

**APPROVED MINUTES  
OF THE CITY  
COUNCIL WORK SESSION  
CITY OF EAST GRAND FORKS  
TUESDAY, JANUARY 26, 2016 – 5:00 PM**

**CALL TO ORDER:**

*The Work Session of the East Grand Forks City Council for January 26, 2016 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, Henry Tweten, and Marc DeMers.*

*Dave Aker, Parks & Recreation Superintendent; Karla Anderson, Finance Director; Nancy Ellis, City Planner; 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. Discussion of Water & Light Commissioner Salaries – David Murphy**

Mr. Murphy stated this had been requested to be brought forward. He explained that it had been several years since the Water and Light Commissioners have received an increase in their salaries, that currently they receive \$300 per month; these salaries are set by the Council, and paid for out of the Water and Light budget. Council member Tweten stated that the charter states the Council sets the salaries, the increase to the wages was included in the 2016 budget, and that he would like to move this on for approval.

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

**2. Discussion on Engineering Contract – Mark Olstad**

Council President Olstad commented on the discussions the Council had regarding the engineering contract and that he would like to continue moving forward with this item. He explained he would like timelines set up and form a committee made up of both council and staff. He stated how this committee should look at different options and bring a recommendation back to the first work session in June so the Council will be able to make a decision by July. Discussion followed about who should be on the committee and what information that they will be working on. It was decided that Council members Vetter, Tweten, and DeMers will serve on the committee with staff.

### **3. Discussion on Purchase of Fire Truck – Gary Larson**

Chief Larson explained that both the City and the townships the Fire Department serve will be looking at purchasing new fire engines in the next couple years and how instead of purchasing two engines that the City and townships could purchase a new fire engine together saving both money. He stated how he had checked with the ISO which does the insurance rating for the City and that replacing the two trucks with one would not affect that rating at all because of the other equipment that is available. He then reviewed the current equipment owned by the City and the townships. He said that he had asked the townships if they were interested last year and they said they would put 10% towards a new engine. Discussion followed about what equipment is used on the different calls, that there isn't much of a trade in value on old equipment, and how the new engine was scheduled to be purchased in 2018. Council member DeMers asked if the funds could be advanced for the purchase of the engine. Ms. Anderson said she would have to review the capital improvement funds and that it was not possible for 2016 but maybe for 2017. More discussion followed about how time or duration of calls should be included in the statistics. Chief Larson commented how if there is interest he can bring this back to the townships and will have to negotiate what the split would be.

Council member Tweten stated how the Fire Department provides many types of services with all of the equipment and calls they respond to. Mr. Murphy stated that he had seen several configurations between fire departments and townships and added that he liked the idea of collaborating and purchasing the truck together. Mayor Stauss asked to have better numbers brought forward for the Council to consider and see how much everything would actually cost. More discussion followed about the last engine that the townships purchased and how it was not built for this climate, time had to be spent on it, and currently they are talking about purchasing a used engine which would take more time and effort.

### **4. Request to Purchase Pumps – Jason Stordahl**

Mr. Stordahl explained to the Council that the pumps at lift station #2 were scheduled to be replaced, there were sufficient funds for the purchase, and that he had received two quotes. He recommended purchasing the pumps from Minnesota pump works, declaring the old pumps as surplus, and to trade one in while keeping the other as a spare. Council Vice-President Grassel asked why there was a difference in price from the RCA to what the quote said. Mr. Stordahl explained they had already taken into account the reduction from the trading in of the pump and the price on the RCA was before the trade amount was included.

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

### **5. Waters Edge Pilot Program – Paul Gorte**

Mr. Gorte commented how the EDA Board had been working on ways to increase interest in the city-owned residential lots. He stated he had met with people in the Fargo-Moorhead area and were given the idea to focus on the builders. He explained how the Board has developed a pilot program to see if it can generate interest. He stated the criteria was included in the packet and that basically the City would provide the lot and a line of credit for up to \$100,000 for a builder and once the home is sold the City would be made whole with the lot being paid for and the line of credit being paid in full. Council member DeMers said he appreciates the work that had gone

into this and asked why they are only proceeding with the first two builders that showed interest. Mr. Gorte explained that right now the program could only allow for three homes to be built and one builder wanted to build two with one only wanting to build one. Council member DeMers stated he wasn't trying to challenge anyone but asked how they could have already decided who is participating in the program before it was announced could be seen as a potential problem with a perception of cronyism.

