

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, AUGUST 25, 2015 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for August 25, 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, 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; Nancy Ellis, City Planner; Steve Emery, City Engineer; Ron Galstad, City Attorney; Paul Gorte, EDA Director; Rod Hajicek, Police Lieutenant; 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. Request to Award Bid for 2015 City Project No. 5 Campground Improvements – Steve Emery

Mr. Emery informed the Council that two bids were received for this project. He reviewed the breakdown of costs, reminded the Council the City had received \$250,000 for this project and recommended moving forward and awarding the base bid for this project. He stated there was approximately \$10,000 in contingencies so there may not be extra costs incurred by the City. Council member Tweten asked how many more sites this will add. Mr. Emery explained this didn't add any sites but added services to current sites. Ms. Catherine Johnson informed the Council that there have been many that have asked just for sites with electric. Discussion followed about a possible seal coat to the roads in the campground.

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

2. Request to Award Bid for 2015 City Project No. 3 Lift Station #5 Replacement – Steve Emery

Mr. Emery told the Council that bids had been opened earlier in the day and that he had passed out an updated RCA with the project costs. He said how there was a lot of plan holders but only one bid was received. He reviewed the estimated project costs, said how many of the numbers were close to the estimate, and that the biggest different was the \$300,000 for the construction of

the lift station itself. He explained that it was difficult to estimate because of how the building is constructed. He added how ICS had constructed the storm lifts after the flood so they are more than capable and would recommend moving this forward. Council member Pokrzywinski asked if there was enough in the fund to cover the project. Ms. Anderson explained with the project starting the following year there would be enough cash flow to cover the costs which would save money on bonding.

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

3. Discussion on Possible Easement – Bob Moore

Mr. Murphy stated the Council had received the new site plan and how the new plan met City requirements. Ms. Ellis said the only issue left to discuss was the easement. Discussion followed about if the drive thru should have a double curve, how it would only take up one parking spot from the Fire Department parking lot, and that Chief Larson did not have an issue with the configuration of the drive thru. Council member DeMers informed the Council that he, Council member Buckalew, Mr. Moore, and Mr. Emery looked at this area, explained the curb and gutter needs to be replaced, and how he proposed the City would replace its portion and Mr. Moore would take care removing the concrete from his property. He added how the granting of the easement could be contingent upon this being completed.

Council President Olstad asked what information had been found when the City had granted easements in the past. Mr. Murphy stated he wasn't able to find anything about the City granting an easement. Discussion followed about how the last easements the City asked for were donated by the businesses so sidewalks could be installed, what language should be used so the easement would revert back to the City if the use of the property changes, and how this property had been grandfathered in and would lose that status if the building was demolished.

Council member Vetter stated he would like to see the verbiage before approving the easement. Mr. Murphy asked what was needed. Mr. Galstad stated he would be able to prepare the agreement and would need the legal description of the easement area. Mr. Emery asked what needed to be done with the old driveway and if the Council was going to move forward with the curb and gutter replacement. Discussion followed about how the proposed repair to the curb and gutter was a non-budgeted item and would need to be approved by resolution.

These items will be referred to a City Council Meeting for action.

4. Request for Reduction in Sewage Rate – David Murphy

Mr. Murphy informed the Council that there were two representatives from the Fairfield Inn in attendance to discuss this issue. Mr. Mike Brown told the Council that they had no issue with the water usage part of the bill and how they had turned down the sprinkler use in July because of the bill and also because less watering was needed. He explained since they had just opened in June there wasn't a record of their average use and that most of the water was used to water the grass. He added they would only be asking for a onetime adjustment. Council member Tweten commented how this had come up before, commented how this building was a large investment in the community, and said he would support the City absorbing the sewage costs. Mr. Brown stated they didn't think about the cost until they saw the bill since the sewage rate is 95% of the water usage. He told the Council how they manage two hotels in Grand Forks, how

they had about two-thirds occupancy in, and what their water bill was. Mayor Stauss commented how they City could give them a rate and help them out. Discussion followed on what the bill should be reduced by since a large portion of the water use was for watering the grass. Council member DeMers suggested anywhere from \$2500 to \$3000.

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

5. Request Regarding People Mover Bus from American Legion – Dave Aker

Council President Olstad stated this item was going to be pulled from the agenda and placed on the next work session agenda because the representative from the American Legion was unable to attend the meeting.

6. Civic Center Roof – Dave Aker

Mr. Aker asked the Council for permission to hire an architect firm to help fix the roof problem at the Civic Center. He said at one time there was an estimate of \$80,000 being needed to fix the roof. Council President Olstad asked how long the problem had been going on. Mr. Aker stated it had been going on for years. Mayor Stauss suggested asking a contractor for a quote. Council Vice-President Grassel asked what the plan was. Mr. Aker stated this was going to determine how to move forward. Discussion followed about the issues with the roof. Council member Vetter asked how they were going to pay for this. Ms. Anderson stated that \$105,000 has been budgeted for the repair so the repair and renovation could be done at the same time. Mr. Murphy stated local roofing companies will be contacted.

7. Mutual Aid Agreement – Gary Larson

Chief Larson informed the Council the current mutual aid agreement was signed in 1990, commented how it isn't used often, but that it needed to be updated. He explained the draft that was included in the packet was done by the League of Minnesota Cities. Mr. Galstad stated he had reviewed the document, had some concerns, followed up with the League, and was in favor of the agreement based of their explanation. He informed the Council that if the City requests aid and something happened to another fire department it would be the City's responsibility to cover the expenses. Discussion followed about how the City works with other departments in Polk County and with Grand Forks and how the 13 fire departments in Polk County cover all of the townships.

Council member DeMers commented how the agreement states the department of the area is in charge of the scene and if Chief Larson is okay with that. Chief Larson explained the requesting group would remain in charge of the scene but the City would remain in charge of their own personnel. Council member DeMers said the agreement states otherwise so that may need to be changed. More discussion followed about how the Chiefs could work together on the language, how another group would not take over a scene because of liability issues, and how it is an unspoken rule that each fire department is in charge of their own personnel.

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

8. Request to Declare Property as Surplus – Rod Hajicek

Mr. Hajicek informed the Council this request is for the annual police auction. He stated there were 19 vehicles that are titled and ready to go. He added the auction will be online again this year but they may be changing companies.

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

9. Acceptance of Grant for DARE Program – Mark Olstad

Council President Olstad stated an application was submitted to the NV & Me group requesting grant funds to cover the DARE materials and training. He stated this would move forward so the Council could formally accept the grant.

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

10. 2016 Budget Discussion – David Murphy

Mr. Murphy stated sheets were being passed out. He explained that he and the department heads had been working on the budget and that the preliminary levy needed to be approved by the end of September. He said they were bringing forward the information for the Council to review. Mr. Murphy explained not all items were funded in 2015, the proposed budget includes the additions of the pool and flower costs, the cost of living increases, and capital needs of the departments the levy to cover all of the costs the levy would need to increase by 33.2% for 2016. He stated like he did in his interview that he will bring forward what the numbers are, be blunt about it, and that the City needs to catch up. He said the fund balance is close to what the requirements are with the help from the sale of the Riverwalk Center. He added this would bring things up to where they need to be and then asked for questions.

Council President Olstad asked what was all included with the \$284,000 for capital. Ms. Anderson stated some of it were payments to the capital improvement financing fund, police vehicles, a suburban for the fire department, a scrubber for the Civic Center, 800 MHZ radios, a camera for the library, and computers along with other items. Ms. Anderson explained how better numbers were needed for some of this items. She stated that there is an interest only payment included for the pool project which was included with the 4.5% for the pool on the summary street. She added there was an addition of \$50,000 to street maintenance and how they are trying to set up a maintenance schedule for the replacement of the computers. Council member Vetter stated he was confused about the yellow box and how it could be included since those costs were incurred in 2015. Ms. Anderson stated that departments went without because of the costs incurred. She added that \$90,000 was used with once the collateral was released with the sale of the Riverwalk Center to help fund the EDA and the remainder was paid for using the fund balance.

Council Vice-President Grassel asked what year the City went backwards. Ms. Anderson stated it was negative one in 2012 which was collected in 2013. Discussion followed about the small increases to the levy since 2012, how the levy increases hadn't been over three percent except for the previous year; the current fund balance was 31%, and the State likes to see fund balances around 42% of expenditures because cities only receive revenue two times a year six months apart.

Council member DeMers asked to have added in the CIP if the request is something new or it is going to be a replacement. Ms. Anderson stated that almost everything included on the list was going to be a replacement. Council member DeMers asked if there was a good understanding between what had been budgeted for 2015 versus what the actual was. Ms. Anderson stated the City was on schedule with some being a little higher and others being a little lower. Discussion followed about how more maintenance is needed, how having a lower reserve balance could affect the City's bond rating but how the Council may put a plan in place to raise the reserves over the next few years, and how the unknown regarding that plan in that there are elections and council members may change. Council President Olstad asked if it was something that they can work up to since it hasn't been sustained. Ms. Anderson stated it was included in the audit findings every year. Council member DeMers suggested to create a six or up to ten year cycle for budgeting.

Mr. Murphy informed the Council that they were working on a template to help show a more accurate tax impact as well as what the City's tax capacity was. Ms. Anderson added how the TIF districts will be decertified at the end of 2016 so those property taxes will be included in the 2017 revenues. Council member Vetter asked about the summary sheet and how there was a 15% increase included. Ms. Anderson stated that was correct. He said that even if the Council is able to cut \$596,000 there would still be a 15% levy increase. More discussion followed about how the Council may need to commit to a larger levy in the next few years, how the increase to the fund balance may need to be added as a line item, and staff will need direction from Council.

Council President asked if items c-f should be discussed. Mr. Murphy stated they could be discussed at the next work session.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER TWETEN, TO ADJOURN THE AUGUST 25, 2015 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:44 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer