91
Vortex	451.00
Pro-Tek Chemical, Inc.	140.00
US Bank	140.17
USA Blue Book	300.85
ARMOR Interactive Corp	1320.00
Travis Frey	90.40
Loren Wiest	210.00
EDND	150.00
Russell Duppong	191.30
NDACo Resources Group, Inc.	73.71
Postmaster	369.77
Cardmember Service	764.71
Beulah Public School Dist. #27	120.00
Rebekah Kjos	90.40