

**AGENDA
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, JANUARY 6, 2015 - 5:00 P.M.**

CALL TO ORDER:

CALL OF ROLL:

DETERMINATION OF QUORUM:

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.” If you would like to address the City Council, please come up to the podium to do so.”

APPROVAL OF MINUTES:

1. Consider approving the minutes of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of December 16, 2014.
2. Consider approving the minutes of the “Special Meeting” for the East Grand Forks, Minnesota City Council of December 16, 2014.
3. Consider approving the minutes of the “Special Meeting” for the East Grand Forks, Minnesota City Council of December 23, 2014 recessed and continued on December 29, 2014.5

SCHEDULED BID LETTINGS: 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.

4. Consider adopting Resolution No. 15-01-05 designating “C&H Insurance” as the insurance agency to handle City Policy for 2015.
5. Consider adopting Resolution No. 15-01-06 approving the 2015 Administrative Services Agreement with Select Account.
6. Consider adopting Resolution No. 15-01-07 enabling elected and/or appointed officials of the City of East Grand Forks to be covered by the Minnesota Workers Compensation Law.
7. Consider adopting Resolution No. 15-01-08 approving the following Boards & Commission appointments and reappointments as presented by the appropriate elected officials.

8. Consider approving the application for an Exempt Gambling Permit for a raffle for Sacred Heart Church & School to be held January 24, 2015 at Sacred Heart School, 200 3rd Street NW East Grand Forks, MN 56721 and waive the 30-day waiting period.

ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS, AND COMMISSIONS:

9. Regular meeting minutes of the Economic Development/Housing Authority Board for December 2, 2014.
10. Regular meeting minutes of the Cemetery Commission for November 24, 2014.
11. Regular meeting minutes of the Library Board for October 28, 2014.
12. Regular meeting minutes of the Water, Light, Power, and Building Commission for November 20, 2014.

COMMUNICATIONS:

13. Acknowledge the notice received from GSS, Inc regarding a proposed monopole communications pole to be constructed within the railroad right-of-way.

OLD BUSINESS:

14. Consider approving the agreement between the City of East Grand Forks and Northland Community and Technical College for the use of a public parking lot for the truck driving program.

NEW BUSINESS:

15. Consider approving the Joint Powers Agreement for Group Employee Benefits between the City of East Grand Forks and the Northwest Service Cooperative for health insurance benefits.

CLAIMS:

16. Consider adopting Resolution No. 15-01-09 authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 20592 for a total of \$380.91 whereas Council Member Buckalew is personally interested financially in the contract.
17. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.

ADJOURN:

Upcoming Meetings:

Meeting will be determined after the Organizational Meeting.

**UNAPPROVED MINUTES
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, DECEMBER 16, 2014 – 5:00 PM**

CALL TO ORDER:

The Regular Meeting of the East Grand Forks City Council for December 16, 2014 was called to order by Council President 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, 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; 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:

PRESENTATION OF PLAQUES:

Mayor Stauss called Ms. Nan Larson forward and said how Ms. Larson had served on the EDHA Board since 2003. He explained that people volunteer to serve on the boards and commissions, how this year things did get controversial, and that he really appreciates what Ms. Larson had done for the City of East Grand Forks. He added that hopefully she will again serve in some capacity. Ms. Larson said thank you.

Mayor Stauss then asked Council Vice-President Leigh to come forward. Mayor Stauss stated that Mr. Leigh had been an alderman from 2006 until 2014. He said that he appreciated Mr. Leigh being a part of the Council, always contributing, and trying to keep taxes down for the residents. He ended by saying that Mr. Leigh always came to the meetings prepared which is not the case with every council member and Mayor Stauss thanked him for that. Council Vice-President Leigh stated it was an honor to serve the citizens of East Grand Forks for the last eight years. He said thank you for the opportunity and he wished Mr. DeMers and Mr. Pokrzywinski best of luck.

Mayor Stauss said would also like to thank Dale Helms. He commented how he was appointed to the position to finish a term and had really gotten into being a part of the Council. Mayor Stauss said Mr. Helms was able to get a different perspective with being on the Council and thanked him for his service. Council member Helms said thank you.

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.”

There were not any questions or comments for the Council.

APPROVAL OF MINUTES:

1. Consider approving the minutes of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of December 2, 2014.
2. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of December 9, 2014.

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL MEMBER HELMS, TO APPROVE ITEMS ONE (1) AND TWO (2).

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

Voting Nay: None.

SCHEDULED BID LETTINGS: 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.

3. Consider approving the extension to the Fire Service Agreement between the City of East Grand Forks and the neighboring townships which will take effect April 1, 2015.
4. Consider adopting Resolution No. 14-12-110 approving a 2% cost of living wage increase for non-union City Employees.
5. Consider approving the agreement between the City of East Grand Forks and Northland Community and Technical College for the use of a public parking lot for the truck.
6. Consider adopting Resolution No. 14-12-111 authorizing a counterproposal to the MNDOT proposed changes to the functional classification revisions to the road system in East Grand Forks.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER TWETEN, TO APPROVE ITEMS THREE (3), FOUR (4), AND SIX (6).

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

Voting Nay: None.

Council President Buckalew asked if item five was to be tabled. Council member Vetter stated they could vote on it if there was a first and second for the motion.

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, TO APPROVE THE AGREEMENT BETWEEN THE CITY OF EAST GRAND FORKS AND NORTHLAND COMMUNITY AND TECHNICAL COLLEGE FOR THE USE OF A PUBLIC PARKING LOT FOR THE TRUCK.

Mr. Murphy asked to have that item tabled. He explained that Mr. Galstad was not able to make contact with Northland College regarding revisions to the agreement. Council Vice-President Leigh asked if the insurance issue was resolved. Mr. Galstad said that is what he was trying to do but hadn't been able to speak Mr. Huschle or have him review the changes to the agreement regarding the insurance.

COUNCIL MEMBER LEIGH WITHDREW HIS MOTION TO APPROVE THE AGREEMENT BETWEEN THE CITY OF EAST GRAND FORKS AND NORTHLAND COMMUNITY AND TECHNICAL COLLEGE FOR THE USE OF A PUBLIC PARKING LOT FOR THE TRUCK.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER LEIGH, TO TABLE ITEM FIVE UNTIL THE NEXT MEETING.

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

Voting Nay: None.

ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS AND COMMISSIONS:

- 7. Regular Meeting Minutes of the Water, Light, Power, and Building Commission from November 6, 2014.

COMMUNICATIONS: NONE.

OLD BUSINESS:

- 8. Reconsider adopting Resolution No. 14-12-107 approving the 2014 Tax Levy, Collectable in 2015.

Mr. Murphy wanted to address the council. He stated that he had read the veto, that he respected the mayor's opinion, but that staff had put a lot of time and work into the budget. He said one of the things that came out when he was hired was that he would not bring something before the Council that wasn't appropriate and it appears that the City had been running at an artificially low levy for the last several years and from his experience that is not sustainable long term. He explained the levy and budget before the Council did not include items like squad cars and he wanted to make sure the Council is aware the levy that is being proposed is what is needed to maintain the level of services for at least the near future.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADOPT RESOLUTION NO. 14-12-107 APPROVING THE 2014 TAX LEVY, COLLECTABLE IN 2015.

Council member Vetter said he wanted to make a few comments before voting on this. He said the easy part is to veto the levy and the easy part is to vote no on this. He stated the hard part if this doesn't pass is balancing the budget. He said the Mayor had talked about having a 5% increase instead of 10% which the Council would then have to come up with \$180,000. He added that Mr. Murphy already told them there was nothing in the budget for capital purchases, no repairs to buildings, or any other larger purchases. He then asked how the Council will be able to come up with the \$180,000 difference. Council member Vetter reviewed if personnel were let go from the different departments and how services would be affected negatively. He then reviewed other parts of the budget leaving salaries and payments to the central equipment fund which might not leave much to allow the Council to reach the \$180,000 that is needed to balance the budget. He said again voting no is the easy part and if this is vetoed it should be there responsibility to balance the budget.

Mayor Stauss stated that he disagrees and the easy part is to go to the tax payer and ask for more money along with the other entities. He commented how across the river they are looking at a 20% decrease in tax and asked how the City could attract people to the community when they are looking at a 10% increase in tax. He added that it won't be easy and how it is with more people and businesses that more taxes are brought in to pay for services. He stated again that the easy part is to tax people and the hard part is review the budget and take out what is absolutely not needed.

Council member Tweten told the Mayor that he could have his opinions but what was irritating to some of the Council was that he had never expressed his opinion on how to cut the budget. He asked what the Mayor's suggestions were to cut the budget and why he didn't make those suggestions months ago. He said there was three years with a minimal increase and how the Council just kept kicking the can down the road. He said if a levy isn't passed it will be put at the previous year's levy and the problem will be compounded. Council member Tweten commented how this is a management issue and residents will not be happy with the results when this is over. He ended by saying this is a first class city that likes first class service.

Council member Olstad said that the Council had asked Mr. Murphy and the Department Heads to go through the budget and bring back what could be cut many times. He said what was brought back was looking at 10% increase and it did not include any increases in expenses from the previous year. He stated that looking back at what the increases had been or in 2012 a 1% decrease, he said the City had been fortunate. Council member Olstad said how Mr. Murphy explained and expressed that next few years the Council will need to get back on track and he feels that this is a step in the right direction. He said to correct him if he is wrong but the increase would be approximately \$11.06 on a \$150,000 home and that isn't too much to asked of citizens so the level of service can be maintained and the City kept clean and going. Council member Olstad said they could talk about things coming down the road or look back at 2012 and look how money could have been saved at things coming up in 2016. He ended by saying he will support the increase because he thinks that it is the best thing to do.

Council member Grassel said that he looked through the budget and going back to what Council member Olstad said the Council has put a band-aid on things and spent down a considerable amount of the reserves. He stated how discussions with the department heads included how the police department

had been fixed, the fire stations need to be fixed up, there are three rinks that will need attention in the next few years, and cutting this levy in half will not help at all. Council member Grassel stated he understands how residents could be concerned about a 10% but overall residents shouldn't be seeing a 10% increase on their property taxes.

Council President Buckalew commented about how 10% sounds like a big number but 10% is on the tax levy amount, not on property owners' individual taxes. He said that when residents receive the property tax statement the number will be far different than what is being discussed. He explained this happens with new homes being built, remodels, and a growing tax base which all help decrease the amount that each individual would have to pay. He said looking at the decreases residents have had in the last few years compared to the increase that is being proposed this year the increase is a reasonable amount. He mentioned that they have looked at what other communities are doing and when looking at the comparisons things that need to be considered like the needs our community has that others might not. He commented how the City has very good services and that is why people choose to live in this community. He said again the 10% sounds big but it really comes down to a 2% to 3% increase for individuals. He said it was for that reason that he will also be supporting the 10% increase.

Mayor Stauss stated again Crookston will have a 5% increase, Thief River Falls will have a 3% increase, Grand Forks is looking at a discount of 20%, and East Grand Forks is looking at a 10% increase. Council member Tweten commented that he wasn't trying to belittle anyone but the appearance of East Grand Forks on the standpoint of maintenance is much better. He said that he believes that should be continued and will vote to override the Mayor's veto.

Council member Helms stated he was concerned about what will happen down the road. He asked if the Council approved 10% today what would happen next year. He asked if it would be 10%, if it wouldn't go up at all, and if the increases would ever end. He stated that Council member Tweten said the last three years the Council got by with minimal changes, the City got by, and how services hadn't changed. He said again his big concern now is if there is a 10% increase now what will be done in the next few years. He added that it might not look like much now but give it a couple years with raises and see what it looks like.

Council member Tweten explained that one thing that has happened is taxable values are increasing rapidly. He stated how there was 29 million dollars worth of growth in Polk County in 2014, the City had increase between 7 and 9 million dollars in its taxable base and in three years the tax base will be substantially larger. He said the Industrial Park will be expanded and there are new people who would like to come locate there. He added this year had been a good year with 17 new homes being built, how there will be substantial new homes built next year and the tax base and growth will make a lot of difference.

Mayor Stauss stated once again the City is trying to attract people and businesses to East Grand Forks. He said they will not be coming here if taxes are substantially higher than other communities in the area or Grand Forks. He commented how Grand Forks has oil money that is helping them. He explained that Grand Forks wants to build a water treatment plant with approximated costs of 133 million dollars. He said that the State of North Dakota will be giving the City 100 million dollars for this project and they will be using the City's sales tax to cover the remaining portion of the project. He said that if East Grand Forks tried to get funds from the State the City might receive a couple hundred thousand to build a water treatment plant. He added that if we are going to be getting people to come

to our State and community the Council has to give them reasonable taxes.

Council President Buckalew asked the Ms. Karla Anderson, the finance director, to come forward to give a couple comments. Ms. Anderson informed the Council that she had checked with Crookston, Thief River Falls, and Grand Forks on what their levies had been from 2011 to 2015. She stated after adding up the increases for the City of Crookston totaled 14% for those years. She explained that adding up the East Grand Forks increases, including the 10% would total 14.6% only putting the City .6% higher than what Crookston has levied for the same time period.

Ms. Anderson continued by explaining Thief River Falls is having the same struggles that East Grand Forks is having. She said how they only have a 3% increase but are putting together a 5 year plan where they will have to increase the levy every year. Ms. Anderson added that Thief River Falls also runs a municipal liquor store so they have forms of revenue that East Grand Forks does not have. She then explained about how Grand Forks has a city sales tax in place which is an additional revenue stream for them, their mills went down, but they will be collecting more revenue because of an overall increase of 3.76% due to growth. She said how growth will help sustain the levy and collect more. She ended by saying if there are any questions to ask but she just wanted to bring that to the Council's attention.

Mayor Stauss commented he was surprised that staff was checking on his figures. He added that as far as Grand Forks goes they are getting more population because their taxes are lower. He said again that if East Grand Forks wants to have an increase in population the taxes have to stay reasonable. Ms. Anderson stated that she had checked on taxes between Grand Forks and East Grand Forks and East Grand Forks typically has lower taxes because of differences between North Dakotans paying more in property tax compared Minnesotans paying more income tax. She said that what it comes down to is where people want to live, what quality of life they want, and she believes East Grand Forks has that.

Mr. Murphy stated he had checked into the levy the last few years and one thing that has happened is that the City has dipped into its fund reserve balance. He said it is now to the point where he recommends it cannot remain because it is so low. He explained the State recommends cities should have at least six months worth of expenses on hand which has been spent down. He added the EDA had been funded using funds which are no longer an option to use so it will be funded using the general fund which is well in excess of \$100,000. He said that needed to be clarified.

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

Voting Nay: Helms and Leigh.

Council President Buckalew stated the motion died.

NEW BUSINESS:

9. Hearing for Hugo's Wine & Spirits for the Council to consider if the three day license suspension should be enforced.

Mr. Allen Dukart and Ms. Kristi Magnuson-Nelson came before the Council, explained the system and policies they have in place to try and prevent from selling to minors. Mr. Dukart stated they have a zero tolerance policy in place so if an employee is caught selling to a minor they are terminated

immediately. He stated that all employees sign a contract knowing that is the outcome if they are caught selling to a minor. He added they do everything in their power to make sure this doesn't happen. He explained how Mr. Vetter, Mr. Buckalew, and Mr. Murphy witnessed a demonstration on how the system they have in place works. Discussion followed about when the system had been implemented and how Hugo's Wine & Spirits are implementing their own checks to make sure policy is being followed.

Mayor Stauss stated that he has disliked for a long time because he feels that they try to entrap the business by sending in someone who looks like they are 21 or 22 and they don't check them. He said the owners or managers who run it always tell their employees to check and make sure they are the right age. He added how the person under 21 that enters should suffer consequences which would be a different way of doing it so the businesses would watch more closely and those trying to entrap would watch would they do also. Council member Olstad stated that he did not agree with Mayor Stauss's comments. He said local officials are doing a job, this is something they have to do, and they are not going out and purposely trying to fake someone out.

Council member Olstad asked Mr. Dukart and Ms. Magnuson-Nelson what they are asking for. Ms. Magnuson-Nelson stated they are asking for consideration regarding the suspension because she doesn't know what else they can do to prompt the employees to card customers and for the steps they have taken to try and prevent this from happening. She added if the individual that is working is that careless she would like to see more of the responsibility but on them. Mr. Dukart stated they are only as good as their weakest link and that is why they terminate people who are not doing their job properly. More discussion followed about what happened after the first offense, the policy that requires Hugo's Wine & Spirits employees to have training within 30 days of starting employment and how this is a City Ordinance that needs to be reviewed.

Chief Hedlund stated the City Ordinance requires that compliance checks be performed twice a year. He said there was no entrapment, they are not trying to get them to do anything illegal, they are send in an underage person to see if they will sell to them, and this practice was supported by state law. He said that unfortunately Hugo's Wine & Spirits have failed twice and according to the ordinance they are suppose to pay a \$500 fine and three day suspension of their license. He added that was passed by Council and however they proceed to move forward is fine with him. He ended by saying what they do is not entrapment because entrapment is illegal. Mayor Stauss asked what they do if they caught a 19 year old in the liquor store. Chief Hedlund stated that person would be arrested.

Ms. Sue Thompson, 4 Forrest Court NW, stated she trained the confidential informants that went out on the compliance checks. She explained that this was not entrapment, a comment she had taken some offense to, because if the clerk asks their age they have to tell their true age. She added that they do not carry a fake id and they don't dress differently than they normally would. She said some of the best ways to prevent underage drinking is to have alcohol compliance checks combined with alcohol server training. She stated that Polk County provides free responsible alcohol training and added the bigger picture is trying to prevent underage drinking and have a community that is healthy and safe for children. She ended by saying not complying with requirements and enforcing what was previously voted on by the Council as far as consequences would not be supporting underage drinking prevention and asked the Council to go along with what was recommended.

Council President Buckalew stated that as an employer he knows that a business can have the best

plans or system in place but it doesn't always work. He then asked Mr. Galstad for guidance regarding this situation. Mr. Galstad stated the employee had to override the system to sell the alcohol so this would be a policy decision. He said that if the Council chooses to do something different than the three day suspension that it would just be deferred and if there is another violation then the suspension for both events would be enforced. He added this ordinance doesn't really give the Council much discretion. Council member Olstad asked what would happen if there was a third violation within a 12 month period. Mr. Galstad stated it would be a \$750 fine and 18 day license suspension and how the 12 month starts when an event occurs.

A MOTION WAS MADE BY COUNCIL MEMBER HELMS, SECONDED BY COUNCIL MEMBER TWETEN, TO DISMISS THE THREE DAY SUSPENSION.

Council President Buckalew asked if they would like to defer the suspension rather than dismiss the suspension. Council member Helms stated to have it dismissed.

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

- 10. Consider adopting Resolution No. 14-12-114 authorizing Safe Kids to apply for Safe Routes to School Funds for new infrastructure by New Heights and South Point Elementary Schools with the City paying the 20% local match and the engineering costs.

Mr. Murphy asked to have this item pulled because staff made aware of an issue today regarding this item.

A MOTION WAS MADE BY COUNCIL MEMBER OLSTAD, SECONDED BY COUNCIL MEMBER LEIGH, TO TABLE THIS ITEM UNTIL THE NEXT MEETING.

Voting Aye: Grassel, Vetter, Helms, Buckalew, Tweten, Olstad, and Leigh.
Voting Nay: None.

- 11. Consider adopting Resolution No. 14-12-112 authorizing the City Engineers to submit the application to the MNDOT 2014-2015 Local Road Improvement Program for funds to remove the tracks and lower 5th Avenue NE.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER OLSTAD, TO ADOPT RESOLUTION NO. 14-12-112 AUTHORIZING THE CITY ENGINEERS TO SUBMIT THE APPLICATION TO THE MNDOT 2014-2015 LOCAL ROAD IMPROVEMENT PROGRAM FOR FUNDS TO REMOVE THE TRACKS AND LOWER 5TH AVENUE NE.

Voting Aye: Grassel, Vetter, Helms, Buckalew, Tweten, Olstad, and Leigh.
Voting Nay: None.

- 12. Consider approving Change Order No. 1 for an increase of \$12,924 and for the addition of 14 days to complete City Project 2014 No. 4 – SCADA System Upgrades.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER VETTER, TO APPROVE CHANGE ORDER NO. 1 FOR AN INCREASE OF \$12,924 AND FOR THE ADDITION OF 14 DAYS TO COMPLETE CITY PROJECT 2014 NO. 4 – SCADA SYSTEM UPGRADES.

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

Voting Nay: None.

13. Consider approving the “On-sale Weekday & Sunday” Liquor License for Little Bangkok located at 415 2nd St NW, East Grand Forks, MN 56721.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER LEIGH, TO APPROVE THE “ON-SALE WEEKDAY & SUNDAY” LIQUOR LICENSE FOR LITTLE BANGKOK LOCATED AT 415 2ND ST NW, EAST GRAND FORKS, MN 56721.

Council Vice-President Leigh asked if this would be an additional license or a transfer. Ms. Nelson stated they were changing ownership and that it was a transfer.

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

Voting Nay: None.

14. Consider approving the amended Joint Powers Agreement to expand the Pine to Prairie Drug Task Force.

A MOTION WAS MADE BY COUNCIL MEMBER OLSTAD, SECONDED BY COUNCIL MEMBER TWETEN, TO APPROVE THE AMENDED JOINT POWERS AGREEMENT TO EXPAND THE PINE TO PRAIRIE DRUG TASK FORCE.

Chief Hedlund stated this was an updated version of the joint powers agreement that recognizes additional members to the drug task force.

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

Voting Nay: None.

CLAIMS:

15. Consider adopting Resolution No. 14-12-113 a Resolution authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 20466 for a total of \$823.50 whereas Council Member Buckalew is personally interested financially in the contract.

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL MEMBER TWETEN, TO ADOPT RESOLUTION NO. 14-12-113 A RESOLUTION AUTHORIZING THE CITY OF EAST GRAND FORKS TO APPROVE PURCHASES FROM HARDWARE HANK THE GOODS REFERENCED IN CHECK NUMBERS 20466 FOR A TOTAL OF \$823.50 WHEREAS COUNCIL MEMBER BUCKALEW IS PERSONALLY

INTERESTED FINANCIALLY IN THE CONTRACT.

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

Voting Nay: None.

Abstain: Buckalew.

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

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

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

Voting Nay: None.

Council President Buckalew stated they still have the matter of the levy to resolve and said they would entertain a motion.

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL MEMBER HELMS, TO APPROVE A 5% INCREASE TO THE 2014 TAX LEVY, COLLECTABLE IN 2015.

Council President Buckalew asked Ms. Anderson how much that would increase the levy by. Ms. Anderson stated the levy would increase to \$3,072,287. Council member Vetter asked what the levy was last year. Ms. Anderson stated it was \$2,925,988. Council member Vetter asked what the difference was with raising the levy 5%. Ms. Anderson stated it went up about \$150,000. She added that the Riverwalk Sale has not gone through and how the budget was going to be reduced by \$109,000 using those funds but can't at this time. Mayor Stauss stated that if they don't go with a 5% levy and he keeps vetoing they will end up with zero percent and that is not needed. Council member Vetter asked to have a budget meeting before December 29th.

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

Voting Nay: Grassel, Buckalew, and Olstad.

COUNCIL/STAFF REPORTS:

Mr. Murphy informed the Council that the City finally received the official notice from HUD that the transfer of the housing authority was approved and will take place on January 1, 2015.

Council member Helms asked if the Riverwalk Sale was going to be completed by the end of the year. Mr. Galstad stated it was possible but the closing date still hadn't been set. He explained there would be a minimum of two weeks before the bank would have everything ready. He ended by saying it the closing would take place close to the end of the year or early in the beginning of the new year.

A MOTION WAS MADE BY COUNCIL MEMBER HELMS, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADJOURN THE DECEMBER 16, 2014 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:00 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer

**UNAPPROVED MINUTES
OF THE CITY
COUNCIL & EDHA BOARD SPECIAL MEETING
CITY OF EAST GRAND FORKS
TUESDAY, DECEMBER 16, 2014 – 5:30 PM**

CALL TO ORDER:

The Special Meeting of the East Grand Forks City Council for December 16, 2014 was called to order by Council President Buckalew at 6:05 P.M.

CALL OF ROLL:

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

CALL TO ORDER:

The Special Meeting of the East Grand Forks Economic Development/Housing Authority Board for December 16, 2014 was called to order by Board President Wogaman at 6:05P.M.

CALL OF ROLL:

On a call of Roll the following members of the East Grand Forks Economic Development/Housing Authority were present: President George Wogaman, Vice-President Justin Hecht, Secretary Nan Larson, Board members Chad Grassel and Mark Olstad.

DETERMINATION OF QUORUM BY BOTH CITY COUNCIL AND EDHA BOARD:

Council President determined there was a quorum for the City Council and the EDHA President determined there was a quorum for the EDHA Board.

1. Status of Outstanding Debt of Boardwalk Enterprises – David Murphy

Mr. Murphy stated that this issue has been going on since April of 2014, the City had hired Brad Sinclair from Fargo to represent the City and Economic Development Authority (EDA) on this issue, and that the City had received the appraisal which had been asked for at the previous meeting. He then asked Mr. Sinclair to go over the appraisal and the options the City has moving forward.

Mr. Sinclair started by giving a brief overview of his background and how things got to this point. He informed the group that he practices law in both North Dakota and Minnesota, about his background in accounting, and his history of working with banks. He said he was specifically hired to examine this issue, see what was enforceable, and to come up with strategies on how to move forward. He added that what he was discussing today was his opinions and may not be the same opinion of the City or EDA.

Mr. Sinclair explained that the first closed meeting he had asked to have closed based on case law

allowing a meeting to be closed when a lawyer is hired for a specific purpose, to discuss pre-litigation and possible strategies. He added how it would be ludicrous to hold an open meeting so the borrower knows what actions the City and EDA would take and the closed meeting was allowed under the law. He then explained how the Commissioner of Administration had issued an opinion that the City should not have held that meeting as a closed meeting and he added how this opinion was given by a non-lawyer. He added that he still feels that he was correct in asking to have that first meeting to be closed.

Mr. Sinclair informed everyone what had been discussed during that first closed meeting. He explained that he had analyzed the promissory note that was in the file. He said that it was his opinion that the note is enforceable and how there could be set offs. He said that based on the Parker Development Agreement the City had obligations which may have not been addressed and would result in the set offs. He added that the note for \$510,000 was enforceable but some was uncollectable due to the statute of limitations. He stated the first payments should have started in 2003 and with the statute of limitations of six years the payments for years 2003-2008 were uncollectable. He said that he believes there is \$330,000 still valid on the note that could be collected with possible deducts.

Mr. Sinclair explained he was also asked to review the mortgage which in his opinion is still valid and enforceable. He stated how under Minnesota Law there is a different statute of limitations for mortgages so the mortgage is enforceable for the full amount of \$510,000. He added that it is his opinion since the last payment wasn't due until 2019 the City wouldn't have to take action until October of 2034. He added that his opinion is based on the fact that Boardwalk Enterprises LLP still owns the real estate. He explained that if Mr. Stauss had only acquired the assets of Boardwalk Enterprises LLP, purchased the real estate in a different name this meeting would not be taking place because there wouldn't be any collateral to enforce either the note or the mortgage. He stated again that it was his opinion there is an enforceable note and enforceable mortgage. He added that there could also be offsets or reductions which were discussed at the meeting in June.

Mr. Sinclair said that it was at the first meeting he asked to have a meeting set up with the Boardwalk to discuss the indebtedness and ask them to see what would need to be done to resolve this issue. He said the other item that was discussed was how the promissory note states no action could be taken without a 60 day notice. He stated the group agreed to give notice and during that time they would try and reach a settlement. Mr. Sinclair informed everyone that there is a Minnesota Statute that states any time a corporation that owes money to a governmental agency or in this case, the Economic Development Authority, the agency has the right to talk about this publically. He referred to statute 13.591 and how this statute allows for things to be public other than financial information such as tax returns and financial statements. He explained during this 60 day period there was a small group that met with the Boardwalk representatives to try and resolve this matter.

Mr. Sinclair stated the second meeting took place in August. He said that this meeting was closed based on his opinion and state law allowing negotiations to take place behind closed doors. He added that if the meeting was open no one would be free to discussed items. He said discussion took place, an offer was made at the meeting, and then the Boardwalk representatives left. He explained that the Council and Board members discussed the matter and decided how to proceed. He stated that the Boardwalk Representatives made an offer based on costs incurred which they claim were in excess of the \$510,000 owed to the City. He said discussion followed about if the off sets were valid and enforceable, also the pros and cons of litigation, and the necessity to evaluate the collateral. Mr. Sinclair said that in this case the collateral was the building. He added that there is a first mortgage in place with another borrower valued at \$2,025,000. He then reviewed banks rules and guidelines follow regarding the how they lend

money and since banks usually only lend up to 80% of the value it seemed that there was still collateral in the building. He said the real estate was appraised so the City could determine the value. Mr. Sinclair commented how appraisals take time and how the City had just received the appraisal of the Boardwalk Building.

Mr. Sinclair said the appraisal, completed by a certified appraiser; dated December 3rd stated the building was valued at \$1,570,000. He reviewed the numbers of the first mortgage and how the EDA is in second place. He said the indebtedness currently \$1,903,000 how based on the appraisal there is a lack of equity. He said that the City and EDA did not have a chance to review the appraisal or have a discussion on how to move forward with this issue. He explained that in first meeting back in June he presented four options the City and EDA could move forward with. He stated the first option was to try and negotiate a settlement. Mr. Sinclair added that the Boardwalk says they have incurred more costs than what is owed and has suggested that everyone should just walk away. He said the second option was foreclosure but first they would need to determine the equity of the real estate which now has been done. He stated the third option was to do nothing. He stated that if the City and EDA didn't want to move forward with anything they could wait to try and enforce the mortgage by 2034. He said the last option is to try and obtain first position from the bank. He explained how the fourth option would be highly unlikely.

Mr. Sinclair stated that he also looked into other parties such as the lawyer that was involved back in 1999 and if there was legal malpractice. He said the mortgage was not recorded until 2014 and looked into potential liability in this situation. He added that he was informed it was common practice for the last EDA Director to file the mortgages. He said that he does not appear the lawyer did not commit an error. He stated he also looked into the actions of the past EDA Director. He explained that the City or EDA can't sue a past employee for negligence but the law does allow for action if the past employee did act in gross negligence. He suggested looking the insurance policy to see if something could be filed based on the errors and inconsistencies within the file. Mr. Sinclair stated that the EDA had received a letter in 2003 from Mr. Dan Stauss, it referenced the developer's agreement, explained where the City had failed to comply with the agreement, and mentioned the pay back plan. He added there was another letter in 2008 about taxes and both of these letters were sent to Mr. Richter and were not brought forward to have action taken.

Mr. Sinclair continued by saying today was the first time most of the Council members and Board members knew what the appraisal was. He said he reviewed the appraisal, which could be looked at three different ways with three different values, and that was how the appraisal had been determined. Council President Buckalew asked if there were any questions for Mr. Sinclair. Council member Helms asked how the first estimated vaultion was under million dollars with the appraisal at \$1,570,000. Mr. Sinclair stated that evaluation was based on the tax record.

Council Vice-President Leigh asked what the validity of the bills were that were given to the City by the Boardwalk, what the specific amount was, and if these were actual bills the City owes. Mr. Sinclair explained said there was a summary included in the letter of 2003 of expenses incurred for fill, for extra construction work, a delay in construction, and at that time they were claiming the amount incurred was approximately \$54,000. He said the letter in 2008 stated the amount was \$116,000 plus taxes of \$75,000. He added they did not deduct the \$25,000 they were supposed to pay so that would bring it down to \$50,000 owed for taxes. Mr. Sinclair said amounts they are claiming total \$160,000 but no documentation was included supporting these amounts. He said it was at the last closed meeting the Boardwalk representatives stated the City owes them more than what the mortgage is worth but did not include any supporting documentation. Mr. Sinclair said that the EDA has the statute of limitations to

collect on the note so the Boardwalk would also have a statute of limitations to collect on amounts owed.

Council member Olstad asked Mr. Sinclair to review the timeline again. Mr. Sinclair said that he isn't for sure since the file is missing documentation but from public records it appears that Mr. Dan Stauss acquired an interest in 2002 and another Stauss family member acquired the rest of the interest by late 2003 or early 2004. Discussion followed about when construction of the building was complete, when Mr. Stauss took interest, and about details of the development agreement. Council Vice-President Leigh asked if the deducts were allowed what amount could be collected. Mr. Sinclair said enforcing the note there is the potential to collect the \$330,000 minus any offsets. He added he does think they have a valid claim regarding taxes which would include interest and the other items could be hard to contest but they would also have to consider if some of the deducts would not be allowed because of statute of limitations. Mr. Sinclair said they potential could have \$100,000 up to \$150,000 in deducts so the total amount to collect would then be approximately \$180,000. He said they could still sue on the mortgage for the full amount but then there would also be deducts allowed.

Council Vice-President Leigh commented how some people are taking this very personal and he is trying to look at this issue from a business perspective and try to determine what it will cost the City to collect on this loan. He said the EDA just forgave three loans because they are not able to collect on them. He asked how much they are willing to spend to collect \$180,000. Mr. Sinclair pointed out there isn't any equity left in the real estate and it would not make fiscal sense to move forward with the foreclosure. He added that even though currently the law allows for 15 years to enforce a mortgage he wouldn't wait too long because the laws could change. Mr. Sinclair ended by saying costs will all depend on how long they will want to fight so that is why he suggested trying to resolve this issue if possible.

Council member Vetter said he was going to rename the do nothing option the being patient option. He asked if they be patient and wait the payments will still be made on the note. Mr. Sinclair stated that if the mortgage sits there and they decide to sell the mortgage would then be released by either having it paying it off or suing the City to have it released. Council member Vetter said there is still a note and payments due every year. Mr. Sinclair stated that the statute of limitations will affect the payments that have not been made. Council member Vetter stated the City and EDA will be assuming they will not be making the yearly payments. Mr. Sinclair said yes and reminded the Council how Minnesota does recognize the note and mortgage separately. Council member Helms commented what could happen if the City did move forward with foreclosure and stated that they should be patient. Mr. Sinclair stated that if the EDA did move forward with foreclosure they would have to pay off the first mortgage of \$1,903,000 which would not make fiscal sense. He added that they could either accept the offer from the Boardwalk or wait.

Council member Grassel asked without other claims how much is owed for taxes. Mr. Sinclair stated that it was \$47,000 plus interest. Discussion followed about how the Boardwalk group will have a counterclaim for the City and EDA if they move forward with a foreclosure because of their current claims of how they are owed more than what is owed on the mortgage. Council member Grassel asked for an explanation in regards to the past employee being negligent. Mr. Sinclair informed the Council and Board they could sue the past employee if their actions were beyond simple negligence. He explained how there are letters referencing the agreement, how the employee should have brought this up, the letters are a part of the file, and mentioned the continuing issues. Mr. Murphy stated that he had checked and the insurance policy does cover this up to \$100,000 per occurrence. Council Vice-President Leigh commented how the EDA Board was kept in the dark. He added how the Board just had to forgive three loans and asked if that would be part of this negligence. Mr. Sinclair said that was correct.

Council member Helms asked if they could go back to when this was originally given out. He asked why this wasn't filed by the City Administrator or City Attorney and then brought to Mr. Richter. Mr. Sinclair stated the EDA is similar to a bank; they prepared their own documents, and based on that they seemed to be comfortable handling their own closings. Council member Helms stated that he had a letter from Mr. Wayne Oberg and it was addressed to the EDA Board and Director dated February 11, 2003. He read the letter which stated the finance office would no longer process loan payments without all of the proper documentation and signatures. He stated this was something that was done in 2003, it hadn't just started, and asked why this wasn't checked out. Council member Helms explained that he performed his own investigation, talking to both Mr. Parker and Mr. Oberg. He said that Mr. Parker hadn't been contacted by anyone. Council member Helms stated the auditors were questioning loans from 2007. He then asked where the Council and EDA Board when things were happening. He stated the first thing Mr. Parker said was that Lynn Stauss didn't have anything to do with the building. He said their discussion consisted of how this building was developed, how Mr. Parker hired Mr. Dan Stauss to be the supervisor of the construction, his partner was his wife, and how Mr. Dan Stauss got interest in 2002. Council member Helms said that every time he asked questions he didn't get an answer, got a wrong answer, and asked why this wasn't investigated further back so they know what actually went on. He asked again who they should be going after and how they should move forward.

Council member Grassel asked how the EDA board is suppose to ask about something they didn't know anything about. He said that Council member Helms was wrong is assuming the Board did nothing. He stated that he is just as frustrated as everyone else, this was thrown at them and they didn't know what to do. Council member Helms stated that he was referring to Board back from 2003. He asked why the Director was allowed to continue doing things the way he was doing them. Council President Buckalew stated was on the Board, this loan was never brought up, and they never received the information regarding any issues. He asked how they could ask about something that they knew nothing about. He then said most importantly they know what the situation is now, they have to deal with it, and make sure this never happens again. He thanked Council member Helms for going the extra mile which shows his dedication to the City and it is appreciated. He added that it doesn't change any of the facts or the predicament they are in now. Council President Buckalew commented they will have to determine how they would like to move forward.

Mr. Larry Stauss commented that he didn't believe it was the EDA Board's fault but asked whose fault it was. He asked why it got this far down the road and commented that if this goes to court it will be with the title insurance company. He then asked who caused this problem and told the Council to look in the mirror. He stated how both sides have claimed they knew nothing about the loan and asked who the people are supposed to believe.

Ms. Misty Goulet stated she was the head chef at the Boardwalk. She commented how much this as affected the business, how each article in the paper affects business, and how waiting will not help. She said that they are here for East Grand Forks and how people wanting to use the banquet hall are worried they won't be there. She stated how she can't keep people employed because of lack of business. She said she wanted to make the point they can't sit and wait, they need a decision made because they are getting nowhere with how things are going. Council President Buckalew commented how that is a valid point. Mr. Larry Stauss said to ask the newly elected council members what happened since they were there when things were going on.

Ms. Sue Thompson stated that voters and citizens of the community are all responsible in part for some of

this for not taking a proactive role. She said she does not understand how when the entire development agreement was faxed from Dan Stauss to Jim Richter referring to conditions of the agreement, including his own notes, and then say he knew nothing about the loan when the payment information was included in same agreement. She added her frustration is with the lack of accountability and responsibility for the particular individuals who are supposed to pay back this loan claiming the City and Council are to blame. She said now that this is disclosed and asked what will be done. She pointed out in the agreement it states that there is a \$30,000 payment that is to be made yearly. She said she would like answers from the individual who faxed this to Mr. Richter.

Mr. Mike Abel stated that he grew up in East Grand Forks, he left to work in construction, and recently moved back. He said that he had many discussions about this issue and added that the City won't be getting any money back. He said that every citizen would like to know who to blame and they would like answers. He added that what it came down to is someone didn't do their job and no one is being held accountable. Mr. Abel said that East Grand Forks is getting laughed at because of this issue. He ended by saying someone needs to be held accountable.

Council Vice-President Leigh asked if action was going to take place. Council President Buckalew stated they didn't have to take action. Council Vice-President Leigh stated he wanted to figure out how much it will cost to go after the money and instead of doing that they should try to go after the insurance money. He said he is not in favor of doing nothing because this is only hurting business.

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH TO DROP THE PURSUIT OF THE \$510,000 MORTGAGE AND PROMISSORY NOTE AND MOVE FORWARD WITH GOING AFTER MALFISIS IN THE OFFICE PER ISSUE THROUGH INSURANCE.

MOTION DIES FOR LACK OF SECOND.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER LEIGH, SECONDED BY COUNCIL MEMBER TWETEN, TO ADJOURN THE DECEMBER 16, 2014 JOINT MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 7:27 P.M.

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

Voting Nay: None.

A MOTION WAS MADE BY BOARD MEMBER GRASSEL, SECONDED BY BOARD MEMBER OLSTAD, TO ADJOURN THE DECEMBER 16, 2014 JOINT MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 7:27 P.M.

Voting Aye: Wogaman, Hecht, Larson, Grassel, and Olstad.

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer

**UNAPPROVED MINUTES
OF THE CITY
COUNCIL SPECIAL MEETING
CITY OF EAST GRAND FORKS
TUESDAY, DECEMBER 23, 2014 – 5:00 PM**

CALL TO ORDER:

The Special Meeting of the East Grand Forks City Council for December 23, 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; Karla Anderson, Finance Director; 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

1. Discussion of Revision to 2015 Budget - David Murphy

Mr. Murphy stated that changes needed to be made to the budget to reflect the 5% levy increase. He stated that staff had put together a budget for 2015 and they will need priorities from the Council on where things should be cut back. He added this is policy setting so it is out of the scope of staff's duties and would have to come from the council. Council President Buckalew asked Mayor Stauss if he had any comments. Mayor Stauss stated staff should look very closely at the budgets and take out the wants. He said they commented how there didn't need be a Civic Center Sign, salt and sand shed, not to fix the approach at Public Works, not to fix the carpeting at the library, and to cut back on the police overtime which could be brought down substantial from \$200,000. Ms. Anderson stated many of these items are in the building maintenance fund, not the general levy so they will have to cut from somewhere else. Mayor Stauss suggested cutting the blade. Ms. Anderson stated that was being paid for out of the central equipment fund, not the general fund and added the only equipment in the general fund is a lawnmower for the cemetery since the other one blew up. She explained the central equipment fund is a self-sustaining fund paid back pay the departments and the building projects were taken care of by the funds given by the Water and Light Department each year.

Council member Tweten commented how cutting some of items from the different departments will affect the way they are able to operate. He added that how this will just pushing things down the road like the painting that needs to be done. He said how there \$110,000 will be funding the EDA, expansion is needed in the Industrial Park, and Water and Light will not be funding different projects. Discussion followed about how the City had received funds from the Water and Light Department in the past and why the City is charged the way they are by the Water and Light Department. Mayor Stauss commented there is also a franchise fee that it is too high, but raising it a quarter or half a cent on the franchise fee it would help. Mr. Boyce gave a brief history of the franchise fee and how currently it brings in approximately 1.2 million dollars a year. Discussion followed about other utilities that have franchise fees and how the City needs to be aware of how its actions affect taxpayers.

Mayor Stauss commented how the Council needs to be aware about sewer rates going up, if the school will be doing a referendum, and other rates going up that are affecting the tax payer. He stated how they should keep taxes down in they can. Discussion followed about how originally the Council only needed to find .5% to balance the budget before the levy was voted at 5%, how personnel costs went up 7.4%, and with personnel costs going so high they might need to look at cutting that back employees.

Council member Grassel asked about the Community Growth fund which was at \$125,000. Ms. Anderson stated that was a special revenue fund that could not be transferred since it was dedicated for development or services for downtown. Council member Grassel asked if they could transfer half of that to help with the budget. Ms. Anderson stated that she would check on that. Council member Olstad asked where the money comes from in the Community Growth Fund. Mr. Murphy stated what was shown in the budget is what was spent. Discussion followed about what these funds could be used for and how the City is not receiving the funds from the State Recreation Area like they have in the past. Ms. Anderson stated that they are currently only paying us for what we have spent so expenses were the only thing that was been budgeted.

Mayor Stauss asked the department heads to take another look to see what needs to be taken out. Mr. Murphy commented how they might have to start looking at cutting staff and where the Council would be okay with reducing staff. Discussion followed about how it couldn't be a cut across the board and unemployment costs would also have to be included. Council member Helms asked why the City was funding the EDA Department. More discussion followed about how the City had funded this department in the past, how there are funds being held in cds that could be used to fund at least one year of the EDA department, and that it would all depend on when the closing will happen with the sale of the Riverwalk Center. Mr. Murphy explained it is common practice for cities to fund their EDA.

Mayor Stauss stated he didn't want to but if needed they could go to the Water and Light Department and ask for help since they have a very healthy savings. He said that could help out if they say they aren't able to cut anything. Mayor Stauss added he didn't realize the reserves were being spent and asked if that was told to the Council. Ms. Anderson stated that was how they budgeted last year. Council member Grassel said it was especially stated two years ago when the levy was put at -1%. Mr. Murphy commented how he admires how well the Water and Light budgets and manages funds using best practices. He added this is what they are trying to

do with the City over the long term. Discussion followed about how high the reserves should be, if they are too high the State might cut funding, and what is considered to be adequate. Mr. Boyce commented how things have been done in the past to help the City. Council President Buckalew stated that it is still the same taxpayer. Ms. Anderson added that the property tax could be written off for taxes, fees can't. More discussion followed on the reserve policy adopted by the Water and Light Commission, how they self insure, and what the responsible thing for the Council to do.

Council member Grassel stated they are looking at cutting positions, someone gets sick, and they will be paying for more overtime. He gave examples of how things will be affected with different cuts from the different departments. Mayor Stauss commented how they need to try and do more than less. Council member Grassel stated how the police department needed to be fixed, how a \$10,000 fix could cost a lot more if there aren't funds available for those necessary fixes, and the list is getting longer with rinks that will need attention in the near future. Discussion followed about how there was 5% increases this year, how there have been minimal increases since 2011, and costs have only increase since 2011, funds can't be taken from the fund balance any more, and changes need to be made to keep the level of services.

Mayor Stauss stated the only way to bring in more tax is to have more houses built and asked what will be attracting people to East Grand Forks. Council member Helms asked about the locker room and if the school was going to help pay for the locker room. Ms. Anderson stated the school hasn't signed a new lease and the discussion is still taking place about how the school will help pay for locker room. Council member Helms asked about the City Attorney budget. Ms. Anderson stated that isn't just the City Attorney but all attorney fees and for prosecutions. Council member Helms asked if they always had this information in front of them. Council member Grassel stated received it when each department head reviewed their budget. Discussion followed about how the preliminary budget was chosen to be high for a reason, how the community development funds had been from after the flood, and that the general fund budget needs to be submitted to the State but the Special Revenue budgets do not.

Council member Helms asked if the funds from the Riverwalk Center can be used to balance the budget. Ms. Anderson stated since the funds are not available yet they cannot be used and the budget needs to be balanced before the start of the year. Council member Vetter commented how he doesn't understand why they should be cutting taxes only to raise Water and Light fees that the City would collect. Mayor Stauss said to keep the taxes down for the citizens and if it is an emergency the City could work with Water and Light on this. Discussion followed about how the City already collects the franchise fee, \$250,000 every year for building maintenance, and to ask for \$186,000 would just be a band-aid which won't solve anything.

Council member Olstad asked Ms. Anderson to give an overview from where things started from to where they ended in this process. Ms. Anderson stated at a 10% levy the budget was only negative \$39,000 and with the 5% levy the budget is now negative \$186,000. Council member Olstad asked what had been taken out since the first budget was proposed. Discussion followed about how the first budget was over by \$700,000 and with staff taking out almost all equipment and not increasing supply budgets they were able to bring it to within \$39,000 of being balanced. Council member Olstad stated that looking at 2011-2014 the overall increase including the 5%

increase was 1.92%. He explained how the budget is not keeping up with the rate of inflation and how he doesn't want to cut people. Discussion followed about what discussions had taken place regarding the levy for both 5% and 10%, what had been done in the past, and suggestions were made to either ask Water and Light for the money or to cut the girls locker room project. Council member Helms stated that the locker room needs to get done considering it has been in the works for the last 10 to 12 years. More discussion followed about what could happen if the locker room project did not move forward. Council member Vetter asked if the project was included in the general fund. Ms. Anderson stated it wasn't.

Mr. Larry Stauss commented how the Council is batting their heads against each other and how they will need to make some bold decisions to fix the City. He asked about possible problem areas in town and if they were cleaned up it is possible to cut two police officer positions. He stated the recreation program needs to be developed which might help. He commented how the arenas should be marketed or lots on the north end need to be sold or given away to start generating more tax revenue. Mr. Stauss made more comments on how high taxes are compared to Grand Forks. Ms. Anderson stated that in East Grand Forks taxes for commercial properties had decreased. Council President thanked Mr. Stauss for his comments, told him they would work hard to get where they needed to be, and asked him to have a seat.

Ms. Anderson stated again that with the rise in personnel costs of 7.4% the Council will have to look at cutting personnel or consider approving a higher levy. Mr. Murphy said there is no tomorrow so they need to figure something out tonight. Mayor Stauss stated that he would be in favor of asking Water and Light for help. Council member Tweten stated the City is relying on them too much and the City needs to start managing themselves better.

Council member Vetter stated he would try something. He suggested to cut one police officer, one firefighter, one from public works, one from parks, close the warming house for the winter, only one person at the arenas at all times, no more flowers, library will cut one position, and share secretaries in City Hall so one can be cut. Mayor Stauss commented that Council member Vetter is trying to make it look as bad as it could be and his suggestion was to ask Water and Light for help. Council member Grassel asked if they would even consider approving it. Ms. Anderson pointed out the Commission wouldn't be meeting until January and the budget needed to be in by the end of the month. Discussion followed about how the City shouldn't need to depend on the Water and Light so much. Council President Buckalew stated there is a document about a minimal staffing level which has resulted in the amount of overtime and the guideline they follow. Council member Vetter asked who that was set by. Chief Hedlund stated it was set by the Police Department. Council member Vetter set they will have to start somewhere. Chief Larson reminded the Council the fire department had been operating under a safer grant and if a firefighter is let go they City would then have to pay back the grant. Council member Vetter stated every department will have a reason not to cut anyone. He said they will have to figure out how to make it work. Discussion followed about when part time people are let go, how a parking district should be set up in the downtown area eventually and how staff has looked at consolidating positions and other ways to be more efficient.

Mayor Stauss commented how there should be more funds coming from the State Recreation area and funds should be coming in from the sale of the mall. Discussion followed about how

things have changed with the agreement between the City and the DNR in regards to the State Recreation, how we have to send and submit invoices to be reimbursed, and how nothing will be certain until a new contract is worked out.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER TO CUT SIX FULL TIME EQUIVLENTS OUT OF THE BUDGET.

THE MOTION DIED FOR LACK OF SECOND.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER HELMS TO ASK THE WATER AND LIGHT DEPARTMENT FOR \$186,000 TO BALANCE THE BUDGET FOR 2015.

Council member Helms asked what could be transferred from the Community Growth Fund. Ms. Anderson stated no. Council member Helms asked if the funds from the Riverwalk sale be used to pay back the Water and Light Department. Discussion followed about where the funds from the Riverwalk sale will be used and how the Recreation Area is currently only reimbursing the City, not sharing revenues. Chief Hedlund supports this motion because he doesn't see a better option and pointed out how a problem has been created which. He added the department heads already cut out everything they could and how this is a band-aid. Council member Grassel stated that they will be in the same place next year. Discussion followed about what the City would be asking Water and Light for and how the Commission would have to hold a special meeting this year for the budget to be balanced.

Voting Aye: Helms and Grassel.

Voting Nay: Vetter, Buckalew, Tweten, and Olstad.

Mr. Boyce informed the Council they were able to change the franchise fee once a year once, it was set in 1995, and it had never been changed. Council member Vetter asked what other franchise fees were. Mr. Boyce stated they were much lower than the Water and Light franchise fee. He added this is something they could use and if they raised it by 1 mill it would raise about \$160,000. Council President Buckalew stated they would be taking a break beginning at 6:40pm.

The meeting resumed again at 6:46pm. Council President Buckalew asked Ms. Ellis about the grants she was helping with. She reviewed two projects that would need a local match. Ms. Anderson stated \$119,000 had been set aside for local matches.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER TO CUT FIVE FULL TIME EQUIVLENTS OUT OF THE BUDGET.

THE MOTION DIED FOR LACK OF SECOND.

Mayor Stauss asked for a motion to get the money from Water and Light and pay it back with funds from the State Recreation Area and sale of the Riverwalk Center.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER TO CUT FOUR FULL TIME EQUIVLENTS OUT OF THE BUDGET.

THE MOTION DIED FOR LACK OF SECOND.

Mr. Murphy stated that both he and Mr. Galstad reviewed the charter and nothing could be reconsidered unless there is the same amount of members as when the vote was taken. He said that if there is a onetime \$186,000 transfer it still doesn't solve the problem. He suggested if they were going to do something he suggested changing the mills of the franchise fee because at least that would be a continued revenue stream. Council President Buckalew stated that it was the same taxpayer. Ms. Anderson suggested raising fees for other items so they run more like a business and would be covering costs for events such as parades.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER TO CUT THREE FULL TIME EQUIVLENTS OUT OF THE BUDGET.

THE MOTION DIED FOR LACK OF SECOND.

