

CITY OF CASSELTON
Monday, September 9, 2013
REGULAR MEETING 7:00 P.M.
Council Chambers

Present: Mayor Edward McConnell, Councilmen Lee Anderson, Kent Buss, Paul Spooner, Fred Wangler, Joan Carvell and Mike Eberhardt. Also present: Becky Dunker, Diane Spoerl, Elizabeth Utley, Barbara Korstad, Tony Huotte, Dan Kline, Kevin Schauer, Matt Thompson, Dean Johnson, City Auditor Sheila Klevgard, City Engineer Brandon Oye, Deputy Joe Hedin, Public Works Supervisor Kevin Mayer and City Attorney Del Losing.

Minutes, Consent Agenda, Bills and Financial Report

Councilman Wangler made a motion, seconded by Councilman Spooner to approve the minutes of August 6 and August 19, City Attorney's Report, Municipal Judge's Report, Police Report and the delinquent utilities list. All voted aye on roll call vote; **motion passed.**

Councilman Buss made a motion, seconded by Councilman Wangler to approve the following bills and refunds. All voted aye on roll call vote; **motion passed.**

Accent Signs	\$495.00
Aflac	\$135.52
Ameripride	\$363.72
Avesis Vision	\$108.88
Baldwin Cooke	\$244.64
Blue Cross Blue Shield	\$4,846.20
Belling Tree Service	\$1,900.00
Bremer Bank	\$170.00
Business Essentials	\$22.25
Butler Machinery	\$315.04
Bill Carlson	\$983.76
Cass County Reporter	\$563.90
Cass County Treasurer	\$10,931.25
Cass County Electric	\$626.96
Cass Rural Water Users	\$46,169.08
Casselton Cemetery Assn	\$350.00
Casselton Lumber	\$2.96
Casselton Parks & Rec	\$14,007.87
City of Fargo	\$3,160.15
ESRI	\$250.00
ET Trucking	\$1,529.28
Fargo Freightliner	\$1,783.68
Fargo Water Equip	\$1,617.06
Fleetpride	\$19.22
Gordy's Inc.	\$385.82
Guardian	\$810.32
Hardware Hank	\$35.45
Haugen Cleaning	\$450.00

Jerry's Excavating	\$39,692.54
Jim's Towing	\$195.00
John Deere Financial	\$1,198.86
Johnson Pest Control	\$143.00
King Gravel/King Trucking	\$700.00
Kevin Mayer	\$441.42
Midnight Solutions	\$240.00
MJ Dalsin	\$243.58
Municipal Govt Academy	\$15.00
Nardini Fire Equipment	\$218.97
North Dakota One Call	\$64.35
Northern States Supply	\$61.00
NorthStar Safety	\$325.00
Ohnstad Twichell	\$1,500.00
Orbitcom	\$304.43
Ottertail Power	\$3,595.37
Petro Serve USA	\$1,297.97
Sanford Health Occ Med Clinic	\$130.00
Scheels Home & Hardware	\$87.97
Steve's Heating & A/C	\$200.00
Sturdevant's	\$644.85
Sweeney Controls	\$1,841.50
Team Laboratory	\$6,850.00
Total Imaging	\$129.62
Verizon Wireless	\$145.21
Wisnewski's Top Cut	\$375.00
Xcel	\$61.20

Financial Statement

Councilman Anderson made a motion, seconded by Councilman Eberhardt to approve the financial statement. General Fund \$129,057.07; Special Revenue Funds \$842,636.52; Debt Service Funds \$922,587.91; Construction Funds

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(\$23,775.18); Special Assessment Funds \$274,782.08; Enterprise Funds \$370,731.68; Trust and Agency Funds \$9,789.28; total \$2,525,809.36. All voted aye on roll call vote; **motion passed.**

Police Report

There were 61 calls for service, 2 crashes, 25 citations and some bicycle thefts, of which a couple have been recovered. Overall it has been a pretty quiet summer.

Planning & Zoning

The city has a half mile extraterritorial zoning authority and another half mile is shared with the township. Losing reported on a replat for the Tharaldson ethanol plant property which is partially in the half mile shared authority zone. The purpose of the replat is to separate the industrial from the agricultural land. With new state laws there were some corporate farming issues to resolve so individual lots were platted where lot 1 and 2 will be built on and the remaining lots will be agricultural. The committee recommends approval. Councilman Eberhardt made a motion, seconded by Councilman Wangler to approve the replat. All voted aye on roll call vote; **motion passed.**

Excessively High Residential Meter Reading

Rick Landgraff's water meter could not be read for two months using the MXU. Notes were left on the door for him to contact the public works department in order to access the physical meter inside the house. The third month the MXU actually read and indicated an excessive usage reading of 249 units since the last reading. At this point the auditor found a phone number for Mr Landgraff and left a message informing him of the reading and to contact Kevin Mayer immediately, which he did. Elizabeth Utley, Landgraff's property manager, was in attendance representing Mr Landgraff. Her concerns were 1) why the meter was not read for two months, 2) although there was a major break prior to his purchase of the property he does not water the lawn regularly other than watering for two weeks after planting in May and June and 3) Concern that it reached this level of usage prior to a phone call. She indicated that public works employee, Gary Marier, stated that it was possible that the meter was not working. She stated that Landgraff did not respond to the notes because he does not recall receiving any notes. She recommends that a call be made immediately when a meter cannot be read. Meters were read today and the MXU read fine again today. Mr Mayer's response to her inquiries: usually a couple days after meters are read the employees go back to the residences to work on meters that are not reading, the actual reading is captured by wand or radio read and policy has been if they can't find fault with the meter, the resident is responsible for the usage. She then countered with the suggestion to create a policy to call after 6 weeks. It was noted that dry weather is causing any water leaks to go down into the soil and not show on the surface and a faucet or toilet running can use 2.2 gallons per minute. The mayor presented the council with a few options: bill the full amount, give a discount for a possible error in the meter and check the reading for a few months and if it remains correct, the amount is owed. Councilman Buss made a motion, seconded by Councilman Eberhardt to read the meter for three months and if correct, the billed amount would be considered used and the balance owed. All voted aye on roll call vote; **motion passed.**

Barb Korstad Street

Ms Korstad presented the council with several pictures of her property and adjoining land indicating the issues she has with poor drainage. The city pavement, curb and gutter ends north of her driveway even though the city street ends at the south edge of her lot. With no curb and gutter there is a lack of consistent drainage so water naturally comes into her yard. She stated that it has become considerably worse since the neighbors to the north and northeast received permits to raise the level of their lot three feet higher than her property. A culvert put in by Burlington Northern years ago is underneath the fence to the south and she suggests installing curb and gutter with the grade flowing to that culvert where it can then flow east and west. The city would need an approved drainage permit to do this because it would move the water into an unapproved ditch and a drainage easement would be needed from Woell as well. The engineer will need to find the culvert, verify its integrity and secure an easement prior to any construction to direct water that way. Korstad proceeded to complain about the tall weeds and high

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fences owned by her neighbors as well as the land issues created by her neighbors' higher ground elevation. Council recommended that she speak with both owners requesting that they take care of the weeds and ask them how they think the land issues can be taken care of.

Financing Options for New Development

This agenda item was requested by Julie Nelson, however the purchaser of the Arneson land is not looking at financing with the city so this is probably a moot point.

North Everest 3rd Addition TIF

Tony Huotte is requesting a TIF to finance street, sewer and water infrastructure in this area. Losing explained how a TIF works with the property tax from the incremental value being used to pay for the assessment rather than being paid to parks, county, school and city levies. A letter of credit would be required for half of the cost of the assessment which would not be applied to the assessment, but held by the city. If the assessments are not paid, the property would come back to the city in the end.

Wangler started the project two years ago and was required to put curb and gutter the full length of the property. He backed out because it would have cost too much and other downtown businesses asked him to stay downtown to draw business into the heart of the city. The dollars going into building on the south will be the same as he will be spending for improvements downtown. He is working to build a bigger, 11,000 square foot, and better store downtown because older people on scooters, young mothers with strollers and young kids won't want to cross the bridge and go down the highway to shop.

Huotte brought up the following points: 1) there is no loss of tax dollars, the TIF would use future tax dollars to pay for improvements, 2) there would be one store for in-town business and a south store would cater to those who do not come downtown and are currently shopping in Fargo, 3) the improvement will help sell other properties proposed to be within the TIF district, 4) 80-90' of the new paved street is highway right-of-way and would be paid for with the TIF dollars.

Supervalu told Wangler that a city of this size could support one 20,000 foot store; in 7 years it may be viable, but not now. There was concern whether Casselton could support two grocery stores as it was noted that there used to be four grocery stores and two meat markets, but they all didn't make it. It was also noted that competition and more jobs are both good for the city. The city has never had a TIF request where there was a competitor already in business and McConnell had issues with giving one business a tax break without giving the other a tax break also. After further discussion Councilman Spooner made a motion, seconded by Councilman Anderson to deny the TIF request. Councilman Carvell, Anderson, Spooner and Buss voted aye on roll call vote, Eberhardt voted nay and Wangler abstained; **motion passed**.

Just for Kix

A new auditorium rental agreement has been written with an additional hour each week and increasing the fee to \$275.00 per month. Councilman Buss made a motion, seconded by Councilman Eberhardt to approve the new rental agreement. All voted aye on roll call vote; **motion passed**.

Raffle permit

Dollars for Scholars submitted an application for a raffle permit. Councilman Wangler made a motion, seconded by Councilman Spooner to approve the raffle permit. All voted aye on roll call vote; **motion passed**.

