

**APPROVED MINUTES
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, JULY 7, 2015 - 5:00 P.M.**

CALL TO ORDER:

The Regular Meeting of the East Grand Forks City Council for July 7, 2015 was called to order by Council President Mark Olstad at 5:00 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Lynn Stauss(5:01pm), Council President Mark Olstad, Council Vice-President Chad Grassel, Council Members Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Brad Bail, City Engineer; Dan Boyce, Water & Light Manager; Nancy Ellis, City Planner; Ron Galstad, City Attorney; Paul Gorte, EDA Director; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, Executive Assistant; and Jason Stordahl, Public Works Director.

DETERMINATION OF QUORUM:

The Council President Determined a Quorum was present

PLEDGE OF ALLEGIANCE:

SWEARING IN OF OFFICER CORY AMUNDSON:

Chief Hedlund swore in Officer Cory Amundson. The Council congratulated him after he was sworn in.

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 June 16, 2015.
2. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of June 23, 2015.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER DEMERS, TO APPROVE ITEMS ONE (1) THROUGH TWO (2).

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

Voting Nay: None.

SCHEDULED BID LETTINGS: NONE

SCHEDULED PUBLIC HEARINGS:

3. Public Hearing to allow affected parties to state their opinions about the proposed tax credit approval for Proll LLC.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER BUCKALEW, TO OPEN THE PUBLIC HEARING.

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

Voting Nay: None.

Mr. Gorte explained how the City had negotiated an agreement with the Fairfield Inn which included land acquisition and tax credits. He stated it was the appropriate time to bring this forward. He added how the original agreement had been approved in 2014, there was a policy set to limit of tax credits but the Council was able to make a change. He asked if there were any questions. There were none.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER GRASSEL, TO CLOSE THE PUBLIC HEARING.

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

Voting Nay: 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 approving the special event application for Catfish Days Fishing Tournament to be held starting at 6:00pm on Friday, July 31st until 8:00pm on Sunday, August 2nd contingent upon the Certificate of Liability being turned into the Administration Office prior to the event.
5. Consider approving the temporary liquor license application for the American Legion Post 157 for the Catfish Days Fishing Tournament which will be held July 31st, August 1st, and August 2nd in the Greenway by the boat ramp.
6. Consider approving the special event application for the Bikes and Bites Event to be held on July 16, 2015 from 3:00pm until 8:00pm in the boardwalk parking area contingent upon the Certificate of Liability being turned into the Administration Office prior to the event.
7. Consider approving the temporary liquor license application for the VFW Post 3817 for the Bikes and Bites event on July 16, 2015 in the boardwalk parking area.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER DEMERS, TO APPROVE ITEMS FOUR (4) THROUGH SEVEN (7).

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

Voting Nay: None.

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

8. Regular meeting minutes of the Water, Light, Power, and Building Commission for June 4, 2015 and Special Meeting minutes from June 8, 2015.
9. Regular meeting minutes of the Planning Commission for April 9, 2015.
10. Regular meeting minutes of the Economic Development Authority Board from March 17th, April 21st, May 5th, and May 19th, 2015.

COMMUNICATIONS:

11. Acknowledge the resignation of Lynda Katka effective August 7, 2015.

OLD BUSINESS:

12. Reconsider adopting Resolution No. 15-06-63 accepting and awarding the bid for 2015 Assessment Job No. 2 – Paving to Opp Construction in the amount of \$184,740.

A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER VETTER, NOT TO ACCEPT THE BID FOR 2015 ASSESSMENT JOB NO. 2 – PAVING.

Council member DeMers asked what had been discussed at the meeting. Council President Olstad stated that he, Council member Pokrzywinski, Mr. Murphy, and the city engineers met with Mr. Peabody about this project. He said how three options had been discussed and that Mr. Peabody asked for the bid to be rejected and he would be moving forward himself with this project as well as making sure the project met the requirements of city specifications. Council member Pokrzywinski said this is why he agreed to put the motion forward rejecting the bid. Council member DeMers asked how Mr. Peabody would then collect the money from the residents. Mr. Murphy stated he would have to work with them to collect and since the developer is moving forward with the project it would not be assessed.

