

**APPROVED MINUTES
OF THE CITY COUNCIL
CITY OF EAST GRAND FORKS
TUESDAY, NOVEMBER 3, 2015 - 5:00 P.M.**

CALL TO ORDER:

The Regular Meeting of the East Grand Forks City Council for November 3, 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.

Karla Anderson, Finance Director; Brad Bail, City Engineer; 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 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 amended minutes from the “Regular Meeting for the East Grand Forks, Minnesota City Council of October 6, 2015.
2. Consider approving the minutes of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of October 20, 2015.
3. Consider approving the minutes of the “Work Session” for the East Grand Forks, Minnesota City Council of October 27, 2015.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL

MEMBER TWETEN, TO APPROVE ITEMS ONE (1) THROUGH THREE (3).

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

Voting Nay: None.

SCHEDULED BID LETTINGS: NONE

SCHEDULED PUBLIC HEARINGS: NONE

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.

4. Consider approving the request to declare three police vehicles as surplus and to be used to trade in on for the purchase of a 2016 Ford Police SUV from Nelson Ford Motors, Inc in Fergus Falls in the amount of \$27,998.95.
5. Consider approving the request to use the budgeted \$9,000 for rebuilding a police car to be used to outfit the new police SUV for approximately \$7,000 with the remaining funds being used for vehicle maintenance.
6. Consider approving the lease agreement between the City of East Grand Forks and RDO Equipment for the lease of a motor grader for the 2015-2016 winter season at \$3,950 per month plus \$40 per hour after 50 hours.
7. Consider adopting Resolution No. 15-11-115 approving an extension of the New Home Tax Rebate program for newly constructed homes through 2021.
8. Consider adopting Resolution No. 15-11-116 approving the hiring of Jeremy King as the Public Works Supervisor at a salary of \$23.29 per hour.
9. Consider approving the Exempt Gambling Application for the Knights of Columbus Council #5341 to hold a raffle on April 1, 2016 at Sacred Heart Catholic Church located at 200 3rd St NW East Grand Forks, MN 56721 and waive the 30-day waiting period.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER GRASSEL, TO APPROVE ITEMS FOUR (4) THROUGH NINE (9).

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

Voting Nay: None.

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

10. Regular meeting minutes of the Water, Light, Power, and Building Commission for October 1, 2015.

11. Regular meeting minutes of the Economic Development Authority Board for September 15, 2015.

COMMUNICATIONS: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

12. Consider adopting Resolution No. 15-11-117 giving the project preliminary approval and setting the public hearing for December 1, 2015.

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-11-117 GIVING THE PROJECT PRELIMINARY APPROVAL AND SETTING THE PUBLIC HEARING FOR DECEMBER 1, 2015.

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

Voting Nay: None.

13. Consider adopting Resolution No. 15-11-118 awarding the General Obligation Bonds, Series 2015A to _____.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-11-118 AWARDING THE GENERAL OBLIGATION BONDS, SERIES 2015A TO _____.

Ms. Brenda Krueger informed the Council the bids had been opened that morning, there were seven bids which is a large number of bids, and the best offer was made by D.A. Davidson at 1.75% for a 15 year bond. She reviewed other bids and stated how the results were slightly better than what had been presented and reminded the Council that included with the process was the refunding of two separate bonds which will give a \$300,000 of present value benefit or reduce the interest payment by approximately \$50,000 per year. She added a credit rating from Moody's was also requested and the City was given an A1 rating which is the top in the single A category with positive attributes to a growing tax base and the stability of the City's reserves and financial condition. She said one challenge to the City was the concentration of funds that come from American Crystal through taxes and as a large customer to the Water and Light Department. She thanked both Mr. Murphy and Ms. Anderson for their help during this process and recommended the City award the bid to D.A. Davidson.

Discussion followed about what the City would need to do in order to move up in the Moody's category, how that was a big step, and that it would reduce the interest rate of bonds. Ms. Krueger explained there are four categories that are looked at and how areas that would help the City move categories would be continued economic growth and diversification in revenue. Council member Tweten asked if a higher reserve would help and if the Water and Light reserve also helps. Ms. Krueger stated it was a factor in the A1 rating.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-11-118 AWARING THE GENERAL OBLIGATION BONDS, SERIES 2015A TO D.A DAVIDSON & COMPANY.

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

Voting Nay: None.

14. Consider adopting Resolution No. 15-11-119 approving the loan from the Water and Light Department in the amount of \$2,122,529 for 20 years at 1% interest for the 12CP6 Pool Renovation Project.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADOPT RESOLUTION NO. 15-11-119 APPROVING THE LOAN FROM THE WATER AND LIGHT DEPARTMENT IN THE AMOUNT OF \$2,122,529 FOR 20 YEARS AT 1% INTEREST FOR THE 12CP6 POOL RENOVATION PROJECT.

Mr. Murphy informed the Council that this resolution is necessary to start the process for sales tax and that this will also go before the Water and Light Commission for approval.

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

Voting Nay: None.

15. Consider approving the agreement between the City of East Grand Forks and Widseth Smith Nolting for engineering services.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO APPROVE THE AGREEMENT BETWEEN THE CITY OF EAST GRAND FORKS AND WIDSETH SMITH NOLTING FOR ENGINEERING SERVICES.

Council member Buckalew stated it would be in the best interest of the constituents to have a three year contract with the same terms because of the commitment of this firm to the community as an employer and many being residents of, how this firm has helped the Council make decisions without forcing a decision of the Council, brought in experts in specific fields to help answer questions without being charged extra, and that the contract was negotiated over a five month period with the City Administrator and not a one hour meeting. He said the fees included are the same as other contracts the City had signed and WSN knows the system since they have helped design the system for the last 53 years. He asked if a consensus could be reached on what is needed for engineering services, laid out an estimated timeline on what it would be to hire another company and asked how long of a contract the Council would allow with a new firm. He added this was not the way to treat business partners or fellow constituents. He reviewed economic impact this firm has on this City and then asked to amend the motion.

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER GRASSEL, TO AMEND THE MOTION TO EXTEND THE SAME CONTRACT TERMS IN THE PROPOSED ONE YEAR CONTRACT TO A THREE YEAR

CONTRACT.

Council member Vetter stated the Council had agreed to a one year contract at the last work session. He said that he would have voted for a one year contract but with this amendment he will not be voting for either a three year or one year contract. He added how changing garbage collection saved the City over \$100,000 in five years but the City is not willing to look at changing engineering services so he will no longer vote for this. Council member Tweten stated he would not be voting for this. He said the City has reached the size where the City could save money and the Council has the responsibility to save money so it should not lock in with anyone. He added how there is differences of opinion on the Council but for the best interest of the City he will be voting no.

Council member Pokrzywinski said the engineering firm designed a system to treat sewage that saved the residents 25 million dollars and if anyone wants to know what the debate is about they should look at that how that vote went. Council member DeMers informed the Council that he is in favor of a three year contract because it is the in the best interest of the City, that it is the most cost effective route to go, and a year is not necessary for a cost analysis. He stated he had spoken with Ms. Anderson, received numbers of what had been paid to the firm since 2011. He said 2011 the City paid \$288,225, in 2012 the City paid \$418,428, in 2013 the City paid \$144,761, in 2014 the City paid \$594,947, and up to about July of 2015 the City had paid \$94,000. He said the approximate four year average was \$361,615.51 without including 2015 that is paid yearly to the engineering firm. He asked the Council to contrast that to the City opening up to their own engineering office, stated who may be employed with estimated salaries and costs to run the office along with other software and equipment which he estimated would cost approximately \$500,000 on an ongoing basis and challenged the idea the City would be saving money by hiring engineering staff. He added that he is in favor of a three year contract with the contracted business the City is currently using.

