

**CITY OF GRAFTON
WAYS AND MEANS COMMITTEE
MEETING OF MARCH 2, 2015**

The regular meeting of the Ways and Means Committee of the City of Grafton was held in the Council Chambers, City Hall, Grafton, North Dakota at 5:30 p.m. Monday, March 2, 2015.

Chairperson West presided. Members present: Dave Fellman, Don Hutson, Mary Stark, and Greg Young. Others present: Nick Ziegelmann, Brian Sieben, Chris Lipsh, Len Wysocki, Shane Mohn, Rock Desautel, Tony Dumas, Ken Miskavige, Russ Geddes, Ed Sevigny, Todd Morgan, Ryan Johnston, and Todd Kjelland.

LABOR RELATIONS

Chairperson West reported NDPERS has accepted a bid for health insurance from Sanford Health for 2015-2017, service is currently provided by Blue Cross.

NEW BUSINESS

The Committee considered a contract from Kadrmas, Lee & Jackson, Inc. to determine the replacement value of certain City buildings for insurance purposes. City buildings with specialized pumps, telemetry, and electrical, etc. equipment must be valued by an engineer; once these buildings are valued the value can be maintained through updating the fixed asset list as equipment is replaced. The work is estimated to cost \$27,500 and although it is not specifically budgeted, a prorated share will be paid from each building's operating fund. It was moved by Mr. Young and seconded by Ms. Stark to recommend the City Council approve the contract with Kadrmas, Lee & Jackson, Inc. for an estimated value of \$27,500 to determine the replacement value of certain City buildings including permanently attached contents. All members were present and voted in favor thereof; Chairperson West declared the motion carried.

A proposal from Information Management Systems to provide a new server for City Hall in the amount of \$19,788 was reviewed. The current server is approximately 5 years old and runs on Microsoft Small Business; that product is no longer available and no updates will be available after April. The City Administrator explained that Information Management Systems provides all IT services for City Hall and budget reserves have been planned for this expense in the Finance Department budget. It was moved by Mr. Fellman and seconded by Mr. Young to recommend the City Council approve purchase of a new server, installation and software for City Hall from Information Management Systems for \$19,788.00. All members were present and voted in favor thereof; Chairperson West declared the motion carried.

Chairperson West reported a proposal was received from HB Sound and Light for voice and video equipment for the Council Chambers in the amount of \$28,477.98. He explained this expense was not budgeted and asked the Committee to delay accepting the proposal pending inclusion of the project in the 2016 and 2017 budgets. Phase 1 includes a microphone, desk top recording system, speakers and projector, and Phase II is the video equipment. Mr. Ziegelmann said the recording system and speakers are the primary concern, but the project could wait until

the costs can be incorporated into the Budget over the next couple of years. It was moved by Mr. Young and Mr. Fellman to table the proposal from HB Sound and Light for consideration when the 2016 Budget is developed. All members were present and voted in favor thereof; Chairperson West declared the motion carried.

City Assessor Ed Sevigny reviewed his proposal to equalize the true and full values of properties throughout the City; he explained he thought it would be helpful to inform the Council prior to the Board of Equalization meeting as notices of increase will be sent to a majority of the property owners soon and Council members may receive inquiries. Mr. Sevigny explained if the City Board of Equalization did not make adjustments to the property values this year the State Board of Equalization would require that at least 9% citywide across the board increase be made to bring the City's true and full value to within the State allowed tolerance, as the median is now at 83.3%. The State does allow a tolerance of 90-100% so at a minimum the City must make a 9% overall increase in its 2015 residential assessments to be compliant. Mr. Sevigny explained that he has divided the City into four regions by similar sales characteristics: Zone 3 is the north end of town, does not have a lot of sales, and the median ratio is 104.76% for 2014; Zones 2 and 4 show similar sale characteristics and the median ratio is 89% so the assessments for 2014 were roughly 11% lower than sales; Zone 1 is the south end of town and the median ratio is at 77.98% of the sales price compared to the 2014 assessments. It would not be fair and equitable to have a city-wide 9% increase as a majority of properties that are valued too low are in Zone 1. He suggests Zone 3 remain mostly unchanged, Zones 2 and 4 generally be increased by 8%, and Zone 1 generally increased by 15%. He explained the adjustments will not be across the board changes as each property will be considered individually. Mr. Sevigny said Notices of Increase are sent to all property owners receiving an increase of at least 10% and \$3,000 or more. He is estimating a majority of the people in Zone 1 will be getting a notice by the end of March. Mr. Sevigny said this is based just on sales as the market values have increased a great deal on the south end of town.

ADJOURNMENT

It was moved by Mr. Young, seconded by Mr. Hutson and carried to adjourn the meeting.

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Chris West, Chairperson

Connie A. Johnson, City Auditor-Treasurer