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

Voting Nay: None.

13. Reconsider adopting Resolution No. 15-06-62 adopting the assessment roll 333 for 2015 Assessment Job No. 2 – Paving Replat of Outlot B Block 2 – for a total assessment of \$219,840.60.

Mr. Murphy stated that the assessment roll was tied to the project and since the project was rejected the Council should also reject the assessment roll.

A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER BUCKALEW, TO REJECT THE ASSESSMENT ROLL FOR 2015 ASSESSMENT JOB NO. 2 – PAVING.

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

Voting Nay: None.

NEW BUSINESS:

14. Consider adopting Resolution No. 15-07-70 granting Border City Development Zone Tax Credits and approving the business subsidy agreement between the City of East Grand Forks and Proll, LLC.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-07-70 GRANTING BORDER CITY DEVELOPMENT ZONE TAX CREDITS AND APPROVING THE BUSINESS SUBSIDY AGREEMENT BETWEEN THE CITY OF EAST GRAND FORKS AND PROLL, LLC.

Mr. Gorte explained to the Council that this would implement the tax credits which had been agreed upon and how the City had approximately \$200,000 available in tax credits. He added how there had been a minor change made in the agreement which had been handed out for the Council to review. He stated how there was going to be a sale of the tax credits which he was working with the State on and how the potential buyer had to be to an eligible company to receive tax credits. Council member DeMers told Mr. Gorte what a good job he had been doing and how this was a win/win situation. He then asked what the timeline was for using the rest of the available tax credits. Mr. Gorte explained how the State allocates tax credits based on population and how the City will have them until they are used. Mr. Murphy stated how he along with others had testified at the State Legislature for this program and that from now on the City should receive an annual allocation of tax credits. Mayor Stauss commented how he and other had testified years before and at that time the tax credits went to restaurants and new businesses.

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

Voting Nay: None.

15. Consider adopting Resolution No. 15-07-71 approving the transfer of \$154,371.34 from the Town Square Account to the Economic Development Account.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-07-71 APPROVING THE TRANSFER OF \$154,371.34 FROM THE TOWN SQUARE ACCOUNT TO THE SUNSHINE TERRACE ACCOUNT 630-36-000-36901.

Council member Vetter stated these funds should be earmarked for the major projects that need to be done. He said that in the minutes it stated Ms. Anderson mentioned the roof and boiler repairs that were needed. Council President Olstad asked if these funds were earmarked. Council member Pokrzywinski stated it was discussed at the EDA meetings to use these funds for those projects. Ms. Ellis informed the Council that the roof needs to be repaired, how there had been leaks and water damage, and the cost estimates for the roof repair she had received were over \$100,000. She said that plans would need to be prepared for that project. She added that the boilers will also need to be replaced and was something that had been included on the capital improvement plan and how these funds were intended to cover the costs for these projects.

Council President Olstad asked if that is where the funds were suppose to go or to the EDA. Mr. Gorte stated the funds were going to be held in the EDA account until it was needed for these projects. He added that he didn't have an issue with the funds being transferred directly to Sunshine Terrace and how that would save a step. Discussion followed about how these funds were the City's for taking care Town Square.

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

Voting Nay: None.

16. Consider adopting Resolution No. 15-07-72 establishing the zoning for the 40 acres petitioned to be annexed into city limits.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADOPT RESOLUTION NO. 15-07-72 ESTABLISHING THE ZONING FOR THE 40 ACRES PETITIONED TO BE ANNEXED INTO CITY LIMITS.

Ms. Ellis stated that zoning had to be established prior to annexation. She explained they used R-3 because it allows for single, twin, or multi-family and already has setbacks and other requirements in place and they wouldn't have to wait for a PUD plan to be prepared.

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

Voting Nay: None.

17. Consider adopting Resolution No. 15-07-73 approving the variance for Eagle Electric reducing the rear yard setback from ten feet to five feet on parcel 83.01239.00.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-07-73 APPROVING THE VARIANCE FOR EAGLE ELECTRIC REDUCING THE REAR YARD SETBACK FROM TEN FEET TO FIVE FEET ON PARCEL 83.01239.00.

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

Voting Nay: None.

18. Consider approving the request to start the hiring process for an accounting technician in the Administration/Finance Office.

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER GRASSEL, TO APPROVE THE REQUEST TO START THE HIRING PROCESS FOR AN ACCOUNTING TECHNICIAN IN THE ADMINISTRATION/FINANCE OFFICE.

Council member DeMers asked if the same position will be advertised. Mr. Murphy stated that he had met with Mr. Boyce regarding possible changes to positions. Council member DeMers stated that every avenue should be explored before this position is advertised. Mr. Murphy stated they are looking into reassigning duties.

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

Voting Nay: None.

CLAIMS:

19. Consider adopting Resolution No. 15-07-74 authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 21887 for a total of \$1,730.59 whereas Council Member Buckalew is personally interested financially in the contract.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER TWETEN, TO RESOLUTION NO. 15-07-74 AUTHORIZING THE CITY OF EAST GRAND FORKS TO APPROVE PURCHASES FROM HARDWARE HANK THE GOODS REFERENCED IN CHECK NUMBERS 21887 FOR A TOTAL OF \$1,730.59 WHEREAS COUNCIL MEMBER BUCKALEW IS PERSONALLY INTERESTED FINANCIALLY IN THE CONTRACT.

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

Voting Nay: None.

Abstain: Buckalew.

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

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

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

Voting Nay: None.

COUNCIL/STAFF REPORTS:

Mayor Stauss commented about the article in the Grand Forks Herald about the flowers and weeds. He said he had offered to take care of everything but the Council wouldn't allow for city staff and equipment to be used so they had to pay higher wages, rent equipment, and pay the owner of a company to take care of the flowers. He said the Council will have to take care of the flower beds and commented that a company may have already been hired. Mr. Murphy stated that park and recreation employees had weeded the flower beds. Mayor Stauss asked where the money came from. Council Vice-President Grassel stated they were already working and that he is tired of the Mayor talking about his. He added that if the budget had been passed this wouldn't have been an issue. Discussion followed about how the budget was cut and how city employees couldn't help with the hanging of the flower pots.

Council Member Buckalew stated he was asked about a storm shelter for the campground. He asked if there was a plan for those people and if so where it was. Chief Hedlund stated the Civic Center is a storm shelter. Ms. Nelson stated the fire hall had been opened as a storm shelter. Ms. Ellis explained a policy had been established regarding where these people would need to go and that they receive that information when they check in at the campground.

Council member DeMers asked who runs the sirens. Council President Olstad said that he could maybe work with the paper and get that information out to the public. Mr. Murphy stated that the Fire Department runs the sirens and how they are connected with the Weather Service. He added that it was the 80 mph wind gusts that were the reason for the sirens. Council member DeMers requested that two

items be included with the agenda for the next work session. He said the first being a discussion regarding sales tax and if the Council would like to move forward. He said the second item was a discussion of the City Charter and how it may need to be updated or amended. He ended by welcoming Officer Cory Amundson to East Grand Forks.

Council President Olstad reminded the Council the Work Session will be on Monday next week because of the Good Samaritan 50th Anniversary event on Tuesday. He added there are some that may need to attend the Safety and Service meeting on Tuesday in Grand Forks for a discussion on the COSA and then asked who may be able to attend. Mr. Murphy stated it had been posted so a quorum could be present. Discussion followed about who may be able to attend the Grand Forks meeting and who may be able to attend the Good Samaritan event.

Mr. Murphy told the Council that both the pool and Civic Center projects are on schedule or slightly ahead of schedule.

Mr. Bail informed the Council that the new hotel had opened in town and to go check it out when they have a chance.

Council member DeMers commented how he was in town for the 4th of July, how there were great festivities, and that there were no mosquitoes.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER DEMERS, TO ADJOURN THE JULY 7, 2015 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:38 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer