

**APPROVED MINUTES
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, OCTOBER 6, 2015 - 5:00 P.M.**

CALL TO ORDER:

The Regular Meeting of the East Grand Forks City Council for October 6, 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 Members Mike Pokrzywinski, Henry Tweten, and Marc DeMers.

Karla Anderson, Finance Director; Erika Azure, Administrative Assistant; 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; and Megan Nelson, Executive Assistant.

DETERMINATION OF QUORUM:

The Council President Determined a Quorum was present

PLEDGE OF ALLEGIANCE:

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 September 15, 2015.
2. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of September 22, 2015.
3. Consider approving the minutes of the “Special Meeting” for the East Grand Forks, Minnesota City Council of September 22, 2015.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO APPROVE ITEMS ONE (1) THROUGH THREE (3).

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

SCHEDULED BID LETTINGS: NONE

SCHEDULED PUBLIC HEARINGS:

4. Public Hearing to consider adopting Resolution No. 15-10-106 adopting the assessment roll 334 for 2014 Assessment Job No. 1 – Street Reconstruction – 17th Street NE for a total assessment of \$462,584.44.

Council President explained the purpose of the hearing is to ensure due process is followed to protect the individual rights prior to governmental action, that all interested parties will have an opportunity to see information, ask questions, and express support or opposition. He stated first the engineers would be explaining the project.

Mr. Emery reviewed the scope of the street reconstruction project. He stated how the total cost of the project was \$1,269,798.44 and the City had received \$807,214 in federal aid for this project so only \$462,584 was assessed. He stated the assessments were figured using the City's assessment policy and said the map showed who received front benefit and who received end benefit. He added how the assessments if assessed on the properties would be paid over a 20 year period at an interest rate of 4.5% or be paid off without interest within 30 days of the roll being adopted. He then asked for questions.

Council President Olstad asked if there was anyone that who would like to speak in support of this project. No one came forward.

Council President Olstad asked if there was anyone present that would like to speak in opposition of the project. Mr. Mike Loesevitz stated he was an attorney with Camrud Maddock Olson & Larson and also a resident of East Grand Forks 418 20th St NW. He explained that he was representing East Forks Limited Partnership who owns the property that is the trailer park. He stated they are getting charged nearly \$200,000. He continued to say this is a trailer park and their argument is that the repaving of the road is not going to increase the fair market value of the property. He said under Minnesota law the assessment has to be the increase to what the fair market value is of the property. He added that it is there position this project did not increase the fair market value at all. He then asked if there was an appraisal or study done showing what the increase would be in fair market value and the assessment should be the same as the increase to the fair market value.

Mr. Loesevitz stated he had turned in a written objection with the clerk's office the day before. Mr. Murphy confirmed the Administration Office received the objection. Council member Tweten asked what would happen if the road went back to gravel. Mr. Loesevitz stated that his client would have been fine if the road went back to gravel. Council member Tweten commented how this project was to make the area more attractive and asked if the area is not more attractive now compared to letting it go back to gravel. Mr. Loesevitz stated his client's position is that there wouldn't be a difference if there was a dirt road. Council member Tweten said if the road was a dirt road there would be dust there all of the time along with other problems. He added this was to beautify the area and that this is a state aid street. He stated those funds could have been used elsewhere. Mr. Loesevitz stated again the

assessment is suppose to increase the fair market value of the property.

Mayor Stauss stated that he agrees with Council member Tweten and that the new street improves the area but the problem is that the City can't get the trailer court to improve the trailer court which doesn't bring any more value to it. Council President Olstad asked if there were any more comments and if there weren't any he would entertain a motion to close the public hearing.

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

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

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.

5. Consider approving the temporary liquor license for St. Michael's Church for an event being held at Sacred Heart School on October 24, 2015 with contracted liquor services being provided by East Grand Lanes.
6. Consider approving the Site Use Agreement between the City of East Grand Forks and Lutheran Social Services for the use of the kitchen facilities at the East Grand Forks Senior Center for 2016.
7. Consider accepting and ratifying the updated Landscaping Incentive Policy that is recommended by the Economic Development Authority Board and will be administered by the Economic Development Office.
8. Consider accepting and ratifying the MIF Loan Interest Rate Policy that is recommended by the Economic Development Authority Board and will be utilized by the Board and Loan Committee.
9. Consider approving the request to advertise internally and hire for the position of Public Works Equipment Operator.
10. Consider approving the request to advertise externally and hire a seasonal truck driver for the Public Works Department.
11. Consider approving the request to advertise externally and hire an accounting technician for the Administration/Finance Office.
12. Consider adopting Resolution No. 15-10-105 formally accepting the 2014 Aid to Firefighter Grant from FEMA in the amount of \$45805.
13. Consider adopting the pay scale for seasonal employees and to be affective upon adoption.
14. Consider approving the grant contract between the City of East Grand Forks and the State of Minnesota's Department of Natural Resources and authorizing the City Administrator and Mayor

to sign the contract.

15. Consider approving the Fireworks/Pyrotechnic Special Effects Permit for the Downtown Development Association on November 29, 2015 from approximately 6:30pm until 7:00pm.

A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER DEMERS, TO APPROVE ITEMS FIVE (5) THROUGH FIFTEEN (15).

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

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

16. Regular meeting minutes of the Water, Light, Power, and Building Commission for September 3, 2015.

17. Regular meeting minutes of the Economic Development Authority Board for September 1, 2015.

COMMUNICATIONS: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

18. Consider adopting Resolution No. 15-10-106 adopting the assessment roll #334 for 2014 Assessment Job No. 1 – Street Reconstruction – 17th Street NE for a total assessment of \$462,584.44

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER TWETEN, TO ADOPT RESOLUTION NO. 15-10-106 ADOPTING THE ASSESSMENT ROLL #334 FOR 2014 ASSESSMENT JOB NO. 1 – STREET RECONSTRUCTION – 17TH STREET NE FOR A TOTAL ASSESSMENT OF \$462,584.44

Council member DeMers asked if an appraisal done. Mr. Galstad stated one had been ordered. Council member DeMers said that there is no proof that they can't raise their rates and as Council member Tweten commented this a direct benefit for this property as well as other around it, the residents deserve a good network of streets, and there is a cost to maintain those streets. He asked about the water tower property, who maintains it, and if that would be paid for by the City or by the Water and Light Department. Mr. Bail stated the property was listed as the City of East Grand Forks.

Council member Pokrzywinski asked about process and said there are three absent members. He asked if there is the option of putting off this decision until the full Council can discuss this. Council member DeMers asked if there was a time constraint. Ms. Nelson stated the only time constraint is that once a special assessment roll is adopted there is a 30 day period that people have to pay off a portion or the entire amount and the rest of the information would need to be to the County by the end of November. She stated if the Council acts on this at the next meeting they should be able to meet all

the necessary deadlines. Discussion followed about if this should be voted on or if this should wait for the entire Council to vote on. Mr. Galstad stated this item could be recessed until a certain date put into the record and would give the City a chance to discuss this as well as discuss this with East Forks Partnership to see if a resolution is possible. He added that if this roll is adopted they would then have 30 days to appeal the decision to the courts.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, MOVED TO POSTPONE.

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

19. Consider adopting Resolution No. 15-10-107 accepting the report of feasibility for the Riverview 9th and 10th Additions for paving and sidewalk construction and setting the improvement public hearing for November 17, 2015.

A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER DEMERS, TO ADOPT RESOLUTION NO. 15-10-107 ACCEPTING THE REPORT OF FEASIBILITY FOR THE RIVERVIEW 9TH AND 10TH ADDITIONS FOR PAVING AND SIDEWALK CONSTRUCTION AND SETTING THE IMPROVEMENT PUBLIC HEARING FOR NOVEMBER 17, 2015.

Council member Tweten stated that this area had many lots under development and that it is very important that all property owners receive a notice. He said there would be a problem if not everyone was sent a notice which has been a problem before. He suggests the engineers check ownership so there are not any problems in regards to assessments.

Voting Aye: Pokrzywinski, Olstad, and DeMers.

Voting Nay: Tweten.

Absent: Vetter, Buckalew, and Grassel.

20. Consider adopting Resolution No. 15-10-108 setting the final public hearing for 2015 Assessment Job No. 3 – Street Improvements on the North Side of the City for October 27, 2015.

Council President Olstad stated this item was going to be pulled from the agenda and will be placed on a future agenda.

21. Consider adopting Resolution No. 15-10-109 authorizing the issuance and sale of General Obligation Bonds Series 2015A in the proposed aggregate principal amount of \$4,575,000.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-10-109 AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS SERIES 2015A IN THE PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$4,575,000.

Council member DeMers stated at last minute he tried to get information and asked what the City's current outstanding debt and what the annual debt service payments are. Ms. Anderson stated she

didn't have that information with her but that Brenda Krueger from Springsted was present who has worked with the bond structuring. She added that there is a required tax levy limit that has to be included with the levy but the remainder of the bonds are paid for with the special assessment that are collected. Council member DeMers commented how now would be a good time to reassess the position of the City when considering adding more debt.

Ms. Brenda Krueger introduced herself to the City Council. She explained that during this process one of the documents that are prepared is an official statement which includes all debts and annual debt service. She added the information will include the credit rating and the debt ratio which will be shared with the Council once it is prepared. Council member DeMers asked if this is voted yes if the Council had another chance to say no or if this was it. Ms. Krueger stated that the Council does have to approve the results of the bond sale. She stated that if the results are not favorable the Council does have the ability to reject the bids. Council member Tweten commented how this company has handled the City's affairs in an excellent manner and that these bonds are being sold for practical purposes. Mr. Murphy stated how most of this bond would be paid for by assessments which will be included on the list of when the bonds are sold and he is fairly comfortable where the debt ratio is currently at.

Voting Aye: Pokrzywinski, Olstad, and DeMers.

Voting Nay: Tweten.

Absent: Vetter, Buckalew, and Grassel.

22. Consider approving the classification of Lot 6, Block 4 Wurden's Second Addition and authorizing the Mayor and City Administrator to sign the necessary documents.

A MOTION WAS MADE BY COUNCIL MEMBER POKRZWINSKI, SECONDED BY COUNCIL MEMBER TWETEN, TO APPROVE THE CLASSIFICATION OF LOT 6, BLOCK 4 WURDEN'S SECOND ADDITION AND AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO SIGN THE NECESSARY DOCUMENTS.

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

23. Consider adopting Resolution No. 15-10-110 approving an increase to the storm water fee from \$4.50 per month to \$9.00 per month.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-10-110 APPROVING AN INCREASE TO THE STORM WATER FEE FROM \$4.50 PER MONTH TO \$9.00 PER MONTH.

Council member Pokrzywinski stated that this increase is for Storm Water fee on the Water & Light bill and that it should include the words flood protection. He commented how important it is to maintain our flood protection system so it remains certified, that it protects the entire City from flood waters, and that next year the Council should look into bringing this fee along with one or two more back into the general fund without trying to put more on the taxpayers.

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

24. Consider adopting Resolution No. 15-10-111 approving increases to the rate schedule for both commercial and residential refuse rates.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-10-111 APPROVING INCREASES TO THE RATE SCHEDULE FOR BOTH COMMERCIAL AND RESIDENTIAL REFUSE RATES.

Mayor Stauss stated he has received calls on increases in fees and taxes. He stated that many people that he had spoken to were in favor of the sales tax but were concerned about other increases since they were not receiving an increase with their fixed incomes.

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

CLAIMS:

25. Consider adopting Resolution No. 15-10-112 authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 22511 for a total of \$628.57 whereas Council Member Buckalew is personally interested financially in the contract.

A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER TWETEN, TO ADOPT RESOLUTION NO. 15-10-112 AUTHORIZING THE CITY OF EAST GRAND FORKS TO APPROVE PURCHASES FROM HARDWARE HANK THE GOODS REFERENCED IN CHECK NUMBERS 22511 FOR A TOTAL OF \$628.57 WHEREAS COUNCIL MEMBER BUCKALEW IS PERSONALLY INTERESTED FINANCIALLY IN THE CONTRACT.

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

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

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

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

COUNCIL/STAFF REPORTS:

Mayor Stauss thanked Mr. Dan Boyce and Mr. Scott Gravseth from the Water and Light Department for all of their hard work and congratulated Mr. Boyce for receiving the Presidential Award from the MMUA and Mr. Gravseth for the award that he also received.

Council Member Pokrzywinski congratulated Mr. Boyce on his award.

Council President Olstad also congratulated Mr. Boyce on his award.

Mr. Murphy commented how the new concession stand at the Civic Center was used for the first time over the weekend since it was the weekend of the arts and crafts show.

Mr. Boyce stated that the Water and Light bills do have the words flood protection next to the storm water fee and added he was surprised to receive the award from MMUA. He said that it has been a please to serve the City and State.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADJOURN THE OCTOBER 6, 2015 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:36 P.M.

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

Voting Nay: None.

Absent: Vetter, Buckalew, and Grassel.

David Murphy, City Administrator/Clerk-Treasurer