

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, SEPTEMBER 22, 2015 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for September 22, 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; Jeff Anderson, Assistant Fire Chief; Karla Anderson, Finance Director; 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; 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. Feasibility Study for Riverview 10th Addition – Steve Emery

Mr. Emery informed the Council that the report now included both the paving and sidewalks. He stated the paving project would be around \$409,000 but the removal of the aggregate would not be charged so the amount assessed for paving would be around \$396,000. He explained the cost for sidewalk construction was only for the lots that currently do not have sidewalks and the approximate costs for the sidewalks were \$26,000. Discussion followed about how both sides of the street will have sidewalks which is what the policy states and how there is a replacement program people could take advantage of at a later date when their sidewalks need to be replaced.

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

2. Remote Control Flight Field – Tom Stennes

Mr. Tom Stennes reminded the Council of a previous request made to start a remote control flight field in East Grand Forks. He explained how the field in Grand Forks can no longer be used, that it already had been taken down, and how setting up a field would be a good opportunity to get people to fly in the same area as well as teach the correct way to do things. He stated how he was looking for some land for a field and to qualify to be an AMA field there would have to be safety futures which included some fencing and maybe a building for the mower but that they would like to be able to keep it mobile.

Council member Tweten commented he objected to this area being used because it might impair the City's ability for legacy funds in the future for a park. He suggested the property east of the lagoons. Council member Buckalew commented that this would be a temporary setup and if the community needs a field they will have to start prepping the area. He added that the application for legacy funds does not ask for what the land is currently being used for and that it shouldn't hurt the City's chances for legacy funds so he would support this. Council member DeMers asked if this field needed to be platted on FAA maps. Mr. Stennes said that since the proposed field would be at least five miles away from an airport that wasn't necessary. He added that if a club is started and the field is AMA approved they will be able to provide the City with \$2.5 million in liability coverage. Discussion followed about the property for the proposed site, how dirt would have to be moved, and what the cost may be for preparing the property for the field. Council President Olstad asked to have those costs estimated for preparing both sites, by the borrow pit and east of the lagoon, and see what might work. Mayor Stauss said this was a good idea but that they may need to be moved if there are lots of complaints from residents or if the City grows out farther in that direction.

Council Vice-President Grassel asked if it would be harmful to only allow electric planes since they are less noisy. Mr. Stennes said that shouldn't be an issue. Council Vice-President Grassel also asked about an open area on the golf course and if that area could be used. Mr. Stennes said he had looked at that location as well and the only question was where to park the cars and one issue is that sometimes crashes happen. Council President Olstad asked Mr. Stordahl and Mr. Stennes to look at the costs of the different options for a field and bring back the cost estimates back to the Council for consideration.

3. Results from Idea Circle for Staffing – Idea Circle Staff

Council President Olstad stated this item was going to have to wait because one of the Water and Light Commissioners had not yet arrived.

4. 2014 AFG Equipment Grant – Jeff Anderson

Mr. Anderson stated the Fire Department had been awarded a grant for \$45,000 for vehicle extrication equipment and that the City's local share was around \$2300. Council President Olstad asked where the City's share was going to come from. Ms. Anderson stated it was going to either come out of the Fire Department's budget or the Equipment Budget. Mr. Anderson added that this was an AFG grant from 2014; that the AFG 2015 grants were recently opened, and the Fire Department would be applying for more grants. Council member Buckalew asked when the funds had to be spent by. Mr. Anderson stated by the end of 2015.

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

5. Civic Center Roof Repairs – Dave Aker

Council President Olstad stated this item was going to be brought back to the next work session. Mr. Aker stated he was only able to get one quote at this time.

6. Seasonal Employee Pay Scale – Dave Aker

Mr. Aker stated a pay scale had been set up based on the \$9.00 minimum wage for seasonal employees. Discussion followed about where the different positions would be placed scale. Council

member DeMers commented that grades one and two are the same until further along and asked why. Mr. Aker stated that he could eliminate one of them. Council President Olstad asked Ms. Knudson about the pay scale. She explained she had only helped with the preliminary information and explained how the seasonal pay plan was set up to mirror the regular pay plan but with the change in minimum wage the increases were starting to get out of hand and it needed to be adjusted.

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

7. Landscape Incentive – Paul Gorte

Mr. Gorte stated he had been approached and asked if homeowners who have purchased the two or three year old homes could take advantage of the landscape incentive at properties where the original homeowner did not. He explained how the landscape incentive is used to beautify the property and has a sunset time of 10 years from the issuance of the certificate of occupancy. Discussion followed about how there isn't a payback required, this program started in 2002 or 2003, and the funds for this project were coming out of the lot sale fund. Council member Pokrzywinski stated that's how it was set up but the funding source could be changed. More discussion followed about how much it would cost if all of the eligible property owners used this program. Mr. Gorte stated he was confident in the information to determine who would be eligible for this program.

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

8. MIF Loan Interest Rate Policy - Paul Gorte

Mr. Gorte stated how there was discussion about a three tier rate system when a business applies for a MIF loan. He said under this system a manufacturer would qualify for 1% interest rate, a business that was combined manufacturer and retail would qualify for a 2.5% interest rate, and all other businesses would qualify for a 4% interest rate. Council member Vetter asked what the rationale behind the setup. Mr. Gorte explained how a manufacturing business generates more because of a spin off effect creating a bigger economic impact. Council member Pokrzywinski added that this type of business usually has higher paying jobs; they bring more money into the economy, and these types of businesses should be targeted. Council member DeMers asked how it would be decided on which interest rate a business would qualify for. Mr. Gorte stated the business would have to demonstrate to the EDA Board which interest rate they would qualify for. Council member Pokrzywinski added a loan committee had been formed to review the applications and bring recommendations to the EDA Board to either approve or deny the loan.

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

9. Request for Equipment Operator – Jason Stordahl

Mr. Stordahl stated he would like to request to hire an equipment operator internally. Mr. Stordahl explained the department would be down one truck driver but there would be other operators to help or a seasonal person could be hired as a truck driver. Council President Olstad asked if Mr. Stordahl would like to ask to hire a seasonal employee at the same time as requesting an equipment operator. Council Vice-President Grassel commented that it was a good idea just in case that position was needed.

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

10. Information on Property by Lagoons – Jason Stordahl

Mr. Stordahl informed the Council that the property owned by the City out by the lagoons has been used for different things, currently it is not ideal for agricultural purposes, and that staff has worked on removing debris from the area. He stated the plan was to work the land one more year and then plant grasses and alfalfa. Council President Olstad said there were some questions about the property and this way the Council would be informed and on the same page. Discussion followed about even though there was a site for building debris there had been some brought out by the lagoons.

3. Results from Idea Circle for Staffing – Idea Circle Staff

Mr. Murphy stated Water and Light Commissioners Odgen and Loven were both present for the presentation and how they helped with the Idea Circle staff on the report that was put together. Ms. Mary Eaton introduced herself along with Ms. Robin Larson, stated who they were and that they had 50 years of experience in the workforce and organizational development. Ms. Eaton explained they were asked to address the audit findings and look at how the City maximize resources. She said this was done through interviews, reviewing written descriptions, and work sessions with staff and board members. She said they determined staffing, that there is a need for IT, and then how to utilize resources and investment. She reviewed open positions and a position that was going to be vacated soon. She explained the suggestions are based on the percentages these positions spend on finance. Ms. Eaton also added how an additional IT person could be hired and spend half of their time in the library and the other half helping in other departments. She reviewed two possible options for filling or combining positions and how the City will have to work out what controls will need to be put in place for financial reporting. Ms. Larson gave examples of what could be done with the proposed options.

Ms. Eaton stated that the main difference between the two options what the position of the Customer & Energy Service Manager and how much time that position spends on finances. They continued giving examples of where oversight and controls could be put in place for both options and within the different positions. Ms. Larson commented that GIS programming had been brought up which is a big investment of time, it was discussed how Water and Light could benefit from this programming, and how this system could benefit the cemetery.

Mr. Murphy stated that he appreciated how this was done in a timely manner, that hopefully these positions are filled soon. Commissioner Ogden commented how this was an opportunity to find ways to be more efficient, to get away from the concerns of the audits, look at what skill sets are needed because things may have changed, to share resources if possible, and that everyone will need to be onboard for the possible changes.

Council President Olstad asked what the next step would be. Mr. Murphy stated the Council will need to endorse an option and staff will put the plan into action. Discussion followed about how the information presented was a functional chart, how some job duties will need to be delegated but still done in a timely manner and be accurate, and how Mr. Murphy, Mr. Boyce, and Ms. Anderson would need to iron out the details. More discussion followed about how the IT position would be paid for. Ms. Larson reminded the Council that this process focused on finance as a whole and to address audit findings. Council President Olstad said he appreciated the work done, that the City is moving in the

right direction, and will continue to work to make things better.

11. Dept of Natural Resources Contract – David Murphy

Mr. Murphy reminded the Council about the ongoing discussions between the City and the Department of Natural Resources and how they have finally reached an agreement for the 2013 and 2014 payment for the campground revenue. He stated that it was going to be \$61,000 and the numbers used to determine this amount would be used to determine revenue sharing in the future. Discussion followed about how the agreement regarding the campground still had to be determined and settled after the 2015 season has ended.

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

12. 2016 Budget Discussion – David Murphy

Mr. Murphy stated that the Council still needed to decide on a preliminary levy which could be decreased but could not be increased. He explained that he had been working on something that he borrowed from Scott County to show how city taxes would be affected by different proposed levies. He said there were differences between Scott County and Polk County on what information was available and the information provided was the best guess estimation staff could provide at this time. He added they also had to guess at what the fiscal disparity reduction credit since East Grand Forks is a border city.

Discussion followed about how this was prepared and how the estimates were hopefully higher than what the actual will be. Mr. Murphy added that he will be working with the County so this report will be more accurate in the future. Mr. Galstad commented how the sheet is difficult to follow. Council member Vetter pointed out that the levy in 2015 was on 45% of the tax capacity and even with a proposed 25% increase the levy on the tax capacity only increased 6.4%. Council member Pokrzywinski asked to have the last five years of levy percentages of the tax capacity. Mr. Murphy said that could be added to the sheet of information.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER DEMERS, TO ADJOURN THE SEPTEMBER 22, 2015 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:55 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer