

**APPROVED MINUTES  
OF THE CITY  
COUNCIL WORK SESSION  
CITY OF EAST GRAND FORKS  
TUESDAY, JANUARY 13, 2015 – 5:00 PM**

**CALL TO ORDER:**

*The Work Session of the East Grand Forks City Council for January 13, 2015 was called to order by Council President Mark Olstad 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 Mark Olstad, Council Vice-President Chad Grassel, Council Members Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.*

*Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Brad Bail, City Engineer; Dan Boyce, Water & Light Manager; Nancy Ellis, City Planner; Steve Emery, City Engineer; 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. File Report of Feasibility for 2015 Street Improvements – Steve Emery**

Mr. Emery explained how the City Engineers had been asked to prepare a three to five year plan addressing the necessary repairs to the streets of the City. He stated they had figured out a three year plan with phase 1 including seal coat, mill and overlay, and in some areas a complete reconstruction. He reviewed the estimated costs for each of these projects and the potential costs for the City. Discussion followed about if the end benefits were calculated correctly, how current oil prices had not been taken into account regarding these prices, and that the amount the City will be paying for the total reconstruction portion could be higher than what was estimated. Mr. Murphy stated the Council will need to look at what is needed and prioritize based on what is feasible. Council member DeMers asked what had been budgeted. Ms. Anderson reviewed funds available for these projects based on the current estimates but this would also deplete these funds. Discussion followed about how some of these funds were also going to be used as the local match for lowering 5<sup>th</sup> Ave NE is the City is awarded the grant and how they might need to look at using waste water funds for the 5<sup>th</sup> Ave project instead of using state aid.

Council Vice-President Grassel asked if they should remove Lee's Place from the project list which could save about \$86,000 based on the bid received last fall. Council President Olstad

asked how the Council would like to move forward. Mr. Murphy also asked that they prioritize the projects. Council Vice-President Grassel suggested moving forward with the process, hold the public hearing, and get input from the residents. Council member Vetter agreed they will need to get input from residents. Council member Demers asked to have the numbers reviewed so the Council could see what the actual cost would be for the City's portion of these projects. Council member Buckalew commented how it wouldn't be responsible to deplete the funds and they will need to prioritize the projects based on the amount they are willing to spend. Mayor Stauss stated the City will need to pay for its part if they are going to be assessing these jobs to residents so they will need the figures before moving forward. Council member Pokrzywinski commented on the project size, how the seal coat numbers look affordable compared to waiting until a total reconstruction is needed. He added that the general consensus from the Council is to maintain but they can't deplete the funds this year because there wouldn't be any funds for projects next year.

Council President Olstad asked Mr. Boyce if he knew of any upcoming projects where the Water and Light would be replacing water main and if they would be able to try and do both at the same time. Mr. Boyce stated he wasn't sure at this time but would be able to look into the upcoming projects and would inform the Council. More discussion followed about how the majority of City costs would be from the reconstruction project. Council member DeMers asked if they should look at if they would be able to get funds from DEED for areas of the Industrial Park to help with the City's portion of the cost. More discussion followed about moving forward and holding the public hearing for the projects. Mr. Murphy stated staff has the direction of moving forward with the projects of seal coat along with the mill and overlay as presented, preparing the notifications, holding the public hearing, and then the Council can consider their options.

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

## **2. Point of Woods 5<sup>th</sup> and 6<sup>th</sup> Addition Projects – Steve Emery**

Mr. Emery explained that Mr. Peabody would like to move forward with paving the Replat of the Point of Woods 5<sup>th</sup> Addition and start the utilities and street for Point of Wood 6<sup>th</sup> Addition. Mr. Murphy stated the request is that these projects would be 100% assessed and the City would have the upfront costs. He added he wanted the Council to be aware they would have to bond in order to have these projects completed. Discussion followed about how the Developer's agreement is being worked on for Point of Woods 6<sup>th</sup> Addition and it was suggested the approval for the projects be contingent on the developer's agreement being signed.

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

## **3. Waste Water Treatment Update – Brad Bail**

Mr. Bail explained to the Council the design phase had been started, soil borings were done, and readings of the water table were taken from those borings. He said based on those readings the ground water is approximately one foot below the pond. He added he thinks that is artificially high but the MPCA is basing their information on those readings and requiring the four foot separation. He reminded them that this would increase the project cost by about 12 million

dollars. He stated that with this increase to the project they need direction from the Council on how they would like to proceed. Mayor Stauss stated how important it was to know what they are asking for when speaking with meeting with legislators.

Council President Olstad commented that there are three options for the Council to consider. Mr. Bail asked for direction from the Council on what project they would like to move forward with. Discussion followed about how much more the lagoons now cost and what projects should be considered. Mr. Bail stated that right now they have updated numbers for the lagoon and mechanical plant project. More discussion followed about which projects should be considered and how each system would have its own annual costs for operation. Council President Olstad asked if the engineers could have costs estimates for the interconnect ready by the next work session. Discussion followed about how some of the Council members would like to maintain control and will only consider the lagoon or mechanical plant project. Other Council members stated they should at least see what the new cost estimates are for the interconnect. Council President Olstad stated they would only be looking at the numbers to be informed. Council member Pokrzywinski asked to get the numbers showing how much an average household would be paying on their monthly bill for each of the projects. Mayor Stauss commented the City needs to find out how much the State will help with which could help pick which project the City should move forward with.

Mr. Murphy stated that this was an intense issue, there are potentially three options, and local control is a big issue. He asked the Council if they could narrow it down to two options. More discussion followed about how more information was needed and how the Council owes it to the residents to look at all three options. Mr. Bail stated they will try to have as much information prepared as they can for the next work session.

#### **4. Update from Auditors – Brady Martz Auditors**

Ms. Anderson introduced Ms. Janelle Mulroy and Ms. Amanda Scanson who were there for a pre-audit meeting with the Council. Ms. Mulroy reviewed the auditor's responsibility based on auditing standards. She explained that based on these standards the Housing Authority is done separately and after the 2014 won't need to be done again since housing had been transferred. She stated there were different components of the audit with included the City, the EDHA, and the Water and Light Department. She added that the audit is done on a test basis.

Ms. Mulroy then reviewed the timeline for the audit to be completed which included the preliminary work done in December to the delivery of the final financial statements on June 1<sup>st</sup>. She explained that this planned audit approach will look at investments, depreciation, and inquires from the Council about fraud matters. She asked the Council to inform them about any areas that they should give extra attention to. Ms. Mulroy then reviewed two new pronouncements on financial reporting for pension plans as well as accounting and financial reporting. Discussion followed about what would need to be done differently regarding the Fire Relief Association audit and what affect a potential liability could have on the City's report. Council member Buckalew asked if the proposed timeline for the audit would work for City staff. Ms. Anderson stated that this would be a good approach so staff can get the ground work done for the auditors.

## **5. Excess Liability Coverage for 2015 – Karla Anderson**

Ms. Anderson stated this was something that needed to be done yearly. She explained that in the past the Council has chosen to waive the limit and not to purchase the excess liability coverage. Council member Pokrzywinski asked if option three would include the additional cost of \$35,000. Ms. Anderson stated yes and added that amount was not included in the budget.

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

## **6. Police Department Staffing Requests – Mike Hedlund**

Chief Hedlund explained that there was going to be staffing changes in the police department with an officer moving to the secretary/dispatcher/jailer position due to an opening. He stated how this would open up a patrol position, that they are currently running background checks on four people to fill the current openings, and they might need to start another hiring process if any of them fail the background check. He said how they have looked at possible concerns from moving a patrol officer to the secretary/dispatcher/jailer position with the possibility of this helping out police officer. He stated that all of the concerns have been addressed. He added that they might also allow the person leaving to work on a part time basis helping with transcriptions from home and they had been working with the IT department to make that happen. He reviewed the pay scale for the person changing from patrol to secretary and that he would have to approve any overtime for that person to work as a patrol officer prior to the shift.

## **7. Police Officer Hiring Request – Mike Hedlund**

Chief Hedlund continued with the hiring request. He stated again they were working on background checks for current openings. He added that with the officer moving positions would open another position and an officer is looking at retirement so that would result in another opening. He said he would like to ask for approval to start a hiring process if the current roster isn't enough to fill all of the positions. Discussion followed about the wages for the person changing positions, what the job duties are for the Secretary/Dispatch/Jailer position, and what the minimum staffing levels are in the police department.

Council member Vetter commented on the budget situation, how positions may end of getting cut, and that the Council needs to review the minimum staffing policy at the police department. He added that all departments will be looked at. More discussion followed about the secretary/dispatcher/jailer position job duties and how the data entry and transcribing duties are something that has to be done since the information needs to be available if a case ends up in court.

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

## **8. Reconsideration of License Suspension Deferment – David Murphy**

Mr. Murphy asked Mr. Galstad to speak about this issue. Mr. Galstad explained he had advised the Council the motion made would allow for a deferment of the license suspension, not dismiss

it. He asked that they amend the motion to only defer the suspension for the one year period. He added that he already spoke with the people at Hugo's Wine and Spirits regarding this situation so they are aware of the Council taking this action.

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

## **9. Other**

Mr. Murphy informed the Council the pool project is moving forward and the advertise for bids could go out in February. He added they will need to discuss the repayment of the funds the City is receiving from the Water and Light Department for this project. Council member Vetter asked to discuss it at the next work session.

Council member Buckalew asked if the waste water fee had been changed. He reminded the Council how they had been looking at slowly raising the fee over time for the waste water project instead of all at once. He added that should be discussed at a future meeting.

Chief Larson informed the Council the rescue truck was almost completed and they would be getting it at the end of the week. He reminded them they had a new cab and chassis and stated he had asked around about if anyone was interested in the old cab and chassis. He stated he had found someone who was interested in and would pay \$8,000 for it. He asked that at the next meeting to declare the old cab and chassis as surplus so they can leave it down in Iowa and sell it at least for \$8,000. President Olstad stated the Council will motion to accept no less than \$8,000 for the old cab and chassis.

Mr. Murphy stated that there was a chance he could make a formal announcement in the morning once he is told the EDA candidate has formally accepted the offer and job as the new EDA Director.

## **ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER BUCKALEW, TO ADJOURN THE JANUARY 13, 2015 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 7:06 P.M.**

*Voting Aye: Pokrzywinski, Buckalew, Tweten, Olstad, Grassel, DeMers, and Vetter.*

*Voting Nay: None.*

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David Murphy, City Administrator/Clerk-Treasurer