Council member Vetter stated he appreciated the numbers and pointed out if the City had a \$500,000 budget for engineering they could have saved \$21,000 just based on the project specific information provided by the engineers which are paid for through special assessments. He continued with general services that are paid for from the general fund for \$64,000. He said that Water and Light also had \$11,000 in general services so that could have been another \$75,000 saved, adding that to \$21,000 the City would have saved \$98,000 in one year if the budget was \$500,000. Council member DeMers said that 2014 was the most the City had spent and looking back further it was less per year. Council member Vetter said the Council had looked into other cities of similar size whose budgets ranged from \$300,000 up to \$700,000 and if the City took a year to look at this the budget could be closer to \$300,000. He added that none of the Council members are engineers and none of them know if the projects coming forward are what the City needs or are appropriate at that time. He said that is why the City needs an engineer on staff that can let the Council know what is needed and if it is necessary to hire another engineer who would then be supervised by the City Engineer. Council member DeMers said the City can turn down projects if the services are contracted where as if the City is not completing projects they will still have to pay for the engineer's salary. Council member Tweten stated there are many upcoming projects, the City will be having good years, and the question is it this is good business for the City.

Council Vice-President Grassel stated he was always in favor of the three year contract. He said the service speaks for itself. He added how all kinds of numbers can be thrown in but the bottom line is

that this firm has provided great service for the last 50 years and that he will be voting for the three year contract. Council President Olstad reminded the Council there was a motion on the floor to amend the motion to a three year contract.

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

Voting Nay: Vetter and Tweten.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO APPROVE THE AGREEMENT BETWEEN THE CITY OF EAST GRAND FORKS AND WIDSETH SMITH NOLTING FOR ENGINEERING SERVICES FOR THREE YEARS.

Mayor Stauss informed the Council that he will be vetoing the three year contract. He stated how the City Administrator and Council members Vetter and Tweten had brought up items and questions that need to be looked into and answered. He added how there is nothing to say Widseth Smith Nolting won't get another contract with the City but the questions need to be answered and it won't hurt anyone going with a one year contract. Mayor Stauss said there wasn't a question about continuing services with the engineering firm regarding the interconnect project but at this time he is in favor of a one year contract. Discussion followed about what some of the questions were.

Council President Olstad commented that the contract contains the language regarding the 30 day notification to end services so there is still an out. He added how the three year contract is the way to go and is the best thing since there is language allowing a 30 day notice to terminate the contract. Council member DeMers commented how the last couple contracts had been for three years. Council President Olstad stated that if there were questions they should have been brought forward before now.

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

Voting Nay: Vetter and Tweten.

16. Consider approving and authorizing Widseth Smith Nolting Engineers to continue and complete Phases One and Two of the Waste Water Interconnect and the decommissioning of the ponds.

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER GRASSEL, TO APPROVE AND AUTHORIZE WIDSETH SMITH NOLTING ENGINEERS TO CONTINUE AND COMPLETE PHASES ONE AND TWO OF THE WASTE WATER INTERCONNECT AND THE DECOMMISSIONING OF THE PONDS.

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

Voting Nay: Tweten.

17. Consider approving the request to hire a temporary seasonal laborer for the Public Works Department.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER TWETEN, TO APPROVE THE REQUEST TO HIRE A TEMPORARY SEASONAL LABORER FOR THE PUBLIC WORKS DEPARTMENT.

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

Voting Nay: None.

18. Consider approving the request to hire a temporary administrative assistant for the Police Department.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER GRASSEL, TO APPROVE THE REQUEST TO HIRE A TEMPORARY ADMINISTRATIVE ASSISTANT FOR THE POLICE DEPARTMENT.

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

Voting Nay: None.

19. Consider adopting Resolution No. 15-11-120 entering into an agreement between the City of East Grand Forks and the MN Department of Public Safety for traffic safety projects from November 16, 2015 through September 30, 2016.

