

**AGENDA
CITY COUNCIL
WORK SESSION
CITY OF EAST GRAND FORKS
OCTOBER 25, 2011
5:00 PM**

CALL TO ORDER

CALL OF ROLL

DETERMINATION OF A QUORUM

1. Land Development on 4th and Demers – Jim Richter
2. Pay Plan – Scott Huizenga
3. Other

ADJOURN

Upcoming Meetings

Regular Meeting – November 1, 2011 – 5:00 PM – Council Chambers
Work Session – November 8, 2011 – 5:00 PM – Training Room (Election Day)
Regular Meeting – November 15, 2011 – 5:00 PM – Council Chambers
Work Session – November 22, 2011 – 5:00 PM – Training Room

Request for Council Action

Date: October 19, 2011

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Wayne Gregoire, Council Members: Marc Demers, Henry Tweten, Greg Leigh , Mike Pokrzywinski and Ron Vonasek

Cc: File

From: Economic Development Housing Authority

RE: Consider development of City owned property on 4th and Demers.

This is a Request for Proposals for consideration to develop the property owned by the city that was previously occupied by Holiday Station Stores and Red River Ford. The land had been included in the Downtown Land Development plan from several years ago as a potential residential/commercial development. We are looking at moving in that direction in a similar manner in which several projects were done in Grand Forks. The rest of the detail is in the attached RFP.

Any questions prior to the meeting please call me at 773-2371.

**REQUEST FOR PROPOSALS
DEVELOPMENT OF CITY OWNED VACANT LAND
DOWNTOWN EAST GRAND FORKS, MN**

BACKGROUND

After the 1997 Flood event, the City of East Grand Forks reinvested a considerable amount of funds in the reconstruction and revitalization of our downtown. New infrastructure alone was valued at well over \$30,000,000.00. That reconstruction continues as new and higher uses for existing buildings and property is realized. The objective of the Request for Proposals (RFP) for development of these vacant lots is the city's continued commitment to create a viable corridor from downtown to the Gateway East commercial area on Highway 2 and 220.

REQUEST FOR PROPOSALS

The City of East Grand Forks, in conjunction with the East Grand Forks Economic Development Housing Authority is issuing a RFP to find an experienced development team to create a compatible residential and commercial project in the area detailed below. Proposals will be evaluated based on the criteria described in this document. Any developer selected will be required to execute a Letter of Understanding that will establish the basis for future legal agreements associated with project development.

LOCATION

The development area is detailed below. The site consists of two (2) parcels that are located along and at the intersection of Fourth (4th) Street NW and DeMers Avenue, downtown East Grand Forks. The property is owned by the City of East Grand Forks. The parcels combine to approximately an area of 48,000 square feet and have a market value of \$96,000. The value of the infrastructure supporting the location is approximately \$150,000 for a total valuation of \$246,000.

LEGAL DESCRIPTION

Lots Five through Twelve (5-12), Parcel Number 83.00993.01, and Lots Thirteen through Twenty (13-20), Parcel Number 83.00994.00, Block One (1), Budge's Third (3rd) Addition) to the City of East Grand Forks, MN.

DEVELOPMENT INCENTIVES

In addition to the land and appurtenances the city proposes to utilize a package of Tax Increment Financing (TIF) and interest loan funds to provide financing gaps. Both incentives would be determined by the scope of the project and subject to the East Grand Forks City Council and the Economic Development Authority (EDA) Board approval.

SUBMISSION REQUIREMENTS

All project proposals must comply with the City's Land Development code and Downtown Design Guidelines. Developers responding to this RFP must provide the following:

1. Description of development team.
 - ❖ Lead development firm and key personnel.
 - ❖ Technical partners (e.g., architects, engineers, builders, financial and legal advisers) and each firm's key personnel.
 - ❖ Each firm's experience and expertise in comparable mixed-use developments, and length of time each firm has been in business.
2. Description of comparable projects.
 - ❖ Provide detailed examples of at least two (2) projects of similar scope; include descriptions of team members' types and levels of project involvement, from inception through completion, as well as project timelines.
 - ❖ Detail financing packages used in comparable projects.
 - ❖ Examples of projects developed using "green" techniques.
 - ❖ References, including contact information, for each example project.
3. Description of proposed project(s).
 - ❖ Preliminary site plan, floor plans and elevation drawings.
 - ❖ Identification of components (e.g., office space, retail space, senior rental housing, condo, etc.), including detailed description and size of each.
 - ❖ Estimated target value per component (e.g., retail @ \$x/sf, 2 bedroom rentals at \$y/unit/month; condos selling at \$z/unit).
4. Financing.
 - ❖ Detailed construction and operation pro formas.
 - ❖ Detailed statement of sources and uses.
 - ❖ Demonstration of financial capability, including experience with comparable projects (include letters of commitment from funding sources).

EVALUATION CRITERIA

Respondents are directed to the downtown plan update, which provides information on market potential and development concepts at our website: www.theforksmmpo.org/pages/project.html. This document will serve as an overall guide for the RFP review committee, which will consist of elected officials, city staff, and/or downtown business people. The evaluation of proposals will be based upon the following factors:

1. A comprehensive development strategy that is transformative and offers iconic elements emblematic of a gateway to downtown.
2. The experience and success of the lead developer in similar projects.
3. Knowledge and experience with relevant market segments.
4. Demonstrated ability of team firms to partner with units of local government.
5. Financial capacity, including ability to (a) leverage and secure private financing, and (b) sustain long-term operations of commercial/rental projects.

6. Design/construction capacity as evidenced by successful completion of similar ventures, including infill construction with an urban setting.

Preference points:

1. Strictly residential proposals are acceptable; however, preference will be given to proposals that include commercial/retail space.
2. Preference will be given to proposals that include significant "green" building techniques and long-term environmental sustainability.
3. Proposals that include mixed-income residential units, and that contain both owner-occupied and rental components, all other things being equal, will rank higher
4. Proposals that require fewer city incentives/resources, all other things being equal, will rank higher.

TIMETABLE

<u>Date</u>	<u>Item</u>
1 month later	Request for Proposal issued Deadline for submission of proposal materials (5.00 p.m.)
1 week later	Developer presentations/interview with review committee
3 days for presentation	

GENERAL INSTRUCTIONS

1. Please direct inquiries and submissions to:

James S. Richter
Executive Director
East Grand Forks EDHA
600 DeMers Avenue
East Grand Forks, MN 56721
(218) 773-2371

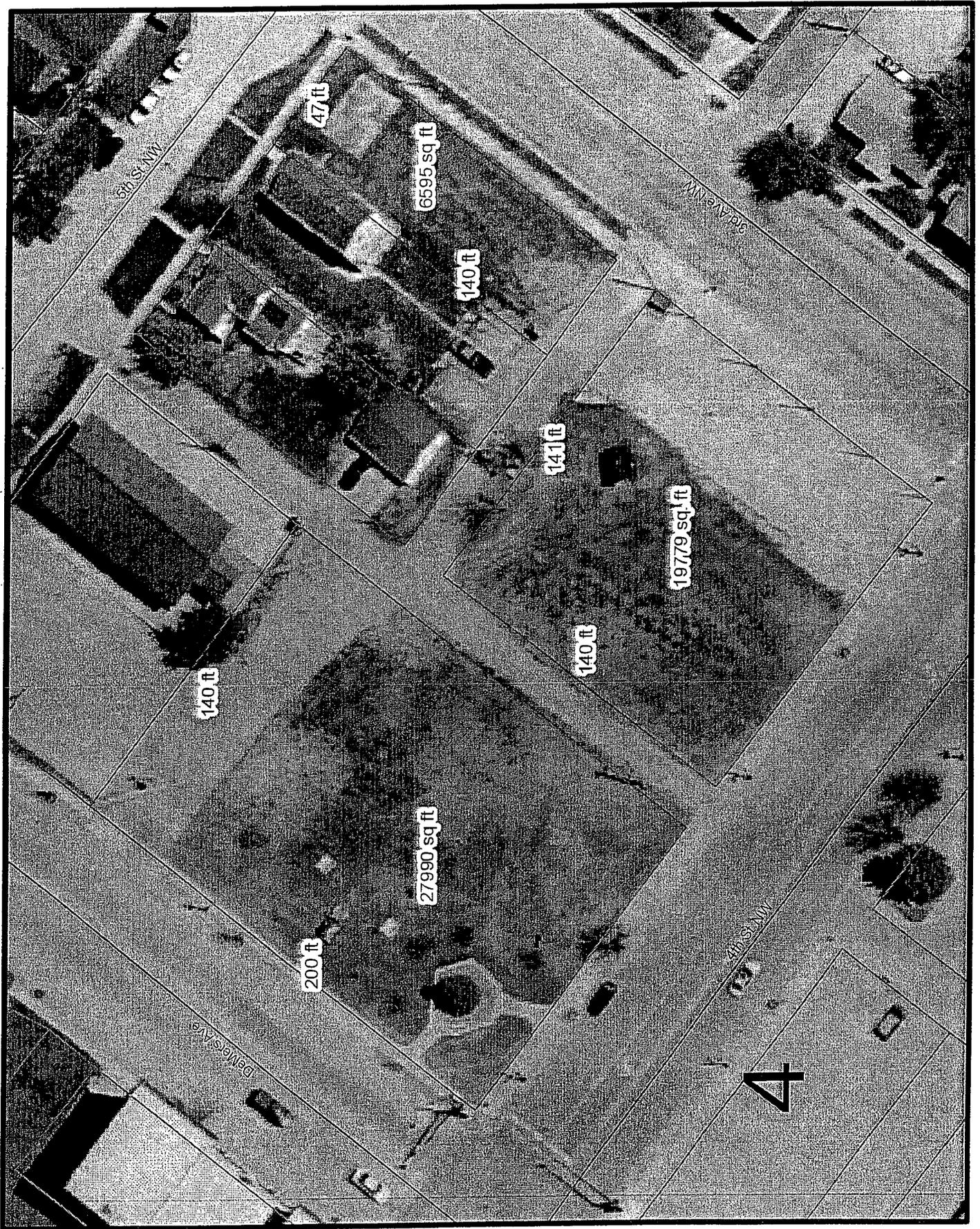
2. Signature Requirements: Proposals must be signed by a duly authorized official of the lead submitting firm.
3. Rejection Rights: The City of East Grand Forks and/or the East Grand Forks Economic Development Authority (EDA) reserves the right to waive irregularities, to reject any or all proposals, to re-solicit proposals, and to negotiate with selected proposers if such action is deemed to be in their best interest.
4. The City of East Grand Forks and/or the East Grand Forks Economic Development Authority retains the right to negotiate modifications to all submissions.

5. Compliance: This project may be assisted with funds from the State authorized TIF. If so, the successful developer must comply with all applicable regulations, including but not limited to Affirmative Action and Equal Employment Opportunity, Labor Standards, and Environmental Standards.
6. Cost of Proposal Preparation: No reimbursement will be made for any costs incurred in responding to this Request.
7. Prohibited Interest: No member, officer, or employee of the City of East Grand Forks, its governing body or of any local public body having jurisdiction within the City of East Grand Forks service area, shall have any interest, direct or indirect, in any resultant contract or the proceeds thereof.

CONTACT INFORMATION

East Grand Forks City Information

EDA (primary)	James S. Richter – 218-773-2371
Downtown Plan Update	MPO - Nancy Ellis – 218-773-0124
Engineering	FS Engineering – 218-773-1184
Inspections	Tom Spoor – 218-773-2208
Planning	MPO - Nancy Ellis – 218-773-0124



Request for Council Action

Date: October 19, 2011

To: East Grand Forks City Council, Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Wayne Gregoire, Council members: Marc DeMers, Ron Vonasek, Henry Tweten, Greg Leigh and Mike Pokrzywinski

Cc: File

From: Scott Huizenga, City Administrator

RE: Update to Citywide Classification and Compensation Plan

The City passed a uniform Citywide Job Classification and Compensation Plan ("pay plan") effective January 2010. The Water and Light Department labor agreement adopted the plan effective January 2011. Therefore, all non-union (except EDHA) and bargaining unit agreements reflect the current compensation plan.

The City began the pay plan process in 2005. Therefore, nearly six years elapsed between the first phase of preparation and the plan's full adoption. Typically, pay plans should be updated every 5-7 years to reflect changes to internal job duties and positions as well as external job markets. Labor negotiations will start next fall for contract years 2013 and beyond. Therefore, the City should have an updated plan before labor negotiations start.

Springsted, Inc. has submitted a proposal that includes a completion date of June 30, 2012. The process is a complete review the city's compensation system. It includes input from employees, supervisors, and administration. The review includes an external market survey to ascertain how the City compares to its peers and to its competitors in the labor market. Finally, the review adjusts for pay equity compliance reporting as required.

The proposed cost for the entire study is \$19,500 plus reimbursable not to exceed \$2000. The 2012 Proposed Budget contains \$30,000 in professional services in the Administration budget to perform the study. This study will guide the City in its compensation structure for at least the next 5-7 years. Considering the work that has already been invested to adopt a formal citywide pay plan, the timing is ideal to update the plan to current market conditions.

Recommendation:

Approve the proposed compensation plan update in the amount of \$19,500 reimbursable not to exceed \$2000.



Springsted Incorporated
380 Jackson Street, Suite 300
St. Paul, MN 55101-2887

Tel: 651-223-3000
Fax: 651-223-3002
www.springsted.com

LETTER OF TRANSMITTAL

October 19, 2011

Mr. Scott Huizenga, City Administrator
City of East Grand Forks
600 Demers Avenue
East Grand Forks, Minnesota 56721

Re: Work Plan to Update the City's Classification and Compensation Plan

Dear Mr. Huizenga:

Springsted Incorporated is pleased to submit our work plan to update the City's classification and compensation plan. We generally recommend updating classification and compensation plans every five years to capture changes occurring in City positions and to take a comprehensive look at the wage market. Updates play an important role in helping the City attract and retain employees.

Our firm has assisted numerous jurisdictions in Minnesota and throughout the United States in addressing their classification, compensation and human resources issues, and in performing specialized management studies. Based on our previous involvement with the City of East Grand Forks, we look forward to working with you to update the City's classification and compensation system.

We would be happy to discuss this work plan with you and to adjust the scope of services as needed to meet the City's needs.

Respectfully submitted,

Sharon G. Klumpp

Sharon G. Klumpp, Senior Vice President
Consultant

City of East Grand Forks, Minnesota
Update the Classification and Compensation System

Work Plan

October 2011

Update of the Classification and Compensation System

Springsted will assist the City in updating its classification and compensation system to:

- Establish fair and equitable compensation relationships between positions within the City and Water & Light and the Economic Development and Housing Authority (EDHA)
- Provide for employee input and participation throughout the process of updating the City's classification and compensation system
- Update job descriptions reflecting changes that have occurred since the original study
- Update job evaluations using the most recent version of Springsted's job evaluation system
- Identify relevant market conditions in comparable organizations
- Recommend policies and procedures to maintain the new classification and compensation plan in accordance with best practices

We will conduct individual meetings with the chief administrative officers of the City, Water & Light and the EDHA to gather information on how the pay plan has been working and to note any issues with respect to hiring and retaining employees that should be addressed in this study.

Employees play a major role in providing the data needed for this study. Therefore, it is imperative that employees receive information about the study, why it is being conducted, opportunities for employee involvement throughout the process, and expected outcomes.

Springsted will conduct employee informational meetings to introduce the study, explain study procedures and answer any questions employees may have about the process. Union representatives are invited to attend these meetings.

Employees will receive a Position Analysis Questionnaire (PAQ) at this time. The questionnaire provides an opportunity for each employee to describe their job duties, responsibilities and essential functions in detail, the required knowledge, skills and abilities, and provide input on the various job factors that affect the position. Employees will also identify the specific physical requirements and working conditions of their position to assist in the consultant's review for compliance with the Americans with Disabilities Act. Springsted will spend time at the meeting reviewing the PAQ and responding to employee questions. The information gathered from the PAQs will provide the information to be used in developing new position descriptions.

During informational meetings, we will also explain the supervisors' role in completing and signing off on the PAQs. The questionnaire is designed to allow supervisors to comment on employee responses without altering employee responses. This allows the consultant to review complete, unedited responses from employees and supervisors. In instances where the employee and supervisor view the position requirements differently, Springsted will conduct job audits to obtain more information. Audits will be scheduled to minimize disruption to City, Water & Light and EDHA operations. If necessary, meetings can be scheduled at the beginning or end of a shift to facilitate employee attendance.

Upon receipt of the completed PAQs, Springsted will review the information provided by employees and their supervisors. Based on the information provided, Springsted will update or develop new job descriptions for City and Water & Light positions. At this time we will also review each position's designation under the Federal Fair Labor Standards Act.

Revised job descriptions will be submitted to the City and Water & Light for review and comment. Springsted will make modifications to the descriptions as deemed appropriate. Any disputed content in job descriptions will be presented to the City Administrator, the General Manager, or the EDHA Executive Director.

In order to determine appropriate salary levels of positions in the workforce and to address the issue of comparable compensation, Springsted will conduct an extensive salary and benefits survey to compare City, Water & Light, and EDHA positions with analogous positions in other comparable agencies in the area labor market. By gathering and analyzing information on wages, wage equivalents and benefits, a comparison of East Grand Forks' total compensation package can be reviewed in comparison to its defined market area. External market comparisons for positions will be based on similar organizational structure, population, geographic location, job responsibilities, scope of authority, financial, socio-economic, growth and other relevant factors. The study team will consult with the City, Water & Light, and EDHA to identify appropriate sources of survey data. Emphasis will be placed on inviting organizations to participate in the survey that are comparable to the City, Water & Light, EDHA as well as those with which the City, Water & Light, and EDHA competes for employees. Springsted will develop the salary survey and submit it to the City for review prior to its dissemination.

There are different labor markets for positions. Some positions are recruited from the local area, while others are recruited regionally and/or nationally. The consulting team will work closely with the City in determining the appropriate labor market for positions.

While salary and benefits survey data will assist the City in establishing its position in the competitive market, job evaluation is the mechanism that ensures that internal relationships are fair and equitable.

Since the original East Grand Forks study was completed, Springsted has updated its copyrighted job evaluation system known as the Systematic Analysis and Factor Evaluation (SAFE[®]) System to reflect the increasing technical and administrative requirements of municipal positions. The SAFE[®] system is a unique job evaluation method designed to measure job factors which apply specifically to local government. This system has been successfully used by local governments for many years; the United States District Court also found it to be an acceptable system for resolving internal pay relationships at issue in an Equal Employment Opportunity (EEO) suit.

The system rates and ranks jobs based on various skill levels and work factors. The result is an equitable and consistent method of evaluating jobs and relating positions to the compensation plan. The system facilitates proper and equitable comparisons between and among classes and minimizes the appearance of bias in evaluating, rating and ranking jobs.

Each classification will be evaluated and placed within the proposed compensation plan based on the job evaluation system and the market rates paid by survey participants.

The elements considered in determining the relative value of classifications are:

- Training and Ability
- Level of Work
- Physical Demands
- Independence of Actions
- Supervision Exercised
- Education and Experience
- Human Relations Skills
- Working Conditions/Hazards
- Impact on End Results

The updated system can continued to be maintained by the City. Springsted will provide training to City human resources staff on utilizing the SAFE System to evaluate newly created positions or positions that have changed.

Based on the market wage and benefits data analysis and the job evaluation system, Springsted will update the City's compensation plan. The compensation plan will be revised in accordance with information obtained from the City regarding its pay philosophy as well as goals and objectives established for its compensation program. The proposed plan will incorporate market conditions and take into account existing labor agreements. Springsted will review options with the City to address the spread for pay ranges, the relationship between ranges, and methods to ensure that the City remains competitive with the labor market while maintaining internal equity among positions.

Springsted will prepare an estimate of the costs to implement the study recommendations that coincides with the City's financial and budgetary requirements.

Project Schedule

Springsted is prepared to start the study immediately upon receipt of a notice to proceed. We are available to conduct employee orientations in November. The wage and benefits salary survey would be administered in the first quarter of 2012 to ensure that we collect current information from entities invited to participate in the study. The project will be completed by June 30, 2012.

Cost

Springsted Incorporated will perform the tasks as outlined in this work plan as follows:

- A professional fee of \$19,500 to update the classification and compensation study
- Out-of-pocket expenses for the study will be invoiced at actual cost and will not exceed \$2,000 based on three on-site visits
- Option to purchase the classification and job evaluation database at a cost of \$2,500, including 12 months of technical support

Deliverables

Deliverables for this project include:

- Individual meetings with the chief administrative officers for the City, Water & Light, and the EDHA
- Employee information meetings
- Employee job audits reflecting a cross-section of the organization
- Updated job descriptions
- Updated job evaluation using Springsted's most recent version of SAFE
- Comprehensive compensation and benefits survey
- Updated pay plan
- Final report and presentation to the City Council and Water & Light Commission
- Database and training manual (optional)

RESOLUTION NO. 11 – 11 - XX

**A RESOLUTION APPROVING THE PROPOSAL FROM SPRINGSTED, INC. TO
CONDUCT A COMPLETE UPDATE TO THE CLASSIFICATION AND
COMPENSATION PLAN**

Council Member ____, supported by Council Member ____, introduced the following resolution and moved its adoption:

WHEREAS, the City Council adopted a uniform Citywide Classification and Compensation plan via Resolution 10-01-07;

WHEREAS, all City the Classification and Compensation Plan has been implemented in all non-union and labor agreements;

WHEREAS, the current compensation study is nearly seven years old;

WHEREAS, the City’s current labor agreements expire at the end of 2012;

WHEREAS, the City Council desires and current classification and compensation plan, including market data, prior to labor negotiations in 2012;

THEREFORE, BE IT RESOLVED, that the Council of the City of East Grand Forks approves the proposal from Springsted, Inc. in the amount of \$19,500 plus reimbursable expenses not to exceed \$2000 to conduct a complete update to the Classification and Compensation Plan;

BE IT FURTHER RESOLOVED, that the plan shall be completed and submitted to the City Council no later than June 30, 2012.

Voting Aye:
Voting Nay: None.
Absent: None.

The President declared the resolution passed.

Passed: November 1, 2011

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 1st day of November, 2011.

Mayor