

**FINANCE AND IMPROVEMENTS COMMITTEE**

February 28, 2017

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Members Present:

Frantsvog, Hedberg, Lehner, Olson, Sipma, Withus, Pankow

Members Absent:

None

Others Present:

City Manager, City Clerk, City Attorney, Airport Director, HR Director, City Assessor, City Comptroller, City Treasurer, City Engineer, Fire Chief, Police Chief, Captain White, Public Works Director, Public Information Officer, Aud./Rec. Director, Federal Compliance Officer, Alderman Jantzer, Alderman Straight, Alderman Podrygula, Alderman Shomento, Josh Wolsky, Jill Schramm

To the Honorable Mayor and All Aldermen:

Following are the recommendations of the **Finance and Improvements Committee** meeting called to order at 4:15 p.m. on February 28, 2017:

**1. The City Council approve the following requests for final payment:**

- a. **Wagner Construction Inc. dba Wagner Place in the amount of \$247,407.07 for the 37th Avenue SW Reconstruction (4070)**
- b. **Tom’s Backhoe Service in the amount of \$327,812.96 for the 30th Ave / 55th Street NE Gravity Sewer (3490.2)**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**2. The City Council pass an ordinance on first reading to amend the 2017 annual budget to increase Fire Control Operation Supplies expenditures and revenues and decrease the Fire Equipment capital purchase expenditures and revenues for the Interactive TV Network Stations 2 & 3 since the purchase does not meet the capitalization policy. (FD0061)**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**3. The City Council approve the equipment rates and tower rental rates for 2017-2018.**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

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**4. The City Council approve the purchase of the automated trash collection technology system from Fleetmind Solutions in the amount of \$155,918.42 and also pass an ordinance on first reading amending the 2017 annual budget. (4249.1)**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**5. The City Council pass an ordinance on first reading to amend the 2017 annual budget to increase the Equipment Capital expenditures and the Miscellaneous Damage Claims Revenue and decrease the General Fund Cash Reserves for the balance to purchase a replacement vehicle. (ACDT17)**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**6. The City Council pass an ordinance on first reading to amend the 2017 annual budget to increase Fire Equipment Capital expenditures and revenues for the purchase of a fire extinguishing training simulator that will be funded by donations from Hess and the Community Foundation. (FD0062)**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**7. The City Council pass an ordinance on first reading to amend the 2016 annual budget to increase the department expenditures for funds approved by City Council for the Mouse River Enhanced Flood Protection Plan using cash reserves.**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**8. The City Council approve the agreement between the City of Minot and AE2S Nexus for the Water and Sewer Rate Study in the amount not to exceed \$36,786 and further authorize the Mayor to sign the necessary documentation.**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**9. The City Council to authorize the Minot Public Library to advertise for bids for repair of the Library's retaining wall and addition of a guardrail. (LIB024)**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**10. The City Council award engineering services, for the removal and replacement of 6 Roof top Condensing units at the Minot Auditorium, to EAPC Architects and Engineering.**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**11. The City Council approve the Grant Agreements between the City of Minot and sub-recipients of pass through grants; and further authorize the Mayor to sign the Grant Agreements.**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**12. The City Council pass an ordinance on first reading amending the 2017 annual budget to increase the street equipment capital revenue and expenditures and decrease the street equipment rental expenditures for the two skid steer loaders.**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**13. The City Council place and pass the following ordinances on second reading:**

- a. Ordinance No. 5160 – 3rd St SE Parking Restrictions
- b. Ordinance No. 5161 – Amend the 2017 Annual Budget- Tractor with Mower (STR041) & Mobile Column Lifts and Stands (SHP0707)
- c. Ordinance No. 5162 – Amend the 2017 Annual Budget- Purchase of Land for Fire Station No. 5
- d. Ordinance No. 5163 – Amend 2017 Annual Budget- Snow Removal Equipment (SRE) Broom Phase I (AIR060)
- e. Ordinance No. 5164 – Amend 2017 Annual Budget- Perimeter Road Reconstruction Phase I (AIR049)
- f. Ordinance No. 5165 – Amend 2017 Annual Budget- General Aviation North Apron Reconstruction Phase I (AIR029)
- g. Ordinance No. 5166 – Amend 2017 Annual Budget- Snow Removal Equipment (SRE) Dump Truck Work Order 1 (AIR034)

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- h. Ordinance No. 5167 – Amend 2017 Annual Budget- Reduce Airport Capital Projects**
- i. Ordinance No. 5168 – Amend 2017 Annual Budget- Runway End Identifier Lighting (REIL) Replacement Phase I (AIR061)**
- j. Ordinance No. 5169 – Amend 2017 Annual Budget- Consultant Service for Rental Car Concession Agreement and Quick Turn Facility (AIFCFC)**
- k. Ordinance No. 5170 – Amend 2017 Annual Budget- Public Consumption of Alcoholic Beverages Restricted.**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**14. The City Council pass an ordinance on first reading amending the 2016 annual budget to increase the general fund revenues and expenditures for the Narcotics Task Force Grant.**

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The above motion by Alderman Lehner, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

**15. The motion to approve Alternate 2 for Storm Sewer District 122 revised Engineer’s Report died at committee. (4197)**

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Alderman Lehner moved to approve Alternate 2 for Storm Sewer District 122, to install a storm sewer on 18<sup>th</sup> Ave SW from Broadway to 6<sup>th</sup> Street. Motion seconded by Alderman Olson.