Council member Pokrzywinski explained there had been lengthy discussions about that issue and that they were trying to be very sensitive to that perception. He said if there was more money they could have allowed more but they are limited. He added that since this was a pilot program they are testing this to see if it works and is hopeful that people will be waiting to participate. He added that Mr. Gorte has done his due diligence with this. Mr. Gorte explained that they spoke a lot about the builders but these were the first two builders that responded and that there are others who did not respond. He said they are looking for ways to open this up in the future for more builders.

Mayor Stauss asked about the agreement and how the special assessments are going to be paid. Mr. Gorte stated the lot sale price includes the special assessments and they will be paid in full long with the line of credit when the home is sold. Mayor Stauss said he was glad to see this and that they have to get started somewhere. Council President Olstad thanked Mr. Gorte and the EDA for working on this. He then asked if the builders are going to be required to have a letter of credit. Mr. Gorte explained they had looked into that, it is a rare bond, and it is expensive to get. He added that the City will retain the title to the land. Discussion followed about how this will be done using a contract and if the contract is not fulfilled everything will come back to the City. Mr. Gorte added they are still working on what will all be required and how within eight months the builder will have to obtain a certificate of occupancy.

More discussion followed about how there were details that still need to be worked out, that the lot prices are not lowering the at all, and that the line of credit is for materials which will be reimbursed when they turn in receipts. Council member DeMers asked what would happen if a builder was not able to finish or walks away. Mr. Galstad reviewed the process of how the City could redeem the property from the bank based on receipts. Council member DeMers reminded the Council there is still substantial risk with this program.

## **6. Civic Center Change Order – David Murphy**

Mr. Murphy stated the second change order is a list of items that are smaller items which totaled around \$23,501.70. He explained that with this the project will be over budget by \$19,617.85. He added they had done the final walk through and there were still a couple items that need to be completed. He said that he is confident this will be the final costs of construction and asked for questions.

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

## **7. Civic Center Warming Area Improvement – David Murphy**

Mr. Murphy explained that the Blue Line Club was working on furnishing the warming area with tables and chairs which examples had been included in the packet. Mr. Chip Shea added that

they also were including a viewing counter and an area for the pep shop to sell items. Mr. Murphy said the estimates for these items were \$18,600. Mr. Shea said the exact costs ended up totaling \$18,099.40 and added that the Blue Line Club was looking at splitting these costs with the City. He explained the tables have history of the hockey of both boys and girls programs. Mayor Stauss asked if they were working on sponsorships. Mr. Shea explained it was a onetime sponsorship of \$1000 per table. Discussion followed about the budget impacts this expense would have. Council member DeMers commented on how much the Council just spent on the renovation which is going over budget. Council member Grassel added that there were items that needed to be repaired. More discussion followed about how nothing had been planned for this area in the planning of the renovation project and how the Council will have to review where the rest of the renovation costs are at before moving forward.

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

## **8. Other**

Council member Pokrzywinski stated an untapped resource was rides on the Zamboni. He explained things aren't done just yet but that this would be a way to raise additional funds. He added there was a plan to promote this and since Mr. Shea was present at the meeting this would be a good time for questions. Mr. Shea stated Council member Pokrzywinski attended a Blue Line meeting, pitched the idea, but there were too many details that still need to be worked out so this will be tabled until next year. He reviewed the items that still needed to be looked into. Discussion followed about putting protocols in place and who would be responsible.

Ms. Nelson informed the Council that she had received two phone calls from residents wondering what would happen if the sales tax didn't pass. She stated how property taxes would have to be raised to cover the payment for the pool. She added the City isn't allowed to campaign to try and sway the voters and asked how they would like staff to get information out to the voters. Mr. Galstad stated he would look into ways the City could get the information out.

## **ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER POKRZYWINSKI, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADJOURN THE JANUARY 12, 2016 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:10 P.M.**

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

*Voting Nay: None.*

*Absent: Buckalew.*

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David Murphy, City Administrator/Clerk-Treasurer