Council member Grassel asked to have a discussion about where those jobs would be cut from. Discussion followed about if two full time equivalents they would have to be department heads so try and reach the \$186,000 that is needed to balance the budget. Council member Tweten asked to call Mr. Leigh and see if he could come to the meeting. More discussion followed about how they will need to look at cutting personnel, how each department will have to be looked into, and how it is department heads who determine the need for employees in each department. Ms. Anderson asked if staff could start changing for events to cover the overtime expenses. Discussion followed about other options to try and cut back in the budget. Mr. Murphy reviewed the options before the Council and asked to discuss the options. He asked if there was any merit to discuss the possibility of reconsidering the levy. He continued to say if not they will either need to cut employees or change the mill rate for the franchise fee so it is a continued revenue stream.

Mr. Murphy asked if there was any way the veto was going to be overridden. He stated that with the absence of Mr. Leigh they could recess the meeting and see if he comes. Council member Helms stated that everyone he spoke with is happy the way he voted so he will not be changing his vote. Council member Vetter stated how they won't want to pay more in fees either. Mr. Murphy said the other options are to cut staff or increase the mill rate on the franchise fee. Discussion followed about how the franchise fee is paid directly by the customer, how American Crystal pays about 45% of that fee, and Water and Light bill includes fees for City services. More discussion followed about what personnel could be cut and make an impact and how departments are would be affected.

Ms. Anderson brought up raising the franchise fee again. Mr. Boyce stated if the mill rate was raised from 7.5 to 9 mills would add an additional \$105,000 to American Crystal's bill and would raise an additional \$240,000 per year. Discussion followed about what utilities Crystal uses and is charged for. Council member Helms commented how there weren't going to be any motions that will pass. Council member Vetter stated they will have to pass something and make

some hard decisions.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL TO RECESS THE MEETING UNTIL MONDAY MORNING AT 8:00AM.

THE MOTION DIED FOR LACK OF SECOND.

A MOTION WAS MADE BY COUNCIL MEMBER HELMS TO RAISE THE FRANCHISE FEE FOR ONE YEAR FROM 7.5 MILLS TO 8.75 MILLS.

THE MOTION DIED FOR LACK OF SECOND.

Discussion followed about how this is a unique situation.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER VETTER, TO CUT 3.5 FULL TIME EQUIVILENT POSITIONS FROM THE BUDGET.

Voting Aye: Vetter, Tweten, and Grassel.

Voting Nay: Helms, Buckalew, Olstad.

To break the tie Mayor Stauss voted no. Motion was voted down.

Discussion followed about how the Council should move forward.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER HELMS, TO RECESS THE MEETING UNTIL MONDAY, DECEMBER 29th AND BEGIN AT 7:45AM.

Voting Aye: Helms, Buckalew, Tweten, and Grassel.

Voting Nay: Vetter and Olstad.

THE MEETING WAS RECESSED AT 7:54PM AND WILL RESUME ON MONDAY, DECEMBER 29th AT 7:45AM.

CALL OF ROLL ON DECEMBER 29, 2014 AT 7:45AM:

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(7:46am), Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel.

Council President Buckalew stated the meeting was in recess so any motions can be made.

A MOTION WAS MADE BY COUNCIL MEMBER OLSTAD, SECONDED BY COUNCIL MEMBER GRASSEL, TO CUT \$86,000 FROM THE GRANT MATCHING

FUNDS, \$20,000 FROM THE FLOWERS, AND \$80,000 FROM THE POOL BUT START THE POOL PROJECT IN 2015.

Mayor Stauss stated to make sure the funds are available for the pool project. Council member Olstad asked if Water and Light would be okay with giving those funds in 2015 instead of 2016. Mr. Boyce stated that should work. Discussion followed about what the project they will be moving forward with.

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

Voting Nay: Vetter

Council member Tweten stated the City cannot continue to conduct business the same way. He asked to start looking at the budget in June so everyone will have an opportunity to discuss it. He suggested that legal action will be brought forward against the former EDA Director if necessary to get that issue cleaned up. He added there is a possibility of some recover some funds through insurance. Mayor Stauss commented that he didn't agree with how everything was handled and hopefully things get done with that issue. He also asked if budgeting starts early that the Council get a monthly report on the financials so they know where things are at.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER LEIGH, TO ADJOURN THE DECEMBER 29, 2014 SPECIAL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 7:53AM.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer

RESOLUTION NO. 15 - 01 - 05

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

BE IT RESOLVED, that the City Council of the City of East Grand Forks, Minnesota designates "C&H Insurance" as the insurance agency to handle the city property, liability and workers compensation policy for 2015.

Voting Aye:

Voting Nay:

The President declared the resolution passed.

Passed: January 6, 2015

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 6th of January, 2015.

Mayor

RESOLUTION NO. 15 – 01 - 06

RESOLUTION APPROVING THE 2015 ADMINISTRATIVE SERVICES AGREEMENT WITH SELECT ACCOUNT.

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

WHEREAS, the City of East Grand Forks employs Select Account to administer the Flexible Benefits Plan for the City of East Grand Forks, and

WHEREAS, The City Council of the City of East Grand Forks, Minnesota, has designated American Federal Bank as a depository.

BE IT RESOLVED, that the form of amended Cafeteria Plan including a Dependent Care Flexible Spending Account and Health Flexible Spending Account effective January 1, 2015, presented Flexible Benefits Plan effective January 1, 2015, presented to this meeting is hereby approved and adopted and that the duly authorized agents of the Employer are hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

BE IT FURTHER RESOLVED, that the Administrator shall be instructed to take such actions that are deemed necessary and proper in order to implement the Plan, and to set up adequate accounting and administrative procedures to provide benefits under the Plan.

BE IT FURTHER RESOLVED, that the duly authorized agents of the Employer shall act as soon as possible to notify the employees of Employer of the adoption of the Cafeteria Plan by delivering to each employee a copy of the summary description of the Plan in the form of the Summary Plan Description presented to this meeting, which form in hereby approved.

BE IT FURTHER RESOLVE, by the City Council of and for the City of East Grand Forks, Minnesota, as follows:

1. The City agrees to the terms and conditions of any account agreement approved by the City Council and properly opened by any representative(s) of the City identified in the following Paragraph 2, and authorizes American Federal Bank to charge the City for all checks, drafts, or other orders, for the payment of money, that are drawn on American Federal Bank by any representative(s) of the City identified in the following Paragraph 2, regardless of by what means the facsimile signature(s) may have been affixed so long as they resemble the signature specimens listed in Paragraph 2 and contain the required number of signatures for this purpose.

BE IT FURTHER RESOLVED that the City Council has, and at the time of adoption of this resolution had full power and lawful authority to adopt the foregoing resolution and to confer the powers granted to the person named who have full power and lawful authority to exercise the same.

Voting Aye:

Voting Nay:

The President declared the resolution passed.

Passed: January 6, 2015

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 6th of January, 2015.

Mayor

RESOLUTION NO. 15 – 01 – 07

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

BE IT RESOLVED, by the City Council of the City of East Grand Forks, Minnesota,

Whereas, the law enables elected or appointed officials of the City of East Grand Forks to be covered by the Minnesota Workers Compensation Law; and

Whereas, the East Grand Forks Mayor and East Grand Forks City Council members' intent is that the Following Board Members be considered employees for the eligibility for Workers Comp coverage purposes.

Now Therefore, be it resolved, that the following number of board members be covered by the Minnesota Workers Compensation Law:

Mayor & City Council: 8 members
 Cemetery Commission: 4 members
 Civil Service Board: 3 members
 Economic Development & Housing Authority Board: 7 Members
 Senior Citizen Board: 7 members
 Library Board: 7 members
 Planning Commission: 8 members
 Water, Light, Power, & Building Commission: 4 members
 Metropolitan Planning Organization: 3 East Grand Forks Representatives
 Red Lake River Corridor: 2 East Grand Forks Representatives
 Convention & Visitors Bureau Commission: 1 East Grand Forks Representative
 Polk County Planning Commission: 1 East Grand Forks Representative
 Pine to Prairie Drug Task Force: 3 East Grand Forks Representatives

Voting Aye:

Voting Nay:

The President declared the resolution passed.

Passed: January 6, 2015

Attest:

 City Administrator/Clerk-Treasurer

 President of Council

I hereby approve the foregoing resolution this 6th of January, 2015.

 Mayor

RESOLUTION NO. 15 – 01 - 08

A RESOLUTION DESIGNATING THE MAYOR’S APPOINTMENT TO THE EAST GRAND FORKS BOARD AND COMMISSIONS FOR 2015

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

WHEREAS, the Mayor appoints citizens to fill vacancies on various Boards and Commissions of the City of East Grand Forks each year; and

WHEREAS, These Boards and Commissions are important to the operation of the City due to the value of citizen input on recommendations that are forwarded to the City Council on many important issues.

THEREFORE BE IT RESOLVED, that the City Council of the City of East Grand Forks ratifies the following appointments of Mayor Lynn Stauss to the respective Board and/or Commission for the designated term:

CEMETERY COMMISSION – Commissioners shall be appointed by the Mayor, by approval of the majority of the City Council for 3 year terms. Vacancies shall be filled in the same manner. Ordinance #208.

<u>Members</u>	<u>Expires</u>
Julie Marek (Reappoint)	12/31/17

CIVIL SERVICE COMMISSION – Members of the board shall be appointed by the Mayor, with approval of a majority of the City Council, for 3 year terms. Ordinance #152.

<u>Members</u>	<u>Expires</u>
Norm Vanderpan (Reappoint)	12/31/17

LIBRARY BOARD – Members appointed by the Mayor, subject to approval by a majority of the City Council. Members are allowed on the board for a maximum of three 3-year terms.

<u>Member</u>	<u>Expires</u>
Sharon Budge (Reappoint)	12/31/17

PLANNING COMMISSION – Members shall be appointed by the Mayor, with the approval of a majority of the City Council, for four year terms. Vacancies will be filled in the same manner. Ordinance #181, Section 2.

<u>Member</u>	<u>Expires</u>
Kevin Marcott – To complete term for Jane Nelson	12/31/17
Gary Christianson (Reappoint)	12/31/18

SENIOR CITIZEN BOARD – Board (which includes one City Council member) appointed by the Mayor, subject to approval by a majority of the City Council, for 3 year terms. See Ordinance #80 – 3rd Series.

<u>Members</u>	<u>Expires</u>
George Anderson	12/31/17
Greg Leigh	12/31/17

WATER, LIGHT, POWER & BUILDING COMMISSION – Commissioners appointed by the Mayor, subject to approval by the City Council, for 3 year terms.

Members
Mike Quirk

Expires
12/31/17

Voting Aye:
Voting Nay:

The President declared the resolution passed.

Passed: January 6, 2015

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 6th day of January, 2015.

Mayor

LG220 Application for Exempt Permit

<p>An exempt permit may be issued to a nonprofit organization that:</p> <ul style="list-style-type: none"> • conducts lawful gambling on five or fewer days, and • awards less than \$50,000 in prizes during a calendar year. <p>If total prize value for the year will be \$1,500 or less, contact the Licensing Specialist assigned to your county.</p>		<p>Application fee (nonrefundable) If the application is postmarked or received 30 days or more before the event, the application fee is \$50; otherwise the fee is \$100.</p>	
Organization Information			
Organization Name: Sacred Heart Church & School		Previous Gambling Permit Number: X-60010	
Minnesota Tax ID Number, if any:		Federal Employer ID Number (FEIN), if any: 41-0773774	
Type of Nonprofit Organization (check one):			
<input type="checkbox"/> Fraternal		<input checked="" type="checkbox"/> Religious	
<input type="checkbox"/> Veterans		<input type="checkbox"/> Other Nonprofit Organization	
Mailing Address: 200 3rd St NW		City: East Grand Forks	State and Zip: MN
			County: Polk
Name of Chief Executive Officer (CEO): Michael Foltz		Daytime Phone: (218) 773-0877	Email: mkraft@sacredheartegf.
Nonprofit Status			
Attach a copy of ONE of the following for proof of nonprofit status:			
<input type="checkbox"/> Nonprofit Articles of Incorporation OR a current Certificate of Good Standing. Don't have a copy? This certificate must be obtained each year from: Minnesota Secretary of State Business Services Division 60 Empire Drive, Suite 100 St. Paul, MN 55103 Phone: 651-296-2803			
<input type="checkbox"/> IRS income tax exemption (501(c)) letter in your organization's name. Don't have a copy? To obtain a copy of your federal income tax exempt letter, have an organization officer contact the IRS at 877-829-5500.			
<input type="checkbox"/> IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter). If your organization falls under a parent organization, attach copies of both of the following: a. an IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling, and b. the charter or letter from your parent organization recognizing your organization as a subordinate.			
Gambling Premises Information			
Name of premises where the gambling event will be conducted (for raffles, list the site where the drawing will take place): Sacred Heart School			
Address (do not use PO box): 200 Third St NW		City or Township: East Grand Forks	Zip Code: 56721
			County: Polk
Date(s) of activity (for raffles, indicate the date of the drawing): January 24, 2015			
Check each type of gambling activity that your organization will conduct:			
<input type="checkbox"/> Bingo*		<input type="checkbox"/> Paddlewheels*	<input type="checkbox"/> Pull-Tabs*
<input checked="" type="checkbox"/> Raffle (total value of raffle prizes awarded for the year: \$22,750 on Jan. 6)		<input type="checkbox"/> Tipboards*	
* Gambling equipment for bingo paper, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo.			
To find a licensed distributor, go to www.mn.gov/gcb and click on Distributors under the LIST OF LICENSEES , or call 651-539-1900.			

Local Unit of Government Acknowledgment

<p style="text-align: center;">CITY APPROVAL for a gambling premises located within city limits</p> <p><input type="checkbox"/> The application is acknowledged with no waiting period.</p> <p><input type="checkbox"/> The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).</p> <p><input type="checkbox"/> The application is denied.</p> <p>Print City Name: _____</p> <p>Signature of City Personnel: _____</p> <p>Title: _____ Date: _____</p> <div style="border: 1px solid black; padding: 5px; margin-top: 20px; text-align: center;"> <p>Local unit of government must sign.</p> </div>	<p style="text-align: center;">COUNTY APPROVAL for a gambling premises located in a township</p> <p><input type="checkbox"/> The application is acknowledged with no waiting period.</p> <p><input type="checkbox"/> The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.</p> <p><input type="checkbox"/> The application is denied.</p> <p>Print County Name: _____</p> <p>Signature of County Personnel: _____</p> <p>Title: _____ Date: _____</p> <p>TOWNSHIP (if required by the county). On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.166.)</p> <p>Print Township Name: _____</p> <p>Signature of Township Officer: _____</p> <p>Title: _____ Date: _____</p>
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Chief Executive Officer's Signature

The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer's Signature: *Michael Foltz* Date: Dec. 18, 2014

Print Name: Michael Foltz

Requirements

<p>Complete a separate application for:</p> <ul style="list-style-type: none"> • all gambling conducted on two or more consecutive days, or • all gambling conducted on one day. <p>Only one application is required if one or more raffle drawings are conducted on the same day.</p> <p>Send application with:</p> <p>_____ a copy of your proof of nonprofit status, and</p> <p>_____ application fee (nonrefundable). If the application is postmarked or received 30 days or more before the event, the application fee is \$50; otherwise the fee is \$100. Make check payable to State of Minnesota.</p> <p>To: Gambling Control Board 1711 West County Road B, Suite 300 South Roseville, MN 55113</p>	<p>Financial report and recordkeeping required. A financial report form and instructions will be sent with your permit, or use the online fill-in form available at www.mn.gov/gcb.</p> <p>Within 30 days of the event date, complete and return the financial report form to the Gambling Control Board. Your organization must keep all exempt raffle records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).</p> <p>Questions? Call the Licensing Section of the Gambling Control Board at 651-539-1900.</p> <p>This form will be made available in alternative format (i.e. large print, Braille) upon request.</p>
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Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

**APPROVED MINUTES OF THE SPECIAL MEETING OF THE BOARD MEMBERS OF THE
EAST GRAND FORKS ECONOMIC DEVELOPMENT AND HOUSING AUTHORITY
(EDHA)**

A regular meeting of the Board Members of the East Grand Forks Economic Development Housing Authority was held at 4:00 p.m. on December 2, 2014 in the East Grand Forks City Hall Training Room, on the first floor in the South Wing, East Grand Forks, MN.

1. Call to Order

Meeting was call to order by President Wogaman at 4:00 pm.

EDHA Board present at roll included President George Wogaman, Vice-President Justin Hecht, Secretary Nan Larson, Board Members Chip Shea, Chad Grassel, and Mark Olstad (4:08pm).

Staff present included Karla Anderson, Finance Director; Nancy Ellis, City Planner; Ron Galstad, City Attorney; David Murphy, City Administrator; and Megan Nelson, Executive Assistant.

Determination of a Quorum

President Wogaman determined a quorum was present.

2. Public Comments/Open Forum

There were no comments or questions for the board.

3. Approval of minutes of the November 18, 2014 Regular Meeting.

A motion was made by Board member Grassel, seconded by Board member Shea, to approve the minutes from the November 18, 2014 Regular Meeting.

Voting Aye: Shea, Grassel, Wogaman, Hecht, and Larson.

Voting Nay: None.

Absent: Olstad.

4. Approval for Accounts Payable for December 2, 2014.

A motion was made by Board member Grassel, seconded by Board member Hecht, to approve Accounts Payable for December 2, 2014.

Mr. Grassel asked about the check for the tenant committee. Ms. Ellis stated that every year \$600.00 is budgeted from the money collected from laundry usage for a tenant Christmas party. Mr. Grassel then asked about the check for Today's Organized Living and if they were paying to organize an apartment. Ms. Ellis explained that when someone moves out and they don't clean the apartment they hire Today's Organized Living to clean. She added that the cost for this service is deducted from the person's

December 2, 2014

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AND HOUSING AUTHORITY (EDHA) (continued)

deposit. Ms. Ellis added that there will be one more bill for the Riverwalk Center since there were repairs done to the elevator in Quilter's Eden to make it operational.

Voting Aye: Shea, Grassel, Wogaman, Hecht, and Larson.

Voting Nay: None.

Absent: Olstad.

5. Communications: None.

6. Old Business: None.

7. New Business:

a. Review of the Interview Process

Mr. Murphy informed the Board that interviews were planned for Monday, December 8th. He stated how there were three candidates that will be interviewed and handed out a timeline for interviews that day. He explained how they will meet with department heads, take a tour, and then interview with the Board. He added that Ms. Klumpp was also going to be a part of this process. Mr. Shea asked if the names were available. Mr. Murphy stated the names would be available on the day of the interview. Mr. Wogaman asked if these people were the top three candidates. Mr. Murphy stated that there were 19 that applied and these people would be the top three. He explained that one interview will be done using Skype since it would have been very expensive to fly one of the candidates in from Texas.

8. Open for other Business:

a. Verbal Update on Lease Agreements

Ms. Ellis informed the Board that all of the leases have been handed out and all of the owners have been spoken to. She added that the tenants have been asked to pay their rent when they turn in the lease agreement. Mr. Galstad added that Mr. Moore has retained a lawyer for this process, she had been requesting information to complete the sale, and a closing has been set for December 15th. Mr. Olstad asked if there were any lease hold improvements. Mr. Galstad stated none that he knows of. Mr. Wogaman asked what would happen if a tenant decided to leave before their lease was up. Mr. Galstad explained how the tenant would still be responsible for the rent.

b. Verbal Update on the Changing of Offices

Ms. Ellis informed the Board that the Community Development Office will be moving upstairs and Housing will be moving down into that office space before the end of the year. Mr. Murphy added that Mr. Meier will be conducting interviews this Thursday so

December 2, 2014

MINUTES OF THE REGULAR MEETING OF THE EAST GRAND FORKS ECONOMIC DEVELOPMENT AND HOUSING AUTHORITY (EDHA) (continued)

the housing positions will be filled by the 1st of the year. Ms. Ellis added that the Council will be considering filling an executive assistant position at the next Council Meeting so someone should be hired soon after the director is hired. She added that they will also be trained to issue permits and eventually take over the responsibilities of the permit technician when she retires. Mr. Murphy added this person will be preparing the packets and taking minutes at the meetings for the EDA and Planning Commission.

c. Other

Mr. Murphy informed the Board there were four other loans that had not been recorded. He added that the Grand Forks Herald was going to publish an article about these loans and that he wanted to notify both the Board and the people about this article before it was published. Ms. Nelson added that these four loans are current with their payments. Mr. Murphy also added that all four loans have now been recorded.

Mr. Murphy told the Board that he handed out an article that had been published in the Star Tribune about how smaller communities who are having a difficult time filling up their malls. He stated this was just something for them to read.

Mr. Wogaman informed the Board a former police officer had passed away and if they were interested the visitation was later in the evening and the funeral was tomorrow.

9. Adjournment

A motion was made by Board member Hecht, seconded by Board member Olstad, to adjourn the meeting at 4:20 pm.

Voting Aye: Shea, Olstad, Grassel, Wogaman, Hecht, and Larson.

Voting Nay: None.

The next regular meeting is **December 16, 2014 at 4:00 pm** at the **East Grand Forks Training Room, First Floor in the South Wing, East Grand Forks City Hall**, East Grand Forks, MN.

Respectfully Submitted,

Megan Nelson
Executive Assistant

Resurrection Cemetery Commission Meeting
November 24, 2014
3:45 p.m.
City Hall – Conference Room

MINUTES

The East Grand Forks Resurrection Cemetery Commission met Monday, November 24, 2014 at City Hall at 3:45 pm. Commissioner Tucker called the meeting to order at 3:50 p.m.

Present were: Chairman Dave Tucker, Commissioner Julie Marek, Alderman Chad Grassel and Executive Secretary Dave Aker. Guests included Paul Amundson and Randy Danielson.

Alderman Grassel made a motion to accept the minutes for August 27, 2014, motion was seconded by Commissioner Marek, motion passed.

Executive Secretary Aker reviewed the financial minutes for August, September and October 2014. Commissioner Marek motioned that we accept the financial minutes; Alderman Grassel seconded the motion and motion passed.

SPECIAL GUESTS:

Terryl Rood was unable to make it for the meeting, she would like to be invited to the next meeting we have for the cemetery. Karla Anderson the City's Finance Director spoke of how the cemetery and city could get the money for the notes on lots at more of a consistent pace. She said that we could advertise on the website with pictures of the cemetery and prices. She asked how other cemeteries handle the money and Paul Amundson said that they had to pay right up front if they want a lot. Karla said if we send out monthly bills to each of the people who have notes we could get our money quicker. The board agreed with her that we should be sending out bills to each of the people. We also should start looking at a contract for the notes that states that people should pay so much a month.

OLD BUSINESS:

Chairman Tucker talked about the delinquent notes, Secretary Aker said Debbie sent Campos, Delene and Dirckx certified letters telling them the Commission is taking back the lots. He stated that Campos has been in the office and has expressed her current condition, Delene and Dirckx had not contacted the office. Chairman Tucker asked for a motion to take back the lots, with a lack of a motion it failed. Alderman Grassel made the motion to send them one more letter asking for some kind of payment or the lots would be taken back; Commissioner Marek second; motion carried.

Alderman Grassel made a motion that we send out bills with the amount people owe and divide it by the number of months left in their three year deal and have they pay that until they are done; Commissioner Marek second; motion carried.

Chairman Tucker asked how far the pinning of the middle section of the cemetery has been done. Secretary Aker told the board that Chris Jordheim, who works for WSN, was working on the layout of the cemetery because the road was put in different that the original plan had on it. He is waiting for the City to sign off so it can be file with the Polk County flat.

NEW BUSINESS:

Secretary Aker said that the transfer of lots is the wording they are going to use for selling back policy.

Secretary Aker said that Dick Delage from Red Lake Falls, MN would do the digging for winter burials this year. The City would charge \$1,000 for a winter burial and pay Delage for digging.

Commissioner Julie Marek was asked if she was interested in serving three more years on the commission and she agreed.

Commissioner Marek made a motion to adjourn the meeting; Alderman Grassel seconded it; Motion passed.

Next meeting first part of May!

Meeting was adjourned!

Board of the East Grand Forks Campbell Library
Minutes from October 28, 2014 meeting

Present: Pat Jacklitch, Kay Buckalew, Henry Tweten, Anne Temte, Judi Loer, and Charlotte Helgeson

- I. Motion to accept amended minutes by Loer with a second by Jacklitch. Passed.
- II. Motion to pay bills was made by Tweten with a second by Temte. Passed.
- III. Old Business
 - A. Eight public Chromeboxes, two for children and one practice workstation for staff have been installed.
 - B. Michael Helle has been hired as Library Technician. He has an A.A.S. in Computer Service & Networking from Northland and a B.S. from UMC in IT Management.
 - C. The following items have been reviewed at City Budget meetings—rental of rooms, fees for programs, participation in the Regional System and eliminating programming. The Budget being considered at City Hall does not include the Library Technician position being increased to full time.
 - D. EAPC has submitted a contract which has been reviewed by Kennedy & Graven. David Murphy will have an update of contract negotiations later today.
- IV. New Business
 - A. No student took advantage of a free card. Buckalew suggested offering it year around. Charlotte will update the Residency Policy to include free cards for students with current school IDs and bring the policy back for review at the November meeting.
 - B. -Over \$1500 was received in memory of Connie Giese for Large Print Mysteries
 -\$1200 was donated by the Friends for e-materials
 -\$1500 was donated by the Eagles Club for large print books
 - C. Programming has been adjusted in the past year due to participation and interest changes. Readers Theatre, Sack Lunch Book Club and Campbell Writers have had low attendance. We are having difficulty recruiting artists for art exhibits. For 2015, we will have seasonal exhibits rather than every 6 weeks. New programming includes Lego Club, Teen Coffee Club, R.E.A.D. Dog and International Game Day. Andrea is searching for funds for an Adult and Teen Book Clubs.
 - D. The November calendar was shared and requested for each Board meeting. The calendar can also be found online each month.

The next meeting will be Tuesday, November 25 at 7 a.m. at Seasons Restaurant.

Minutes of the regular meeting of the Water, Light, Power and Building Commission of the City of East Grand Forks, Minnesota held November 20, 2014 at 5:00 P.M.

Present: Quirk, Loven, Tweten

Absent: Ogden

It was moved by Commissioner seconded Tweten by Commissioner Loven that the minutes of the previous meeting of November 6, 2014 be approved as read.

Voting Aye: Quirk, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Loven seconded by Commissioner Tweten to authorize the Secretary to issue payment of the recommended bills and payroll in the amount of \$1,308,374.79.

Voting Aye: Quirk, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Loven seconded by Commissioner Tweten to approve North Holt's Change Order #2 for the 2014 Miscellaneous Electrical Distribution Construction extending the completion date to November 27, 2015.

