

**CITY OF GRAFTON
SPECIAL CITY COUNCIL MINUTES
MEETING OF AUGUST 3, 2020**

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 immediately following the 5:30 p.m. Committee meetings on Monday, August 3, 2020.

Mayor Chris West presided. Members present: Dave Fellman, Don Hutson, Shane Mohn, Phil Ray, Brian Sieben, Mary Stark, and Greg Young. Member absent: Chris Lipsh. Others present: Nick Hall, Nick Ziegelmann, Tom Dusek, Rock Desautel, Tony Dumas, Anthony Erickson, and Todd Morgan.

The special meeting was called to consider the 2021 Preliminary Budget, 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, 2021 AND ENDING DECEMBER 31, 2021” and, to discuss the Law Enforcement Center.

Administrator Ziegelmann presented the 2021 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 2021 Budget are scheduled for Monday, September 14, 2020 at 6:00 p.m. The total expenditures cannot be increased after the first reading of the appropriations ordinance. The 2021 Preliminary Budget includes expenditures just under \$13.3 million. That is \$2.5 million General Fund, \$320,000 in Special Revenue Funds, \$1.3 million in Debt Service Funds, \$60,000 in Trust Agency, \$169,000 Internal Services and \$8.96 million in the Enterprise Funds. Step increases will be given to employees who are not at the top of the scale; those that are at the top will remain unchanged. A 15% increase in health care expense was estimated for inclusion in the 2021 budget. The Administrator said we are looking into an alternative health plan through the North Dakota Insurance Reserve Fund. The Police Department budget was decreased by \$85,000 and its capital outlay was increased by \$78,000 for SIRN 20/20 and a new squad vehicle. The Administrator reported he plans to purchase tablets for the City Council members to use for Council meetings rather than making paper copies each month. The Special Revenue Fund decreased almost \$4,000, Debt Service Fund decreased almost \$5,000, Trust Agency decreased \$2,500, Internal Services decreased \$15,800. The Water Department budget is decreasing by \$95,000 and most of that is depreciation off the asset list. Wastewater budget is increasing \$70,000 for some repair work at the lagoon. An increase in the wastewater rates from \$2.55/thousand gallons to \$3.30/thousand gallons is included in the budget with projected implementation the beginning of 2021. No rate increases are planned for the Electric and Water Departments. The budget includes installation of lights along the bike path from Lavergne to 18th Street. General Fund real estate taxes account for 26.7% of the General Fund revenues, but only 7.58% of total expenditures. The City’s share of the 2021 mill levy is projected to be 126.54 mills which is a decrease of .45 mills. The property owner of a home valued at \$150,000 will pay \$854.00 for the City’s share of taxes.

It was moved by Mr. Fellman and seconded by Mr. Young to approve the 2021 Preliminary Budget as prepared and submitted by the Ways and Means Committee. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Mohn, Mr. Ray, Mr. Sieben,

Ms. Stark, and Mr. Young. Member absent: Mr. Lipsh. 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, 2021 AND ENDING DECEMBER 31, 2021." On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark and Mr. Young. Member absent: Mr. Lipsh. Mayor West declared the motion carried. Mr. Young commended Mr. Ziegelmann and staff for their excellent work.

Mr. Ziegelmann provided an update on the Law Enforcement Center agreement explaining that Walsh County rejected the offer made by the City Council of \$70,000 a year. Walsh County extended a counteroffer to the City that the remainder of 2020 would stay with the current terms, then effective 2021 it would be \$150,000 with an increase of \$2,500 per year for the next five years. Walsh County also said there should be additional costs based on the building operation between \$30,000 and \$50,000. This is the same offer which was given by Walsh County prior to having three negotiation meetings. Mayor West stated no matter what happens, the Police Department and Sheriff's Department will continue to work closely together. It was moved by Mr. Fellman to not negotiate anything different than the \$70,000 for two years which was previously offered. The motion died for lack of a second. Following further discussion, it was moved by Mr. Sieben to decline the current offer from Walsh County and to begin relocating the Police Department from the Law Enforcement Center. Mr. Young seconded the motion. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark, and Mr. Young. Those opposed: None. Member absent: Mr. Lipsh. Mayor West declared the motion carried.

ADJOURNMENT

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

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Chris West, Mayor

Connie A. Johnson, City Auditor