

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, NOVEMBER 25, 2014 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for November 25, 2014 was called to order by Council President Craig Buckalew at 5:00 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(5:03pm), 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; Brad Bail, City Engineer; Greg Boppre, 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. Update on Stabilization Pond Project – Greg Boppre

Mr. Boppre stated that they would be giving a shorter version of the presentation since the Council had a chance to review the information since they had received it on Thursday. He began by reviewing what the new proposed rates were going to be and how they have been updated. He explained there had been meetings and correspondence between the City and the Minnesota Pollution Control Agency (MPCA) regarding the stabilization pond project. He said if they moved forward with the project as it was originally proposed it would cost around \$25,000,000 due to the rise in costs of 30%. He added that this did include the 15% contingency. He then explained the MPCA is now requiring a four foot separation between the bottom of the pond and the water table. He reviewed how this requirement would increase the cost of the project by approximately \$12 million dollars.

Mr. Boppre then stated how this project is ahead of schedule by a year. He added the City is back on the IUP list for 2015 and at this point they have spent approximately \$80,000 which would have been spent regardless what project they had decided to move forward with. He said since the project is ahead of schedule and the Council will have time to consider if they would

like to move forward with this project or possibly consider another like a mechanical plant. Mr. Hallan then gave the Council a brief overview of how a basic mechanical plant could fit on the land to the north of the lagoons, how there would be room for expansion in the future if needed, a small lab would be included to complete the necessary testing, and how this potential project is estimated at \$24,300,000. Mr. Boppre then reviewed how the user of 6000 gallons would be affected by each of the projects and how much was going to have to be in reserves.

Mr. Boppre stated he had attended a meeting with Mr. Tweten, Mr. Grassel, Mr. Murphy, Mr. Buckalew, and Mr. Roger Moe. He said how Mr. Moe has received all of the information regarding this project and that he had suggested trying to have one more meeting with the MPCA and invite the state legislators to attend. Mr. Boppre informed the Council the meeting with the MPCA had been set for December 11th at 9:30 am where members of the Council, staff, and the engineers will be asking if the MPCA will change their mind on the requirement of the four feet of separation. He added that the information will be brought back to the Council to make a decision. Mr. Boppre then asked for questions.

Mr. Buckalew asked if the costs for operating the mechanical plant were included in the cost estimates. Ms. Anderson said the debt could only go out 20 years and that the cost of operations was included. Mr. Boppre commented on how they have tried to include all of the costs in the cost estimates.

Mayor Stauss commented how MPCA should have told this to the City a year ago. He added that both Senator Stumpf and Representative Kiel have been talked to about this issue and at this time they are not sure what the City should do. He added that the best lobbyists are representatives from the City and that he didn't understand how the MPCA could make the City decide on a project but not inform the City about everything required for that project. Mr. Boppre said that he was not defending the MPCA but through completing engineering work things were discovered and brought forward. Discussion followed about how projects in Western North Dakota are affecting prices and the availability of contractors in our area, how the required four feet of separation is a requirement that all cities have to follow, how the water table was found completing soil borings, and how the ground water affects this project.

Council Vice-President Leigh asked at what point the Council should have known about the four foot separation requirement. Mr. Boppre explained that it was discovered during the designing phase of the stabilization ponds. Council Vice-President Leigh said a constituent asked if the interconnect was still an option and if so what that cost would be. Mr. Boppre stated that he was told to focus on keeping this project in East Grand Forks so that is what he did. He then added if that was something the Council wanted to consider they could prepare estimates for that also. Council Vice-President Leigh commented there were some residents who would like to know what the costs would be on the interconnect project. He was not in favor of the interconnect but the Council should look at that option.

Council member Olstad asked about the MPCA letter regarding a plan to reduce the level of ground water and if that was included with what was being proposed or if that was another new requirement. Mr. Boppre explained that it was somewhat of an unknown but was included in the plan. He added how ground water was an issue and reviewed different ideas, including adding

drain tile, and mentioned how costly this was due to the size of the ponds. Council member Olstad then asked if the MPCA could also require other things. Mr. Boppre said yes. More discussion followed about how things were moving forward with Moorhead's lawsuit against the MPCA, if the project changes and the possibility of having to decommission the ponds, and how having a mechanical plant would not require an emergency pond because the MPCA would require the plant to be hooked up to backup generators. Mr. Boppre ended by reminding the Council about the upcoming meeting with the MPCA.

2. EDA Bylaws & Discussion of Expectations – David Murphy

Mr. Murphy explained that the EDA Board had reviewed their bylaws over the last few months and how there were four major changes to the bylaws. He said the first addition was include the City Administrator as the director's day to day supervisor, the second was having the bills be paid through the Finance Office which had been the practice for several years, make the director's schedule be a part of the City's approved salary schedule, and allow flexibility in the EDA meeting schedule. Mr. Murphy commented the Board had approved the bylaws at the last meeting and had already changed their meeting days to the 1st and the 3rd Tuesday of the month so they were able to approve their bills.

Council member Grassel commented that this had been a lengthy process and was not taken lightly. Council member Olstad stated that the Board was trying to make sure that things were being done correctly. Mr. Galstad stated the only change he would make would be the number of board members that constitutes a quorum. He stated that years ago the number of Board members was changed from five to seven. He asked that a change be made so four board members would constitute a quorum.

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

3. Sergeant's Pay Discussion – David Murphy

Mr. Murphy informed the Council that a grievance had been filed by two people in the police department. He explained the situation about how a junior sergeant was getting paid more than two sergeants who had been there longer. He stated how had been talking with the union rep, other colleagues, and the employment attorney regarding this issue and is now asking the Council how they would like to move forward. Discussion followed about how this situation happened since the clothing allowance was changed and included in the regular pay, how if the Council did not want to move the two sergeants up in pay that this will end up in arbitration, how much arbitration costs, and how the union had agreed to the labor contract. Council member Vetter asked to only have sergeants. Chief Hedlund explained that they would have to have it changed in the labor contract. Council President Buckalew asked if action needed to be taken on this. Mr. Murphy stated that he would only need direction from the Council. After more discussion the Council said they had been following the labor contract which had been signed by both parties so if they disagree this issue can go to arbitration.

4. Administrative Assistant Position – David Murphy

Mr. Murphy stated the Community Development and EDA Offices will be combining and the assistant in the Community Development Office if looking to retire soon. He asked the Council for the approval to hire an administrative assistant to fill this position. He explained this person would be the assistant for both the Community Development Office as well as the Economic Development Office. He stated they would like to have someone hired by the time the current assistant retires. Council Vice-President Leigh stated to move forward with this.

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

5. Verbal Update on EDA Director Position – David Murphy

Mr. Murphy informed the Council that Springsted had received 19 applications for the EDA Director position. He explained that after a review of the applications 10 met the criteria, seven then responded to a survey, and from those responses they have narrowed it down to four candidates. He said Ms. Klumpp had already done a first interview with them and they will be invited to interview with the EDA Board on December 8th. He added they will be doing reference checks and the names of the people will be public when they come for the interview.

Council President Buckalew asked if the Council was involved with the interview process. Mr. Murphy stated that the Charter and bylaws say the EDA Board will be doing the interviews. Mr. Galstad added that it is a responsibility of the EDA Board to conduct the interview process and hire the new director.

6. 2015 Budget – Karla Anderson

Ms. Anderson informed the Council that this was an updated budget summary because the City was going to receive about \$26,000 more in transit than expected. She said that this leaves a difference of about \$40,000 and asked if they would like to decrease expenses, raise fees, or take the remainder out of reserves. She reminded the Council that this does include a 10% increase in the levy. She reviewed four examples of different priced homes in East Grand Forks, how much the taxes will be going up with a 10% levy increase, and how much values of property went up. Ms. Anderson told the Council that this proposed budget did not include any capital, there would be the \$250,000 in the building maintenance fund, and how a lawnmower was going to be purchased for the cemetery but those funds would be coming from the general fund through a transfer.

Mayor Stauss commented how 10% is a large number and how the Council has tried to keep an increase below 5%. He said how people are moving away because of higher taxes. Discussion followed about how soon the Council will need to take action on the levy, how they could try to get the legislators to increase in LGA funds, and try to get more funds out in greater Minnesota. Council member Vetter asked to have each department decrease their budgets by a half of percent since there is usually some fluff in budgets. Ms. Anderson stated staff had already kept numbers at the 2014 level, had brought suggestions forward on how to increase revenue, and commented how there was a 7% increase in personnel. Mr. Murphy commented how there is

potential for more revenue with the sale of the Riverwalk Center which would help as well as funds coming from the campground. Council President Buckalew stated that the Council had held the line for quite a few years and that is how they are ending up with five year old squad cars. Ms. Nelson reminded the next Council the meeting will be at 7:00pm. Mr. Murphy stated the resolution will have the 10% increase.

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

7. Other

Council member Helms stated there were a couple things that he would like to discuss. He asked if the closing date had been set for the sale of the Riverwalk Center. Mr. Galstad said he had prepared and done everything that he could up to this point. Mr. Murphy stated that he was working on getting the closing date set with Mr. Moore.

Council member Helms then said he would like to discuss a snowplow situation which really bothered him. He stated that a deal was made for a snowplow in good faith, the plow never touched the ground, and it was replaced by another place. Discussion followed about the purchasing policy that the City has in place, the chain of command was broken in this situation, and how all employees need to adhere to the policy. Mr. Murphy stated he was less than happy about this situation and how this will not be happening again. He said things are in place so this will not happen again and all purchases will have to have the department heads will be signed off on prior to the purchase.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER LEIGH, TO ADJOURN THE NOVEMBER 25, 2014 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:40 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer