

**APPROVED MINUTES
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, MAY 20, 2014 – 5:00 PM**

CALL TO ORDER:

The Regular Meeting of the East Grand Forks City Council for May 20, 2014 was called to order by Council President Buckalew at 5:01 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss, Council President Craig Buckalew, Council Vice President Greg Leigh, Council Members Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel.

Dave Aker, Parks & Recreation Superintendent; Greg Boppre, City Engineer; Dan Boyce, Water & Light Manager; Nancy Ellis, City Planner; Ron Galstad, City Attorney; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; Gary Larson, Fire Chief; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, Executive Assistant; and Jason Stordahl, Public Works Director.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present

PLEDGE OF ALLEGIANCE:

OPEN FORUM:

“An opportunity for members of the public to address the City Council on items not on the current Agenda. Items requiring Council action maybe deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate.”

APPROVAL OF MINUTES:

1. Consider approving the minutes of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of May 6, 2014.
2. Consider approving the summary of minutes of the “Closed Special Meeting” for the East Grand Forks, Minnesota City Council of May 6, 2014.
3. Consider approving the summary of minutes of the “Closed Special Joint Meeting” for the East Grand Forks, Minnesota City Council and EDHA Board of May 13, 2014.
4. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of May 13, 2014.

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL

MEMBER TWETEN, TO APPROVE ITEMS ONE (1) THROUGH FOUR (4).

Voting Aye: Leigh, Grassel, Vetter, Helms, Buckalew, Tweten, and Olstad.

Voting Nay: None.

SCHEDULED BID LETTINGS:

5. Consider adopting Resolution No. 14-05-42 accepting and awarding the bid for the 2013 City Project No. 1 – Sidewalk Improvements (TE) to Paras Contracting for a bid price of \$217,270.65.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER OLSTAD, TO ADOPT RESOLUTION NO. 14-05-42 ACCEPTING AND AWARDING THE BID FOR THE 2013 CITY PROJECT NO. 1 – SIDEWALK IMPROVEMENTS (TE) TO PARAS CONTRACTING FOR A BID PRICE OF \$217,270.65.

Mr. Boppre informed the board there was about \$57,000 in transit dollars that can be used towards this project or the sidewalk project on 5th Ave NE and 20th St NE to help with the City's local share. He explained there was approximately \$57,000 budgeted from the State Aid Maintenance for the local share for this project that could potentially be used on different street projects.

Voting Aye: Leigh, Grassel, Vetter, Helms, Buckalew, Tweten, and Olstad.

Voting Nay: None.

SCHEDULED PUBLIC HEARINGS: NONE.

CONSENT AGENDA:

Items under the "Consent Agenda" will be adopted with one motion; however, council members may request individual items to be pulled from the consent agenda for discussion and action if they choose.

6. Consider approving the following "On-sale Weekday & Sunday" Liquor License Applicant Renewals:
 - a. Mike's Pizza & Pub located at 411 2nd St NW East Grand Forks, MN 56721.
 - b. Blue Moose Bar & Grill located at 507 2nd St NW East Grand Forks, MN 56721.
 - c. Valley Golf located at 2407 River Rd NW East Grand Forks, MN 56721
 - d. Mamma Maria's located at 211 Demers Ave Ste 16 East Grand Forks, MN 56721.
 - e. Eagle's Club located at 227 10th St NW East Grand Forks, MN 56721.
 - f. VFW Post 3817 located at 312 Demers Ave East Grand Forks, MN 56721.
 - g. American Legion 157 located at 1009 Central Ave NW East Grand Forks, MN 56721.
 - h. Whitey's located at 121 Demers Ave East Grand Forks, MN 56721.
 - i. Casa Mexico Restaurant located at 112 14th St NE East Grand Forks, MN 56721.
7. Consider approving the following "Off-sale" Non-Intoxicating Malt Liquor License Applicant Renewal:
 - a. East Side Travel Plaza located at 607 Gateway Dr NE East Grand Forks, MN 56721.
8. Consider approving the following "Off-sale" Intoxicating Liquor License Applicant Renewals:
 - a. Pop's Liquor located at 122 4th St NE East Grand Forks, MN 56721.

- b. Hugo's Wine & Spirits located at 310 14th St NE East Grand Forks, MN 56721.
9. Consider adopting Resolution No. 14-05-43 authorizing the continued use of the sprinkle rate and the dates the rate will be effective.
10. Consider adopting Resolution No. 14-05-44 declaring that the City of East Grand Forks acts as the legal sponsor for an application for the FY 2014/2015 funding to the State of Minnesota Department of Natural Resources for the trail maintenance of snowmobile trails managed by the Red River Snowmobile Club.
11. Consider approving the temporary liquor license application for the American Legion for June 19th, 2014 for a Chamber After Hours event hosted in the Hugo's Parking lot.
12. Consider approving the summary of Ordinance No. 12, 4th Series for publication in the official paper.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER LEIGH, TO APPROVE ITEMS SIX (6) THROUGH TWELVE (12).

Voting Aye: Leigh, Grassel, Vetter, Helms, Buckalew, Tweten, and Olstad.

Voting Nay: None.

ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS BOARDS AND COMMISSIONS:

13. Regular meeting minutes of the East Grand Forks Campbell Library Board for January 28, 2014.

COMMUNICATIONS:

14. Acknowledge the ending of internship of Andrew Marquardt.

Council President Buckalew stated that today was Mr. Marquardt's last day as an intern and asked Mr. Marquardt if he had anything to share. Mr. Marquardt stated he was looking for future employment. Council President Buckalew wished him the best of luck.

15. Acknowledge the retirement of Jim Richter effective immediately.

Council President Buckalew thanked Mr. Richter for his years of service and for all of the projects that he helped out with including expanding the Industrial Park, the building of Sunshine Terrace, Infill Building, and helping with the mall project.

16. Report from City Administrator.

Mr. Murphy stated the City received the official letter of retirement this afternoon and that would take anything off of the agenda as far as the review of performance since the retirement makes that a moot point.

17. Consider adopting Resolution No. 14-05-40 approving plans and specifications and ordering advertisements for bids for the 2014 City Project No. 2 – Sidewalk Improvements.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADOPT RESOLUTION NO. 14-05-40 APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENTS FOR BIDS FOR THE 2014 CITY PROJECT NO. 2 – SIDEWALK IMPROVEMENTS.

Mr. Boppre informed the council the sidewalk will be placed about three feet away from the curb but there will be a few places that this will vary.

Voting Aye: Leigh, Grassel, Vetter, Helms, Buckalew, Tweten, and Olstad.

Voting Nay: None.

NEW BUSINESS:

18. Consider approving the purchase of a 2.0 million BTU Pentair Powermax Commercial Pool Heater from Horizon Commercial Pool Supply for the amount of \$26,550 with installation completed by Vilandre for \$7,421.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER HELMS, TO APPROVE THE PURCHASE OF A 2.0 MILLION BTU PENTAIR POWERMAX COMMERCIAL POOL HEATER FROM HORIZON COMMERCIAL POOL SUPPLY FOR THE AMOUNT OF \$26,550 WITH INSTALLATION COMPLETED BY VILANDRE FOR \$7,421.

Council Vice-President Leigh asked if this heater will meet any future needs if the pool is changed. Mr. Murphy stated that in the absence of any major expansion this pool heater will meet all the requirements on all of the different options the council has considered.

Voting Aye: Leigh, Grassel, Vetter, Helms, Buckalew, Tweten, and Olstad.

Voting Nay: None.

19. Consider adopting Resolution No. 14-05-44 authorizing that check number 18682 in the amount of \$1,471.50 made out to the Northern Lights Figure Skating Club be voided.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER LEIGH, TO ADOPT RESOLUTION NO. 14-05-44 AUTHORIZING THAT CHECK NUMBER 18682 IN THE AMOUNT OF \$1,471.50 MADE OUT TO THE NORTHERN LIGHTS FIGURE SKATING CLUB BE VOIDED.

Council Vice-President Leigh stated that he understands why this is being done and how the City lost money on this event this year but asked to have the idea of profit-sharing when there is a profit brought up at a work session for council consideration. Mr. Murphy stated that it could be brought up at a work session. He also apologized to the council for not contacting this club before he left last week.

He added that he will be contacting them and review the reasons for the voiding of this check. Council Vice-President Leigh added how profit-sharing could be used as an incentive for people to volunteer to work at these events.

Council member Tweten stated they shouldn't treat the girls different than the boys, how they should have told to stay within guidelines, and not be told that afterward what the guidelines were. He added that the council should give more direction if it is needed to the Parks Department. A resident stated that parents of the skaters provide all the help and serve as volunteers for the show. Mayor Stauss stated that it is hard to get volunteers for events but this year there wasn't a profit to share.

Council member Vetter stated that the City isn't there to support the clubs; the clubs are there to support the City programs. He added that he would be against any funds being transferred from the City to clubs in town he would be against. Council member Tweten stated there is the question of if they will work with us and explained how goals, objectives, and a budget needs to be set for this event. He added the program has been very successful.

Voting Aye: Leigh, Grassel, Vetter, Buckalew, and Olstad.

Voting Nay: Helms and Tweten.

CLAIMS:

20. Consider adopting Resolution No. 14-05-45 a Resolution authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 18778 for a total of \$401.60 whereas Council Member Buckalew is personally interested financially in the contract.

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL MEMBER OLSTAD, TO ADOPT RESOLUTION NO. 14-05-45 A RESOLUTION AUTHORIZING THE CITY OF EAST GRAND FORKS TO APPROVE PURCHASES FROM HARDWARE HANK THE GOODS REFERENCED IN CHECK NUMBERS 18778 FOR A TOTAL OF \$401.60 WHEREAS COUNCIL MEMBER BUCKALEW IS PERSONALLY INTERESTED FINANCIALLY IN THE CONTRACT.

Voting Aye: Leigh, Grassel, Vetter, Helms, Tweten, and Olstad.

Voting Nay: None.

Abstain: Buckalew.

21. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER VETTER, TO AUTHORIZE THE CITY ADMINISTRATOR/CLERK-TREASURER TO ISSUE PAYMENT OF RECOMMENDED BILLS AND PAYROLL.

Voting Aye: Leigh, Grassel, Vetter, Helms, Buckalew, Tweten, and Olstad.

Voting Nay: None.

COUNCIL/STAFF REPORTS:

Mayor Stauss stated he had good news to share. First the campground was full this past weekend and the both the house and senate passed the bonding bill which included \$250,000 for the expansion in the campground. He added to thank both Representative Kiel and Senator Stumpf for their work on getting this bill passed. He suggested the expansion take place in the fall to it doesn't disrupt campers this summer.

Council Member Vetter thanked Mr. Marquardt for his time and wished him good luck. He added that the issues with the EDHA have many residents upset with the retirement of Mr. Richter. He stated that he wanted to assure the residents this issue will not be shoved under the rug, this is just the start, and the whole process of EDHA needs to be reviewed and the council will have discussion on how they will be moving forward with this department.

Council Member Helms asked Mr. Aker about the car that is parked out by the Park Shop that is for sale and if it is on city property. Mr. Aker stated he wasn't sure. Council member Helms asked him to look into it. He also stated that he agreed with Council member Vetter, how this was the best way to handle the situation this evening and this is not over. He stated there will be further investigation, that this issue will be resolved, and the council will get answers to what happened.

Council Member Buckalew stated that he wouldn't repeat what the others had already said. He added with the crowd attending the meeting that this kind of interest that is needed in every aspect and issue that comes before the council such as the swimming pool or treatment of the sewage. He stated it was nice to see people taking an interest and thanked them for coming to the meeting.

Council Member Tweten stated there will be a substantial clean up in the EDHA Department. He then explained how the Industrial Park is full; the market value has increased along with an increase of the tax base, and commented how the City will continue to grow.

Council Member Olstad thanked everyone who came to the meeting. He stated that he was on the EDHA board and stated that he wanted to reassure everyone they are looking into this further and do the best they can for the City. He said there is a long way to go, many questions still need to be answered, and the process has started. He added how in the future he hopes they can gain the trust of the community again, get answers to the questions, and if anyone has questions to call him or the City Administrator, Mr. Murphy. He said they will do what they have to do to make sure the City is able to move forward and are stronger for it.

Council Member Leigh thanked everyone for coming to the meeting and stated that if anyone had a question on anything in the City to give him a call. He explained that Mr. Murphy had been meeting with Mr. Richter and with questions were not getting answered the council decided to have an audit completed. He stated how an audit is completed every year to balance the accounts but the audit that was completed was more indepth. He said how this will be looked into this, it will be a long process, and the public will get the answers when they are available. He commented how procedurally the individual didn't know what he was doing. He added that Mr. Richter did do a lot of good for the City but this is something that will be need to be fixed and the council has to make sure this does not happen again.

Council Member Grassel stated he was also on the EDHA board and that this is not something that is

being taken lightly. He said that they will take the best effort to see what happened and how the EDHA will proceed in the future. He added how this had been a boiling point for him for quite some time and they will get to the bottom of it. He explained how he knows people would like the council to say exactly what happened but at this time there are things that can and cannot be done at this time. He asked for people to be patient and when there are answers the public will be the first to know. He stated on a brighter note he would like to thank Chief Hedlund and Chief Larson with their help and time they spent with the 5th graders by showing equipment and trucks as well as the background of the Chief Hedlund's career and what goes on the City of East Grand Forks. He added how any time these doors can be open to kids is a great thing.

Mr. Murphy thanked Mr. Marquardt for all of the help during his time here and wished him good luck. He added that the independent audit completed of the EDHA files cannot be made public yet but after the performance information has been removed the rest of the information will be available to the public. He asked for some patience because this process will take a little time.

Mr. Aker thanked Council member Tweten for speaking at the Arbor Day event.

Council Vice-President Leigh asked Mr. Stordahl when the potholes will be filled in. Mr. Stordahl stated that once it dries up they will be able to fill in the potholes. Council Vice-President Leigh then asked if there was anyone from the audience that would like to speak. Mr. Dempsey asked when and where the next EDHA meeting will be and stated how that information should be published in the paper. Council member Grassel stated they are all posted on the calendar on the City website. Ms. Nelson stated EDHA meetings are held at 4:00pm on the 2nd and 4th Tuesday of the month in the Training Room. Mr. Olstad added the time might change during the summer months. Council President Buckalew added that anyone can call City Hall and ask when any of the meetings are.

Another resident asked if the council meetings are always held at 5:00pm. Mr. Galstad said yes and explained that the meeting times are set at the first meeting of each year. Mayor Stauss stated that this change was made about seven years ago. Council member Helms thanked Mr. Stordahl for helping with a tree issue a resident had.

Another resident asked when the City would start receiving payments for the loan. Council Vice-President Leigh stated they were waiting for a response from the person on that loan to obtain legal council because his attorney had a conflict of interest so the City was going to give him until May 27th and then set up a meeting. He added the City is still in the process of collecting on the loan. The council was asked how a loan could go 10 years without a payment being received. Council Vice-President Leigh stated they are looking into how things are processed and that he couldn't say much more on that. Mr. Murphy stated that is getting into performance issues.

Council President Buckalew stated that some of these questions would be better answered at the EDHA Board meeting because the City Council doesn't even take action on some of these things. Mr. Murphy added that staff is currently in the process of completing an inventory of all of the loans done within the last 15 years and checking the status on all of the loans. Questions followed about other loans that are outstanding. Mr. Murphy stated he didn't know that information off hand but would be able to look into that and let them know. More questions and discussion followed. Council member Helms stated that many of the council members were not on council during this time, much of this information is new to them, and that it will take time to sort out everything. Council Vice-President

Leigh stated the two council representatives were new to the board, mentioned how they are vocal; they are concerned about what is going on, and ask lots of questions so it is a good thing they are on the board.

A resident asked how City residents find out or get notified about these loans made available by the City. Mr. Murphy stated the loans that are being discussed are Small Business Loans. He added if there is an idea or need a person can speak with him, Ms. Ellis, or Ms. Lukasz to see what the business loan might qualify for. Mayor Stauss stated that there were many loans from after the flood and many were listed in the paper. He added these loans, including \$7,000,000 which went to Cabela's, were to create business in the community and how the EDHA Board and Director approve these things.

Mr. DeMers asked when the audit report will be completed and available to the public. Mr. Murphy stated the audit report is completed but a portion of it contains personnel performance information. He said he is working on getting a report put together without the personnel performance information and make that available within the next week or two. Council President Buckalew asked Mr. Galstad since these loans are made with public money, could the status of loans or who has loans be made available by filling out an information request at City Hall. Mr. Galstad stated there is a process that needs to be followed when requesting information, the request needs to be approved, review the information and make sure it is public information. He added that the request needs to be within reason. Mr. Murphy explained how the statute says if it is in an acceptable format that can be given but if there is a request for a different type of format or for lots of information the City has the right to charge for that request.

Ms. Brown asked any that any loan is applied for and approved or denied is public information. Mr. Murphy stated it is public data but it is not published. Ms. Brown then asked why if the City has the information and it is public data why would the City charging for it. Mr. Murphy stated that if the information is easily available there is no charge but if a request takes a large amount of staff time the City has the right to charge for that staff time.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL MEMBER HELMS, TO ADJOURN THE MAY 20, 2014 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:42 P.M.

Voting Aye: Leigh, Grassel, Vetter, Helms, Buckalew, Tweten, and Olstad.

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer