

Minutes of the Board of Ward County Commissioners

April 3, 2018

The regular meeting of the Ward County Commission was called to order by Chairman Walter at 9:00 a.m. with Comms. Fjeldahl, Louser, Rostad and Wepler present. Also present were department heads: Betty Braun, Bob Barnard, Dana Larsen, Derrill Fick, Devra Smestad, Ellen Bjelland, Kerriane Boetcher, Roza Larson, Ryan Kamrowski.

Moved by Comm. Wepler, seconded by Comm. Louser, to approve the Agenda. Roll call; all voted yes; motion carried.

Moved by Comm. Louser, seconded by Comm. Fjeldahl, to approve the regular Commission meeting minutes from the March 20, 2018 meeting. Roll call; all voted yes; motion carried.

Moved by Comm. Rostad, seconded by Comm. Wepler, to approve regular bills totaling \$249,159.43 and Social Services bills totaling \$5,038.22. Roll call; all voted yes; motion carried.

Roger Mazurek, Executive Director of the YMCA presented the following resolution for approval.

WARD COUNTY, NORTH DAKOTA

Resolution No. #1-2018

APPROVING THE REDUCTION OF THE INTEREST RATE ON THE COUNTY'S MUNICIPAL INDUSTRIAL DEVELOPMENT ACT REVENUE REFUNDING BOND (THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF MINOT, NORTH DAKOTA PROJECT) SERIES 2009

WHEREAS, pursuant to a Bond Issuance Resolution (the "**Resolution**") adopted by its Board of County Commissioners on May 5, 2009, Ward County, North Dakota (the "**Issuer**") issued its Municipal Industrial Development Act Revenue Refunding Bond (The Young Men's Christian Association of Minot, North Dakota Project) Series 2009, in the aggregate principal amount of \$6,500,000 (the "**Bond**"); and

WHEREAS, the Issuer sold the Bond to First International Bank & Trust of Minot, North Dakota (the "**Bank**") and assigned to the Bank the Issuer's interest in the Loan Agreement and the right to receive payments of Borrower made thereunder (excepting Issuer's rights to indemnification, fees and expenses); and

WHEREAS, the Issuer loaned the proceeds of the Bonds (the "**Loan**") to The Young Men's Christian Association of Minot, North Dakota, a North Dakota nonprofit corporation (the "**Borrower**")

pursuant to the terms of a Loan Agreement and Assignment to Bondholder (the “**Loan Agreement**”), dated May 21, 2009, by and between the Issuer and Borrower; and

WHEREAS, pursuant to Bond Issuance Resolution No. 2012-4 adopted by its Board of County Commissioners on December 18, 2012, the Issuer consented to the Borrower’s request that the interest rate on the Bond be reduced from 5.88% per annum to 5.38% per annum for the remainder of the first ten years; and

WHEREAS, in payment of the Loan, the Borrower is required to make payments sufficient to pay principal of and interest on the Bond when due; and

WHEREAS, pursuant to Section 2.20 of the Resolution, any term of the Resolution or Loan Agreement may be modified in writing with the written approval of the Issuer agreed to in writing by the Bank; and

WHEREAS, Borrower has requested that the interest rate on the Bond be changed from 5.38% per annum to an interest rate equal to 4.39%. Borrower has also requested that the Bond be revised to a 25 year amortization and monthly payments. The Bank has consented to such changes.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Ward County, North Dakota, as follows:

1. The Issuer consents to the change in the interest rate on the Bond, the 25 year amortization and the change to monthly payments, as requested by Borrower and hereby authorizes and directs the Chair or Vice Chair of the Board of County Commissioners and the County Auditor/Treasurer to execute and deliver a Second Amended and Restated Bond in substantially the form attached hereto, with such modifications and amendments as may be acceptable to Borrower and Bank. The Second Amended and Restated Bond shall become effective and shall replace in its entirety the Bond upon the execution by the Bank of the Consent of Bondholder attached thereto.

2. The Resolution is hereby modified to read as follows:

(i) Principal Amount and Interest Rate:

The Bond shall be issued in the principal amount of \$6,500,000, and shall earn interest at an annual interest rate equal to 5.38% from the date of issuance until the date of the execution and delivery of an Second Amended and Restated Term Bond and the execution of the Consent of Bondholder attached thereto, and at an annual rate of interest of 4.39% for the balance of the first 10 years (120 months) with the interest rate adjusting every 10 years (120 months) at an annual interest rate equal to the Federal

Home Loan Bank of Des Moines (or its successor) 10 Year Fixed Advance Rate at that time plus 1.15%, with a floor of 4.39% and a ceiling of 7.39%.

Interest on the Bond is to be earned on a simple, "Actual/360" day basis and is accrued daily by multiplying the outstanding principal balance by the interest rate, and dividing by 360.

(ii) Amortization and Payments:

Beginning on May 1, 2018 and continuing on the same day of each month thereafter, principal and interest shall be due and payable in an amount sufficient to fully amortize the outstanding principal balance of the Bond and all interest accrued hereon in equal monthly installments over an assumed term of 25 years, with such term beginning on May 1, 2018.

The principal balance of the Bond and all other obligations in connection therewith shall be paid in full on May 1, 2043.

(iii) Interest:

The Bond shall earn interest at an annual interest rate equal to 5.38% from the original dated date to, but not including May 1, 2018; and at an annual interest rate of 4.39% from May 1, 2018, continuing for the balance of the first 10 years (120 months), with the interest rate adjusting every 10 years (120 months) at an annual interest rate equal to the Federal Home Loan Bank of Des Moines (or its successor) 10 Year Fixed Advance Rate at that time plus 1.15%, with a floor of 4.39% and a ceiling of 7.39%.

3. The Issuer further authorizes and directs the Chair or Vice Chair of the Board of County Commissioners and the County Auditor/Treasurer to execute and deliver any additional documents or certificates as may be necessary or convenient or as may be required by the Bank or by Bond Counsel in connection with the delivery of the Amended and Restated Bond, including, without limitation, any documents which may be required by bond counsel.

Adopted this 3rd day of April, 2018.

WARD COUNTY, NORTH DAKOTA
MUNICIPAL INDUSTRIAL DEVELOPMENT ACT REVENUE REFUNDING BOND
(THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF MINOT, NORTH DAKOTA PROJECT)
SERIES 2009
Second Amended and Restated Term Bond

Principal Amount Six Million Five Hundred Thousand Dollars (\$6,500,000.00)

Registered Holder: First International Bank & Trust
Minot, North Dakota

<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
May 1, 2018	May 1, 2043	Variable

<u>Interest and Principal Payment Dates</u>	<u>Initial Interest Date</u>	<u>Initial Principal Payment Date</u>
Monthly on the 1st of each month	May 1, 2018	May 1, 2018

WARD COUNTY, NORTH DAKOTA (the “**Issuer**”), acknowledges itself indebted and for value received hereby promises to pay to the Registered Holder the Principal Amount on the Maturity Date, through the payment of the principal installments, unless this Second Amended and Restated Term Bond (the “**Bond**”) is redeemed prior thereto as provided in the Bond Issuance Resolution adopted by the Issuer on May 5, 2009, as modified by resolution adopted by the Issuer on December 4, 2012, as further modified by the resolution adopted by the Issuer on April 3, 2018 (as so amended, the “**Resolution**”) at which time interest shall cease to accrue provided money for such redemption is on deposit with the Registered Holder, and to pay interest on the Principal Amount at the Interest Rate specified above from the Dated Date hereof to the Initial Interest Payment Date and on each Interest Payment Date thereafter including the Maturity Date. The amount shown on the books and records of the Registered Holder, as shown on the attached amortization schedule, shall be prima facie evidence of the principal amount of the Bond then outstanding, and, on the Maturity Date, or earlier full redemption, the outstanding principal balance and all accrued and unpaid interest on the Bond must be paid.

