

**APPROVED MINUTES  
OF THE CITY  
COUNCIL WORK SESSION  
CITY OF EAST GRAND FORKS  
TUESDAY, OCTOBER 27, 2015 – 5:00 PM**

**CALL TO ORDER:**

*The Work Session of the East Grand Forks City Council for October 27, 2015 was called to order by Council President Mark Olstad at 5:01 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(5:01pm), Henry Tweten, and Marc DeMers.*

*Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Brad Bail, City Engineering; Greg Boppre, 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.*

Chief Hedlund announced the Regional Fraternal Order of Police was holding a fundraiser for Officer Alex Schilke which began at 4:30pm and goes until 7:30pm at the Eagles Club and invited everyone to attend.

**1. American Crystal Request – David Murphy**

Mr. Murphy turned this item over to Mr. Galstad. Mr. Galstad informed the Council that this was something that had been done in the past; the City had no liability, that this process does not affect the City's bond rating, and that the Council will need to decide if they want to support this project. Council member Pokrzywinski asked what the next step will be. Mr. Galstad said a public hearing would have to be set before taking action. Council member DeMers asked if they would default the City would not have any liability and added that he does not know the scope of the project but that they should make sure it fits with the future plans of the City's land use plan. Mr. Murphy stated that could be brought forward at the meeting. Discussion followed about how the representatives from American Crystal should be contacted prior to so they are able to answer the questions at the hearing, if they had contacted the City Utility, and if there was going to be an issue about valuation of the property. Mr. Galstad commented property tax would need

to be discussed by the Council. Mayor Stauss said that this was a major company in the City, that it is very important to the City, that the City should try and help in the process, and how he doesn't think there will be an issue about valuation.

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

## **2. Update on Engineering Contract – Greg Boppre**

Mr. Boppre stated that he reduced the contract down to one year and explained changes made that included the limited liability were increased to \$500,000 or fees, whichever is greater. He reviewed the State Aid information and stated that was 22% because of the extra work required. Mayor Stauss commented how he was glad the term of the contract was reduced because of all of the questions being asked and one year would allow for those questions to be answered. He added how the engineers have done a good job for the City. Council President Olstad commended Mr. Boppre and his staff for their work on the contract. He stated the he wanted a three year contract, not one and that they do excellent work, and provide great service to the City.

Council member Buckalew stated he was concerned about the waste water project and how it will not be completed in one year. He said he was not in favor of a one year contract and would be glad if it was extended. Council member Pokrzywinski stated he echoed Council President Olstad and Council member Buckalew's remarks. He said he is not happy with a one year contract but do understand and would move forward as long as it is ensured they will complete the waste water project. Council President Olstad commented how he would also like it stated that they will also complete the decommissioning of the ponds as well. Mr. Boppre stated he appreciated the comments and would go along with any decision the Council made. He added that he it would be difficult at this point for someone else to start with this project since they will not know the ins and outs and that he was going to ask to be able to complete the waste water project regardless of how the Council moved forward with engineering services.

Council Vice-President Grassel said he echoed comments already made by other Council members and will be voting no based on how this process has gone. Council member Vetter stated that the Council would have another year to discuss all of the options. He added that he wasn't aware the decision was made for the waste water project. Discussion followed about how a decision had been made which was to go to the pump station with the interconnect project. Council member Vetter asked to have the minutes pulled.

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

## **3. New Home Tax Abatement Extension – Paul Gorte**

Mr. Gorte informed the Council the existing program is set to expire at the end of 2015 and he is bringing it forward to renew for another two years. He stated this program is a rebate of taxes for a newly built home for the first two years paying full value of the property tax. He said how the School and County have agreed to this before, that he had already spoken to the School and that he still had to contact the County. Council member DeMers asked if the two year extension

was statutory or if it could be longer. Discussion followed about lengthening the term of this program for six years. Council Vice-President Grassel asked if this had to go back through the EDA Board. Mr. Murphy stated the Council would make the decision but it could be done as a courtesy.

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

#### **4. Property Tax Abatement Request Discussion – Paul Gorte**

Mr. Gorte reminded the Council about the request from Valley Golf. Council member Pokrzywinski stated that he has some ideas and would like to meet with them possibly with a delegation from the City. He said he would like to come back with a comprehensive approach for the long range and not use a band aid approach for this situation. Council member Buckalew agreed but asked to have the entire Council present. Council member Pokrzywinski commented how he sees this as a three legged stool and how three sides, the City, users, and private entities, have to work together for things to work. Discussion followed about if this should be brought back to a work session, if a special meeting should be held, and what parties that should be involved in the meeting.

#### **5. Police Vehicle Request – Mike Hedlund**

Chief Hedlund informed the Council that the police fleet is aging, how there is \$9000 in the preliminary budget to rebuild one of the vehicles but there is a possibility to trade in two police cars no longer in use along with the expedition totaling approximately \$13,000 which would pay for the first year of a lease on a 2016 Police SUV with the excess funds paying down payments for the next two years. He explained at the end of the third year the City would be able to buy the vehicle for \$1. Ms. Anderson stated approximately \$1800 would be paid in interest each year. Chief Hedlund added that the \$7000 of the \$9000 would be used to outfit the vehicle with the remainder being used for vehicle maintenance.

Council member DeMers asked if there was a mileage max. Chief Hedlund stated there was not. Council member Vetter asked if there was \$9000 budgeted each year for a rebuild. Chief Hedlund said that was not his understanding and this rebuild was to get through until the 2017 budget. Council member Buckalew commented how the police department needs reliable vehicles, that the Council needs to look at what is best for the tax payer, and asked if there were funds available in the equipment fund. Ms. Anderson explained the equipment fund is usually used for larger purchases but if this was purchased using the equipment fund the interest rate would be only 5% instead of paying 6% which would save some money.

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

#### **6. Winter Equipment Lease Request – Jason Stordahl**

Mr. Stordahl reminded the Council how a motor grader is leased for each snow season. He stated that based on use in past years it would be cheaper to rent a motor grader from RDO Equipment and that funds were available for this rental. Council member Vetter asked if the

prep charge was included when comparing the costs. Mr. Stordahl stated it was.

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

## **7. Special Election Discussion – David Murphy**

Mr. Murphy said this item was asked to be brought back to see what should be included on when requesting the sales tax. He stated he had contacted the League for samples and the City was informed a sales tax could only be voted on at a general election according to state statute. He explained that he had spoken with attorney Julie Eddington who is an expert in this field. He added that he had only received the report from her at 4:00pm and the Council could take a few minutes to look it over.

Council President Olstad commented that item three stated the City could hold a special election. Council member Tweten commented how other cities have used sales tax to fund their EDA but that there is a sunset clause on all sales tax which does help broaden the tax base. Council President Olstad asked if anyone had an issue moving forward based on the information in item three and that the benefit of holding a special election would be to approach the state legislature with the approval of the voters. Council member Pokrzywinski stated he would not want to approach the legislature without approval from the voters as well as anything that would be paid for with the sales tax make sure it qualifies. Discussion followed on if the Council should proceed with a special election. Council President Olstad asked to have Mr. Murphy contact the legislators of the district to see what would be allowed since both general and special elections have been held for a community looking for approval for the implementation of a sales tax.

Council President Olstad then asked if there are other items that should be included to be paid for by the sales tax. Discussion followed about including splash parks for both the north and south end of the City, that the approximate costs for a splash park is \$350,000, and if possible to fund the EDA. Mayor Stauss commented that the Council should not try to over load the list; that he doesn't want to see anything taken away from the pool the City is spending two million to redo, and that all of the expenses and cost would need to be included on anything that is suggested to be added. Council member Pokrzywinski asked the Mayor is he would support the splash parks because the City would have a better chance if the Council was united. More discussion followed about how most of the Council members would support the addition of splash parks with the pool to be paid for by the collection of sales tax as well as if the sales tax should be a full percent rather than a half percent for a shorter amount of time. Mr. Galstad commented the Council will also need to work on how they will package and present this information to the residents as well as the legislators.

## **8. Request to Set Closed Meeting Date – David Murphy**

Mr. Murphy suggested to the Council to pick a day to hold a closed session to consider final proposals from some of the labor union groups. After a brief discussion the Council decided on November 10<sup>th</sup>.

## 9. Other

Ms. Ellis informed the Council that the MNDOT Transit Alternatives funding recently had opened up. She explained this funds could be used for bike and pedestrian improvements projects starting in 2020 and if the Council was interested a letter of intent would need to be sent in by Friday and if the project qualifies the City would then be sent an application. Council member Pokrzywinski said that he was in favor and asked what the break down was. Ms. Ellis stated it was an 80/20 split only on construction costs, no soft costs. Council member DeMers asked about the Safe Routes to School funds. Ms. Ellis stated those funds were set aside. Ms. Ellis explained the minimum of \$50,000 with a maximum of \$250,000 and how a project could be scaled back to fit those parameters. With consensus from the Council, Council President Olstad asked Ms. Ellis to write the letter of intent.

### **ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER BUCKALEW, TO ADJOURN THE OCTOBER 27, 2015 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:27 P.M.**

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

*Voting Nay: None.*

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David Murphy, City Administrator/Clerk-Treasurer