

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, SEPTEMBER 8, 2015 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for September 8, 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(5:03pm), Council President Mark Olstad, Council Vice-President Chad Grassel, Council Members Clarence Vetter, Mike Pokrzywinski, Craig Buckalew, Henry Tweten, and Marc DeMers.

Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Brad Bail, City Engineer; Dan Boyce, Water & Light Manager; Nancy Ellis, City Planner; Steve Emery, City Engineer; Ron Galstad, City Attorney; Paul Gorte, EDA Director; 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. Request Regarding People Mover from American Legion – Dave Aker

Mr. Mike Peterson informed the Council the American Legion was interested in purchasing a people mover bus that could hold approximately 20 to 30 people. He explained the primary use of the bus would be for transporting the American Legion Baseball Team but when they were not using it others would be able to. He said if this bus was purchased the Legion was asking if the City would then maintain the bus, store it, and insure it. He stated if the City would help with the regular maintenance the Legion would pay for any major repairs. Council Vice-President Grassel asked how much maintenance costs and insurance would be. Discussion followed about how cost estimates could be determined, how there currently is not room inside the park shop for storing another bus, and how the Legion Team had used charter services for some of their trips.

Mr. Galstad stated his concern about if the City's insurance not covering a people mover owned by the Legion and how an agreement would have to be drafted for the use and maintenance of the bus. Council member Buckalew asked if the Legion team had used the one of the City buses before and if there was ever a time the City was not able to accommodate. Mr. Peterson stated they had used the buses before and explained that storage space is needed so a larger bus is what

they were looking at purchasing. Discussion followed about how old the bus could be, how much regular maintenance may cost, how the American Legion would pay for all of the major repairs, and who would receive the revenue if it was rented. Council Vice-President Grassel told Mr. Peterson to meet up with Mr. Aker, figure out what is needed and possible costs, and bring the information back to a work session. Council member DeMers asked them to also set priority of reserving the bus. Council member Vetter asked to see where the current buses are being used.

2. Request from Sacred Heart – Len Vonasek

Mr. Vonasek informed the Council that Sacred Heart had questions on some City owned lots along 4th Street. He explained how Sacred Heart is land locked, has interest in those lots, and asked what the City's intention was with those lots. Mayor Stauss stated that parking lot was originally put in for Cabela's employees but it is not used very much. Council member DeMers asked what those lots were zoned as. Ms. Ellis stated they were zoned C-2. Mayor Stauss asked what the plan was for the property. Mr. Vonasek said nothing had been decided and they were still looking at different possibilities. Discussion followed about how Sacred Heart had purchased other properties on the same block, how they were considering adding on an elementary school, and what may become of the parking lot.

Council President Olstad asked Mr. Vonasek what he was asking for. Mr. Vonasek said he wanted to inform the Council that Sacred Heart is interested in those lots and if the City is willing to sell them what they would like to sell them for. Council member Buckalew asked if the parking lot was used much. Council member Pokrzywinski stated that it wasn't. Council President Olstad stated that the Council will have a discussion about lot prices and asked that the time frame was. Mr. Vonasek stated currently there wasn't a time frame set. Council member DeMers asked to have the Council look at all of the City lots that are available. Ms. Ellis stated an inventory list had been put together but the Council needed to determine how they would like to sell them.

3. Feasibility Study for Riverview 10th Addition – Steve Emery

Mr. Emery informed the Council that the Riverview 10th Addition was developed using a developer's agreement which states paving needed to be completed within three years of the development being started. He stated the gravel would be removed which couldn't be reassessed so the total amount that would be assessed on this project would be around \$395,600. Council Vice-President Grassel asked if this estimate was based on current prices. Mr. Emery stated it was based off of the Point of Woods 5th Paving project. Council member Tweten asked to have this tabled until item nine was discussed. Ms. Ellis stated that since a developer's agreement was used and as long as the amount was reasonable they wouldn't have the right to protest. She then explained sidewalks are required and that there is a concern they won't be put in. Discussion followed about how sidewalks are required by City policy and if the sidewalks should be put in at the same time as the paving is done and be included in the assessment roll. Council member Pokrzywinski stated the City should either adhere to the policy or get rid of it.

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

4. Report of Feasibility – Jason Stordahl

Mr. Stordahl stated that he along with the City Engineers had started preparing a long range plan of street improvements. He explained this was year one and now they were beginning to look at 2016. He asked to move to the next step and have WSN start preparing the feasibility study for 2016 street improvements. Council member DeMers asked what the purpose was of breaking this up into thirds. Mr. Stordahl stated it was typically done ever seven years but they have also been doing other kinds of maintenance which may give the streets a longer life. Discussion followed about how long the street projects would be assessed and how there weren't other street improvement projects planned after the three year plan in the areas that were improved.

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

5. Update on Bygland Road Study & Land Use Plan – Teri Kouba

Ms. Kouba reminded the Council that the Metropolitan Planning Organization (MPO) had been working on the Bygland Road Study as well as the Land Use Plan. She stated how a plan had been developed with implementation, near, mid, and long-term plans. She said how currently the implementation plan was to begin stripping next year and how the cost estimates were included with the information. She added how costs could fluctuate due to what paint was used in this process. Ms. Kouba continued by saying how this stripping would allow for bike lanes and that some parking would be taken away in some areas along Bygland. She said that people attending the public forums did not indicate either way if they would like to retain the parking or if they were okay with losing that parking.

Ms. Kouba informed the Council they were looking at ways to try and improve some of the intersections along Bygland Road. She said that after looking at different options the MPO is making the suggestion to install round-a-bouts. She explained that this will keep track flowing instead of coming to complete stops at stop signs or a traffic light and added the drawings for the round-a-bouts were included in the packet. Ms. Kouba continued on by briefly speaking about the Land Use Plan and informing the Council there was an open house for the Bygland Road Study on September 23rd and for the Land Use Plan on September 16th.

Council member DeMers asked if stripping was included by the stoplights by the bridge. Ms. Kouba said it was and there was a suggestion to also include a left turning sign. Discussion followed about how the Council should consider looking into acquiring land if the plan is approved to insure enough land is available for round-a-bouts, that there are many complaints about Bygland Road, there isn't a quick and easy solution, and how the Council should look and see what kind of funding may be available to help pay for a round-a-bout project.

Ms. Ellis stated the stripping for \$400,000 was listed under the implementation plan. She added it had not been included in the budget and asked Ms. Kouba to move that to the near term plans and out of the implementation plan. Ms. Kouba stated it would be moved and would be presented that way to the public at the open house. Council member DeMers asked what was all included with the \$400,000 for stripping. Ms. Kouba explained it included grinding to remove other paint so it was more than just stripping.

Council member Vetter commented how bike lanes had been brought up a year ago and put on hold. He stated that the \$400,000 was sticker shock but the City could look into grants for putting in bike lanes. Council President Olstad commented about the sidewalks done with Safe Routes to School and asked if anything needed to be widened out. Discussion followed about how a multi-use trail had to be a minimum of 8 feet, the addition of a bike lane would add another choice, and how when the sidewalks were put in the City was only able to get \$175,000 in federal funds for the project and was not able to afford a larger sidewalk. Council member Pokrzywinski asked what the time table was on the reports. Ms. Kouba said both would be done by the end of the year and the Council would see of draft of each in October.

6. Ordinance Amendment Request – Nancy Ellis

Ms. Ellis stated she had received a request to have an ordinance amended regarding cell towers and allowing them in residential areas. She informed the Council there was going to be a public hearing during the Planning Commission at the meeting on Thursday, September 10th. She stated there had been concerns and if there were questions the Verizon attorney was present to either answer or come prepared to the next meeting with answers. Mr. Galstad introduced Mr. Littlejohn. Mr. Littlejohn informed the Council he had brought handouts for them to review. He stated how services are in high demand and these towers are needed to provide services. He explained how they were trying to take the minimalistic approach with the slim line or stealth poles. He added he had worked with Verizon since 1988 and was here to answer any questions the Council may have.

Council member DeMers thanked Mr. Littlejohn for coming to the meeting and commented how he sees this service as a utility and asked how putting up a pole affects the community. Discussion followed about how the pole would support more than one carrier, the carriers work together, and how things may change to even smaller antennas in the future. Council member DeMers asked what would happen to the pole when it is no longer used. Mr. Littlejohn stated how it is standard procedure to take them down. Mayor Stauss asked who the pole would be serving. Mr. Littlejohn said it would depend on the location and height of the pole but it would be serving East Grand Forks and some of Grand Forks. More discussion followed about how appraisals could be done to reassure property owners that property values would not be affected and that properties could be looked at in Grand Forks to see if they were affected after a tower went up.

7. Request for Pay Increase for Operator – Jason Stordahl

Mr. Stordahl reminded the Council about the lead equipment operator position that was open. He explained the position was pointed at a Grade 11 but due to length of service of all of the current operators and the 4% increase for a promotion, there wasn't a step to place them on since the top step would be much less than the 4% that is stated in the contract. Discussion followed about how the steps may need to be adjusted or if there may need to be a freeze on the wages. Mr. Murphy stated he had never seen this situation before. Mr. Galstad commented how the contract will need to be followed and that it states a promotion receives a 4% increase. Mr. Murphy added the precedence had been set.

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

8. Midcontinent Agreement – David Murphy

Mr. Murphy said he was asked to see what other cities have done when renegotiating with Midcontinent. He stated that Bemidji had completed a new agreement with Midcontinent in 2014 and was the most recent. He explained there were two main things with the first being the most the franchise fee could be was 5% of the gross revenue. He added the City was collecting close to \$12,000 a month which goes into the general fund. He said the second item was the changes with technology and what services should be included when adding up the gross revenue which is still unknown. Mr. Galstad said he had one concern regarding the public and education channel that was a part of the agreement. He said it only lists one in the City's agreement but Bemidji has six. He explained Bemidji also receives service and tapes so all cable subscribers can watch and added how the Council should look closer into this to see what could be provided to the City. Council member Pokrzywinski suggested starting the conversation of what could be done with this channel and how it could be a great marketing tool. Council member DeMers commented he wouldn't mind a shorter agreement with Midcontinent.

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

9. Discussion on Engineering Contract – David Murphy

Mr. Murphy informed the Council that the engineering contract was up for renewal at the end of the year. He stated that he had met with Wiseth Smith Nolting(WSN), spent time on assessment procedures, and that WSN had prepared a draft of a new contract for the Council to review. He added that he had been asked to look into Request for Proposals as well as looking what it would cost for an in-house engineer. He explained he had put together responses from the listserv email he had sent out. He asked for questions and direction from Council.

Council member Tweten stated his objections to a three year contract and that he would like to open this up to see what prices and expenses are from others and there shouldn't be a monopoly on professional services. Council member Vetter stated he is a proponent of the City having their own engineer and based on some of the information it could pay for itself. Council member DeMers stated he didn't think a three year contract was unfair and that he doesn't see how having an in-house engineer will save money since there is so much more that is now specialized. He added how much it may cost in personnel and office costs and asked to have a budget drawn up. Council member Pokrzywinski commented he can't tell what would be better, that it would be hard to fire a bad employee, and that Grand Forks has in-house engineers and also still contracts out work as well.

Council member Buckalew stated the group the City has is doing a good job, the Council doesn't know how many times they haven't charged for something, they have been very fair in the past, and that there are many engineers that can help the City because the City would need more than one. He ended by saying they are a part of the community, they support the community, and they try to keep things fair to the community and tax payers. Council Vice-President Grassel commented he agreed with Council members Buckalew and DeMers, stated that setting up an

engineering department would be an overwhelming task and if there are issues they City needs to tell them so they have a chance to correct it.

Council President Olstad stated he echoes comments already made and that all of the City Engineers live in the City, they look at what is in the best interest of the citizens, and if there is an issue they need to be told so things can be worked out. Mayor Stauss commented that he had worked with this firm since 1963, that they have built a history with the City, they charge what others charge, and that this firm employees residents of the community. Mr. Galstad stated he had some concerns about language regarding indemnification that he would be looking into but the rest was very similar to previous contracts. Mr. Murphy stated that when there has been an issue he is vocal about it and it gets discussed. Council member Vetter asked to see what has been paid to the engineers over the last three years from both the City and the Water and Light Department.

10. Waste Water Fee Discussion – Karla Anderson

Council President Olstad mentioned that the Council had been increasing the waste water fee every year and it was asked to be discussed to see if another increase was needed. Ms. Anderson explained she had put together a spreadsheet showing two different scenarios with one maintaining the current rate and the other having a \$1.00 increase in 2025 to the fixed rate. She said that she made assumptions such as a 3% water rate increase which would then increase what is taken in on sewage usage. Discussion followed about how high the current water rate is at, that the Council doesn't want to have issues down the road with not having enough funds, how there was a 3% inflation rate included, and that these numbers are based on the City paying for the entire project.

Council member Pokrzywinski commented the price could drop if the fertilizer plant is built. More discussion followed about how these numbers include treatment but repairs and maintenance would be taken out of a different fund. Mayor Stauss asked if East Grand Forks had the highest water rates in the region. Mr. Boyce stated it was the third but that this also accounts for depreciation so residents are not assessed when water lines are replaced.

11. 2016 Budget Discussion – David Murphy

Mr. Murphy stated that staff had been working on a plan on a two or three year correction plan instead of trying to make a one year correction. Ms. Anderson stated that instead of a 33% increase they were looking at a 25% increase for 2016 and reviewed possible changes in purchases, reductions, or items put off until 2017. She explained how there would then be an approximate 18% increase in 2017 so by 2018 the increase would be under 10% and would only be for the cost of conducting business. Mr. Murphy said how this would allow the City to fully fund what is needed. He added they were working on information to show what the impact would be with the proposed increases which will help show the community how they would be affected. Discussion followed about the purchase of radios and how with occasional updates they should last anywhere from 10 to 20 years and how there are three vehicles that could be used to trade in to bring down the costs of either a vehicle purchase or lease for the police department.

Council Vice-President Grassel said he appreciates the proposed levy is coming down and how it is the Council's job to inform the residents about the potential increase. Council member Pokrzywinski thanked the Herald for their article explaining how the increase to a levy and that these numbers are scary but it is something the Council needs to see.

a. Pool

Mr. Murphy continued on with the pool and how the correction plan includes an interest only payment for both 2016 and 2017 since it is still unknown if the sales tax would be passed or not. He asked if there was any discussion or if there is different direction from the Council on this issue. Ms. Anderson added the resolution requesting funds from the Water and Light Department will also have to be updated covering the entire project or consider a different way to cover the additional funds needed to this project. Mr. Murphy stated the project will be finished next year so unless the Council says otherwise staff will move forward with this plan.

b. Refuse

Mr. Stordahl informed the Council that there hadn't been an increase to the refuse rates for some time. He stated that the contract the City has with Countrywide Sanitation includes a 4% increase for each remaining year of the contract along with a potential of a fuel surcharge. He added how there is a 2% increase in landfill rates. He told the Council an increase was needed and suggested 10%. He explained that would increase a \$13.00 up to \$16.25 and would help pay for the increase in costs as well as a much needed garbage truck. He reviewed other charges for commercial and apartments that could also change. Mayor Stauss stated that some apartments would like to use a different refuse collector because it would be cheaper. Mr. Stordahl stated they had the ability to do that but from what he had found the City had the lowest rates by far.

Ms. Anderson said that since this is an enterprise fund the City would be able to bond for the funds needed for the garbage truck. Council member Buckalew asked if there was enough in the central equipment fund to cover it. Ms. Anderson stated she was working on bonding and it had been suggested to include it. Council member DeMers asked if commercial and residential funds were combined and if they were to have them separated since the truck was for commercial refuse pickup and should be paid for with those funds.

c. Storm Water

Ms. Anderson stated that the storm water fund was in the hole. She stated reasons for this included depreciation and payments for a mower. She explained how the storm water fee was for the flood control and those funds were needed to maintain the system up to Corps standards. Council member Pokrzywinski commented how it was important to note these funds are for flood protection, if the system isn't maintained it will be decertified, and \$9 per month is cheaper than flood insurance. Council member Vetter stated since this is for flood protection it should be reflected on the bill that way. Council member Pokrzywinski said it already was. Council member DeMers commented how the Corps predicted it would cost approximately \$400,000 per year to maintain the flood system and the City is well short of that at this point.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER VETTER, TO ADJOURN THE SEPTEMBER 8, 2015 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 7:52 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer