

**CITY OF GRAFTON
SPECIAL CITY COUNCIL MINUTES
MEETING OF SEPTEMBER 6, 2016**

A Special meeting of the City Council of the City of Grafton, North Dakota was held in the Council Chambers, City Hall, Grafton, North Dakota at 6:00 p.m. on Tuesday, September 6, 2016.

Mayor Chris West presided. Members present: Dave Fellman, Don Hutson, Chris Lipsh, Shane Mohn, Phil Ray, Brian Sieben, and Greg Young. Member absent: Mary Stark. Others present: Nick Ziegelmann, Tony Dumas, Kevin Sevigny, Mike Steinfeldt, and Todd Kjelland.

The special meeting was called to consider the 2017 Budget, to hear first reading of “AN ORDINANCE ENTITLED ‘ANNUAL APPROPRIATION BILL’ APPROPRIATING THE SUMS OF MONEY NECESSARY TO DEFRAY THE EXPENSES AND LIABILITIES OF THE CITY OF GRAFTON, NORTH DAKOTA, AND MAKING THE ANNUAL TAX LEVY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2017 AND ENDING DECEMBER 31, 2017”, and to consider the revised bid for tree debris removal.

Administrator Ziegelmann presented the 2017 Preliminary Budget and explained two readings of the Annual Appropriation Ordinance are required for the Budget to be final; the public hearing and second reading of the 2017 Budget are scheduled for Monday, October 3, 2016 at 6:00 p.m. Last year’s consolidated mill levy was 425.83 mills; the City’s share was 114.85 of those mills. Based on the proposed 2017 Budget the Grafton City mill levy is estimated to decrease 1.40 mills, to 113.45 mills. To comply with recent State Legislative action, the General Fund mill levy must be 105 mills or less by 2020; the 2017 Budget is 93.39 mills for the General Fund. The Airport, Hwy GO Bond, Annual Special Assessments, Library and Cemetery Funds are separate funds for the purpose of levying mills. Mr. Ziegelmann explained that for a home valued at \$50,000, the City’s share of taxes will be \$255.26 per year and for a home valued at \$100,000, the City’s share of taxes will be \$510.53 per year. Taxes account for 21% of the General Fund revenues, other revenues are Highway Tax Distribution and State Aid, which are projected to decrease \$220,000 to \$250,000 in 2017. Mr. Ziegelmann reported projected expenditures decreased in all funds. He completed the wage study using Walsh County, Valley City, and Wahpeton salaries and other cities included in the League of Cities study as comparisons. He found a need for a 5% increase which will be enacted in a 2 to 3 year period. In order to make that work in the General Fund budget the unfilled 10th position in the Police Department and the unfilled 6th position in the Street Department were cut from the 2017 Budget. The Debt Service Fund was reduced by \$124,000 until the Marvin Windows commitment is paid in full. The transfer to the General Fund for 2017 is \$750,000 which is down from \$800,000 in 2016. Mr. Ziegelmann reported the value of a mill went up \$146 per mill. He reported for budgeting health insurance costs, a 20% health care increase was estimated and included. Mr. Ziegelmann stated we will continue to replace aging equipment in all departments. Mr. Lipsh thanked Mr. Ziegelmann for the work he put into the wage study as it was well worth his time. He also questioned if the City should be trying to operate at a 90% budget to following the State’s guideline for 2018. Mayor West stated the State has been doing a lot of one time projects that won’t have to be outlaid again in the future; he feels the City is a lean operating machine now and it would be difficult to reduce the budget by 10%. Mr. Lipsh stated there is talk the State will not buy down the property tax any longer so there will be a need for more money. Mayor West said that will have to be from the school due to the school building project, not from the City; however it will affect the entire community. Mr. Ziegelmann said the capital outlay items may have to be cut and the employee health insurance benefit may

have to be capped/reduced if the City has to cut more. It was moved by Mr. Fellman and seconded by Mr. Young to approve the 2017 Preliminary Budget as prepared and submitted by the Ways and Means Committee. Mr. Young thanked those who served on the Committee as well as staff for their work. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, and Mr. Young. Those opposed: None. Member absent: Ms. Stark. Mayor West declared the motion carried.

It was moved by Mr. Fellman and seconded by Mr. Young to have first reading of an ordinance entitled, "AN ORDINANCE ENTITLED 'ANNUAL APPROPRIATION BILL' APPROPRIATING THE SUMS OF MONEY NECESSARY TO DEFRAY THE EXPENSES AND LIABILITIES OF THE CITY OF GRAFTON, NORTH DAKOTA, AND MAKING THE ANNUAL TAX LEVY FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2017 AND ENDING DECEMBER 31, 2017." On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, and Mr. Young. Those opposed: None. Member absent: Ms. Stark. Mayor West declared the motion carried.

Administrator Ziegelmann reviewed the proposal from LaFreniere's Construction to remove the tree debris, explaining that Mr. LaFreniere revised his bid from \$23,430 to \$30,416 as the pile of debris has grown since he submitted his bid. Mr. Ziegelmann and Street Superintendent Rock Desautel still believe LaFreniere's Construction is the low bid as Agassiz Excavating indicated they would charge \$143.50 per load after 200 loads. Mr. Lipsh questioned if it would be possible to have the Street Department remove the debris throughout the winter months at no extra cost to the City. Mr. Ziegelmann said there is always a cost because other things don't get done, already this year there has been no maintenance on roads because the Department was too busy cutting down trees. It was moved by Mr. Fellman and seconded by Mr. Young to accept the revised bid from LaFreniere's Construction for \$30,416. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, and Mr. Young. Those opposed: None. Member absent: Ms. Stark. Mayor West declared the motion carried.

ADJOURNMENT

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

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Chris West, Mayor

Connie A. Johnson, City Auditor