The City Engineer stated, Alternate 2 was developed at the request of the residents in the neighborhood. He modeled results using rain fall data which showed that in a minor but more frequent storm event both alternatives would have the same results. However, when comparing the alternatives with a larger, less frequent storm event, Alternative 2 shows no benefit. He said, during the public input meeting, two thirds of the property owners in attendance preferred Alternative 2 over Alternative 1.

Upon questioning by Alderman Pankow, the City Engineer said, any time drainage systems are put under pavement, the pavement will have a longer life span because it removes the water from the road. He also did not see applying the storm sewer would be any benefit to homeowners with sump pumps. This sewer system is designed for the streets only.

The committee discussed whether the project is necessary considering the need to cut overall costs. Alderman Lehner stated, there are retail businesses on 18<sup>th</sup> Ave who are in favor. Alderman Pankow agreed and said there is video showing how close the water came to the Murphy Motors building. He said, currently the water runoff is a part of the sanitation sewer system and there have been times where too much water has backed up pushing sanitation sewer water back into homes.

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The City Engineer stated, the funding for this project comes from storm sewer development rates and through special assessments. The City Engineer noted that current bid pricing reflects numbers which haven't been seen since 2010. If the project is delayed, there is a chance the bid prices could go back up again at a later date.

Ernie Medalen, of 912 18<sup>th</sup> Ave SW, appeared before the Committee to share his concerns. He said, there is not a strong need for this project and the benefit does not justify the cost.

Whereupon a vote was taken on the motion by Alderman Lehner, seconded by Alderman Olson and died by the following roll call vote: ayes: Lehner, Olson, Pankow. nays: Frantsvog, Hedberg, Sipma, Withus

**16. The City Council approve the request to commit \$1.85M of National Disaster Resilience Grant funds as the City share of the Park South affordable housing project and further authorize the Mayor to sign the development agreement. (NDR007)**

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The above motion by Alderman Lehner, seconded by Alderman Olson.

Alderman Hedberg called upon the Planning Director and asked how the project arose and if it is the first project using the NDR funds. Mr. Davis stated, this is the first project to take advantage due to the State funding was available. This project came from looking at benefits and leverage and decide by planning staff this was a good opportunity.

Upon questioning by Alderman Withus and Alderman Frantsvog, the Planning Director said, yes a demand and supply survey has been done and completed. What we see today as vacant might not exist if the economy picks up. Then rent will go back up losing lower income housing. This idea is to keep and maintain housing and units for affordable households. It has been requested by the committee to receive a copy of this survey. The Planning Director noted the time frame in which to use the funding is September 20, 2022. Currently housing is income based but with this project there is a potential four voucher based to be used as well.

The City Manager pointed out how beneficial the project can be to the overall Resiliency project. He said 90 out of the 183 units that will be developed are for multifamily low to moderate income households, which will contribute 49% of the LMI requirement for NDR funds. He added that only 9% of the total grant award will go towards this project. He encouraged the committee to consider the timeliness of this project because if the City does not move forward the developer may lose their state funding, which would pay for 75% of the total project.

Whereupon a vote was taken on the motion by Alderman Lehner, seconded by Alderman Olson and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

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**17. The City Council deny the tax abatement application request from the Fairfield Motel for 2016.**

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The above motion by Alderman Pankow, seconded by Alderman Hedberg.

Ethan Horn, of Ryan LLC, appeared on behalf of Fairfield Motel. Mr. Horn presented information from the Valuation Protest Information Submission. This document compared 2014, 2015, and 2016 income approach, and stated 2014 was an anomaly. Mr. Horn felt that with the boom gone and the numbers shifted back to a normal level, more weight should be given to these last 2 years' numbers, excluding 2014. The numbers do not represent the current market trend. Alderman Frantsvog questioned the data for 2012 and 2013. The committee would need to see the numbers on both sides of 2014 to ascertain if 2014 was truly an anomaly.

The City Assessor stated, he and Ryan LLC, have been discussing this information for several months. He explained, the City uses a model that looks at the last 3 years, which would be 2013, 2014, and 2015. Mr. Ternes indicated, Mr. Horn's model is done differently from the City's and did not reach the same conclusion. The model Mr. Horn uses only takes into account the previous year's income and not the last three. He said 2016 had a reduction but there was a reduction for all motels and only about a 20% drop. With the differences in assessment models, Ryan LLC calculations cause them to fall off the chart the City uses for reference. Mr. Ternes requested that the Committee deny the applicant's request.

Whereupon a vote was taken on the motion by Alderman Pankow, seconded by Alderman Hedberg and was carried by the following roll call vote: ayes: Hedberg, Lehner, Olson, Pankow, Sipma, Withus. nays: none

There being no further business, Chairman Frantsvog adjourned the meeting at 5:09 p.m.

Respectfully Submitted,  
Kelly Matalka,  
City Clerk