This Bond shall earn interest at an annual interest rate equal to 5.38% from the prior dated date to, but not including May 1, 2018; and at an annual interest rate of 4.39% from May 1, 2018, continuing for the balance of the first 10 years (120 months), with the interest rate adjusting every 10 years (120 months) at an annual interest rate equal to the Federal Home Loan Bank of Des Moines (or its successor)

10 Year Fixed Advance Rate at that time plus 1.15%, with a floor of 4.39% and a ceiling of 7.39%. Interest on the Bond is to be earned on a simple, "Actual/360" day basis and is accrued daily by multiplying the outstanding principal balance by the interest rate, and dividing by 360.

The Bond is the duly authorized term bond of the Issuer issued by the Issuer, in the principal amount of \$6,500,000, under and pursuant to North Dakota Century Code Chapter 40-57, as amended, (the "Act") and the Resolution

This Bond

- (i) is transferable, as provided in the Resolution,
- (ii) is subject to optional, extraordinary optional, and mandatory redemption prior to maturity as set out in the Resolution,
- (iii) shall not be valid or obligatory for any purpose until signed by the Issuer's Authorized Officers, and
- (iv) shall be subject to the payment of principal and interest as set out on the applicable amortization schedule provided by the Registered Holder and attached hereto.

This Bond is issued pursuant to and in full compliance with the Constitution and laws of the State of North Dakota, particularly the Act, and pursuant to the Resolution as provided by the Act. The Bond may not be payable from or charged upon any funds other than the revenue pledged to its payment and the Issuer may not be subject to any liability thereon. No holder of the Bond shall ever have the right to compel any exercise of any taxing power of the Issuer to pay the Bond or the interest thereon, nor may such holder enforce payment thereon against any property of the Issuer. The Bond shall not constitute a charge, lien nor encumbrance, legal or equitable, upon any property of the Issuer. The Bond, including interest thereon, is payable solely out of amounts pledged therefore and received under the Loan Agreement and Assignment to Bondholder dated May 21, 2009, by and between the Issuer and The Young Men's Christian Association of Minot, North Dakota, (as amended, the "Loan Agreement"). The Bond does not constitute debt of the Issuer within the meaning of any constitutional or statutory limitation.

Capitalized terms used herein which are not specifically defined, shall have the same meanings given to such terms in the Resolution Copies of the Resolution and the Loan Agreement are on file in the office of the Issuer's County Auditor/Treasurer in Ward County, North Dakota.

IN WITNESS WHEREOF, this Bond has been executed in the name of the Issuer by the manual or facsimile signature of the Chairman of the Issuer's Board of County Commissioners or of such individual lawfully allowed to act in his or her stead and by the manual signature of the Issuer's County Auditor/Treasurer or of such individual lawfully allowed to act in his or her stead, and the official seal of the Issuer, if any, has been lawfully impressed, printed, engraved, stamped or otherwise placed in facsimile hereon.

WARD COUNTY, NORTH DAKOTA

Alan Walter, Chairman
Board of County Commissioners

Devra Smestad
County Auditor/Treasurer

CONSENT OF BONDHOLDER

The undersigned authorized representative of First International Bank & Trust ("**Bank**") hereby consents on behalf of the Bank as the Registered Holder of the Ward County, North Dakota Municipal Industrial Development Act Revenue Refunding Bond (The Young Men's Christian Association Of Minot, North Dakota Project) Series 2009 (the "**Bond**") to the amendment of the Bond as provided in the foregoing Second Amended and Restated Bond.

Dated as of April ____, 2018

FIRST INTERNATIONAL BANK & TRUST,
a North Dakota state bank

By _____

Stacey J. Diehl, Senior Vice President

Moved by Comm. Wepler, seconded by Comm. Louser, to approve County Resolution #1-2018 to refinance the YMCA's 2009 bond. Roll call; all voted yes; motion carried.

Nancy Simpson, Planning & Zoning Administrator appeared and presented a variance application for Darrel Wilkerson.

Application for a **variance** by **Darrel Wilkerson** for the following described property:

Outlot 6 being a portion of SE ¼ NE ¼, 20-153-81, Sawyer

The application is for a variance to Ward County Zoning Resolution No. 6 Article 24. F.1.c. Pertaining to right of way dedication for an outlot. The reason for the variance is a hardship due to unique preexisting conditions. The driveway of outlot 3 obstructs access to the proposed outlot 6. The way outlot 3 was drawn and approved did not dedicate ROW.

The Planning Commission recommends approval due to unique pre-existing conditions.

Moved by Comm. Fjeldahl, seconded by Comm. Louser, to approve the variance application for Darrel Wilkerson. Roll call; all voted yes; motion carried.

Ms. Simpson also presented an application for a special use permit for Kelly Perlichek for Strata.

Application for a **special use permit** by **Kelly Perlichek for Strata** for the following described property:

660' x 660' portion in SE ¼ of SW ¼ SW ¼, 3 157-182, Tatman

The application is to use property for recycle operation - asphalt, concrete & aggregate materials that are removed from the Minot AFB. The materials processed on the property will be Non-contaminated, Non-hazardous. The Ward County Water Resource Board returned the plat without objection, and with the usual recommendation noting that:

1. A storm water management plan may be required if the subject property has applied for a special use permit, and,
2. No development as a result of this plat should obstruct any watercourse or divert surface water flows.

The Planning Commission has recommended denial due to township concerns.

Moved by Comm. Wepler, seconded by Comm. Rostad, to deny the special use permit application for Kelly Perlichek for Strata. Roll call; all voted yes; motion carried.

And finally, she presented plat applications on behalf of Darrel Wilkerson, Scott Myers and Tyler Anderson.

Application for a **plat** by **Darrel Wilkerson** for the following described property:

Outlot 6 being a portion of SE ¼ NE ¼, 20-153-81, Sawyer

The plat application is for creating an outlot with the intent to construct a single family residence. The Sawyer Township has responded with a recommendation for approval and with no further comments. The Ward County Water Resource Board returned the plat without objection, and with the usual recommendation noting that:

1. A storm water management plan may be required if the subject property has applied for a special use permit, and,
2. No development as a result of this plat should obstruct any watercourse or divert surface water flows.

Application for a **plat** by **Scott Myers** for the following described property:

Outlot 1, NW ¼ SE ¼, 5-158-87, Carbondale

The plat application is for an outlot to be created to construct a single family residence. The Carbondale Township has not yet responded. The Ward County Water Resource Board returned the plat without objection, and with the usual recommendation noting that:

1. A storm water management plan may be required if the subject property has applied for a special use permit, and,
2. No development as a result of this plat should obstruct any watercourse or divert surface water flows.

Application for a **plat** by **Tyler Anderson** for the following described property:

Outlot 1 S ½, 27-159-88, Baden

The plat application is for creating an outlot around an existing farmstead for the applicant to purchase from the current owner. The Baden Township has responded with a recommendation for approval and with no further comments. The Ward County Water Resource Board returned the plat without objection, and with the usual recommendation noting that:

1. A storm water management plan may be required if the subject property has applied for a special use permit, and,

2. No development as a result of this plat should obstruct any watercourse or divert surface water flows.

The Planning Commission recommends approval.

Moved by Comm. Wepler, seconded by Comm. Louser, to approve the plat applications for Darrel Wilkerson, Scott Myers and Tyler Anderson. Roll call; all voted yes; motion carried.

Sheriff Bob Barnard appeared and presented a Memorandum of Understanding between Ward County and the State of North Dakota IT Department. The agreement is to authorize use of the County radio frequencies as required for the statewide interoperable radio network.

Moved by Comm. Louser, seconded by Comm. Rostad, to approve and sign the Memorandum of Understanding between Ward County and the State of North Dakota IT Department. Roll call; all voted yes; motion carried.

Travis Schmit, Ward County Assistant Engineer appeared with three agenda items. Mr. Schmit asked for approval to enter into a Memorandum of Agreement between Ward County and Birdsall Grain & Seed. Birdsall has asked for approval to haul loads up to 105,500 pounds for the first 600 feet on County Road 5 from US Highway 2 without seasonal load restrictions as part of their business expansion.

Moved by Comm. Fjeldahl, seconded by Comm. Louser, to approve and authorize signature for a Memorandum of Agreement between Ward County and Birdsall Grain & Seed. Roll call; all voted yes; motion carried.

Mr. Schmit also asked for approval of a Quit Claim Deed to correct right-of-way on County Road 9. The portion that should have been acquired is on the west side of the property in question but the current deed reflects taking of the east side. The new deed will deed back the east portion of property to the owner.

Moved by Comm. Wepler, seconded by Comm. Fjeldahl to approve and sign the Quit Claim Deed for the correction of right-of-way on County Road 9. Roll call; all voted yes; motion carried.

Lastly, Mr. Schmit also presented CDBG Amendment No. 11 de-obligating the County of \$11,183.92 of unused grant funds and returning them to HUD.

Moved by Comm. Fjeldahl, seconded by Comm. Louser, to approve and sign Amendment No. 11, de-obligating unspent grant funds in the amount of \$11,183.92. Roll call; all voted yes; motion carried.

Dana Larsen, Ward County Engineer, appeared. He asked for approval of a quote from Frontier Precision to replace the R8 GPS head with an R10 for a total cost of \$19,950.00. This equipment is used for surveying.

Moved by Comm. Rostad, seconded by Comm. Louser, to approve the quote from Frontier Precision to replace the R8 GPS head with an R10 for the total cost of \$19,950.00. Roll call; all voted yes; motion carried.

Mr. Larsen also requested approval for a Construction Maintenance Agreement for the township inslopes repair project ROM-0300(134). The DOT is working with the Federal Highway (FHWA) and the Department of Defense (DOD) to improve the Transportation Erector routes for the missile field and need Ward County to be the Local Public Agency (LPA) in charge of the project. The project is 100% funded by the DOD.

Moved by Comm. Wepler, seconded by Comm. Fjeldahl, to approve and sign the Construction Maintenance Agreement for the township inslopes repair project ROM-0300(134). Roll call; all voted yes; motion carried.

Director of Tax Equalization Ryan Kamrowski presented Memorandum A – Tax Roll Corrections for review and approval:

1. Property purchased by the City of Minot:

Property Owner	Description	Valuation Year	Old True & Full	New True & Full	Old Taxable Value	New Taxable Value
City of Minot	MI132110000010 Bonds S/D A Portion Lots 2 & 3 Block 24 Lakeview Addn. Lot 1 Less Portion for Street	2017	\$46,000	\$12,000	\$2,070	\$540
City of Minot	MI230690000080 Dama S/D Olt 13 Lot 8 S23-155-83	2017	\$218,000	\$73,000	\$9,810	\$3,285
City of Minot	MI309140000020 Belview 2 nd Addn. Lot 2	2017	\$268,000	\$45,000	\$12,060	\$2,025
City of Minot	MI234970000010 Withams S/D Olt 12 Lot 1 S23-155-83	2017	\$210,000	\$18,000	\$9,450	\$810
City of Minot	MI244490300011 Torbensons Addn. W110' Lot 1 Block 3	2017	\$38,000	\$3,000	\$1,710	\$135
City of Minot	MI27E880100010 Schmidt Addn. Block 1 Lot 1	2017	\$402,000	\$168,000	\$18,090	\$7,560

2. Home was estimated in 2016 review area, after physical inspection in March of 2018, property was found to have unfinished basement and has inferior design compared to similar properties:

Property Owner	Description	Valuation Year	Old True & Full	New True & Full	Old Taxable Value	New Taxable Value
Rossow, Alicia	MI151140500050 Garden Home Addn. Lot 5 Block 5	2017	\$168,000	\$139,000	\$7,425	\$6,255

3. Property sold and divided into two separate parcels in 2015. Remove from 2015 tax roll:

Property Owner	Description	Valuation Year	Old True & Full	New True & Full	Old Taxable Value	New Taxable Value
Steinberger, John	SB200040000000 SE S20-160-87	2015	\$105,000	\$0.00	\$5,250	\$0.00

4. Qualifies for Farm Residence Exemption:

Property Owner	Description	Valuation Year	Old True & Full	New True & Full	Old Taxable Value	New Taxable Value
Anderson, Eric & Amy	EL080990000010 Olt 1 of SWSE S8-160-89	2017	\$190,000	\$2,100	\$8,550	\$105

5. Property owner qualifies for Military Exemption:

Property Owner	Description	Valuation Year	Old True & Full	New True & Full	Old Taxable Value	New Taxable Value
Abbey, Robert & Melissa	NE5104600 Colony Park Lot 48	2018	\$8,000	\$0.00	\$360	\$0.00

Moved by Comm. Wepler, seconded by Comm. Rostad, to approve Memorandum A – Tax Roll Corrections. Roll call; all voted yes; motion carried.

Auditor/Treasurer Devra Smestad appeared;

Moved by Comm. Fjeldahl, seconded by Comm. Wepler, to Receive and File the following correspondence: AlliantGroup – Energy Deduction; State of North Dakota – Pipelines; State’s Attorney – Annual Report; NDSU Extension Service – Annual Report. Roll call; all voted yes; motion carried.

Moved by Comm. Wepler, seconded by Comm. Louser, to approve the annual contract for the Makoti Threshers Association. Roll call; all voted yes; motion carried.

Moved by Comm. Wepler, seconded by Comm. Rostad, to acknowledge receipt to be sent to CDM Smith regarding the Northern Sanitary Sewer Project, Modification of Project Scope. We were notified as it is a federal requirement of the CDBG grant they are operating under. Roll call; all voted yes; motion carried.

Moved by Comm. Fjeldahl, seconded by Comm. Louser, to reappoint Kent Neshem to the Berthold City Zoning Commission and Lowell Myers to the Carpio City Zoning Commission. Roll call; all voted yes; motion carried.

Moved by Comm. Rostad, seconded by Comm. Wepler, to recognize the North Dakota Hygienist Association as a public spirited organization. Roll call; all voted yes; motion carried.

Moved by Comm. Wepler, seconded by Comm. Fjeldahl, to approve the raffle permit for the North Dakota Hygienist Association. Roll call; all voted yes; motion carried.

Moved by Comm. Rostad, seconded by Comm. Louser, to authorize Devra Smestad to cast ballots on behalf of Ward County for Scott Ouradnik at the NDIRF Annual Meeting. Roll call; all voted yes; motion carried.

Moved by Comm. Fjeldahl, seconded by Comm. Louser, to approve the following payroll amendments: Miller, K. – Sheriff's Department (Level 16); Ohlhauser, K. – Sheriff's Department (Level 18); Russell, K. – Social Services (Level 25). Roll call; all voted yes; motion carried.

Moved by Comm. Rostad, seconded by Comm. Louser, to appoint a screening task force to narrow down the applications for the HR Director position to the top seven and present them to the commissioners for review. The committee shall be comprised of Comm. Fjeldahl, Genny Dienstman from NDACO; a representative from Minot Public Schools, a representative from the City of Minot and JoAnn Lindrud, former dean of the College of Business at Minot State University. Shelly Wepler will also be on the committee if she is available on the scheduled meeting date. Roll call; all voted yes; motion carried.

At 10:50 a.m. with no further business, the meeting was adjourned.