Voting Aye: Quirk, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Tweten seconded by Commissioner Loven to authorize the preparation of plans and specs for the 2015 electrical material bids.

Voting Aye: Quirk, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Loven seconded by Commissioner Tweten to authorize the preparation of plans and specs for the 2015 miscellaneous electric labor bids.

Voting Aye: Quirk, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Loven seconded by Commissioner Tweten authorize the preparation of plans and specs for the 2015 watermain replacement bids.

Voting Aye: Quirk, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Loven seconded by Commissioner Tweten to approve the proposal from KBM to prepare the 5 year electrical system study and the ARC Flash analysis in the amount of \$51,800.00.

Voting Aye: Quirk, Loven, Tweten

Voting Nay: None

It was moved by Commissioner Tweten seconded by Commissioner Loven to adjourn to the next regular meeting on December 4, 2014 at 5:00 P.M.

Voting Aye: Quirk, Loven, Tweten

Voting Nay: None

Lori Maloney
Sec'y



3311 109th Street • Urbandale, Iowa 50322
 Tel: 515.331.2103 • Fax: 515.331.1728
gss@gssmidwest.com • www.gssmidwest.com

December 16, 2014

Project #W14026-MN-11

The City of East Grand Forks
 600 DeMers Ave.
 East Grand Forks, MN 56721

Notice of Initiation of the Section 106 Process-Public Participation in accordance with the FCC's Program Comment for Positive Train Control and Infrastructure. BNSF Railway proposes to construct an approximately 50' monopole communications pole at the following approximate location in Polk County, Minnesota within the existing railroad right-of-way:

- Coordinates: 47.921928, -97.001847, Mile Post 105.87, East Grand Forks

This structure is an integral part of BNSF's interstate rail system. Under the ICC Termination Act (ICCTA), 49 U.S.C. § 10501(b), the federal Surface Transportation Board has exclusive jurisdiction over railroad operations and facilities. Although state and local agencies do not have jurisdiction to compel railroads to submit to state or local permitting requirements as a condition of improving the railroads' interstate facilities, BNSF and other railroads can and often do voluntarily agree to comply with reasonable state and local environmental requirements in connection with railroad construction projects. This voluntary cooperation in no way is meant to confer jurisdiction on the state or local regulator but instead is a by-product of BNSF's commitment to partnership with the community.

At this point, BNSF does not know of any requirements that apply to this project, but as part of that commitment is providing you notice that this structure will be constructed. The purpose of this letter is to:

- Notify the City of East Grand Forks that Public Notice seeking comments on the potential effects of the proposed construction on Historic Properties is scheduled to be published in The Exponent on December 24, 2014.
- Invite comments on the potential effects of the proposed facility on Historic Properties from other relevant individuals or groups that you may be aware of.

Parties interested in submitting comments regarding any potential effects of the proposed facility on Historic Properties may do so by sending them to GSS, Inc., 3311 109th Street, Urbandale, IA 50322.

Questions about this matter may be submitted to GSS, Inc., 3311 109th Street, Urbandale, IA 50322 or by calling (515) 331-2103.

Request for Council Consideration

Date: December 9, 2014

To: East Grand Forks City Council Mayor Lynn Stauss, President Craig Buckalew, Council Vice President Greg Leigh, Council Members: Clarence Vetter, Dale Helms, Henry Tweten, Mark Olstad, and Chad Grassel

Cc: File

From: David Murphy – East Grand Forks City Administrator

RE: Northland Community College Lease Renewal.

Background.

The lease that was signed in October was for a trial period and expires in January. Mr. Huschle has supplied me with an updated agreement that runs through January 2016.

Issue for discussion and action.

Discussion on the success/concerns of the last few months of Semi-Driving.

Budget Impact

None Identified.

Staff Recommendation.

Approval of renewed contract.



Minnesota
STATE COLLEGES
& UNIVERSITIES

NON-EXCLUSIVE USE AGREEMENT - MNSCU

THIS AGREEMENT is made by and between City of East Grand Forks, located at 600 Demers Avenue, East Grand Forks, MN 56721, hereinafter referred to as CITY, and the **STATE OF MINNESOTA, BY AND THROUGH THE BOARD OF TRUSTEES OF MINNESOTA STATE COLLEGES AND UNIVERSITIES ON BEHALF OF Northland Community and Technical College**, located at 2022 Central Avenue NE, East Grand Forks, MN 56721, hereinafter referred to as STATE,

WHEREAS, the Board of Trustees of Minnesota State Colleges and Universities is empowered by Minn. Stat. §136F.06, to lease non-state property for use by its colleges and universities, and

WHEREAS, the CITY is the owner of the parking lot, located at the northeast corner, west of 4th Avenue, East Grand Forks, Minnesota, and desires to lease space in the property to STATE, and

NOW THEREFORE, CITY and STATE, in consideration of the rents, covenants and considerations hereinafter specified, do hereby agree each with the other as follows:

1. PREMISES.

CITY grants and STATE accepts the lease of the following described Premises located in the City of East Grand Forks, County of Polk, Minnesota; more particularly described as:

Northeast corner, west of 4th Avenue, East Grand Forks, Minnesota:

Which is attached and incorporated as **Exhibit A** as part of this Use Agreement (hereinafter defined as the “Premises”).

2. USE.

STATE shall use and occupy the Premises for higher education purposes and for such activities related to STATE's operation as a Minnesota State Colleges and Universities system member institution leased location, or for any other lawful purpose for the commercial vehicle operation program.

STATE will ensure an instructor will always be either in a vehicle or onsite when students are in driving training. STATE will ensure students and instructor will monitor all training activities and suspend operations when a non-training vehicle or pedestrian enters the training location. Vehicles left on training location will be worked around if practical and safe; training will otherwise be suspended. STATE will ensure students will drive a commercial vehicle to the location with an instructor in the vehicle and will enter and exit the location utilizing the east (4th Avenue) entrance.

3. TERM.

Subject to Section 4(e), the term of this Agreement shall commence on January 10, 2015, (the "Commencement Date"), and end on January 9, 2016, unless otherwise sooner terminated as provided in this Lease.

4. TERMINATION.

- a. Consistent with Minnesota Statutes, Section 16B.24, Subdivision 6, this Agreement is subject to cancellation upon thirty (30) days written notice by STATE for any reason except lease of other non-state-owned land or premises for the same use.
- b. The CITY reserves the right to cancel this agreement with reasonable notice not to exceed 45 days if it is determined at the sole discretion of the CITY that the property is needed for a public purpose or it is determined that the use by the STATE unreasonably interferes with the parking lots intended use.

5. OPERATING EXPENSES AND SERVICES.

- a. Operating Expenses for a Gross Lease: CITY shall bear the cost of all typical costs and expenses paid to operate and maintain the parking lot. The STATE shall bear the cost for any damage caused to the parking lot upon mutual agreement and subject to an encumbrance of funds as required by state law; normal wear and tear is excepted.
- b. Exterior Lighting: CITY shall provide adequate exterior lighting in the parking lot.

6. ACCESS TO PREMISES.

STATE shall allow access to the Premises by CITY or its authorized representatives at any reasonable time during the life of this Agreement for the purpose of operation, maintenance, inspection, display and repairs of the Premises.

STATE will contact CITY one week (seven calendar days) prior to use of the space to insure space availability for specific dates and times. Typical STATE hours of operation are Mondays through Thursdays from 9:00 a.m. until 3:00 p.m. and Fridays from 9:00 a.m. until noon.

7. ASSIGNMENT AND SUBLEASE.

STATE shall not assign, sublet, or otherwise transfer its interest in this Agreement.

8. ALTERATION TO PREMISES.

STATE shall make no alterations, additions, or changes in the Premises, without the advance written consent of CITY.

STATE will paint 3” orange dots on the parking lot to mark location of cones, barrels, or barricades to facilitate effective set up. During hours of operation, STATE will section off area of parking lot with cones/barricades prior to 9:00 a.m. to prevent vehicular traffic within leased area. STATE will remove cones/barricades by 3:00 p.m. at the conclusion of hours of operation within leased area, Monday through Thursday, and noon on Fridays.

9. MAINTENANCE AND REPAIRS.

- a. Maintenance: CITY shall maintain in working condition and good repair, all appurtenances within the scope of this Agreement.
- b. Snow Removal: CITY shall be responsible for removal of snow, ice and debris within the parking lot. Snow plowing, snow shoveling and ice removal must be completed by 8:00 a.m., unless snow or wind conditions make this impractical. If the snow and ice removal is not completed by 8:00 a.m., CITY will make every effort to complete the snow removal as soon as possible.

10. DESTRUCTION OF LEASED PREMISES

If the Premises is destroyed or damaged by fire, tornado, flood, civil disorder, or any cause whatsoever, so that the Premises become unstable, the STATE shall have the option of terminating this Agreement immediately or allowing CITY such amount of time as STATE deems reasonable to restore the damaged Premises to stable condition.

11. INSURANCE

General Liability and Property Damage Requirements. It shall be the duty of CITY and STATE to maintain insurance or self-insurance on their own property, both real and personal. For purposes of this Agreement, CITY shall maintain applicable insurance coverage consistent with the coverages outlined on **Exhibit B**, attached hereto and made

a part of this Agreement, at CITY's sole expense during the term of this Agreement. CITY and STATE shall provide each other with evidence of insurance, upon request. Notwithstanding anything apparently to the contrary in this Agreement, CITY and STATE hereby release one another and their respective partners, officers, employees and property manager from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for loss or damage covered by said insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

12. LIABILITY

CITY and STATE agree that each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. STATE's and the CITY'S liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Sections 3.736 and 466.01 and other applicable law.

13. NOTICES

All notices, requests, and other communications between CITY and STATE that are required or that CITY or STATE elect to deliver shall be deemed sufficiently given or rendered if in writing and delivered to either party personally, by a recognized overnight courier service or by United States mail, first-class, certified or registered, postage prepaid, (return receipt required) addressed as follows:

CITY: City of East Grand Forks
600 Demers Avenue
East Grand Forks, MN 56721
ATTN: David Murphy, City Administrator

STATE: Northland Community and Technical College
2022 Central Avenue NE
East Grand Forks, MN 56721
ATTN: Brian Huschle, Dean of Academic Affairs, EGF

With a copy to: Minnesota State Colleges and Universities
ATTN: Real Estate Services
30 E. 7th Street, Suite 350
St. Paul, MN 55101

14. HUMAN RIGHTS

When applicable, CITY certifies that it has received a certificate of compliance from the Commissioner of Human Rights pursuant to Minnesota Statutes, Section 363A.36, or that it has not had more than 40 full-time employees at any time during the previous 12 months and claims exemption from Minnesota Statutes, Section 363A.36.

15. ENVIRONMENTAL

CITY warrants that, to the best of CITY's knowledge there do not, and there will not on the Commencement Date, exist any Hazardous Substance, including mold in, on or about the Premises. CITY has delivered to STATE complete copies of all reports relating to the environmental condition of the Premises and underlying land in its possession of control, including but not limited to those assessing the presence or absence of Hazardous Substances and violations of or compliance with Environmental Law. "Hazardous Substance" means any pollutant, contaminant, toxic or hazardous waste, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, PCBs, or any other substance the removal of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling, or ownership of which is restricted, prohibited, regulated, or penalized by any and all federal, state, county, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. § 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.) as these laws have been amended or supplemented (such laws are collectively referred to as "Environmental Law"). CITY will defend and indemnify STATE from any claims, liabilities, penalties, costs, fines, damages, or expenses, including all attorney's fees, which STATE incurs arising out of the presence of any Hazardous Substances placed, stored, or generated on or about the Premises, except to the extent any such liability arises from the STATE's own actions.

16. CITY REPRESENTATIONS.

CITY represents and warrants that it is the owner in fee simple of the Building and underlying real property. CITY represents that entering into this agreement will not cause CITY to violate any other agreement to which CITY is a party.

17. ENTIRE AGREEMENT

The Agreement documents, which constitute the entire Agreement between the parties except for agreed upon written amendments issued after execution of this Agreement, are enumerated as follows:

- Agreement
- **EXHIBIT A**, Premises
- **EXHIBIT B**, Performance Specifications and Standards
- **Any Subsequent amendments, addendum properly executed by the parties.**

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed intending to be bound thereby.

APPROVED:

CITY certifies that the appropriate person(s) have executed the contract on behalf of CITY as required by applicable articles, by-laws, resolutions, or ordinances.

CITY: City of East Grand Forks

By: _____
Mr. David Murphy

Title: City Administrator_____

Date: _____

STATE: STATE OF MINNESOTA, BY AND THROUGH THE BOARD OF TRUSTEES OF MINNESOTA STATE COLLEGES AND UNIVERSITIES ON BEHALF OF Northland Community and Technical College

By: _____
Dr. Anne Temte

Title: President_____

Date: _____

EXHIBIT A: PREMISES

This page intentionally left blank. Exhibit A on the following page.

EXHIBIT B – GENERAL INSURANCE REQUIREMENTS

POLICY REQUIREMENTS

1. Workers' Compensation Insurance

- A. Statutory Compensation Coverage
- B. Coverage B – Employers Liability with limits of not less than:
 - \$100,000 Bodily Injury by Disease per Employee
 - \$500,000 Bodily Injury by Disease Aggregate
 - \$100,000 Bodily Injury by Accident

2. General Liability Insurance

- A. Minimum Limits of Liability:
 - \$2,000,000 – Per Occurrence
 - \$2,000,000 – Annual Aggregate
 - \$2,000,000 – Annual Aggregate applying to Products/Completed Operations
- B. Coverages:
 - Premises and Operations Bodily Injury and Property Damage
 - Personal & Advertising Injury
 - Blanket Contractual
 - Products and Completed Operations
 - Other; if applicable, please list _____
 - State of Minnesota or Minnesota State Colleges and Universities named as Additional Insured

Additional Insurance Conditions

- State's policy(ies) (insurance) shall be the primary insurance to any other valid and collectible insurance available to the City of East Grand Forks with respect to any claim arising out of State's performance under this Lease Agreement.
- CITY agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless STATE's policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota
- CITY is responsible for payment of Agreement related insurance premiums and deductibles.
- If CITY is self-insured, a Certification of Self-Insurance must be attached.
- CITY's policy(ies) shall include legal defense fees in addition to the liability policy limits.
- CITY shall obtain insurance policy(ies) from insurance company(ies) having an "AM Best" rating of A- (minus), Financial Size Category of VII or better, and authorized to do business in the State of Minnesota.
- An Umbrella or Excess Liability insurance policy may be used to supplement the CITY's policy limits to satisfy the full policy limits required by the Agreement.

RESOLUTION NO. 15 – 01 – 09

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

RESOLUTION RATIFYING CONTRACTS

WHEREAS, the City of East Grand Forks purchased from Hardware Hank the goods referenced in check number 20592 for a total of \$380.91.

WHEREAS, Craig Buckalew, was personally interested financially in the contract, but the purchases were made because the price was as low as or lower than other local vendors.

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF EAST GRAND FORKS:

1. The above mentioned purchase by the City and the claim of the vendor based thereon are confirmed and the Mayor and Clerk are directed to issue an order-check in payment of such claim on the filing of the affidavit of official interest required under Minnesota Statutes, Section 471.89.
2. It is hereby determined that the total price of \$380.91 paid for such goods is as low as, or lower than, the price at which they could have been obtained elsewhere at the time the purchase was made.
3. This resolution is passed to comply with the provisions of Minnesota Statutes, Section 471.87-89.
4. Resolution passed by unanimous vote of the council on January 6, 2015.

Voting Aye:
Voting Nay:
Abstain:

The President declared the resolution passed.

Passed: January 6, 2015

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 6th of January, 2015.

Mayor

AFFIDAVIT OF OFFICIAL INTEREST CLAIM

STATE OF MINNESOTA)
COUNTY OF POLK) ss
CITY OF EAST GRAND FORKS)

I, Craig Buckalew, being duly sworn states the following:

1. I am 3rd Ward Council Member of the City of East Grand Forks.
2. The City of East Grand Forks check number 20592 for a total of \$380.91.
3. This resolution is passed to comply with the provisions of Minnesota Statutes, Section 471.87-89.
4. Resolution passed by unanimous vote of the council on January 6, 2015.

Affiant states further that to the best of his knowledge and belief (a) the contract price was as low as or lower than the price at which the services could be obtained from other sources.

Affiant further states that the affidavit constitutes a claim against the city for the contract price, that the claim is just and correct, and that no part thereof has been paid.

Dated: _____

(Signature of Official)

Accounts Payable

Check Register Totals Only

User: lkatka
 Printed: 12/30/2014 - 11:44 AM



City of East Grand Forks

600 Demers Avenue Northwest
 East Grand Forks, Minnesota 56721
 (218) 773-2483 www.egf.mn

Check	Date	Vendor No	Vendor Name	Amount	Voucher
20554	01/06/2014	3DS001	3D Specialties	192.57	0
20555	01/06/2014	ADV001	Advanced Business Methods Inc	1,241.22	0
20556	01/06/2014	ALL008	ALLDATA	1,500.00	0
20557	01/06/2014	AME005	Ameripride Linen & Apparel Services	357.24	0
20558	01/06/2014	AUT001	Auto Glass & Aftermarket Inc	54.00	0
20559	01/06/2014	BAK001	Baker & Taylor Co	1,015.53	0
20560	01/06/2014	BAL001	Balco Uniforms Co Inc	36.00	0
20561	01/06/2014	BEA007	Chad Beauchamp	350.00	0
20562	01/06/2014	BEC002	Josh Beck	79.00	0
20563	01/06/2014	BLU001	Blue Cross Blue Shield of ND	3,673.70	0
20564	01/06/2014	BLU002	Blue Moose Bar & Grill	57.71	0
20565	01/06/2014	BRI004	Brians Flooring	11,950.00	0
20566	01/06/2014	BRO002	Brodart Co	333.81	0
20567	01/06/2014	C&R001	C&R Laundry & Cleaners	372.82	0
20568	01/06/2014	CAB001	Cabela's Retail	69.99	0
20569	01/06/2014	CAN001	Canon Financial Services	128.00	0
20570	01/06/2014	CEN006	Century Link	840.23	0
20571	01/06/2014	CIV002	Civic Plus	4,478.69	0
20572	01/06/2014	COA002	Coast to Coast Solutions	62.56	0
20573	01/06/2014	COL004	Coldspring Memorial	512.00	0
20574	01/06/2014	COL002	Cole Papers Inc	150.50	0
20575	01/06/2014	AIR003	Corval Constructors	3,507.88	0
20576	01/06/2014	CUL001	Culinex	284.28	0
20577	01/06/2014	CUR001	Daniel and Paula Curran	5,000.00	0
20578	01/06/2014	DAR002	Appraisal & Consulting Services, Inc.	3,600.00	0
20579	01/06/2014	DAY002	Daydreams Specialties, LLC	135.00	0
20580	01/06/2014	DEL002	Dick Delage	1,800.00	0
20581	01/06/2014	DEM001	Demco Educational Corp	101.74	0
20582	01/06/2014	DOO001	Margaret Dooley	200.00	0
20583	01/06/2014	ECO001	Economy Plumbing	71.00	0
20584	01/06/2014	EXP003	Explorer Post #38	130.00	0
20585	01/06/2014	EZL001	EZ Locksmith	241.60	0
20586	01/06/2014	G&K001	G&K Services	177.79	0
20587	01/06/2014	GAF002	Gaffaney's	343.00	0
20588	01/06/2014	GAL001	Gale	294.54	0
20589	01/06/2014	GEO001	George's Quick Printing	55.00	0
20590	01/06/2014	GRE013	Greater MN Parks and Trails	150.00	0
20591	01/06/2014	EAS006	Dale Gulbranson	160.00	0
20592	01/06/2014	HAR001	Hardware Hank	380.91	0
20593	01/06/2014	HAW001	Hawkins Chemical	258.00	0
20594	01/06/2014	HEA001	Heartland Paper	74.25	0
20595	01/06/2014	HOM001	Home of Economy	15.57	0
20596	01/06/2014	HUG001	Hugo's	40.10	0
20597	01/06/2014	INT003	Integra Telecom	92.44	0
20598	01/06/2014	INT011	Integrated Process Solutions Inc	17,437.00	0
20599	01/06/2014	JPC001	J. P. Cooke Company	103.50	0
20600	01/06/2014	KEN002	Kennedy & Graven, Chartered	2,190.75	0
20601	01/06/2014	MAC004	Jason Mack	157.00	0
20602	01/06/2014	MCF001	McFarlane	508.90	0
20603	01/06/2014	MEN001	Menards	220.38	0

Check	Date	Vendor No	Vendor Name	Amount	Voucher
20604	01/06/2014	MPO001	Metropolitan Planning Organization	6,132.57	0
20605	01/06/2014	MID001	MidAmerica Books	83.75	0
20606	01/06/2014	MID003	Midcontinent Communications	1,517.76	0
20607	01/06/2014	MNC004	MN Chief of Police Association	290.00	0
20608	01/06/2014	MND006	VOID****VOID****VOID*** MN I	170.00	0
20609	01/06/2014	NEI003	Northern Escrow, Inc.	21,466.29	0
20610	01/06/2014	NOR003	Northern Lights Figure Skating	500.00	0
20611	01/06/2014	ORE001	O'Reilly Auto Parts	119.99	0
20612	01/06/2014	ODL001	Odland Fitzgerald Reynolds & Harbot	166.25	0
20613	01/06/2014	OTI001	Otis Elevator Company	2,827.32	0
20614	01/06/2014	OVE002	OverDrive, Inc	8,000.00	0
20615	01/06/2014	PAR006	Paraclete Press, Inc.	60.39	0
20616	01/06/2014	PET001	Peterson Veterinarian Clinic P.C.	288.00	0
20617	01/06/2014	PRO005	PRO-VISION, INC.	2,360.00	0
20618	01/06/2014	QUI001	Quill Corp	120.45	0
20619	01/06/2014	REL001	Reliable Office Supplies	533.38	0
20620	01/06/2014	RYA006	Mark Ryan	100.00	0
20621	01/06/2014	MER001	Sanford Clinic Fargo Region	2,204.00	0
20622	01/06/2014	SPA001	Spare Husband Inc	281.00	0
20623	01/06/2014	STE001	Stennes Granite	225.00	0
20624	01/06/2014	STE009	Sterling Carpet One	210.00	0
20625	01/06/2014	STO001	Stone's Mobile Radio Inc	953.50	0
20626	01/06/2014	STU001	Stuart's Towing	100.00	0
20627	01/06/2014	TAB001	Tab Products Co	88.21	0
20628	01/06/2014	THU002	Thur-O-Clean	2,550.00	0
20629	01/06/2014	TOL001	Todd and Tracy Tollefson and Gate Ci	5,000.00	0
20630	01/06/2014	TRU001	True Temp	437.06	0
20631	01/06/2014	USB001	US Bank	601,735.00	0
20632	01/06/2014	USB005	US Bank Corporate Payment System	2,219.90	0
20633	01/06/2014	VER001	Verizon Wireless	175.05	0
20634	01/06/2014	VIK002	Viking Industrial Center, Inc	73.74	0
20635	01/06/2014	WAT001	Water & Light Department	42,621.15	0
20636	01/06/2014	WID001	Widseth Smith Nolting & Associates	27,008.00	0
20637	01/06/2014	WIZ001	Wizard's Enterprises Inc.	590.00	0
20638	01/06/2014	XCE001	Xcel Energy	19,611.76	0
20639	01/06/2014	ZEE001	Zee Medical Service	142.65	0
Check Total:				816,148.37	

Short Name	Default Accounting Code	Posting Date	Amount	Merchant Name	Allocation Code Value	Allocation Amount	Allocation Last Changed By
D. Aker	101-45-121-42000	2014/12/17	\$159.95	SKILLPATH SEMINARS MAIN	1014512142000	\$159.95	HADDEN,DEB
J. Bruce	630-46-440-44000	2014/12/08	\$22.13	WAL-MART #1545	6304644042000	\$22.13	ELLIS,NANCY
	630-46-440-44000	2014/12/08	(\$22.13)	WAL-MART #1545 SE2	6304644042000	(\$22.13)	ELLIS,NANCY
M. Hedlund	101-42-100-42000	2014/12/01	\$125.00	SIMONSON GAT10050029	1014212344000	\$125.00	HEDLUND,MICHAEL
C. Helgeson	101-45-500-42000	2014/11/26	\$25.00	DAYDREAMS SPECIALTIES	1014550044300	\$25.00	HELGESON,CHARLOTTE
	101-45-500-42000	2014/11/28	\$27.95	FERGUSON BOOKS AND MEDIA	1014550242100	\$27.95	HELGESON,CHARLOTTE
L. Kossow	630-46-440-44000	2014/11/25	\$5.99	PARTY CITY	6304644042000	\$5.99	Kossow,Linda
K. Kovar	101 41 510 44300	2014/12/03	\$1,011.90	TELEPHONY DEPOT/IFAX	1014222044000	\$1,011.90	LARSON,GARY
	101 41 510 44300	2014/12/04	\$35.69	AMAZON.COM	1014210044000	\$35.69	HEDLUND,MICHAEL
	101 41 510 44300	2014/12/11	\$133.62	SYX*TIGERDIRECTINC	101 420042000	\$133.62	LARSON,GARY
B. Larson	101-45-140-42000	2014/12/15	\$120.86	HARDWARE HANK	1014514242000	\$39.98	HADDEN,DEB
	101-45-140-42000	2014/12/15	\$0.00	HARDWARE HANK	1014514042000	\$80.88	HADDEN,DEB
G. Larson	1014220042000	2014/12/22	\$190.00	ALEX TC COLL CUST TRAININ	1014222043080	\$190.00	Larson,Gary L
	1014220042000	2014/12/22	\$190.00	ALEX TC COLL CUST TRAININ	1014222043080	\$190.00	Larson,Gary L
D. Murphy	101-41-510-42000	2014/12/02	\$38.34	GAN*USATODAYCIRC	101-41-510-44300 LK	\$38.34	System
	101-41-510-42000	2014/12/12	\$10.46	CENEX CROOKSTO07060890	101-41-510-43300 LK	\$10.46	System
D. Robertson	101-42-100-42000	2014/12/15	\$75.00	BCA TRAINING EDUCATION	101-42-100-43080 LK	\$75.00	System
A. Scherer	101-45-500-42000	2014/12/22	\$70.14	PAPA JOHN'S 02513	4004550443360	\$70.14	HELGESON,CHARLOTTE