Appoint city assessor

As per century code the assessor must be appointed in September of odd numbered years although the city cannot appoint Tim Schneider until he passes the assessor test. Councilman Anderson made a motion, seconded by Councilman Carvell to appoint Elwood Gunderson. All voted aye on roll call vote; **motion passed**.

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Cass Rural Water

A meeting was held between the mayor, public works supervisor and a representative of Cass Rural Water to discuss the possibility of the city abandoning the 1 and ¼ mile water line serving Phillip Pender and AT&T. Cass Rural Water has agreed to take over serving these customers as soon as they can get their service lines extended. Councilman Anderson made a motion, seconded by Councilman Spooner to approve releasing service for these rural customers to Cass Rural Water. All voted aye on roll call vote; **motion passed.**

Parks and Recreation

In 1996 it was agreed that the park district would receive 24% of the city's share of the state aid distribution and the state government stated that it would remain the same percentage into the future. The park district's share has increased from \$23,000 in 2010 to \$53,000 in 2013 mainly due to increased sales in the oil regions. Effective with the third quarter of 2014, the financial institution tax will be rolled into an income tax so the state decided to increase the state revenue share to the cities to make up for the loss in income by increasing the share 8.75%. In order for the city to retain the increased share of state aid, the percentage paid to the park district would need to change or the general budget line item to Parks and Recreation would need to be reduced. According to the law, in order to change the percentage to the parks there must be an agreement between the boards. The park board has said that the \$10,000 from the city subsidizes the pool and they need it to keep it running. The mayor requested direction from the council as to what they desire; he stated that he doesn't want to hurt them financially since they are making good progress. Councilman Buss made a motion, seconded by Councilman Anderson to offer the park board an agreement to remove the 8.75% increase in the city state revenue share, effective with 3rd qtr 2014, and base their 24% on the balance. All voted aye on roll call vote; **motion passed.**

Final budget

The only change at the preliminary budget meeting was to increase the drainage expenditure netting a total levy by the city from 74.42 to 73.13 mills. The easiest way for the state legislature to get money back to the people was to increase the payment per student so it is in the school's hands whether their levy will be lowered. Councilman Wangler made a motion, seconded by Councilman Carvell to approve the final budget without any additional changes. All voted aye on roll call vote; **motion passed.**

Railroad Crossing at Langer

Mayer has contacted the BNSF regional project manager in Minneapolis and they told him to expect the cost of repairs at Langer Avenue to be \$120,000 to \$150,000. All costs for crossings within cities are paid for by the city even though the railroad is the one to install it. If contingency funds are left over from District 25, a change order could be issued to cover the cost of the repair.

Engineers Agenda

Sanitary Sewer Improvement District #24 –

Final request has been sent in and funds received which closes out the SRF loan. One final inspection will be made by the Department of Health.

Sewer & Street Improvement District #25 –

Work is continuing with weekly construction meetings at 2:00 pm on Mondays. Asphalt crew will be in next Monday, spot repairs are being worked on and relining will start on the 23rd followed by manhole rehabs. According to the pay requests they are only 10% complete, Oye hopes they will get back on track. Moore has requested monthly schedules and reminded them they will be penalized if they are late; Oye requested that payment be held until one is received. Asphalt goes fast and costs a lot of money. Paras should be back next week to work on the concrete. The substantial completion deadline is November 1st. Councilman Wangler made a motion, seconded by Councilman Buss to approve partial payment #2 to KPH for \$318,514.97. All voted aye on roll call vote; **motion passed.**

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Councilman Buss made a motion, seconded by Councilman Eberhardt to approve engineering invoice 6191 for \$57,856.50. All voted aye on roll call vote; **motion passed.**

Levy improvements –

BNSF lease agreements for right of way are being completed. Right of way descriptions have been completed for added right of ways. The committee has no desire to continue doing anything else other than fix up what needs to be fixed and get out of the CORP program. Benefits of the program are that the CORP comes out to inspect and gives the city a substantial detailed report and in the case of a flood situation with damages they can use federal funding to repair it. If the city can self fund any repairs, it becomes more of a city responsibility. Moore will bring the BNSF agreements to the next meeting and once finalized they will get them to Attorney Losing. Councilman Eberhardt made a motion, seconded by Councilman Carvell to approve engineering invoice 6196 for \$3,547.70. All voted aye on roll call vote; **motion passed.**

Ditch block – Industrial Park I-94 Drainage –

DOT will talk with Maple River Water Resource District. MRWRD attorney says they can't direct the DOT, which is what the DOT wants. The city must sit and wait for them to come to some resolution. Councilman Anderson made a motion, seconded by Councilman Spooner to approve engineering invoice 6186 for \$255.00. All voted aye on roll call vote; **motion passed.**

SB&B Addition – Sewer and Water Improvement

Moore is waiting to hear from Fletschock to proceed on project design.

Next regular meeting October 7, 2013 at 7:00pm.

Councilman Carvell made a motion to adjourn at 9:35pm.

Respectfully Submitted,

Sheila K Klevgard
City Auditor