

City of Colfax
08/21/2017 Council Meeting Minutes

Meeting was called to order by Mayor Scott Gauslow at 7:00 P.M. Present were Council Members Tom Wulfekuhle, Jeff Olson, Neil Berseth, Jody Lingen and City Auditor Susan Bowman. Also in attendance was Kent Thoreson, Interstate Engineering; Amy Clark, Smith & Strege; and Nathan Berseth, Colfax Meadows.

Mayor Gauslow recognized Amy Clark, Smith & Strege. Amy presented Resolution 2017-22 creating the Fund of Wastewater Treatment Improvement District No. 2017-01 Providing and Appropriating Special Assessments for the Support and Maintenance of Said Fund, and Authorizing the Issuance of an Improvement Bond Thereon. After discussion, Jeff Olson made a motion, seconded by Tom Wulfekuhle to approve Resolution 2017-22. Roll Call vote: Neil Berseth – yes, Tom Wulfekuhle – yes, Jody Lingen – yes, Jeff Olson – yes; Motion carried.

Amy Clark then presented the Improvement Bond Series 2017B Loan Agreement, Closing Certificate, and Certificate relating to Lobbying and Litigation for the second \$277,500 for signatures; loan was previously approved so Mayor Gauslow and Auditor Bowman signed agreement and certificates as required.

Auditor Bowman presented the Easements for signature by the Mayor; Amy Clark will insure they are recorded.

Tom Wulfekuhle made a motion to approve Resolution 2017-23 Appointing Mayor as agent authorized to act on the City's behalf for the Bank of North Dakota loan for the Sanitary Sewer, Water and Street Improvement District No. 2017-1. The loan will be a 30 year loan for the amount required to complete the Improvement District, inclusive of the lift station. It was noted that payments would be twice a year. After discussion, Neil Berseth seconded the motion to approve; roll call vote: Neil Berseth – yes, Tom Wulfekuhle – yes, Jody Lingen – yes, Jeff Olson – yes; motion carried.

Mayor Gauslow recognized Kent Thoreson, Interstate Engineering. Kent presented Pay Request #3 for the Wastewater Treatment Improvement District No. 2017-1 from Jensen Brothers Construction, Inc. They are approximately 83% complete. Neil Berseth made a motion to approve Pay Request #3, seconded by Jody Lingen; motion carried. Auditor will forward additional bills to be sent for the Bank of North Dakota Draw.

Kent Thoreson reported that JAV will begin stripping Colfax Meadows III next week.

The minutes from the July City Council meeting were reviewed. Neil Berseth made a motion, seconded by Tom Wulfekuhle to approve as presented; motion carried.

The financial report for the month of July was reviewed; Tom Wulfekuhle made a motion, seconded by Jeff Olson to approve the report; motion carried.

The bills for the month of Aug were reviewed. Tom Wulfekuhle to approve the bills as presented, seconded by Jody Lingen; motion carried.

Old Business:

Water & sewer accounts – Donna Mae is turned back on; they are working on getting the house ready to sell.

The siren is fully installed. It is auto controlled and the siren will be tested the first Wednesday of every month at 1 PM.

The Phelps property was inspected and has been cleaned up. There is only one car which is being worked on presently. On-going inspections to ensure unauthorized items don't begin to accumulate will be done.

The transfer of the baseball fields is in progress.

Mayor Gauslow attended the School Board meeting and told them the City would help out with the recycling project the students presented in the spring, but would not be responsible for it or its full cost.

Mayor Gauslow spoke with Craig Irwin concerning the City's insurance policies; he will provide a quote.

Auditor will forward Skyler & Sierra Schmidt's phone number so issues can be addressed concerning their property and the car stored on the North side of their garage.

The language agreement required by the USDA is signed by the Mayor and documents distributed to the council members and auditor. We only pay if the service is utilized.

New Business:

There was no new business at this time.

There being no further business, Tom Wulfekuhle made a motion, seconded by Neil Berseth to adjourn. Meeting adjourned at 8:55 P.M.

City of Colfax
08/28/2017 Council Meeting Minutes

Meeting was called to order by Mayor Scott Gauslow at 7:00 P.M. Present were Council Members Tom Wulfekuhle, Jeff Olson, Neil Berseth, Jody Lingen and City Auditor Susan Bowman. Also in attendance was Kent Thoreson, Interstate Engineering; Amy Clark, Smith & Strege; and John Lee, President of Special Assessment Commission.

Amy Clark and Auditor Bowman gave a recap of the lagoon expansion loan structure and special assessments:

When the information was given to the special assessment committee for assessing the lagoon expansion cost, the City council and attorney was under the impression that the loan would be for the full estimated cost, \$555,000, and all of it could be paid for by assessments. The committee submitted its parcel spreadsheet assessing all properties in the assessment district based on this. The Committee's recommendation was to assess existing properties connected to the system (72) at \$2,668.27 and newly developed lots (68) at \$5,336.54 for the 30-year life of the loan.

The City since learned that when the Bank of North Dakota loans were set up the information given the bank was that the cost of the lagoon would be split into two equal loans; one loan would be paid for through revenue from users of the system and the second loan would be paid for through special assessment bonding. Each loan would be \$277,500.

With this knowledge, the submitted recommendation for specials assessments was no longer valid as it was assessing the full \$555,000. After discussion with the City Attorney and the Bond Counsel from Fargo clarification was received on how the loans are to be repaid and what can be done.

Loan #1 for \$277,500 must be paid for out of the sewer utility operating account utilizing revenue from patron usage billed monthly. This nets out to be a \$2.50 per month increase for retired households and \$7.50 increase for all others. The fees will be evaluated and adjusted annually based on the number of users on the system; the more users added, the lower the fee. The Bank of North Dakota loan requires the City to have a 20% net income over operating expenses and loan payment for the sewer utility which is calculated into these figures and entered into the 2018 budgets.

Loan #2 for \$277,500 will be paid for with special assessments. The City Council revised the special assessments from \$555,000 to \$277,500 and upon suggestion discussed with the attorneys is to be allocated to the new lots only. The new development properties of Colfax Meadows III (proposed 62 lots) and Gylland development vacant lots (6) will be assessed approximately \$4,080 principal plus interest over 30 year life of the loan. No existing users or properties that have been previously hooked up to the sewage system will be assessed specials.

With no further discussion, Tom Wulfekuhle made a motion to Approve Resolution 2017-23 Confirming Assessments and Directing Certification and Levy presented by Amy Clark, seconded by Neil Berseth. Roll Call vote: Neil Berseth – yes, Tom Wulfekuhle – yes, Jody Lingen – yes, Jeff Olson – yes; motion carried.

There being no further business, Tom Wulfekuhle made a motion, seconded by Jeff Olson to adjourn. Meeting adjourned at 7:45 P.M.