

**APPROVED MINUTES
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, JUNE 24, 2014 – Following Closed Special Session**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for June 24, 2014 was called to order by Council President Craig Buckalew at 7:07 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; Brad Bail, City Engineer; 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.

1. 2014 City Project No. 4 – SCADA System Upgrades – Brad Bail

Mr. Bail stated they will be asking to file the plans and specifications for the 2014 City Project No. 4 at the next meeting and ask for authorization to start advertising for bids and set the bid date. Council member Vetter asked if this project was included in the budget. Mr. Bail stated that it was.

This item will be referred to a City Council Meeting for action.

2. Civic Center Update – David Murphy

Mr. Murphy asked Dan with EAPC to give a brief update and asked the council to see if they would be able to pick one of the options. Council Vice-President Leigh asked that this item be tabled until the Blue Line Club is has had a chance to review it and see if they have any issues with Option D. Mr. Chip Shea stated the Blue Line Club's main issue would be with the concession area, mentioned that the club would be meeting the next day to discuss this, and the council could move forward with their discussion.

Council Vice-President Leigh stated the council should move forward with Option D because it is affordable. Mr. Murphy stated that they council will need to pick an option so staff can start looking at funding options and discuss a new lease with the school. Council member Grassel

explained how Option D addressed the locker room issue, kept the workshop space in the building, and was able to relocate the concessions, put in a warm area to sit, along with not having to include the installation of an elevator or sprinkler system. He stated that he strongly supports Option D and asked for it to be moved on to the meeting next week. Discussion followed about possible changes to the scoreboard, needing signage for the relocation of the concession stand, how EAPC would work with the Blue Line Club to address any concerns or needs, and the possibility of the project being completed before hockey season this year or if would have to wait until next year.

This item will be referred to a City Council Meeting for action.

3. EDHA Audit Review – Joe Martin

Mr. Joe Martin introduced himself to the council and explained he was giving an update on the EDHA Audit. He explained the document the council received was just a draft document which he will be getting responses from management and then finalize the document. He reviewed the first six pages explaining these were from management letters from previous years and issues that were brought up to the EDHA. He stated how page seven started with this year's comments and how most of them deal with needing more information including being documented in the minutes of the board meetings. He informed the council that any changes with loans including changing the terms and property sales need to be included in the minutes. Mr. Martin told the council that lots of work has been done in 2014 to improve the tracking of loans and the sale of property.

Council member Vetter stated that many of these items say the City and asked if the City had been substituted for EDHA. Mr. Martin said that was the case and they would have that corrected on the final document. Mr. Martin continued by explaining the financial statement stating that the EDHA had a deficit at the beginning of the year which was cut down with the sale of lots in the industrial park. He continued to review both the housing and economic development financial statements. Discussion followed about how the EDHA had purchased the property in the industrial park and that is why they collected the money for those lots and the residential lots sold go to the City.

Mr. Galstad asked Mr. Martin give a summary of how this loan was not found. Mr. Martin explained the funds used were flood recovery money. He stated how the statement showed the grant coming in and out. He explained how the \$510,000 should have been set up as a receivable for the EDHA but was not recorded in the general ledger and he is not sure why. Council member Grassel stated that the EDHA was a beneficiary and these funds were to help expand the program and added how the EDHA did not administer the loan.

4. Waste Water/Storm Water Operator Position – Jason Stordahl

Mr. Stordahl explained to the council how there use to be a lead waste water operator, how they position was not filled after a retirement, and explained to the council the need to have a lead operator to be the contact person for agencies such as the MPCA and EPA, to oversee the department, cross train staff, be in charge of sampling, reporting, and more. He used examples

of what is done in other cities as well. Council member Helms asked how this position would be hired. Mr. Stordahl stated that it would be opened internally. Discussion followed about how this position is at a grade 13 on the pay scale and how the hiring process will include a test and interview.

This item will be referred to a City Council Meeting for action.

5. Unpublished City Lots – Nancy Ellis/Megan Nelson

Ms. Ellis explained how she and Ms. Nelson had reviewed the lots owned by the City and how there are lots the council could choose to sell and other property to lease. She state how there are state statutes when it comes to selling or leasing city property so explained the standard operating procedure policy that addresses these issues. She stated there what a policy included in the packet and asked for direction from the council on this. Discussion followed how prices would be set on property that could be sold or leased, how this would ensure everyone would be treated the same, and how all staff would receive a copy so every department would be following the same policy.

This item will be referred to a City Council Meeting for action.

6. Lease Agreement – David Murphy

Mr. Murphy informed the council that Mr. O’leary stopped in to review the lease agreement and asked to have it renewed with the same terms. Council member Tweten stated that he didn’t see a reason to increase the rate. Council member Vetter asked if the rent money went into the general fund. Mr. Murphy stated yes.

This item will be referred to a City Council Meeting for action.

7. North End Multi-Family Development – David Murphy

Mr. Murphy explained how there had been inquires about a couple properties in town and since no formal action had been taken by council he brought this up for discussion. He stated how he will need the council’s input on what incentives should be offered to developers. Council member Tweten commented how a development on the north end of town could help Northland grow as well as increase the number of educated, skilled workers in the community. Council member Olstad commented how Northland would be looking at renting out a block of rooms in an apartment complex for students and added with their deficit he wasn’t sure how is that was a possibility. He stated how they could consider tax abatement and how the City was being asked to put in over \$500,000 in infrastructure.

Mr. Craig Tweten stated that the drawings for a structure next to the VFW are almost done and explained how the bottom floor would be commercial with 29 units on the next two floors but he would need TIF funds to make this project work. Mr. Murphy stated how these projects are going to take staff time, effort, and cost and he would like formal action from the council before moving forward with either project. Discussion followed about how the TIF districts were going

to be decertified soon, how parking would be an issue with the project down town, and how the council needs to determine if they would like to ask for Request for Proposals for the development of certain areas.

This item will be brought back to the next work session for further discussion.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER VETTER, TO ADJOURN THE JUNE 10, 2014 COUNCIL WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 8:43 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer