

**AGENDA
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, MAY 26, 2015 – 5:00 PM**

CALL TO ORDER:

CALL OF ROLL:

DETERMINATION OF A QUORUM:

- 1. Extreme North Dakota Special Event Application – Megan Nelson**
- 2. Review of Classic Car Show – Megan Nelson**
- 3. Bid Results for 15CP3 Sidewalk Improvements – Greg Boppre**
- 4. Recording Fees & Taxes Policy – Paul Gorte**
- 5. Delinquency Policy – Paul Gorte**
- 6. Senior Center Patio Door – Dave Aker**
- 7. Annexation and Special Service District – Ron Galstad**
- 8. Market Value Discussion – Henry Tweten**
- 9. Report from the League – David Murphy**
- 10. Verbal Update on Campground – David Murphy**
- 11. Waste Water Project Discussion – David Murphy**
- 12. Other**

ADJOURN:

Upcoming Meetings

Regular Council Meeting – June 2, 2015 – 5:00 PM – Council Chambers
Work Session – June 9, 2015 – 5:00 PM – Training Room
Regular Council Meeting – June 16, 2015 – 5:00 PM – Council Chambers
Work Session – June 23, 2015 – 5:00 PM – Training Room

Request for Council Action

Date: 5/21/15

To: East Grand Forks City Council 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.

Cc: File

From: Megan Nelson

RE: END-BOB Special Event Application

The City has received an application for a special event. The Extreme North Dakota Racing(END) Organization is proposing to hold a bicycle, orienteering, and boat race (BOB) using the greenway, rural EGF, and the Red Lake River. I have included the application and map for the Council to review. The description of the race and safety plan are as follows:

Race Description:

The race will take place along the greenway of EGF and GF (for teams or individuals) to find certain points using maps and a compass (no GPS allowed). It will then follow primarily gravel roads (up to each team what road to travel on depending on their navigation skills) to get out to an access point on the Red Lake river near the east end of 200th St. SW. The paddling would take place from that point until the Red Lake River Boat Ramp to exit the river. A rough sketch of a map is attached for convenience.

In the past we have had kids as young as 10 race with adults and we'd like to see that again. This is more of a friendly ride than a race, and it isn't particularly competitive.

Safety Plan:

END-BOB is a team event. If a participant has a problem they will always have a teammate nearby. In fact, our rules require that participants stay near to each other at all times. This is the first line of defense for any emergency situation that may arise. While this event had previously been open to solo racers, we have elected to modify the event to be a team event only.

In our minds, we divide safety considerations into two kinds: health issues and biking/water/boating issues.

Minor bumps and scrapes are common for the sort of event that we are putting on. Some racers consider such things to be badges of honor! But, less commonly something more serious arises. Somebody might,

for example, turn an ankle or bump their head on a branch and require stitches. Most potential health problems are of that sort – the sort of thing that simply requires the racer to be taken by their teammates/buddies to a place where appropriate treatment is available.

It is hard to anticipate what sort of other health emergency might come up, but to cater to most possibilities, we require all teams to have a first aid kit with basic supplies – especially supplies capable of stopping bleeding. They must also have a cell phone in a sealed waterproof bag, and we will give them a list of contact and emergency phone numbers.

For the biking section of the event – in GF and EGF Parks and on Polk County Roads, we will monitor racers' locations by having some race organizers at a few key points and, perhaps, driving around. Racers will be a bit spread out and so we will not be everywhere they are, but if something occurs and they need assistance, they can call us or 911.

Health safety while on water is a bit more problematic. We will have monitors at four safety points on the river – all racers will know where those points are and will know that they can go there for assistance – (1) at the place where boats go into the water, (2) at the Hwy 220 bridge, (3) near the east end of O'Leary Park, and (4) at the finish. These spots all have good road access and, essentially, divide the river section into thirds. Between these safety spots, we will have established checkpoints at several places that are well located on maps. And, there are many farms and farm roads that could provide access to the river if needed for some purpose. The farms and farm roads, too, will make it easy to describe where someone is if (in the very unlikely event) there is need for emergency personnel to get to them.

In our event, swimming is absolutely prohibited. The water portion of our race is a boating event and, as is standard for all boating events, we do not plan to have monitor boats or lifeguards on patrol. Having a few motorized craft bopping around would not significantly add to safety for the boaters. And as mentioned earlier, we will require all boaters to have pfd's at all times.

Of course we are concerned about boating safety. So, if a thunderstorm or other violent weather comes up that makes the river wavy or dangerous in some other way, you can be sure that we will cancel or delay our event. Or, you can tell us to cancel/delay the event if you see such a risk that we have overlooked. But, short of something like that, the chance that any canoe or raft will capsize is minuscule to zero. The river has practically no current, no rocks, and zero rapids. Furthermore, it is very difficult to capsize a canoe, even if trying to do so on purpose, and it is even harder to capsize a raft. And, in most places the water is so shallow that people can stand up in the river.

The most likely time someone might fall into the river is when getting into or out of their boat. The river bank in places is slippery and some of the slopes are a bit steep. But, near the shore the water is shallow and people can just climb out of the river or back into their boat – with only a bit of mud to show for it. And, as mentioned above, they will all have pfd's and they will have teammates nearby at all times.



City of East Grand Forks

600 DeMers Ave · P.O. Box 373 · East Grand Forks, MN 56721
218-773-2483 · 218-773-9728 fax www.eastgrandforks.net

APPLICATION FOR SPECIAL EVENT

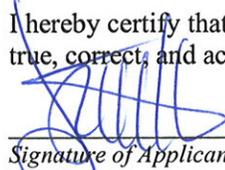
License Fee: _____

Organization Information			
Extreme North Dakota Racing	[REDACTED]		
<i>Organization Name</i>	<i>Organization Phone Number</i>		
[REDACTED]	GF	ND	58201
<i>Organization Address</i>	<i>City</i>	<i>State</i>	<i>Zip</i>

Applicant Information			
Joel Larson	[REDACTED]		
<i>Applicant Name</i>	<i>Applicant Phone Number</i>		
[REDACTED]	GF	ND	58201
<i>Applicant Address</i>	<i>City</i>	<i>State</i>	<i>Zip</i>

Special Event Information		
June 6, 2015	9:00AM	5:00PM
<i>Date of Event</i>	<i>Start Time</i>	<i>End Time</i>
Extreme North Dakota Bicycle, Orienteering, and Boat Race (END-BOB) is an orienteering race traveling by bike and paddling a canoe, kayak or paddle board.		
<i>Explanation of Event</i>		
Race will be on GF/EGF Greenway, rural EGF roads and the Red Lake River. (see attached map)		
<i>Route/Area of Event (include map)</i>		
see attached map		
n/a		
<i>Special Requests (Staff, Road Closures, Etc)</i>		

I hereby certify that I have completely filled out the entire above application, together and that the application is true, correct, and accurate.



Signature of Applicant

May 6, 2015

Date

JOEL LARSON

Print Name

DIRECTOR-ENDRACING

Title

City of East Grand Forks
Application for Special Event

Internal Use Only

The following items need to be completed and/or attached in order for the application to be processed:

*Application fee paid in full: yes no n/a
Payment Type: cash check # _____ Receipt # _____

*Application completed in full and signed: yes no

*Map of route is provided: yes no

*Copy of voluntary waiver of liability agreement for participants: yes no n/a

*Event Sponsor – Release & Indemnification Agreement: yes no

*Liability Insurance: yes no

*MnDot (if applicable): approved denied n/a

*Appropriate Staff: approved denied n/a

Notes: _____

Staff Signature: _____ Date: _____

*Council Approval ____/____/____ approved denied

Notes: _____

City Administrator Signature: _____ Date: _____

*License Number _____

**Extreme North Dakota Racing -EVENT SPONSOR-
RELEASE AND INDEMNIFICATION AGREEMENT
CITY OF EAST GRAND FORKS, MINNESOTA**

**THIS IS A RELEASE OF LIABILITY INDEMNIFICATION AGREEMENT
SPECIAL EVENTS HOLDER MUST READ CAREFULLY BEFORE SIGNING.**

In consideration for being permitted to engage in the following special event activities on the City of East Grand Forks' property:

O'Leary Park, EGF Greenway and Roads and the Red Lake River.

Special Events Holder hereby acknowledges, represents, and agrees as follows:

A. We understand that the above described activities are or may be dangerous and do or may involve risks or injury, loss, or damage to us and/or third parties. We further acknowledge that such risks may include but not be limited to bodily injury, personal injury, sickness, disease, death, and property loss or damage, arising from the following circumstances, among others:

(Special Events Holder initials here) ju

B. If required by this paragraph, we agree to require each participant in our special event to execute a **RELEASE AND INDEMNIFICATION AGREEMENT** for ourselves and for the City of East Grand Forks, on a form approved by the City of East Grand Forks.

Participant Release and Indemnification required? YES NO

(Special Events Holder initials here) ju

C. We agree to procure, keep in force, and pay for special event insurance coverage, from an insurer acceptable to the City of East Grand Forks, for the duration of the above described activities.

(Special Events Holder initials here) ju

City of East Grand Forks
Application for Special Event

D. By signing this **RELEASE AND INDEMNIFICATION AGREEMENT**, we hereby expressly assume all such risks of injury, loss, or damage to us or any related third party, arising out of or in any way related to the above described activities, whether or not caused by the act, omission, negligence, or other fault of the City of East Grand Forks, its officers, its employees, or by any other cause.

(Special Events Holder initials here) *JM*

E. By signing this **RELEASE AND INDEMNIFICATION AGREEMENT**, we further hereby exempt, release and discharge the City of East Grand Forks, its officers, and its employees, from any and all claims, demands, and actions for such injury, loss, or damage to us or to any third party, arising out of or in any way related to the above described activities, whether or not caused by the act, omission, negligence, or other fault of the City of East Grand Forks, its officers, its employees, or by any other cause.

(Special Events Holder initials here) *JM*

F. We further agree to defend, indemnify and hold harmless the City of East Grand Forks, its officers, employees, insurers, and self insurance pool, from and against all liability, claims, and demands, court costs and attorneys fees, including those arising from any third party claim asserted against the City of East Grand Forks, its officers, employees, insurers or self insurance pool, on account of injury, loss or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property damage or loss, or any other loss of any kind whatsoever, which arise out of or are in any way related to the above described activities, whether or not caused by our act, omission, negligence, or other fault of the City of East Grand Forks, its officers, its employees, or by any other cause.

(Special Events Holder initials here) *JM*

G. By signing this **RELEASE AND INDEMNIFICATION AGREEMENT**, we hereby acknowledge and agree that said Agreement extends to all acts omissions, negligence, or other fault of the City of East Grand Forks, its officers, and/or its employees, and that said Agreement is intended to be as broad and inclusive as is permitted by the laws of the State of Minnesota. If any portion thereof is held invalid, it is further agreed that the balance shall, notwithstanding, continue in full legal force and effect.

(Special Events Holder initials here) *JM*

H. We understand and agree that this **RELEASE AND INDEMNIFICATION AGREEMENT** shall be governed by the laws of the State of Minnesota and that jurisdiction and venue for any suit or cause of action under this agreement shall lie in the courts.

(Special Events Holder initials here) *JM*

I. This **RELEASE AND INDEMNIFICATION AGREEMENT** shall be effective as of the date or dates of the applicable special event, shall continue in full force until our responsibilities hereunder are fully discharged, and shall be binding upon us, or successors, representatives, heirs, executors, assigns, and transferees.

(Special Events Holder initials here) *JM*

IN WITNESS THEREOF, THIS RELEASE AND INDEMNIFICATION AGREEMENT is executed by the special events holder, acting by and through the undersigned, who represents that he or she is properly authorized to bind the Special Events Holder hereto.

PRINTED NAME AND TITLE OF PERSON SIGNING ON BEHALF OF SPECIAL EVENTS HOLDER:

City of East Grand Forks
Application for Special Event

Name _____

Title _____

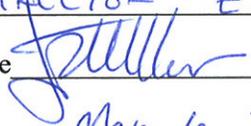
Signature _____

Date _____

**PRINTED NAME AND TITLE OF PERSON SIGNING ON BEHALF OF SPECIAL EVENTS
HOLDER:**

Name JOEL LARSON

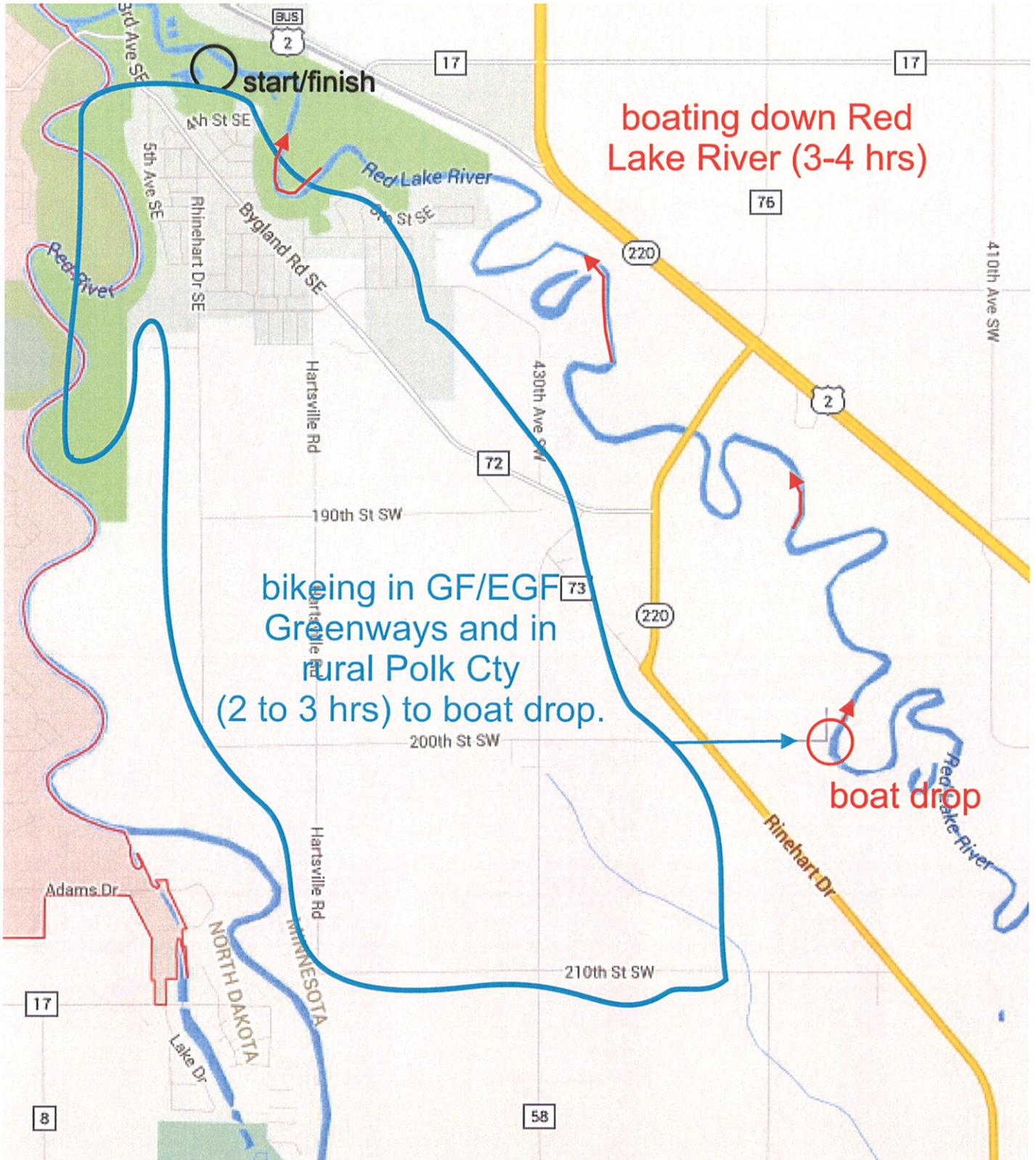
Title DIRECTOR - ENDORSEMENT

Signature 

Date May 6, 2015

EndBob start/finish in O'Leary Park at picnic shelters

(Times given below are estimates based on how long it took us to do the course)



Note: race route avoids all major roads and does not cross any city streets in GF and EGF

Request for Council Action

Date: 5/22/15

To: East Grand Forks City Council 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.

Cc: File

From: Megan Nelson

RE: East Side Rides Car Club Weekly Show

Background:

The Council had approved a special event application for the East Side Rides Car Club show. They were allowed to use the west side of the parking lot by restaurant row on Wednesday evenings from 6:00pm to 8:30pm. The permit was approved for the month of May and the Council wanted to review this again at the end of the month.

