

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
MONDAY, NOVEMBER 10, 2014 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for November 10, 2014 was called to order by Council President Craig Buckalew at 5:09 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; Karla Anderson, Finance Director; Erika Azure, Administrative Assistant; Dan Boyce, Water & Light Manager; Nancy Ellis, City Planner; Ron Galstad, City Attorney; Rodney Hajicek, Police Lieutenant; Charlotte Helgeson, Library Director; Gary Larson, Fire Chief; David Murphy, City Administrator/Clerk-Treasurer; and Megan Nelson, Executive Assistant.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present

Council President Buckalew stated the first item on the agenda was Border to Border Off-road vehicle trail and that Mr. Larson had gotten held up by weather so they would be moving on to item number two.

1. Landfill Agreement – Erika Azure

Ms. Azure informed the Council that the City currently disposes of its solid waste at the Grand Forks landfill. She stated that the current contract expires at the end of this year. She added that the proposed agreement would be from 2015 through 2024 and the increase would be a 4% increase from the current contract. Council member Vetter commented on how Countrywide now hauls the waste to the landfill and asked if they are required to show a special card or something when they go to the landfill. Ms. Azure stated that they have a certain truck that they use specifically for East Grand Forks. Council member Vetter asked if every time that truck goes over the scales it is charged to East Grand Forks. Ms. Azure explained that they are required to sign for each load. Discussion followed about how staff will work on making sure the City is not paying for other people's garbage.

Mayor Stauss asked if rates were going up in Grand Forks. Ms. Azure stated that they were. Mayor Stauss commented that previously the City had an agreement with Grand Forks to keep the rates the same as the residents of Grand Forks. Mr. Galstad said that this agreement had been in place since

about 1990 and suggested they should clarify the prevailing wage language. Discussion followed about how the City averages about 350 tons a month and was charged \$47 per ton. Ms. Azure told the Council the tonnage had dropped when the City started recycling.

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

2. Border to Border Off-Road Vehicle Touring Trail – Dan Larson

Mr. Larson told the Council that he was glad to be at the meeting and thanked them for their time. He said that he was with the Minnesota Four-wheel Drive Association. He stated that there were 3200 members and continue to grow. Mr. Larson then explained the Border to Border Off-road Vehicle Touring Trail, how it is being proposed to have a trail extend from East Grand Forks all the way over to Grand Marais, and how the course would be set up for both experienced and inexperienced drivers. He stated a local sponsor is needed and asked if East Grand Forks would be a local sponsor. He added that this would be set up like the snowmobile model, there wouldn't be a cost to the City, and most if not all of the administrative duties would be put on a group in order not to take up staff time.

Council member Olstad asked what agreements they already had with the DNR and if they had any issues with them. Mr. Larson said they try to keep good terms with the DNR and that they worked with them on the state parks. He added that both places had very successful off-road parks. Mr. Larson mentioned that these parks were located near Gilbert and Appleton and had a positive effect on the area. He added how they are trying to be good neighbors to the community and would have contact information to the City Officials if any of the Council wanted to contact them about those parks. He commented that they worked with the DNR on the parks.

Mayor Stauss stated that he saw two issues with one being the acquisition of land for this trail. Discussion followed regarding if the City should be the sponsor of this project, how they are trying to work with a contractor and come up with a regional plan, and how the City might want to apply for legacy funds to help the City's parks. Council President Buckalew asked Mr. Larson if he had asked any other City to be the sponsor for this project. Mr. Larson said no. Council President Buckalew asked if there were any questions from people attending the meeting. They stated they would speak with Mr. Larson after the meeting. Mr. Larson stated that he was just asking for the Council to consider being the sponsor of the plan and that he didn't expect them to vote on at this meeting. Mayor Stauss suggested that Mr. Larson come back with a plan of this project. Mr. Larson thanked the Council for their time.

3. 2015 Budget Discussion – David Murphy

Mr. Murphy reviewed what had happened with the City budget over the last few years with a decrease to the 2013 budget and a levy limit put on the 2014 budget process. He reminded the Council they had voted on a 10% increase on the preliminary levy and how staff had been looking at other sources to help balance the budget. He added that there is \$109,500 for funding the EDA department which had not been included in the previous years, reviewed other areas that had changed, and that staff had been working a plan for future budgets.

Ms. Anderson informed the Council that currently the budget is over by \$66,000 which does not include any capital improvements or equipment purchases. She explained to the Council that staff reviewed the budget and to save money the Community Development and the EDA will be sharing an assistant. She

commented that if the Council did decide to sell the Riverwalk Center funds would become available to help fund the EDA department for one year with the committed funds that would be released with the sale of the property. She added that they have looked in the 280 fund for the financing source for the tax rebates and explained how Chief Larson is applying for a grant for a fire marshal position that could also complete building inspections. Ms. Anderson then told the Council about all of the areas that staff had looked into which included fees for events and the use of facilities, promoting city lots and cemetery plots to try and sell more, raising fees on different services, or raising other taxes. She said that staff is looking for direction from Council on how staff should move forward. Mr. Murphy stated that staff has been trying to work on a two to three year plan for budgeting. He added that the City has spent some of the fund balance which will need to be increased. Ms. Anderson stated that there was an audit finding on that as well.

Council member Olstad asked if the budget presented included the 10% levy increase. Mr. Murphy stated that it did. Ms. Anderson added that they still need to figure out where to come up with \$66,000 difference. Council President Buckalew stated that Public Safety and Culture and Recreation went down to zero. Ms. Anderson stated that this was capital outlay and that there was no money available for squad cars or other equipment. She stated that there will be two mowers that will be purchased but no other capital. More discussion followed about how the City will be falling behind with their equipment needs and how the tax payers could be affected by a 10% increase in taxes. Ms. Anderson stated the tax capacity is growing and that she had contacted the County for the number but still had some questions on the information that was sent. Council member Olstad asked what the dollar amounts would be instead of percentages. Mr. Murphy stated that based on the information the City has at this time the best estimate for how a tax payer would be affect on a house valued at \$200,000 it would be approximately \$58 increase.

Council member Vetter asked for clarification in regards to the sale of the Riverwalk Center and how these funds would go to the EDA since it is a City owned facility. Ms. Anderson stated that the sale would release the \$120,000 that is currently being held as a guarantee and those funds could be used to fund the EDA department for 2015. More discussion followed about how property valuations that have increased, other entities like the school have an impact on tax payers, and the Council reviewed some of the ideas that staff brought forward regarding the budget. Council President Buckalew asked to get the exact numbers from the County and that the tax base could be raised by 10%, not the taxes of each individual taxpayer.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER OLSTAD, SECONDED BY COUNCIL MEMBER TWETEN, TO ADJOURN THE NOVEMBER 10, 2014 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:01 P.M.

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

Voting Nay: None.

Absent: Leigh and Grassel.

David Murphy, City Administrator/Clerk-Treasurer