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER BUCKALEW, TO ADOPT RESOLUTION NO. 15-11-120 ENTERING INTO AN AGREEMENT BETWEEN THE CITY OF EAST GRAND FORKS AND THE MN DEPARTMENT OF PUBLIC SAFETY FOR TRAFFIC SAFETY PROJECTS FROM NOVEMBER 16, 2015 THROUGH SEPTEMBER 30, 2016.

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

Voting Nay: None.

20. Consider adopting Resolution No. 15-11-121 authorizing the order that the following costs, with interest charged at 10% per year beginning on January 1, 2016 for mowing grass on the listed properties be certified to the County Auditor for collection with the 2016 real estate taxes.

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER TWETEN, TO ADOPT RESOLUTION NO. 15-11-121 AUTHORIZING THE ORDER THAT THE FOLLOWING COSTS, WITH INTEREST CHARGED AT 10% PER YEAR BEGINNING ON JANUARY 1, 2016 FOR MOWING GRASS ON THE LISTED PROPERTIES BE CERTIFIED TO THE COUNTY AUDITOR FOR COLLECTION WITH THE 2016 REAL ESTATE TAXES.

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

Voting Nay: None.

CLAIMS:

21. Consider adopting Resolution No. 15-11-122 authorizing the City of East Grand Forks to approve purchases from Hardware Hank the goods referenced in check numbers 22758 for a total of \$242.00 whereas Council Member Buckalew is personally interested financially in the contract.

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADOPT RESOLUTION NO. 15-11-122 AUTHORIZING THE CITY OF EAST GRAND FORKS TO APPROVE PURCHASES FROM HARDWARE HANK THE GOODS REFERENCED IN CHECK NUMBERS 22758 FOR A TOTAL OF \$242.00 WHEREAS COUNCIL MEMBER BUCKALEW IS PERSONALLY INTERESTED FINANCIALLY IN THE CONTRACT.

Voting Aye: DeMers, Vetter, Pokrzywinski, Tweten, Olstad, and Grassel.
Voting Nay: None.
Abstain: Buckalew.

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

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

Voting Aye: DeMers, Vetter, Pokrzywinski, Buckalew, Tweten, Olstad, and Grassel.
Voting Nay: None.

COUNCIL/STAFF REPORTS:

Mayor Stauss said the Council had discussed implementing a sales tax and that it was important to get that passed. He added how there had also been discussion on including splash parks and that how research needs to be done to see if there should be one or two, what the costs of the project will be, as well as the operation costs. He said that he would go along with this it is done right and that they will have all of the necessary numbers.

Council Member Vetter informed the Council that all of the flower pots in Crookston had been sponsored by local businesses and found that interesting. He also reminded people to vote on the school referendum and that the polls were open until 8:00pm.

Council Member Pokrzywinski stated he was disappointed the mediation with the Boardwalk was delayed and that he is concerned that the uncertainty is harming their business and he is hoping to have this taken care of sooner rather than later.

Council Member Tweten commented how important the election was for the school, how the State has made things difficult and forced school referendums for funding. He mentioned many of the different kinds of taxes the State collects. He said that representatives from the City were going attend the Coalition of Greater Minnesota Cities Conference, that he is a strong believer in education, and urged the Council to support the expansion of Sacred Heart School. He encouraged people get out and vote.

Council member DeMers commented that it was important to get out and vote. He continued by asking for an agenda item requesting the City Engineers to put together a feasibility study for a splash park to be added to the work session agenda so the Council may give direction or take action.

Council President Olstad stated he would be attending the Coalition Meeting on November 12th and

13th and one of the agenda items to be discussed was LGA.

Mr. Boppre thanked the Council for their kind comments; they were appreciated, and if the Mayor did move forward with his veto and they would continue on a one year contract. He added he didn't take this lightly and if there was a one year contract they would continue to provide good service to the community.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER DEMERS, TO ADJOURN THE NOVEMBER 3, 2015 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:42 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer