

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, APRIL 12, 2016 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for April 12, 2016 was called to order by Council Vice-President Chad Grassel 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; Greg Boppre, City Engineer; Mark Dragich, Recreation Supervisor; Nancy Ellis, City Planner; Steve Emery, City Engineer; Ron Galstad, City Attorney; Paul Gorte, Economic Development Director; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; Gary Larson, Fire Chief; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, Executive Assistant; Jason Stordahl, Public Works Director and Corey Thompson, IT Manager.

DETERMINATION OF A QUORUM:

The Council Vice-President Determined a Quorum was present

1. Northern Valley Tax Abatement – Paul Gorte

Mr. Gorte informed the Council that Northern Valley Machine was requesting a five year \$100,000 tax abatement. He explained that there was \$146,000 available in tax credits and the request that is being made fits within City policy. He said this process requires a public hearing and because of time requirements for noticing the hearing the soonest this process could move forward would be May 17th. Council member DeMers asked if or when there would be more tax credits available. Mr. Gorte explained the State Legislature replenishes the funds from time to time but that he wasn't sure if any more would be added since it is a short legislative session. Discussion followed about how moving forward with this would leave only approximately \$40,000 available for tax credits, how the Walskis would have been present but were receiving an award from Boeing in Seattle, and that if they aren't able to received some help they might move across the river leaving three buildings empty in the industrial park.

Mayor Stauss commented how this business is a proven success and that he hopes they purchase the building next to them. Council member DeMers expressed his concern about using up to much of a resource when there were other possibilities on the horizon. Mr. Gorte stated that he also shares that concern but because of the needs of this business that this is seen as a retention project just as much as it

is seen as an expansion project. Council member Tweten stated that he supported this 100%. He commented on how well this business has done, that they need a trained work force, and how they are selling their products nationally. Council member Buckalew asked what properties this would be covering. Mr. Gorte stated it was the two buildings they currently occupy and the Ideal Aerosmith building.

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

2. Engineering Services – David Murphy

Mr. Murphy told the Council that the engineering committee had met three or four times, reviewed information from other cities, and came up with options for the Council to consider. He stated that each council member had received the packet of information with the options that the committee came up with. He added that he would answer any questions regarding the options or other information in the packet.

Council President Olstad said he appreciated the time that was spent on putting this information together, he suggested the Council move on from this, and that they move forward with option one with a three year contract. Mr. Murphy asked for clarification and if Council President Olstad wanted to contract with WSN specifically for that three year contract. Council President Olstad said yes. Mayor Stauss asked the committee members if they had a recommendation for the Council regarding the options. Council member Vetter said the proposal isn't to continue with one particular firm and that option one was to collect RFPs for consulting services, the applications of submitting firms would be reviewed, and a decision would be made from there. Discussion followed about how the City could save money if the hired an in-house engineer, how Thief River Falls has a liason between the City and the engineers, and at this time there weren't any exact costs of what the different options could cost.

Mr. Boppre told the Council that he had worked in the community for 32 years and that he is constantly looking at what the best interest is for the City. He reviewed items that included how he has helped keep costs down on the interconnect project as well as the decommissioning of the ponds, how this is a local business with employees living in the community with kids in the school system, and that if the City moved forward with the RFP process they would find that WSN has the lowest rates in the area. Council member DeMers said he tried to go into this process with an open mind, how the options were numbered according to how much change it would be, and that the City was currently receiving a good product. He continued saying how the City could move forward with option one, look at how to improve the current situation by reducing costs, and adding additional oversight. He stated that this option would allow the possibility to move forward with other options in the future.

Council member Tweten stated that he disagreed with the percentages charged for projects and that it was the Council's responsibility to try and reduce costs. Mr. Boppre stated that he appreciated what the committee had done and that he was not afraid of the RFP process if it is in the City's best interest to move forward with that. He added how option four would be the option to move forward with to save money but the person that would be hired would not have the institutional information so it could cost more in the end. Mayor Stauss commented how he had vetoed the contract so the Council had to look into this matter. He commented how the service has always been there and they have competitive rates. He added that he would not veto on how the Council decides to move forward with this. Council Vice-

President Grassel reviewed the options that had been discussed and suggested with the addition of possibly adding an engineering committee into the contract.

Council member Buckalew said that he was in favor of the agreement that was vetoed. He added that the Council has the accessibility of the firm and that they have never been turned away if they stop by. He stated how they are already up to speed and that in the future things could be changed. He commented how things had slowed down in the oil fields and that if there is another recession the City could say no to projects. He stated that they also have different expertise in the firm and how they have a good community presence that helps support local groups.

Council member Pokrzywinski commented on the flood control system which is the envy of other communities; that this firm is in the community but can tap into other resources within the firm, and how they have been put through the meat grinder with the waste water project but have saved the City money in the process. He stated that there are reasons to be vigilant but that the City is still getting a good deal so he didn't see a reason not to renew. Discussion followed regarding if this item should be brought back to a work session for further discussion or if it should be included on the next agenda to be voted on. Council President Olstad asked for the Council to vote on a contract with WSN at that next meeting with the addition of an engineering committee. More discussion followed about how the votes hadn't changed from the previous vote.

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

3. Joint Powers Agreement with DNR – David Murphy

Mr. Murphy informed the Council the City had received the joint powers agreement from the Minnesota Department of Natural Resources (DNR) for the next five seasons at the campground. He stated the agreement contained information and rates that were agreed upon by both the City and the DNR. He reviewed items that were covered by rates such as mowing and tree trimming and that there would be a sharing of the revenue after all expenses were paid with 50% going to the DNR and 50% going to the City. He added that this was basically a continuation of the previous year's contract.

Mayor Stauss stated that he had met with the DNR earlier in the day and that he is not in total agreement with the 50/50 split with the City running everything and suggested since the City takes care of the park that it should be 60/40. He said that he could agree to keep it 50/50 if the DNR takes care of other things that need to be addressed such as the seal coat on the roads in the campground. He added that the DNR representatives told him that the City would have the ability to add a \$2 fee per stay to the camp sites and how the items the City was requesting were legitimate items. Mayor Stauss suggested extending the contract for one year which would allow time for the City and the DNR to work out the other issues.

Council member DeMers said he agreed with the items that were asked for and if the City should ask for a shelter also. Mayor Stauss said that was also something that was discussed and if the shelter could also incorporate an interpretive center so it was dual purpose. Discussion followed about how items not included or referenced in the agreement will have to be discussed and agreed upon prior to any action being taken because if it is deemed unwarranted it may not be reimbursed. More discussion followed about how any changes to the agreement will have to go through the chain of command of the DNR and

how more than likely the City won't be reimbursed for past projects. Mayor Stauss suggested again to see if the City could move forward with a one year contract and work on the other items but that receiving \$30,000 is better than getting nothing.

4. Down Town Banner Discussion – David Murphy

Mayor Stauss explained how there were bigger pipes used in the down town area to be able to hold up decorations to help beautify the City. He informed the Council on how he or people in the office helped pick out the banners, how he had picked out the banners announcing the 125th Celebration, and how they could continue to keep decorative banners in the down town area. Council member Tweten commented how there were many places to put up banners. He asked to have a committee made up of City Council, City staff, and Water and Light Staff meet with Northland Community and Technical College about getting banners put up along Highway 220 and Highway 2. He asked to have this tabled until the committee was able to meet. Mayor Stauss commented how it will take time to get banners and suggested putting up the banners the City currently has. Council member DeMers commented how he has like the banners in the past, how Sacred Heart was able to have banners put up in their area for their event, and that they paid for them. He added he didn't have a problem with Northland putting up banners as long as they pay for them. Discussion followed about how the banners the City currently has will be put up in the down town area and that the committee will meet about the Northland banners.

5. Request for Office Intern – David Murphy

Mr. Murphy stated there was a budget for an intern and that he does have a candidate for the position. He stated the candidate was Alexander Albert; that he would be graduating this May, and would be available to work after that. He explained that he will need to look in to how much the intern can be paid and how long he can work due to recent changes from the Affordable Care Act. Council member Buckalew asked what pay grade this person would be placed at. Mr. Murphy said this person wouldn't be placed on a grade and more than likely paid a similar rate of \$14 per hour like other interns have been.

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

6. Proposed Changes to Park & Rec Fees – Dave Aker/Mark Dragich

Mr. Dragich informed the Council about changes to the fees for spring activities because of online registration. He explained that online registration is the norm these days and with one less staff member this has helped to keep things manageable. He explained that the change in fees is to cover the costs of the online registration. Mayor Stauss asked if there was a different rate for a family that had three or more kids in programs. Mr. Dragich explained how they discounted programs in the past if participants were signed up for multiple programs. He added that they are still discounting programs but it would be 25% per activity and how the fees are very affordable. Mayor Stauss said he agreed and asked if they would work with a family if necessary. Mr. Dragich said they would.

Council member DeMers stated that he supported the shift to the online registrations but that he had two concerns. He said he that he appreciated the raise in fees was related to something specific. He then asked if the new rates were already in place on the website. Mr. Dragich said they were. Council

member DeMers stated that this should have come before the Council prior to the new rates being implemented. He also asked to have the registration website be more incorporated with the City website. Discussion followed about how they are currently linked.

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

7. Request to Repair Air Handlers – Jason Stordahl

Mr. Stordahl informed the Council that there are two air exchangers in the Public Works building that are not functioning properly. He explained that he requested quotes from two different vendors, that there is \$37,000 available in the Capital Improvement Plan, and that he was recommending to have both air handlers be repaired by Johnson Controls and Eagle Electric.

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

8. MNDOT Agreement – Jason Stordahl

Mr. Stordahl informed the Council that the City currently has an agreement with the Minnesota Department of Transportation (MNDOT) for snow and ice removal services and that this agreement didn't expire until 2017. He explained that MNDOT asked to amend the contract to include street maintenance such as crack sealing, repairing pot holes, and sweeping. Mr. Stordahl explained the City already does things like this, that they would now be receiving funds for these items, and after reviewing the numbers the rates were acceptable. He asked for approval of the agreement. Mr. Galstad asked if they would be receiving a lump sum. Mr. Stordahl said they were.

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

9. Hiring Register – Mike Hedlund

Mr. Hedlund informed the Council that the police department has been fully staffed for some time but soon they are going to have an opening. He asked to start the hiring process so they can fill the position as soon as possible. There were no questions.

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

10. 2016 Classic Car Show – Megan Nelson

Ms. Nelson informed the Council an application had been received from the same group that had the car shows in the parking lot by the Blue Moose last summer on Wednesday evenings. She stated that the Administration Office was not told of any issues or concerns about the car shows that had been held the previous year. She added that they would like to hold them again on Wednesday evenings and recommended if there weren't any concerns or issues to approve the application at the next meeting. There were no questions.

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

11. Other

Mayor Stauss stated that he was going to veto the 6-1 vote that was in favor of charging sewer that was not used. He said that he was a believer in the City helping when they can and that this was an opportunity to help. He added that they used the water, they should pay for the water, but since this was for a rink he didn't believe the entire sewer rates should be charged since a large portion of the water didn't enter the sewer. He asked the Council to make a policy addressing this issue so residents would not be charged for sewage on the water they use to make an ice rink. Council member DeMers commented that he was not opposed to addressing the issue but wanted to make the policy first because there might be other items that would need to be addressed. Discussion followed about if this could be vetoed.

Council member Pokrzywinski told the Council that the EDA Board was continuing their efforts to sell residential lots. He stated that he wanted to inform the Council the EDA Board will be looking into contracting with the Board of Realtors but it could add an additional \$3000 to each lot or possibly add a surcharge with the sale of the lot. He added that this was a possibility and that this item will be on the agenda for the next EDA Board meeting. Council member Tweten said he would be against this and the best thing to do would be not to increase the cost of the lots. He added how they just started a program and to see how things go.

Mr. Galstad commented how agencies were becoming more aggressive since the issues with the drinking water in Flint Michigan. He explained how the Water and Light Department was working on standards for the watermain replacement project that is scheduled to take place this year. He reviewed the process they are putting in place about testing the water and looking for lead pipes. He stated that if a home owner has a lead pipe leading to their homes they will be notified so it can be replaced. He explained how the Water and Light would help with the financing if needed of the replacement of the lead pipes and the amount could then be assessed against the property but that would have to be done by the City. He stated they are still putting the information together for this, that it will eventually be brought forward, and that the Water and Light Department is trying to get ahead of this issue. Discussion followed about how many homes may have pipes that need to be replaced, how the water will be tested before and after the new watermain is put in, and that the entire process will be documented for each residence involved.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER TWETEN, SECONDED BY COUNCIL MEMBER DEMERS, TO ADJOURN THE APRIL 12, 2016 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:38 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer