

**COMMITTEE OF THE WHOLE**

March 27, 2018

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Members Present:

Barney (Mayor), Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky

Members Absent:

None

To the Honorable Mayor and All Aldermen:

Following are the recommendations of the **Committee of the Whole** meeting called to order at 4:18 p.m. on March 27, 2018:

- 1. The City Council pass an ordinance to amend the 2018 budget to increase revenue and expenditures in Admin & General due to receiving the Bush Foundation Community Innovation Grant to fight the opioid epidemic. (G&A016)**

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The above motion by Alderman Olson, seconded by Alderman Sipma, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

- 2. The City Council accept the award from Enbridge Safe Communities Grant of \$1,000; and pass an ordinance to amend the 2018 annual budget to increase the Fire Department education & training expenditures and the general fund donations revenue for the Enbridge Safe Communities Grant. (FD0081)**

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The above motion by Alderman Olson, seconded by Alderman Sipma, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

- 3. The City Council award the bid for the 2018 Watermain Replacement Project to Post Construction for the lowest bid of \$908,275.80. (4312)**

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The above motion by Alderman Olson, seconded by Alderman Sipma, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

- 4. The City Council award the bid for the 2018 Sanitary Sewer Rehab Project to Wagner Construction for the lowest bid of \$275,866.00. (4313)**

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The above motion by Alderman Olson, seconded by Alderman Sipma, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

- 5. The City Council award the bid to Gooseneck Implement in the amount of \$50,992.31 for the wide-area turf mower. (4327)**

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The above motion by Alderman Olson, seconded by Alderman Sipma, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

- 6. The City Council approve the Airport Lease, T-Hangar between the City of Minot and Scott Keller for T-Hangar No. 2 for \$75.00 per month; and authorize the Mayor to sign the agreement.**

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The above motion by Alderman Olson, seconded by Alderman Sipma, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

- 7. The City Council award the bid for the 2018 Storm Sewer Rehab Project to Wesslen Construction for the lowest bid of \$258,107.98. (4314)**

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

Alderman Wolsky commented that the bid amount was a great deal lower than the budgeted amount. He suggested using the Storm Sewer Development Fund, which is intended for new storm sewer construction, to pay for storm sewer rehabilitation in the future instead of budgeting a separate amount.

Whereupon a vote was taken on the above motion by Alderman Wolsky, seconded by Alderman Olson and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

- 8. The City Council award the bid to Westlie Motor Company in the amount of \$28,398.08 for the Water/Sewer Department SUV, \$33,194.16 for the Street Department pickup, \$29,256.16 for the Landfill pickup, and \$30,327.32 for the Traffic pickup; and authorize the additional \$694.16 be funded with Street Department remaining capital funds due to bids coming in under budget. (4321)**

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

Alderman Wolsky said he was unable to find the budget line item for the Traffic Department vehicle, to which the City Engineer stated, it is in the capital purchases account, not under Traffic. The Finance Director stated, it depends whether the vehicle is used by a special revenue account or general fund.

Alderman Straight said he would like to see references as to how outdated equipment is and why it needs to be replaced.

Alderman Wolsky asked if there is a policy for vehicle acquisitions and if the City has a fleet management program. The City Manager responded by saying, the City does not have the software for a management system. He also said, we would like to standardize a policy but all vehicles are utilized differently and have varying life spans. Currently, the users of the vehicles, along with the department supervisors, evaluate vehicles and analyze maintenance costs compared to replacement in order to identify needs.

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Alderman Podrygula stated, in his experience on the Council, staff uses vehicles and equipment well beyond the expected life, which often incurs extra costs in repairs. He said, it wouldn't be a bad idea to have a policy in place to track equipment.

Whereupon a vote was taken on the above motion by Alderman Olson, seconded by Alderman Sipma and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Wolsky. nays: Straight.

- 9. The City Council award the industrial wheel loader bid to Butler Machinery in the amount of \$25,993.59 per year for a 5-year lease; and pass an ordinance to amend the 2018 annual budget to increase the street department equipment rental and decrease the street department capital purchases revenues and expenditures for the leasing of the industrial wheel loader. (4326)**

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

Upon questioning by Alderman Wolsky, the Public Works Director explained, an industrial wheel loader is a bucket loader used during snow removal, which loads sand and salt into trucks.

Alderman Wolsky then asked what happens with the funds leftover in an account when the bids come in under budget. The Public Works Director responded by saying, unused funds remain in cash reserves in the general fund. The Finance Director added, if the leftover funds from this project are not reallocated this year, they would be available in the general fund to be used in the future.

Whereupon a vote was taken on the above motion by Alderman Sipma, seconded by Alderman Olson, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

- 10. The City Council approve a budget amendment to the 2018 Street Department budget for the purchase of a new skid steer loader. (4271/STR045)**

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The above motion by Alderman Sipma, seconded by Alderman Olson

Upon questioning by Alderman Wolsky, the Public Works Director explained, they purchase the loader with the option to trade every year based on the number of hours logged on the equipment. By calculating the rate, it costs the City \$5-\$11 per hour to use the equipment and we always have a new machine each year. This arrangement began a few years ago as a means to keep equipment up to date. He said, companies get discounts from manufacturers for selling to government entities which makes it an advantageous practice.

Alderman Podrygula asked if skid steers were the only equipment with such an arrangement, to which the Public Works Director stated, yes, dealers of larger equipment with higher costs are not willing to enter similar agreements.

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Whereupon a vote was taken on the above motion by Alderman Sipma, seconded by Alderman Olson, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

**11. The City Council adopt a resolution designating a permit fee of thirty-five dollars (\$35.00) for an Encroachment Agreement required as part of the application for an outdoor seating area in the Central Business District.**

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The above motion by Alderman Wolsky, seconded by Alderman Sipma.

Alderman Straight said he has spoken to businesses in other areas of town and he hopes to use this process in areas outside of the downtown central business district.

Whereupon a vote was taken on the above motion by Alderman Wolsky, seconded by Alderman Sipma, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

**12. The City Council deny the request by Michael Schiele for a property tax abatement for the 2017 tax year for his home located at 3200 15th St SE.**

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The above motion by Alderman Sipma, seconded by Alderman Straight.

The City Assessor came forward and said, the applicant filed paperwork for the tax abatement but is not in attendance at the meeting. He stated, staff recommends denial of the request.

Mayor Barney asked why the tax abatement was taking place during this meeting when the Board of Equalization will meet in April. The City Assessor explained, the request is to appeal the 2017 assessment whereas the Board of Equalization will hear 2018 tax abatements.

Whereupon a vote was taken on the above motion by Alderman Sipma, seconded by Alderman Straight and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

**13. The City Council approve implementation after investigation of the Wells Fargo direct purchase program.**

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Alderman Olson moved the City Council approve implementation of the Wells Fargo Direct Purchase Program. Motion seconded by Alderman Wolsky.

Upon questioning by the Mayor, the Finance Director explained, the program will encompass not only credit card purchases but will also convert purchases by check to a virtual or ACH system. Wells Fargo compared our vendor list to a nationwide database of users to estimate how many would convert to this type of payment and what the total volume of purchases may be. The estimate was about \$7 million.

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In response to concerns about instances of inflated or undisclosed fees from Wells Fargo, Mr. Lakefield said, the current purchasing cards are issued through a local bank but they accumulate rewards and not cash rebates. One of the features the City would like to implement are the automated controls available with Wells Fargo. It would allow us to move from the current check payments to an automated ACH or virtual card process which allows us to participate in some of the interchange rates on those transactions. There is a page of fees based on the projected volume of transactions we would see. He described how Wells Fargo calculated the estimated cost savings of the process. Mr. Lakefield then explained that the points earned through the current purchasing process accumulate to redeem travel for City business but there are restrictions and the points expire.

The Finance Director continued by saying Cass County in Fargo has recently begun using this program and so far, it has gone smoothly. The City has been discussing with Wells Fargo since August or September of last year. One of the issues is modifications that will be required to be purchased for our current Sungard software to accommodate this product. Cass County uses the same system so the modifications have already been developed.

Upon questioning about the terms of the agreement, Mr. Lakefield said it has not been negotiated yet. He needs direction from the Council if it is something they are interested in and also the process that is going to be expected. In conversations with the legal staff, they discussed that this is something outside the parameters of the bidding process because it's typically a service but wanted to make sure they are clear on the direction before bringing the contract back to Council for approval.

Mayor Barney moved the Committee amend the motion to recommend the City Council approve implementation after investigation of the Wells Fargo direct purchase program. Motion seconded by Alderman Straight and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky; nays: none.

The Finance Director gave further details by saying, this seems to be the type of process vendors would prefer in the future. While researching the program with Wells Fargo, the City received a letter from a vendor moving to this system. It would make it easier to process employee reimbursements through electronic approvals. It would also tighten controls over purchases with vendors.

Alderman Podrygula asked how much the program would save the City each year, to which Mr. Lakefield replied by saying, Wells Fargo estimated the processing savings of about \$13,000. The estimate of rebates on interchange fees was just over \$100,000 annually. Alderman Podrygula commented on his concerns over control issues and how more systems are evolving toward electronic payments. He said, he would like to see the rationale behind these decisions and comparisons to the processes in other cities. He also mentioned, although he prefers to use local vendors and he is concerned over the reputation of Wells Fargo, if local companies cannot offer the same savings, he would like to see the concept researched further. He suggested, after reviewing the proposed contract, a second opinion from an attorney who specializes in banking contracts might be necessary to avoid any complications.

Whereupon a vote was taken on the above motion by Alderman Olson, seconded by Alderman Wolsky, as amended, and carried by the following roll call vote: ayes: Barney, Jantzer, Olson, Podrygula, Sipma, Straight, Wolsky. nays: none.

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**14. The Airport Director submitted a written report**

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There being no further business, the meeting was adjourned at 5:00 pm.

Respectfully Submitted,  
Kelly Matalaka,  
City Clerk