

**CITY OF GRAFTON
CITY COUNCIL MINUTES
MEETING OF JULY 8, 2019**

The regular 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, July 8, 2019.

Mayor Chris West presided. Members present: Dave Fellman, Don Hutson, Chris Lipsh, Shane Mohn, Phil Ray, Brian Sieben, Mary Stark, and Greg Young. Others present: Nick Ziegelmann, Nick Hall, Rock Desautel, Brian Erovick, Kevin Sevigny, Russ Geddes, Scott Boura, Jon Markusen, Matt Laughlin, John Adriano, and Todd Morgan.

PUBLIC HEARING

The public hearing to consider the Building Official's Condemnation Order for 803 Cooper Avenue owned by Ranulfo and Ronda Moreno was rescheduled for next month.

CONSENT AGENDA

Mayor West asked if any Council member wanted to remove any item from the Consent Agenda. As no one did, it was moved by Mr. Lipsh and seconded by Mr. Young to approve the Consent Agenda as follows:

IV. CONSENT AGENDA

4.1 Approval of Minutes:

- a) City Council regular meeting of June 10, 2019.

4.2 Reports of Officers:

- a) City Auditor-Treasurer
- b) Municipal Judge
- c) Chief of Police
- d) Building Official
- e) Parks and Recreation
- f) Others, if any

4.3 Game of Chance applications:

- a) #986 – Marvin Spirit Squad
- b) #987 – Domestic Violence & Abuse Center
- c) #988 – Community Helpers Group from LSTC

On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark, and Mr. Young. Those opposed: None. Mayor West declared the motion carried.

BILLS, CLAIMS AND ACCOUNTS

It was moved by Mr. Fellman and seconded by Mr. Ray that the General, Special, Capital Projects, Debt Service, and Enterprise Funds bills be approved for payment in accordance with the listing submitted; said listing to be a part of these minutes as if herein set out verbatim. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark, and Mr. Young. Those opposed: None. Mayor West declared the motion carried.

REPORTS OF STANDING COMMITTEES

On recommendation of the Ways and Means Committee, it was moved by Mr. Lipsh and seconded by Mr. Hutson to adopt Resolution No. 1748 entitled, "A RESOLUTION DECLARING A SURPLUS IN MUNICIPAL UTILITIES DEPARTMENT FUNDS AND DIRECTING THE TRANSFER THEREOF TO THE GENERAL AND MAINTENANCE DEPARTMENT FUNDS." On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark, and Mr. Young. Those opposed: None. Mayor West declared the motion carried and Resolution No. 1748 duly adopted.

On recommendation of the Ways and Means Committee, it was moved by Mr. Hutson and seconded by Mr. Fellman to approve the contract with the ND Tax Commissioner for Local Sales Tax Collection for 2019-2021. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark, and Mr. Young. Those opposed: None. Mayor West declared the motion carried.

REPORTS OF SPECIAL COMMITTEES

On recommendation of the Economic Development Committee, it was moved by Mr. Hutson and seconded by Mr. Young to sell Lot 2, Block 2, Replat of Blocks 2, 3, and 4 of the Replat of Dakota Addition to B & J Holdings, LLC for \$17,500. Administrator Ziegelmann explained this is a third-party firm which will build a 50 x 60 warehouse to be leased to another business for product distribution. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark, and Mr. Young. Those opposed: None. Mayor West declared the motion carried.

Administrator Ziegelmann presented a proposal for \$99,762.60 from Pastorek Construction to build a new roof over the lower roof of the Westwood Business Park Building which would prevent snow from building up on the roof. Snow buildup on the lower roof has been a yearly concern as it causes the roof to leak and the weight of the snow load is dangerous. There is a joint account with the City and USDA in the amount of \$77,077.87 that may be used for this project; this money came from a lease-to-buy contract with a now defunct business. The City would have to contribute an additional \$23,000 from the Sales Tax Fund. He will ask Pastorek's

to draft plans for the work with the estimate to consider next month and will confirm with the USDA that the joint account balance is eligible to use for this building improvement. Mr. Fellman said for that amount of money he would like to see a second bid as well; Mr. Ziegelmann said he knows of no other contractor in the vicinity that would do this type of project.

Administrator Ziegelmann reported that Cenex replaced its gas pumps and added a third pump on the land to the west, which is City property. He brought this to the attention of the Economic Development Committee and their recommendation was to sell the lot to Cenex. Mr. Ziegelmann talked with Cenex owners today and they are interested in purchasing the lot. They will complete an environmental assessment and if that comes back favorable, selling the property and vacating the 10' easement between the lots will be brought before the City Council next month.

UNFINISHED BUSINESS

Jon Markusen of Kadrmas, Lee & Jackson gave an update on the Flood Risk Reduction Project. The Storm Sewer and Lift Station Project has begun; 15th Street was milled last week, and the new, larger storm sewer pipe arrived today. They plan to start replacement of the pipe Wednesday on the corner of 15th Street and Lavergne Avenue, work west toward the school, then east, then north, and then south. Mr. Markusen said he had another meeting with FEMA today and presented a plan to them on the exterior model; they had no concerns.

Building Official Boura reviewed his monthly report. The home at 333 West 5th Street was demolished by the owner. The appeals hearing on the condemnation order for 803 Cooper Avenue will be rescheduled for the August City Council meeting; the owners said they would like to fix the house. Mr. Boura is scheduled to inspect the house at 920 Lawler Avenue tomorrow. If he can't get inside the house, he will send another letter and then get a locksmith to open the property. The repair order for the structures at 852 Manvel Avenue is being monitored as the owner is trying to sell the property. The shed at 254 West 4th Street needs some siding on the back; Mr. Boura will talk with the owner about that. A condemnation order for the mobile home at 404 Noben Avenue was included with the Building Official report; the owners have until the end of this month to demolish the mobile home. An application for a variance permit has been received from the owners of 103 Eastern Avenue regarding their fence violation. Mr. Boura said he will call a Planning and Zoning Commission meeting towards the end of July to address 3 applications for variances he has received.

It was moved by Mr. Lipsh and seconded by Mr. Young that Ordinance No. 327 entitled, "AN ORDINANCE OF THE CITY OF GRAFTON, PROVIDING THAT THE CODE OF ORDINANCES CITY OF GRAFTON, NORTH DAKOTA BE AMENDED BY REVISING SECTION 4-22; PROVIDING FOR ANIMALS AT LARGE" be placed on second reading and adopted. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark, and Mr. Young. Those opposed: None. Mayor West declared the motion carried.

City Attorney Hall reviewed the request for stop signs at 8th Street and Prospect Avenue explaining staff has found that construction of those streets was through the ND Dept. of Transportation Urban Road Fund Program and part of the cost share contract requires the City to follow the Manual on Uniform Traffic Control Devices. It has been determined that under those guidelines a stop sign is not authorized unless there are 5 or more reported accidents in a 12 month period. Yield signs are left to the discretion of the City. Administrator Ziegelmann recommended to be consistent, signage for all streets in Grafton should conform with the Manual on Uniform Traffic Control Devices regardless of the funding source.

NEW BUSINESS

It was moved by Mr. Lipsh and seconded by Mr. Fellman to approve the Mayor's appointments of Denise Moe to the Municipal Airport Authority, Lee Kieley to the Special Assessment Commission and Casey Jones to the ND Cares Committee. Mr. Hutson questioned the appointment of Ms. Moe to the Airport Authority explaining it would be nice to have someone appointed who knows something about an airport. Mayor West said he thought a female perspective would be good and she is a business owner who is very active in the community. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Lipsh, Mr. Ray, and Ms. Stark. Those opposed: Mr. Hutson, Mr. Mohn, Mr. Sieben, and Mr. Young. Mayor West cast the tie-breaker vote in favor of the appointments and declared the motion carried.

Matt Laughlin of Brady Martz & Associates presented the 2018 City of Grafton Audited Financial Statements. He reported the records are very clean and the audit is about the same as the reports the Council receives monthly. A recent GASB requires the City to book the Other Post Employment Benefits (OPEB) (health insurance) liability. He reported that as long as the City does not have an internal control system designed to provide for the preparation of the financial statements being audited in accordance with accounting principles generally accepted in the United States of America (GAAP) and the audit firm must prepare the financial statements and adjusting entries to bring the financial statements into compliance with GAAP, the audit will have a control deficiency – material weakness. Mr. Laughlin explained if the audit firm prepares the financial statements to GAAP rather than management, the material weakness must be disclosed. He said this is a very mild finding and most places don't prepare their own financial statements. It was moved by Mr. Mohn and seconded by Mr. Young to accept the 2018 Audited Financial Statements as prepared by Brady, Martz & Associates. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark and Mr. Young. Those opposed: None. Mayor West declared the motion carried.

City Administrator Ziegelmann was directed to apply for a Special Roads Fund grant to overlay the golf course road. The grant would be for 60% of construction costs and the local share would be 40% of construction costs and all engineering. If the grant is approved, further discussion will be held regarding the local share. The project is estimated to cost about \$102,000.

It was moved by Ms. Stark and seconded by Mr. Young to approve the application from Grafton Co. d/b/a Extra End for a special permit to sell alcohol at the Strand Theater for Crazy July

Nights on Thursday, July 25, 2019 from 6:00 p.m. to 11:00 p.m. All members were present and voted in favor thereof; Mayor West declared the motion carried.

It was moved by Mr. Young and seconded by Ms. Stark to approve first reading of an ordinance providing for the City Auditor to issue permits for public consumption and possession of alcohol for special events where alcohol is provided and not sold. The ordinance allows the City Auditor to issue a permit for consumption and possession of alcohol in a public place and includes the definition of a public place. On roll call vote the following voted in favor thereof: Mr. Fellman, Mr. Hutson, Mr. Lipsh, Mr. Mohn, Mr. Ray, Mr. Sieben, Ms. Stark, and Mr. Young. Those opposed: None. Mayor West declared the motion carried.

ADJOURNMENT

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

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Chris West, Mayor

Connie A. Johnson, City Auditor