Update:

I contacted Mr. Frost, who is unable to attend the meeting on due to a conflict with his schedule, and was informed that it rained the first two Wednesdays in May but last week they filled 18 of the 20 spots they had requested. He commented that many people stopped by and stated they would be coming back the following week with their classic cars. He added there haven't been any issues to report since they have only been able to use the parking lot for once so far.

Recommendation:

At this time I asked the Council to consider extending the special event permit for the car show through the end of June and review it again at that time.

Request for Council Action

Date: May 22, 2015

To: East Grand Forks City Council, Mayor Lynn Stauss, President Mark Olstad,
Council Vice President Chad Grassel, Council Members: Clarence Vetter, Henry Tweten,
Marc Demers, Craig Buckalew and Mike Pokrzywinski.

Cc: File

From: Greg Boppre, P.E.

RE: Project Award – 2015 City Project No. 3 – Sidewalk Improvements

Background:

Four bids were received on May 19, 2015 for 2015 City Project No.3, with the low RESPONSIVE bidder being R.J. Zavoral and Sons (See attached Bid Tab). I would like to approve the apparent low responsive bidder and award the BASE BID (only) portion of the contract.

2015 CP #3 is a Federal Aid improvement project funded through the Federal Transit Administration for construction of driveways and sidewalk on 5th Avenue N.E. from 20th Street to 15th Street.

The following is the proposed budget for the project:

PROPOSED BUDGET

	<u>2015 CP#3 Base Bid</u>
Construction	\$75,241.85
Plans / Specifications	\$9,029.02
Staking / Inspection	\$3,762.09
Contingencies	\$3,762.09
Administration / Legal	<u>\$2,257.25</u>
Total Project Cost	\$94,052.30

Proposed Funding

	<u>2015 Base CP#3</u>
FTA	\$62,977.00
WSN	\$9,029.02
City	<u>\$22,046.28</u>
Total Project Cost	\$94,052.30

Recommendation: Award *Base Bid* to R. J. Zavoral and Sons.

Enclosures: Bid Tab

2015 City Project No. 3
 Sidewalk Improvements
 East Grand Forks, MN



May 19, 2015		BASE BID		R.J. Zavoral and Sons, Inc.		Tony Anderson Construction		Paras Contracting Inc.		MAK Construction	
Item No	Description	Quantity	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
2021.501	Mobilization	1	Lump Sum	\$ 4,000.00	\$ 4,000.00						
2104.501	Remove Curb and Gutter	64.4	Lin. Ft.	\$ 3.00	\$ 193.20						
2104.503	Remove Concrete Sidewalk	250.4	Sq. Ft.	\$ 1.50	\$ 375.60						
2104.505	Remove Concrete Driveway Pavement	230.2	Sq. Yd.	\$ 3.15	\$ 725.13						
2104.511	Sawing Concrete Pavement (Full Depth)	243.4	Lin. Ft.	\$ 10.00	\$ 2,434.00						
2211.503	Aggregate Base (CV) Class 5 (P)	40	Cu. Yd.	\$ 44.00	\$ 1,760.00						
2521.501	4" Concrete Walk	250.4	Sq. Ft.	\$ 17.00	\$ 4,256.80						
2531.501	Concrete Curb and Gutter, Design B624	64.4	Lin. Ft.	\$ 55.30	\$ 3,561.32						
2531.507	6" Concrete Driveway Pavement	230.2	Sq. Yd.	\$ 229.00	\$ 52,715.80						
2563.601	Traffic Control	0.75	Lump Sum	\$ 4,300.00	\$ 3,225.00						
2573.53	Storm Drain Inlet Protection	3	Each	\$ 165.00	\$ 495.00						
2575.555	Turf Establishment	0.75	Lump Sum	\$ 2,000.00	\$ 1,500.00						
TOTAL BASE BID					\$75,241.85	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE

May 19, 2015		ALTERNATE ONE BID		R.J. Zavoral and Sons, Inc.		Tony Anderson Construction		Paras Contracting Inc.		MAK Construction	
Item No	Description	Quantity	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
2104.503	Remove Concrete Sidewalk	115	Sq. Ft.	\$ 1.50	\$ 172.50						
2104.505	Remove Concrete Driveway Pavement	118.8	Sq. Yd.	\$ 3.15	\$ 374.22						
2104.511	Sawing Concrete Pavement (Full Depth)	41	Lin. Ft.	\$ 10.00	\$ 410.00						
2211.503	Aggregate Base (CV) Class 5 (P)	20.5	Cu. Yd.	\$ 44.00	\$ 902.00						
2504.602	Adjust Valve Box	1	Each	\$ 120.00	\$ 120.00						
2521.501	4" Concrete Walk	115	Sq. Ft.	\$ 17.00	\$ 1,955.00						
2531.507	6" Concrete Driveway Pavement	118.8	Sq. Yd.	\$ 229.00	\$ 27,205.20						
2563.601	Traffic Control	0.15	Lump Sum	\$ 2,500.00	\$ 375.00						
2575.555	Turf Establishment	0.15	Lump Sum	\$ 1,850.00	\$ 277.50						
TOTAL ALTERNATE ONE BID					\$31,791.42	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE

May 19, 2015		ALTERNATE TWO BID		R.J. Zavoral and Sons, Inc.		Tony Anderson Construction		Paras Contracting Inc.		MAK Construction	
Item No	Description	Quantity	Unit	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
2104.523	Salvage Sign	2	Each	\$ 50.00	\$ 100.00						
2211.503	Aggregate Base (CV) Class 5 (P)	3	Cu. Yd.	\$ 44.00	\$ 132.00						
2504.602	Adjust Valve Box	1	Each	\$ 120.00	\$ 120.00						
2521.501	4" Concrete Walk	505.2	Sq. Ft.	\$ 17.00	\$ 8,588.40						
2563.601	Traffic Control	0.1	Lump Sum	\$ 3,750.00	\$ 375.00						
2564.536	Install Sign Panel	2	Each	\$ 235.00	\$ 470.00						
2573.53	Storm Drain Inlet Protection	2	Each	\$ 165.00	\$ 330.00						
2575.555	Turf Establishment	0.1	Lump Sum	\$ 5,550.00	\$ 555.00						
TOTAL ALTERNATE TWO BID					\$10,670.40	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE	UNRESPONSIVE

I hereby certify that this tabulation of bids is a true and correct copy of the bids received on the City of East Grand Forks, 2015 City Project No. 3 Sidewalk Improvements, East Grand Forks, MN. Project bid May 19, 2015

Lee Cariveau, P.E., Reg. No. 44230
 Project Engineer

Request for Council Action

Date: June 2, 2015

To: East Grand Forks City Council 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.

Cc: File

From: Paul Gorte, Economic Development Director

RE: Recording Fees and Taxes

The County collects three fees: deed tax, mortgage registration tax and document recording fees. The deed tax is .0033 of the sale price (state law), the mortgage registration tax is .0023 of the amount of the mortgage (state law), and \$46.00 for a document recording fee. The City has been paying these fees.

Proposed policy:

1. The Seller/City shall be responsible for the deed tax and the deed recording fee for any land sale when the City is the seller.
2. The purchaser/mortgagor shall be responsible for the payment of fees collected by Polk County as related to the recording of the mortgage and satisfaction of mortgage as follows.
 - a. At the time of the initial mortgage, the applicant shall provide checks to the City, made out to Polk County, in the amounts of \$46 for the recording fee and .0023 times the amount of the mortgage for the Minnesota Mortgage Registration tax.
 - b. At the time of satisfaction of the mortgage, the City shall provide the mortgagor with the satisfaction. The mortgagor is responsible for recording the document at the County Recorder and paying the recording fee.

** Presently the deed tax is .0033 of the sale price and the mortgage registration tax is .0023 of the amount of the mortgage. If the state changes the percentages charged the amount collected will reflect the change.

The EDA approved this policy at its May 5, 2015, meeting.

Recommendation: Approval of a motion to accept and ratify the Recording Fees and Taxes Policy.

Request for Council Action

Date: June 2, 2015

To: East Grand Forks City Council 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.

Cc: File

From: Paul Gorte, Economic Development Director

RE: Delinquency Policy

The East Grand Forks Economic Development Authority business assistance program provides funding for economic development projects, such as expansions and new businesses. The purpose of the assistance is to provide resources to allow businesses to succeed. Because the EDA assistance is commonly provided to persons with less business experience, to applicants who lack adequate capital, and because the EDA assistance takes a subordinate position to the principal funding sources, there is a higher level of risk involved in the EDA loans. Therefore, the EDA loans are commonly backed by personal guarantees by the borrowers. Sometimes business owners become delinquent in their payments. To protect its interests, the City and EDA must then act to collect the outstanding loan.

First Missed Payment: The City will notify the borrower that a payment has been missed and is due immediately. The City will also inform the business about business assistance activities, primarily available through the Minnesota Department of Employment and Economic Development.

Second Missed Payment: The City will meet with the borrower regarding the missed payments. The City will file any legal paperwork necessary to secure its interests.

Third Missed Payment: The City takes action to foreclose on the loan and collect the outstanding monies from the business and/or the personal guarantee.

The EDA Director shall inform all tenants and borrowers about the policy.

The Director shall keep the EDA Board apprised of the situation.

The EDA approved this policy at its May 5, 2015, meeting.

Recommendation: Approval of a motion to accept and ratify the Delinquency Policy.

Request for Council Action

Date: May 20, 2015

To: East Grand Forks City Council, Mayor Lynn Stauss, President Council Mark Olstad, Vice President Chad Grassel, Council Members: Craig Buckalew, Marc DeMers, Mike Pokozinski, Henry Tweten and Clarence Vetter.

Cc: File

From: Dave Aker

RE: A door at the Senior Center for a patio

Background:

Senior Inc. of the Senior Center is asking for permission to put a door from the dining room to the outside to a patio. They are going to use the northwest window in the dining room and cut it out for a door they can use in the summer. The door would be made of metal and have a window above (like the doors that are in the entrance). It would have a dead bolt lock on it. The Senior Inc. would pay for the cutout, and the door and framing, the cost would be \$3,500 for the whole project.

Recommendation: My recommendation is to allow them to have the door put in.

Enclosures: N/A

ORDINANCE _____

AN ORDINANCE OF THE CITY OF EAST GRAND FORKS AMENDING CITY CODE TITLE XV LAND USEAGE BY ADDING SECTION 154 TO CREATE URBAN AND RURAL SERVICE DISTRICTS IN THE CITY OF EAST GRAND FORKS PURSUANT TO MINNESOTA STATUTE 272.67.

THE CITY OF EAST GRAND FORKS DOES ORDAIN:

Section 1.

Section 154.01 Urban and Rural Service Districts

A ESTABLISHMENT OF TAX DISTRICTS

Pursuant to Minnesota Statute 272.67, the City of East Grand Forks hereby divides the areas within its corporate limits into an Urban Service District and a Rural Service District. Said districts shall be constituted as separate taxing districts for the purpose of all municipal property taxes, except those levied for the payment of bonds and judgments and interest thereon.

B CRITERIA/DEFINITIONS

1. The Urban Service District shall include all properties located within the corporate limits of the City of East Grand Forks, except those properties which are included in a Rural Service District.
2. The Rural Service District shall include only unplatted lands, which need not be contiguous to one another, and which, in the judgment of the city council at the time of the adoption of the ordinance, are rural in character, and are not developed for commercial, industrial, or urban residential purposes, and, for these reasons, are not benefitted to the same degree as other lands located within the limits of the City of East Grand Forks and financed by general taxation.
3. In Rural Service Districts, the following regulations shall apply, unless otherwise provided herein:
 - a. The property must be rural in character;
 - b. The property must not be developed, or used for commercial, industrial or residential purposes;
 - c. The property must be unused and seeded, or used for agricultural purposes only. For purposes of this district, “agricultural purposes” shall include only the following uses:

Agricultural uses, included farm crops, and farm and agricultural related buildings and structures (not residential dwellings), subject to Minnesota Pollution Control standards, but not including feedlots, manure spreading, livestock, or other commercial or industrial operations.

- d. Farm and Ag-related buildings and structures existing (but no residential dwellings) at the time a property is first include in the Rural Service District may continue to be utilized for agricultural purposes. Existing buildings and structures may be repaired or replaced, if destroyed by wind or fire, but may not be expanded. No permit shall be granted to construct any new or additional buildings or structure.

The land described on the Exhibit A are hereby included in the Rural Service District.

C. CHANGES IN USE OF PROPERTY IN RS DISTRICT

Whenever application is made for a permit for construction of a commercial, industrial or residential building, or improvement, or whenever such improvement or building is commenced without a permit, the East Grand Forks City Council shall make and enter an order by resolution transferring such parcel, or part thereof, from the Rural Service District to the Urban Service District.

Any application for platting of the property shall also permit the governing body of the City of East Grand Forks to make and enter an order by resolution transferring such parcel from the Rural Service District to the Urban Service District.

D. TAX RATIO

In the judgment of the East Grand Forks City Council, the ratio which exists between the benefits resulting from tax-supported municipal service to parcels in the Rural Service District to parcels in the Urban Service District is approximately ____%. The property tax rate levied upon property in a Rural Service District shall therefore be ____% of the full municipal property tax rate.

E. ANNUAL REVIEW

Each year the City Council shall:

- 1.) review the status of all lands classified under this section to determine whether such lands continue to qualify for inclusion in said tax district;
- 2.) review tax rate applicable to such lands.

Section 2. City Code Chapter 10 entitled "General Provisions" Applicable to Entire City Code Including Penalty for Violation" and Section 10.99 entitled "General Penalty" are hereby adopted in their entirety, by reference, as though repeated verbatim herein.

Section 3. This ordinance shall take effect and be in force from and after its passage and publication and be given the Number _____, 4th Series.

VOTING AYE: _____

VOTING NAY: _____

ABSENT: _____

The President declared the Ordinance passed.

ATTEST:

PASSED: _____, 2015

Clerk-Administrator

President of Council

I hereby approve the foregoing Ordinance this _____ day of _____, 2015.

Mayor

**PROPERTY OWNER PETITION TO MUNICIPALITY
FOR ANNEXATION BY ORDINANCE - 120 Acres or Less**

IN THE MATTER OF THE PETITION OF CERTAIN PERSONS FOR THE
ANNEXATION OF CERTAIN LAND TO THE CITY OF EAST GRAND FORKS,
MINNESOTA
PURSUANT TO MINNESOTA STATUTES § 414.033, SUBD. 2(3)

TO: Council of the City of East Grand Forks, Minnesota

PETITIONER(S) STATE: All of the property owners in number are required to commence a proceeding under Minnesota Statutes § 414.033, Subd. 2(3).

It is hereby requested by:

_____ the sole property owner; or
 X all of the property owners (If the land is owned by both husband and wife, *both* must sign the petition to represent all owners.)

of the area proposed for annexation to annex certain property described herein lying in the Township of Grand Forks to the City of East Grand Forks, County of Polk, Minnesota.

The area proposed for annexation is described as follows:

Southeast Quarter of the Southeast Quarter (SE1/4SE1/4), Section Twenty-six (26), Township One Hundred Fifty-two (152) North, Range Fifty (50) West.

1. There are 2 property owners in the area proposed for annexation. (If a property owner owns more than one parcel in the area proposed for annexation, he/she is only counted once as an owner - the *number* of parcels *owned* by a petitioner is not counted.)
2. The land abuts the municipality and the area to be annexed is 120 acres or less, and the area to be annexed is not presently served by public wastewater facilities or public wastewater facilities are not otherwise available.

Except as provided for by an orderly annexation agreement, this clause may not be used to annex any property contiguous to any property previously annexed under this clause within the preceding 12 months if the property is owned by the same owners and annexation would cumulatively exceed 120 acres.

3. Said property is unincorporated, abuts on the city's **North** S E W (circle one) boundary(ies), and is not included within any other municipality.
4. The area of land proposed for annexation, in acres, is 40 acres.
5. The reason for the requested annexation is to assist an orderly development for residential and commercial growth. The current plan is to build (in phases) multi-family housing to

help in the retention and growth of students at the Northland Community and Technical College located just south and east of the proposed area along Highway 220 North

PETITIONERS REQUEST: That pursuant to Minnesota Statutes § 414.033, the property described herein be annexed to and included within the City of East Grand Forks, Minnesota.

Dated: _____ Dated: _____

Signatures:

Rodger Johnson, Partner
Johnson Farms a North Dakota Partnership

CITY OF EAST GRAND FORKS

David Murphy, City Administrator

Lynn Stauss, Mayor

NOTE: Pursuant to Minnesota Statutes § 414.033, Subd. 2b, before a municipality may adopt an ordinance under subdivision 2, clause (2), (3), or (4), a municipality must hold a public hearing and give 30 days' written notice by certified mail to the town or towns affected by the proposed ordinance and to all landowners within and contiguous to the area to be annexed.

NOTE: Pursuant to Minnesota Statutes § 414.033, Subd. 11, when a municipality declares land annexed to the municipality under subdivision 2, clause (3), and the land is within a designated floodplain, as provided by section 103F.111, subdivision 4, or a shoreland area, as provided by section 103F.205, subdivision 4, the municipality shall adopt or amend its land use controls to conform to chapter 103F, and any new development of the annexed land shall be subject to chapter 103F.

NOTE: Pursuant to Minnesota Statutes § 414.033, Subd. 12, when a municipality annexes land under subdivision 2, clause (2), (3) or (4), property taxes payable on the annexed land shall continue to be paid to the affected town or towns for the year in which the annexation becomes effective. If the annexation becomes effective on or before August 1 of a levy year, the municipality may levy on the annexed area beginning with that same levy year. If the annexation becomes effective after August 1 of a levy year, the town may continue to levy on the annexed area for that levy year, and the municipality may not levy on the annexed area until the following levy year.

NOTE: Pursuant to Minnesota Statutes § 414.033, Subd 13, at least 30 days before a

municipality may adopt an ordinance under subdivision 2, clause (2), (3), or (4), the petitioner must be notified by the municipality that the cost of electric utility service to the petitioner may change if the land is annexed to the municipality. The notice must include an estimate of the cost impact of any change in electric utility services, including rate changes and assessments, resulting from the annexation.

Municipal Boundary Adjustment Unit Contacts

Star Holman star.holman@state.mn.us 651-361-7909

Katie Lin katie.lin@state.mn.us 651-361-7911

City of East Grand Forks

Total Estimated Market Value Year

1	2011	485,317,900
2	2012	486,506,200
3	2013	503,496,300
4	2014	546,611,200
5	Spring 2015	586,684,500

Request for Council Action

Date: May 26, 2015

To: East Grand Forks City Council Mayor Lynn Stauss, President Mark Olstad, Council Vice President Chad Grassel, Council Members: Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Cc: File

From: City Administrator David Murphy

RE: LMCIT Report and Findings regarding Boardwalk Bond Claims.

Background

The Council requested the League of Minnesota Cities Insurance Trust (LMCIT) review the situation regarding the loan and make a determination if any losses and legal fees would be covered under the Cities insurance policy. Two claim files were opened, one for the City as a whole and one for the Economic Development Authority

LMCIT Senior Claims Adjuster was assigned to the claim and reviewed the facts with City staff. Ms. Geiger assigned Attorney Shelley Ryan to the claim to render a legal opinion regarding the validity of the claim. Ms. Ryan traveled to East Grand Forks and interviewed staff and relevant files necessary for the claim.

Issue

The report was received on Thursday, May 21st. The findings are that the claims for both the City as a whole and the EDA were denied for the same reasons which are as follows:

As of the date of the letter, the total amount of the loan has not been defaulted and therefore the City and EDA have not realized the claim as a loss, and:

The actions of the EDA employee(s) did not rise to the level of malfeasance, willful neglect of duty or bad faith.

Budget Impact

Not determined at this time.

Action Required

Discussion with Council as to any potential further action on the claim.



CONNECTING & INNOVATING
SINCE 1913

May 21, 2015

Mr. David Murphy
City of East Grand Forks
600 Demers Avenue
East Grand Forks, MN 56721-1840

Claim Number: PC0036187
Trust Member: City of East Grand Forks
Reported Loss: Potential Bond Claim

Dear Mr. Murphy:

This follows our phone conversation on Monday, May 18, 2015. This correspondence concerns the above captioned claim for potential loss sustained due to non-payment on a loan and employee actions regarding this loan. I have reviewed this potential Bond claim along with the Bond Coverage form and must regrettably disclaim coverage as outlined in this letter.

The repayment of the \$510,000 loan in question with Boardwalk Enterprises, LLP (Boardwalk) commenced on October 22, 2003 with a termination date of October 22, 2019. Boardwalk agreed to pay back the loan during this time frame with 17 equal annual installments of \$30,000.00. As of this date, Boardwalk has not made a single payment on the loan. The total amount of the loan has not been defaulted on and therefore, the City of East Grand Forks (City) has not realized this as a loss.

As you are aware, a substantial portion of my investigation was focused on whether or not the actions of employees of the City had risen to a level of malfeasance, willful neglect of duty, or bad faith. Based on all the information/facts that I obtained, it is my opinion that the actions of the City employees did not rise to the level of malfeasance, willful neglect of duty or bad faith.

Please be advised, on behalf of the League of Minnesota Cities Insurance Trust (LMCIT), we are hereby writing to provide to you a Disclaimer of Coverage, and to advise you the LMCIT will not indemnify you for this loss. This Disclaimer is being written pursuant to your Covenant Number CMC 36200, effective January 1, 2014 through January 1, 2015.

The following is an evaluation of the coverage under the Municipal Property, Crime and Bond (MPCB) coverage form. I refer you to:

MUNICIPAL BOND COVERAGE PART THREE

SECTION I – BOND COVERAGE

1. COVERAGE AGREEMENT

- a. We will pay for loss or damages from the failure of your employee to properly perform duties or obligations of his or her positions as required or prescribed by law and which would constitute malfeasance, willful neglect of duty or bad faith, sustained through acts committed or events occurring at any time and discovered by you during the covenant period.**
- b. We will pay for other loss or damages required to be covered under Minnesota Statute 574.24 that are not otherwise covered by the following:**
 - (1) 1. COVERAGE AGREEMENT, a., as described above;**
 - (2) Other coverage provided by LMCIT; or . . .**

As we discussed, as Boardwalk has not yet defaulted on the loan agreement of \$510,000, it is unknown what loss, if any, the city has or will incur. Also, it is our opinion that the actions of the city's employees do not constitute malfeasance, willful neglect of duty or bad faith in order for our bond coverage to respond to a possible loss in this situation.

In addition to the above-mentioned coverage issues which I have cited, there may be further coverage defenses or exclusions which apply as further investigation into this matter may develop. Accordingly, I hereby reserve the rights of the LMCIT to raise these further coverage defenses or exclusions as may be applicable.

If you have any questions in regard to this matter, please feel free to contact me.

Sincerely,



Carol Geiger, AIC
Senior Claims Adjuster
League of Minnesota Cities Insurance Trust
612-270-0606

CC: Jim Boonstra – LMCIT

C & H Insurance



CONNECTING & INNOVATING
SINCE 1913

May 21, 2015

Mr. David Murphy
City of East Grand Forks
600 Demers Avenue
East Grand Forks, MN 56721-1840

Claim Number: PC0036183
Trust Member: City of East Grand Forks Economic Development Authority
Reported Loss: Potential Bond Claim

Dear Mr. Murphy:

This follows our phone conversation on Monday, May 18, 2015. This correspondence concerns the above captioned claim for potential loss sustained due to non-payment on a loan and employee actions regarding this loan. I have reviewed this potential Bond claim along with the Bond Coverage form and must regrettably disclaim coverage as outlined in this letter.

The repayment of the \$510,000 loan in question with Boardwalk Enterprises, LLP (Boardwalk) commenced on October 22, 2003 with a termination date of October 22, 2019. Boardwalk agreed to pay back the loan during this time frame with 17 equal annual installments of \$30,000.00. As of this date, Boardwalk has not made a single payment on the loan. The total amount of the loan has not been defaulted on and therefore, the City of East Grand Forks Economic Development Authority (EDA) has not realized this as a loss.

As you are aware, a substantial portion of my investigation was focused on whether or not the actions of employees of the EDA had risen to a level of malfeasance, willful neglect of duty, or bad faith. Based on all the information/facts that I obtained, it is my opinion that the actions of the EDA employees did not rise to the level of malfeasance, willful neglect of duty or bad faith.

Please be advised, on behalf of the League of Minnesota Cities Insurance Trust (LMCIT), we are hereby writing to provide to you a Disclaimer of Coverage, and to advise you the LMCIT will not indemnify you for this loss. This Disclaimer is being written pursuant to your Covenant Number CMC 36201, effective January 1, 2014 through January 1, 2015.

The following is an evaluation of the coverage under the Municipal Property, Crime and Bond (MPCB) coverage form. I refer you to:

MUNICIPAL BOND COVERAGE PART THREE

SECTION I – BOND COVERAGE

1. COVERAGE AGREEMENT

- a. We will pay for loss or damages from the failure of your employee to properly perform duties or obligations of his or her positions as required or prescribed by law and which would constitute malfeasance, willful neglect of duty or bad faith, sustained through acts committed or events occurring at any time and discovered by you during the covenant period.**
- b. We will pay for other loss or damages required to be covered under Minnesota Statute 574.24 that are not otherwise covered by the following:**
 - (1) 1. COVERAGE AGREEMENT, a., as described above;**
 - (2) Other coverage provided by LMCIT; or . . .**

As we discussed, as Boardwalk has not yet defaulted on the loan agreement of \$510,000, it is unknown what loss, if any, the EDA has or will incur. Also, it is our opinion that the actions of the EDA's employees do not constitute malfeasance, willful neglect of duty or bad faith in order for our bond coverage to respond to a possible loss in this situation.

In addition to the above-mentioned coverage issues which I have cited, there may be further coverage defenses or exclusions which apply as further investigation into this matter may develop. Accordingly, I hereby reserve the rights of the LMCIT to raise these further coverage defenses or exclusions as may be applicable.

If you have any questions in regard to this matter, please feel free to contact me.

Sincerely,

Carol Geiger

Carol Geiger, AIC
Senior Claims Adjuster
League of Minnesota Cities Insurance Trust
612-270-0606

CC: Jim Boonstra – LMCIT

C & H Insurance

5-18-15 Review of Waste Water Project Alternatives

Assumptions used:

1. Operational costs per project over and above current operations;
 - A. \$526,185 for COSA;
 - B. \$43,485 for Stabilization ponds;
 - C. \$440,485 for Mechanical Plant.

2. 3% inflation rate

3. 1.5% NPV (Net Present Value)

4. Length of Term is 30 years

5. Debt Service is 20 years—PFA(Public Financing Assistance) is over 20 years, interest rate is 1.5%

6. Intermediate costs-Capital investments within the next 30 years for each project:
 - A. Stabilization Ponds -\$8,000,000 for cleaning; \$3,000,000 cleaning primary pond after 15 years and 5 times for \$1,000,000 each for the secondary pond
 - B. Interconnect- \$450,000: Depreciation increase of \$300,000 EGF share 5% for 30 years
 - C. Mechanical \$5,000,000: for 10 years for equipment replacement starting with year 20 through year 30. ($\$500,000 \times 10 = \$5,000,000$)

7. Operational costs for each project in year 30
 - A. Stabilization Ponds- \$108,716
 - B. Mechanical Plant-\$1,101,248
 - C. Mechanical Plant Interconnect-\$1,290,504

	30 Year		
	Pond	Plant	Interconnect
Construction Cost and Decommissioning	36,747,718	29,428,253	9,422,431
Debt Service (Interest)	6,060,240	4,853,152	1,553,898
Operations	1,719,382	17,416,624	20,409,775
Phosphorus Treatment	282,788	0	0
Intermediate Costs	8,000,000	5,000,000	450,000
Potential Revenue	0	(690,000)	(690,000)
Net Present Cost	52,810,127	56,008,029	31,146,104