

**CITY OF GRAFTON
SPECIAL CITY COUNCIL MINUTES
MEETING OF AUGUST 5, 2019**

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 Monday, August 5, 2019.

Mayor Chris West presided. Members present: Dave Fellman, Don Hutson, Chris Lipsh, Phil Ray, Brian Sieben, Mary Stark, and Greg Young. Absent: Shane Mohn. Others present: Nick Ziegelmann, Tony Dumas, Kevin Sevigny, Rock Desautel, Russ Geddes, and Todd Morgan.

The special meeting was called to consider the 2020 Preliminary Budget and 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, 2020 AND ENDING DECEMBER 31, 2020" and to consider the sale of land to CHS, Inc.

Administrator Ziegelmann presented the 2020 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 2020 Budget are scheduled for Monday, September 9, 2019 at 6:00 p.m. The total expenditures cannot be increased after the first reading of the appropriations ordinance. The City's share of the 2020 mill levy is projected to be 127.12 mills, up from 118.58 mills in 2019. The 2020 Preliminary Budget proposes expenditures which are up approximately \$590,000 from last year, \$354,000 from Enterprise Funds and \$177,000 from special revenue funds. The \$2.5 million General Fund expenditures include an increase to the Building Fund for capital improvements to city buildings and added a \$25,000 line-item titled trail repairs to the Street Department as the trails are in tough shape. Special Revenue Funds are up because the \$100,000 expenditure to replace the roof on the spec building is included in the Community Development Fund even though USDA funds will cover part of the cost. The Annual Special Assessment Fund expenditure was increased by \$33,000 as it is anticipated a property owner will be losing some lots due to delinquent taxes and if the City takes ownership of the lots that will be the means to pay back the Community Development Fund which funded the improvements. Debt Service Funds expenditures are down about \$25,000. The Electric Department Fund budget is up \$273,000, \$170,000 is for a directional bore rig and \$25,000 is to improve the crosswalk signals for pedestrians. The Water Department budget is up \$44,000 for operating costs and reserving funds for a new boiler and siding. Wastewater is up \$34,000 primarily due to operation and maintenance. No rate increases are scheduled at this time and the total 2020 Budget is \$13,300,000. The average salary increase is 3.26 percent and the budget includes an additional 15 percent for health insurance increased July 1, 2019. Mr. Lipsh clarified that salaries are at 100% of market at this time. The property owner of a home valued at \$150,000 will pay \$858.06 for the City's share of taxes. General Fund real estate taxes account for 23.45% of the General Fund revenues, but only 3.85% of total expenditures.

Mr. Sieben asked if there will be repercussions from the City not contributing towards the expense of the drug task force officer with Walsh County as that expense was not included in the 2020 Budget. It is thought that the County will fully fund the position. Administrator Ziegelmann said this is a start of what will be considered when the Law Enforcement Center contract expires in June of 2020 as the City pays \$170,000, which is about 20% of the Police Department budget for 4 offices, some storage and dispatch services at LEC. Mayor West supported the Police Department's efforts; he said there is high drug activity in the area, but it is also proven that the City Police Department is aggressive in addressing it, often finding it in traffic stops and by being visible in the community. The City will

need to have further discussions with the County about these expenses. Mayor West said there are rumors that the agencies do not get along and that simply is not the case; he wants everyone to know that all the departments are working well together in the community to protect and serve. Our police department will continue to work well with the Sheriff's Office and surrounding agencies to do the best for everyone. Mr. Lipsh questioned if it is in our best interest because these discussions with the task force and the County have been going on for several weeks now, would it be beneficial to us to add the \$40,000 task force officer cost share into the 2020 Budget and release it later if necessary. Mr. Ziegelmann said he did not believe that should be done.

It was moved by Mr. Hutson and seconded by Mr. Fellman to approve the 2020 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. Ray, Ms. Stark, and Mr. Young. Those opposed: Mr. Lipsh and Mr. Sieben. Member absent: Mr. Mohn. Mayor West declared the motion carried.

It was moved by Mr. Hutson and seconded by Mr. Fellman 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, 2020 AND ENDING DECEMBER 31, 2020." On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Ray, Ms. Stark and Mr. Young. Those opposed: Mr. Lipsh and Mr. Sieben. Member absent: Mr. Mohn. Mayor West declared the motion carried. Mr. Lipsh stated the presentation of the Budget to the Budget Committee was second to none and the way the information was brought forward gave everyone on that Committee a very clear view of what was needed to be decided. He commended Mr. Ziegelmann and staff for their excellent work.

It was moved by Ms. Stark and seconded by Mr. Fellman to approve the sale of the East 105' of Lot 8, Block 4, Replat of Dakota Addition, City of Grafton, North Dakota to CHS, Inc. for \$23,000 and to vacate the 10' easement on the property. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Ray, Mr. Sieben, Ms. Stark, and Mr. Young. Those opposed: None. Member absent: Mr. Mohn. Mayor West declared the motion carried.

ADJOURNMENT

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

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Chris West, Mayor

Connie A. Johnson, City Auditor