

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, JUNE 10, 2014 - 5:00 P.M.**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for June 10, 2014 was called to order by Council Vice-President Greg Leigh 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 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; Greg Boppre, City Engineer; 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. 2015 City Project No. 1 Stabilization Ponds Cost Savings UPDATE – Greg Boppre

Mr. Boppre handed out a drawing that included a concept of what could potentially happen with property if the council purchased it for the stabilization ponds project. He said that if this land was purchased the City would then have more control over the project and control over costs. He stated that he sees where the City could save anywhere from a half million up to 2.5 million dollars. He explained that he had spoken with local contractors and how there could be a savings of around \$1.50 per yard of dirt.

Mr. Boppre said he is asking for permission to work with Mr. Murphy and Mr. Galstad to see if he can take soil borings to make sure the clay is suitable for the liner. He added that if it is good quality it will cut down on the amount needed for the liner which could be even more cost savings. He informed the council that if he is allowed to take soil borings he estimated the cost to be around \$15,000.

Council member Helms asked how many acres they were looking at. Mr. Boppre stated 160 acres. Council member Tweten asked if the property owner had been contacted. Mr. stated that he had not contacted anybody. Council member Tweten then asked what the process would be to handling the material in the bottom of the ponds. Mr. Boppre told the council that the bio-

solids will need to be removed from the bottom of the ponds which can be costly because it has to be disposed of according to MPCA standards. He explained how the bio-solids could be applied to the property, would have to go through a freeze/thaw cycle, and there would be no odor from it. Council member Tweten asked when it will be removed. Mr. Boppre stated that most will be removed in the fall and possibly some in the spring. He then explained the phases of this project and brief summary of what will be happening. Council member Tweten asked how much clay is needed for this project. Mr. Boppre said 1.3 million yards of dirt are needed and explained the concept drawing he brought forward as an example of what can be done with the property after the project has been completed.

Council member Vetter asked if the City already had a borrow pit in this area. Mr. Boppre stated they did but the clay was not as good. Mayor Stauss asked if there should be an estimated price on the land before moving forward. Mr. Boppre stated that he would like to make sure the clay is suitable before moving forward. Council Vice-President Leigh asked if there were any objections. There were none. Council member Olstad mentioned to Mr. Galstad to make sure there will not be any issues regarding mineral rights on this property.

2. Seal Coating in Cemetery – Jason Stordahl

Mr. Stordahl reminded the council he was asked to look into what it would cost to repair the street in the cemetery. He explained how he and Mr. Boppre went and looked it over and came up with three options. He stated one option is to do nothing, another option would be chip seal, and the last option is to mill and overlay. He said how the street is at a critical point and if nothing is done with it within a couple years it might require a complete reconstruction. Mr. Stordahl informed the council the cost estimate he received for chip seal were around \$45,000 to \$50,000. He told the council that the other cost estimate for chip seal was only \$25,000 and added the chip seal would only last two to three years which could preserve the street so something could be done further down the road. Mr. Stordahl then explained the mill and overlay process and added how the cost estimate he received was approximately \$104,000 so the City would have to advertise and collect bids.

Mr. Stordahl said at this point there was about \$201,000 left in the street reconstruction fund but there are still projects that must get done this year using this fund. He said how he is asking the council how they would like to move forward. Council member Tweten stated the best option to move forward with is completing a mill and overlay. He then explained the reasoning behind the design of the cemetery and how the City has access to more land when an expansion of the cemetery is needed. He stated how important it is to keep up the cemetery and reviewed the prices of the current lots. Council member Grassel said if they are going to be moving forward with this the section of the road going towards the golf course needs to be looked into and explained some issues that need to be addressed. He also asked to have frost boil areas taken care of. Mr. Boppre stated they saw the same areas of concern that would be addressed during this process.

Council member Vetter asked if these costs would be covered by the cemetery fund. Mr. Stordahl stated that would be decided by the council and added how it had been discussed to use the street reconstruction money on this project. Council member Grassel commented that the

cemetery budget is not that big. Ms. Anderson explained to the council there isn't much money in the cemetery because of the recently purchased the tractor and how there was some money in the perpetual fund.

Council member Tweten added that he would also like to include the 140 foot access known as Lee's Place in with the cemetery job. Council Vice-President Leigh asked to have that included with this project and have it brought back to the next council meeting. Discussion followed about the current state of the Lee's Place access, the possibility of turning this into a lot to sell, and how this is an access to the alleyway. Discussion followed about how the next mill and overlay for city streets could take place within the next year or two.

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

3. TIP Amendment for Transfer of Funds – Nancy Ellis

Ms. Ellis stated there was approximately \$57,000 in transit funds that can be used on the sidewalk project on 20th Street NE and 5th Ave NE. She explained how the TIP needed to be amended showing where the funds will be used and added how she will have the exact amount that will be transferred at next week's meeting. Mr. Boppre stated the bids for this project were opened in the morning and added how the City received very good bids for this job. Ms. Ellis reminded the council they had received funds from the state for this project and explained how the TIP funds can be used as the City's local share.

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

4. Community Development Office Setup – Nancy Ellis

Ms. Ellis informed the council they looked into the setup of the Community Development Office two weeks ago and she was asked to review the contract with Indepth Inspections. She reviewed the costs from 2010-2013 for personnel with both a full time building inspector and having a contracted service. Ms. Ellis informed the council that Indepth would be willing to cut back their hours during the slower winter months which could potential save the City \$22,000. Ms. Ellis also explained they would be willing to lower their hourly rate if they were allowed to work on other items when it was slow in the office.

Council member Tweten stated he disagreed fully with continuing with contracted services and added how the City needs a full time qualified building inspector. Discussion followed about making sure there was a qualified person hired and how during slow times people would be sent over to Indepth Inspections and the City would be charged a reduced hourly rate. Mayor Stauss stated how the service would need to be at City Hall and would veto anything passed that would take it out of City Hall. Discussion followed about how the contract could be redone, how the Community Development Office is still evolving, and how even though there are four different people that can be in the office residents should be getting the same answers because they all should be based on the building code.

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

5. Sunshine Terrace Verbal Update – Nancy Ellis/David Murphy

Ms. Ellis told the board the last couple weeks she had been reviewing operations at Sunshine Terrace. She explained how there had never been a capital improvement plan set up and how the employees were working on a plan which will include the replacement of boilers, replacement of refrigerators, and replacement of carpet. She said how they are looking into what the cash flow situation is like and if enough is being collected in rent to cover the expenses. Ms. Ellis stated how they are re-evaluating the maintenance and cleaning of the building along with everything else. She told the council a plan will be prepared and brought forward at a meeting in July so the council will be able to give input on the proposed plan. Council member Grassel thanked both Ms. Ellis and Mr. Murphy for taking on and moving forward with this project. He stated how he had been working on this situation since he was elected. Council member Tweten added the City is moving in the right direction with this situation.

6. EDHA Update – David Murphy

Mr. Murphy told the council he had two items to bring forward. The first item he discussed was how he had meet with Mr. Brad Sinclair on June 5th down in Fargo. He explained how he had brought a copy of the file with which they reviewed for about two hours. He stated how Mr. Sinclair has a handle on this issue, will be reviewing the file again, and will be giving the council a report within about two weeks. He said how at that time Mr. Sinclair will be request authorization from the council to move forward with this issue at that time. Mr. Murphy added that he has some items that he needs to take care which include contacting the League and starting an insurance claim because there is a chance it could cover a significant portion of the City's legal fees. He stated how once the City receives the report it will be brought back to a work session. He told the council how the intern and staff are currently reviewing all of the city loans which he will be giving a progress report on.

Mr. Murphy said the second item he wanted to address was the organization of the EDHA. He stated he and other staff had a preliminary meeting with Mr. Lee Meyer with the Northwest Minnesota Housing out of Mentor about what the City's options might be regarding housing. Mr. Murphy explained how Mr. Meyer will be coming up with options for the City to consider which included having Northwest Minnesota Housing take over the housing program in the City. He added the options will include what is most cost effective for the City and a timeline of when things could be transferred if that is what the City chooses to move forward with. He said there was no council action needed at this time and these options will be brought before the council to review.

7. Civic Center Update – David Murphy

Mr. Murphy told the council this project had been on the back burner but he recently spoke with Mr. Dietrich about this project. He explained how after a meeting with Mr. Larson there was a fourth option that was put together for the council to consider. He stated that all of the costs listed for options A-C are up-to-date costs. Council Vice-President Leigh asked if it would be storage or concessions under the bleachers. Mr. Murphy stated it would be storage but they

would also be able to have the concession area there as well. He added how Option D would allow for the maintenance area to remain where it currently is. Discussion followed on how Mr. Dietrich will be at the next work session to answer questions, how soon construction should begin, and how there would be a warm area to sit with this option. Mayor Stauss asked how much it would cost. Mr. Murphy stated it would be around \$404,000. Ms. Ellis reminded the council that this keeps it under the threshold so they do not need to include a sprinkler system or elevator with this option.

8. Review of Community Development Director Position – David Murphy

Mr. Murphy stated what reports he had regarding the re-evaluation for the Community Development Director's position and the reasoning included in the reports on which grade and step this position should be placed at. Council member Helms stated that with so many things changed he asked to first determine what the job is, what the duties are, and then make a decision. Council member Vetter stated he didn't have a problem moving this position to Grade 20 Step 2. Discussion followed about the additional duties that have been given to Ms. Ellis, how the PAQ was based on the duties she will be continuing with, and how her length of service and experience were a factor. Mr. Kapella stated he was the union representative and stated the union was hoping for a lateral move. More discussion followed about one report would place Ms. Ellis at a grade 20, step 2 and the other would place her at a grade 20, step 5. Mr. Kapella stated the history in the East Grand Forks has been a minimum of 4% which could include another step. Council Vice-President Leigh asked Mr. Murphy to look at the City's policy and bring the options to the next council meeting to be voted on.

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

9. Schedule Neu Follow-up Meeting – David Murphy

Mr. Murphy stated it had been about six months since the council took part in the goals and visioning session with Mr. Neu. He added how they should have a follow-up meeting, review the six items they set as a priority, and make adjustments as needed. Council member Tweten asked how long he expected this session to last. Mr. Murphy said about three hours. After some discussion it was suggested that a few dates are picked and whichever date most council members can attend will be the date of the meeting.

10. Discussion on Profit-Sharing with Local Clubs – Greg Leigh

Council Vice-President Leigh stated that the figure skating show lost money this year. He said how these shows are not designed to make money and he would be in favor of sharing a profit if there is one. Ms. Tonya Parton stated that meeting minutes reflected revenue from this event would be shared, not profit. She also added that how the club was not informed they would not be receiving 25% of the revenue from the show, how there was not a check number included in the May 6th minutes on what check was being pulled, how they designed their fees for summer camps based on receiving those funds, and how there was a precedent set from previous years. Mr. Murphy stated it was his responsibility to notify the club after the check was pulled and he neglected that so he will take responsibility for it. Council Vice-President Leigh suggested that

Mr. Aker and the figure skating board work together and bring a recommendation to the council on how to handle this from now on since all of the expenses are being paid by the City. Ms. Katie Boespflug stated how wages were included but how fees from registration were suppose to cover these wages and asked why wages were included. Mr. Murphy asked Ms. Anderson if the fees are pro-rated for this show and stated that is something that needs to be reviewed. Council Vice-President Leigh stated the program should stand alone and how expenses should be figured out and fees charged accordingly, not be collected at the beginning of the year. Discussion followed about what happens with other events.

Council member Vetter asked for clarification. He explained how all of the clubs host their own tournaments and money collected goes to those clubs. He then stated how the figure skating show is a park program put on by the City. He suggested having a set policy so all of the clubs are treated the same. Discussion followed about where the fees go that are collected at the beginning of the year, how there are separate accounts set up for figure skating for the fees collected, and who pays for coaches during different events.

Ms. Shawn Egeland stated the City took in \$30,530 in fees for figure skating at the beginning of the year with an understanding that would cover the cost of coaches. She explained how other clubs get to keep 100% of fees collected but figure skating can only get 25% of the revenue. She reviewed how they have been at a loss from previous years with helping pay for the skate show but had always received 25% of the revenue. She added how the payment took awhile to get to the City last year because they asked if they could receive a larger percentage of the gate fee. Council Vice-President Leigh suggested again that Mr. Murphy and Ms. Anderson need to get involved and figure out how the fees are being used that were collected at the beginning of the year. Mr. Murphy asked if there was similar situation with another club so he would be able to compare what happens. Council member Vetter stated only the figure skaters have a show like this. Discussion followed about how the figure skating club has worked well with the City in the past, how things were different this year, meetings had been held previously regarding the ice show, and how there are things that still need to be worked out.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER OLSTAD, TO ADJOURN THE JUNE 10, 2014 COUNCIL WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:31 P.M.

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

Voting Nay: None.

Absent: Buckalew.

David Murphy, City Administrator/Clerk-Treasurer