

I. CALL TO ORDER

President Dennis Johnson called the meeting to order at 5:15 PM.

II. ROLL CALL

Present were: President Dennis W. Johnson, Commissioners Joe Frenzel, Shirley Dukart and Gene Jackson

Absent were: Commissioner Carson Steiner

STANDARD MOTIONS1. ORDER OF BUSINESS

MOTION BY: Joe Frenzel

SECONDED BY: Gene Jackson

To approve the November 02, 2009 Order of Business as presented with the exception the 5:30 time table agenda item, Dr. Richard McCallum, is unable to be present at the meeting.

DISPOSITION: Motion carried unanimously.

2. CONSENT AGENDA

MOTION BY: Shirley Dukart

SECONDED BY: Joe Frenzel

A. Approval of minutes of regular meeting dated October 19, 2009;

B. Approval of declaration of Unit 505 as surplus for the Fire Department;

C. Approval of Supplemental Service Agreement with American Trust Center for City of Dickinson Employee's, Dickinson Police and Dickinson Volunteer Fire Department Pension Plan;

D. Approval of appointment of Pat Giese to Visitor's Committee.

Roll call vote...Aye 4, Nay 0, Absent 1.

Motion declared duly passed.

TIMETABLE AGENDA

5:30 PM

DR. RICHARD MCCALLUM

Dr. McCallum was unable to present due to unforeseen circumstances.

5:45 PM

PUBLIC HEARING – UTILITY EASEMENT VACATION – W4' OF E 10' LESS 10' OF LOT 4, BLOCK 28, STATE ADDITION

President Dennis Johnson opened the public hearing at 5:45 p.m. to gather input regarding the utility easement vacation.

City Attorney Kolling explains the utility easement vacation at W4' of E10' less 10' of Lot 4, Block 28, State Addition. This would vacate 4 feet of the 10 feet easement which is along the east property line. This would allow the home owner to build a house within 6 feet of the property line which is allowed by city code. Kolling explains the City Engineer Soehren recommends the approval.

President Johnson asked if there was any other public comment. No other public comment was received. President Johnson closed the public hearing at 5:47 p.m.

MOTION BY: Gene Jackson

SECONDED BY: Shirley Dukart

To authorize introducing Resolution No. 19-2009 for adoption.

RESOLUTION NO. 19-2009

A RESOLUTION APPROVING THAT VACATION OF A UTILITY EASEMENT IN THE CITY OF DICKINSON, NORTH DAKOTA.

DISPOSITION: Roll call vote...Aye 4, Nay 0, Absent 1.

Motion declared duly passed.

5:50 PM

PUBLIC HEARING – HOSPITALITY TAX ORDINANCE

President Dennis Johnson opened the public hearing at 5:52 p.m. to gather input regarding the Hospitality Tax Ordinance.

Terri Thiel, Executive Director of the Convention and Visitors Bureau (CVB) states she was asked in July to present her 2010 budget. She did present a budget for 2010 then but now she would like to present a new budget with new figures. Thiel's board will review this new budget in November and give approval in December. Ms. Thiel calculates her budget based on available hotel/motel rooms and lodging. Ms. Thiel is working with a different budget and asks patients from the Commissioners while she is recalculating her budget.

President Johnson states that Thiel presented a budget in July of \$325,000 and now she has a \$45,000 increase and he asks Ms. Thiel to explain what projects she will be using the additional monies on.

Ms. Thiel explains that the CVB is looking at putting wraps on the newspapers delivered to the motels. Also suggested was an audio information guide. Thiel states they will have flexibility on what is not an ordinary expense with the additional money. Strategic planning will also be looked at with the additional money.

Commissioner Dukart has visited with other cities and they have representatives from the hotel/motel industry and the Dickinson CVB does not. Ms. Dukart would like to see some hotel/motel representatives on the board as they are the ones housing the visitors. Dukart also feels there is some concern about inviting people to the community but not having a place for them to stay as the motel/hotels are all booked.

Commissioner Jackson asks what if the methodology is changed but the budget is still funded.

Ms. Thiel states that funding should remain consistent and not less than 20% so as the city grows, marketing grows and then we all prosper.

President Johnson questions Ms. Thiel on the CVB budget from 2006 until 2009. There is some concern about the total budget that the city is supposed to have a hand in authorizing.

Ms. Thiel states the 2010 budget is still work in progress. This budget is not totally finished yet.

Commissioner Frenzel states Dickinson has had some significant increases in housing and visitors. Frenzel feels that with all the new construction, rooms and new facilities it is the CVB's job to make sure these rooms are filled and facilities are used. He foresees the role of the CVB's to be expanding.

Thiel is going to have a planning session to determine if additional staff is needed and looking into redoing their web site. A second sales coordinator may be needed in the future as the industry grows.

Bernie Marsh, owner Esquire speaks against the elimination of the 20% requirement to fund operations with hospitality tax collections. He states this passed as a means to raise funds with a goal to attract business to Dickinson. In 1996 Stark County Hospitality committee asked Dickinson City Commission to transfer their function to the Dickinson CVB Board. He states that if they had the foresight to see the advantages then we should have the foresight to see where the money goes. CVB does an excellent job with the budget presented each year and their spending is within budget. They are also on the conservative side and excess money has never been wasted; the CVB's motto is not "use it or lose it". Marsh feels that if this tax worked well for the past 13 years then it will do well in the future if left to do its job.

Commissioner Dukart states the public has told her that no one said the CVB is not doing a good job. Current residents spend money in local liquor establishments, restaurant, etc. which are collecting the tax so they should have a say in where the money goes. Members of the

community have expressed concerns that they also shop and eat here, not only visitors and tourists.

Bryan Nelson, Maverick's Saloon, realtor and CVB board member states that marketing is very important to him and the City. He feels the CVB is doing a very good job and they rely on this income every year and would like to see the current status maintain itself and not to approve the ordinance change.

Ellen Klemm, Ukrainian Culture Institute would like to see a no vote on the ordinance change. She states the UCI would not be growing without the CVB. Income has been generated from the travel brochures, etc. and the CVB is vital to the UCI existence. UCI is a nonprofit organization and need people to generate income. Once the visitors come and see what is offered then they tell more people and that is how visitor numbers growth. CVB is one of their biggest cheerleaders. This is an exciting time and would like to keep the hospitality tax as written and keep the ordinance as is.

Bob Heim, citizen stated he was one of the founders of this tax. Heim states at the time this tax was initiated we had a sale tax committee. The tax committee was dissolved by Stark County Hospitality Association. This was an operating arm for advertising and promotion for the City. When the CVB advertises this promotes the businesses in the city also. The increase in business to the City does in turn reduce property taxes. He would like to see the Hospitality tax to stay the same.

Melissa Johnson, Manager Comfort Inn asks the City Commission to not change the hospitality tax ordinance. She states the CVB has done a great job in bringing more people to the community with the golf packages, optimist club events, etc. She feels that with changing this ordinance the CVB would be forced to ask for money when it is needed. She feels that if the CVB would like to have a media buy they should not have to come and ask for money at that time they should have adequate moneys to buy what they need.

Diana Knutson, concerned citizen stated that she has been on the CVB board for the past 17 years and was president for seven years. Ms. Knutson's concern center on the striking out of the portion of the ordinance that is to fund CVB operations. She states Dickinson CVB is one of the premium CVB's in the State. The CVB has continued to grow over the years as the city has grown, visitors have grown and so has the hospitality and sale tax grown. This is the opportunity to continue this process which was begun when we had an ordinance with a clear funding source that could be relied on year in and out. Ms. Knutson does not support changing the current Hospitality Tax Ordinance.

Citizen Peggy Rixen is very proud of our City. She has been a CVB board member for the past six years. She is puzzled as to why the City would be changing the ordinance. If it ain't broken don't fix it. She states she cannot count the number of people they have met and that helped our area. She complimented the CVB as it is more informative and most people can't wait to visit again. She would like to know who will benefit from the change in the ordinance.

Resident Kelly Armstrong feels the CVB is doing a great job in promoting Dickinson and it is the CVB's responsibility to continue to keep the motel rooms full. He feels that with the additional money coming in that it is time for the CVB to "rock and roll". Everyone here has the same goal in mind and that is to promote Dickinson. He has dealt with the CVB many times and he cannot say enough about them personally and have not heard one complaint. If the city sustains growth for the next four years then the CVB will also grow and they will be given the opportunity to promote the city and take care of very specific functions of the City.

President Johnson prepared a presentation to support the ordinance change. These financial numbers were confirmed by the City Accounting Manager and the projections are President Johnson's. Johnson states that he agrees that the CVB Board does a good job. The fact that the CVB does an excellent job does not relieve the city commission of its responsibility to annually determine the amount of money allocated to visitor promotion and to do so in a deliberative and transparent manner. Johnson states that he did review the Century Code and up until recently he had been under some incorrect assumption as to what the governing body was to follow. ND Century Code states the city lodging tax (2%) be deposited in the city visitor promotional fund.

F. PUBLIC LAND SALE-ORIGINAL PLOT BLOCK 14 LOTS 1-6 (NORTH OF THE KDIX BUILDING)

Administrator Kessel explained the public land sale is the Original Plot of Block 14, Lots 1-6. These lots are located directly north of the KDIX Building. The plot would be sold for \$4.00 per square foot or \$84,600 would allow the buyer to complete his intent to construct a building and move his current operations to this lot. With this purchase, up to 12 staff parking spaces would be freed up downtown.

Commissioner Jackson states he feels this would be a good deal.

MOTION BY: Shirley Dukart

SECONDED BY: Joe Frenzel

To approve the Purchase Agreement with HR Properties, LLC dated October 2, 2009 for the Original Plot of Block 14, Lots 1-6.

DISPOSITION: Roll call vote...Aye 4, Nay 0, Absent 1.

Motion declared duly passed.

5. PUBLIC SAFETY

N/A

6. PUBLIC WORKS – ENGINEERING

N/A

7. PUBLIC WORKS – MAINTENANCE AND UTILITIES

N/A

8. ADMINISTRATION:

A. City Administrator Report

1. Street Light Utility Ordinance/Fee Resolution

Administrator Kessel states the Street Light Ordinance concept and associated Fee Resolution were adopted in the 2010 budget process. The proposed ordinance and resolution language would include the legal structure to create a Street Light Utility and the resolution would create the fee structure to support the budgeted revenue. This ordinance will be presented for approval at the next Commission meeting.

9. ACCOUNTS PAYABLE

MOTION BY: Joe Frenzel

SECONDED BY: Shirley Dukart

To approve the accounts payable list as presented along with the additional accounts payable list, numbers 070639 to 0070780. Said list is available in the Accounting Office.

DISPOSITION: Roll call vote...Aye 4, Nay 0, Absent 1.

Motion declared duly passed.

10. CITY COMMISSION:

Commissioner Joe Frenzel presented a purchase agreement to the Commission. This purchase agreement is between MN-MS, LLC of Stillwater, MN and the City of Dickinson. This purchase agreement is for property at Lot 9 and 10, Block 3, Prairie Hills 1st Addition. Commissioner Frenzel states the buyers are offering full price for this property of \$315,993.00. Frenzel feels they would strike the conditions from the purchase agreement sometime next week if the City would let them know if the property was still available and they would be able to purchase it for the asking price. Frenzel is representing the buyers and this represents a conflict of interest for him. Frenzel states that this company is also purchasing land in Minot from a private owner to build a motel. Frenzel feels the property has been on the market for 25 years and changes are pretty slim that another party would be interested in this property at this time.

Commissioner Dukart feels that the City should have their own purchase agreement with the collection of 10% earnest money. Dukart feels if another offer should come in then we should not rule the new offer out.

President Johnson is uncomfortable and concerned with the fact the earnest money was refundable should the deal not close. President Johnson had no objection to the sale as the buyer was going to pay full price.

