

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, AUGUST 23, 2016 – Following the Special Meeting**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for August 23, 2016 was called to order by Council President Mark Olstad at 5:05 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; Mark Dragich, Interim Parks & Recreation Director; Nancy Ellis, City Planner; Steve Emery, City Engineer; Ron Galstad, City Attorney; Paul Gorte, Economic Development Director; Rod Hajicek, Detective Lieutenant; 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. Update from NW MN Housing & Redevelopment Authority – Lee Meier

Mr. Meier reminded the Council that the Northwest Minnesota Housing Authority took over the Section 8 voucher program from the City as of January 2015. He explained at that time East Grand Forks had 317 vouchers and as of June 2016 it had increased to 402 vouchers. He also reminded the Council about the funds that were transferred to the housing authority when the Section 8 voucher program was transferred and how some of those funds were committed to the roof repair project at Sunshine Terrace which could be held until June of 2017. He continued saying that HUD frequently changes the restrictions on what funding can be used for and how this affects some of the funds that were transferred to the housing authority because now some of those funds can only be used for administrative costs.

Council President Olstad asked if Mr. Meier could explain why there is a loss. Mr. Meier informed the Council they receive a certain amount of funds from HUD for vouchers. He said when they run short they can request more funds from HUD but have to use reserves until those funds become available. He continued saying they have been running short because vouchers can become portable once a person has a voucher for a year allowing them to move which could mean the amount of the voucher could increase and the increase in rent hadn't been accounted

for in the budget creating the loss. He added how they would have to continue to pay for the voucher until it is absorbed by the housing authority in the area the person moves to.

Council President Olstad asked about the Sunshine Terrace roof project and where things were at. Ms. Ellis said they were working on putting together the packet of information for the project so it could be bid out and the funds would then become committed to the project. Council member Buckalew asked about future improvements at Sunshine Terrace and what vehicle there was for that. Ms. Ellis said there were funds from Townsquare that could be used as well as the funds that were being allocated in a capital improvement plan. Ms. Anderson asked if the HUD funds could be used to put up garages at Sunshine Terrace. Mr. Meier stated the project would have to be approved by HUD before those funds could be designated. Discussion followed about how not all of the transferred funds can be used on projects because a portion were suppose to be kept as reserves and used for administrative needs.

Council member Pokrzywinski commented that the City was under the impression when the funds were transferred that they could be used for capital improvements and was not happy about the fact that not all of the funds can no longer be used for that. More discussion followed about how the replacement of items are on a schedule and will be done floor by floor at Sunshine Terrace. Mr. Meier added how approximately \$341,000 could be used for capital improvements and that they were also under the assumption all of the funds could be used for projects until they received a letter from HUD stating otherwise.

2. Request to File Roll & Set Final Hearing Date for 15AJ1 POW 6th – Steve Emery

Mr. Emery stated the preliminary final assessment roll was included in the packet. He reviewed the project and where to find the calculations. He added that Mr. Peabody was requesting to have all lots treated the same so that may come up during the final hearing. He said he was requesting to file the assessment roll and set the final hearing date.

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

3. Request to Consider the Policy for Sell, Lease, or Option City-Owned Property – Paul Gorte

Mr. Gorte informed the Council he had made the suggested changes to the policy since the last work session and the EDA Board recommended the Council adopt the policy. Council member DeMers asked if there should be a notification about the buyer initiated sales. Discussion followed about posting a notification and holding a public hearing before approving the sale when it was a buyer initiated and including that process in the policy. Mr. Gorte stated he would make the changes before the next Council meeting.

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

4. Request for Purchase of Scoreboard for VFW Arena – Mark Dragich

Mr. Dragich stated the Blue Line Club is requesting to replace the scoreboard in the VFW Arena.

He explained that they would cover the costs and in return would like to collect the funds from the advertising on the new scoreboard. Discussion followed about what a lifespan is of a scoreboard, if the City should pay for the scoreboard to collect the advertising, and how the City will be responsible for the maintenance of the scoreboard.

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

5. Request for Replacement of Fire Dept Suburban – Gary Larson

Chief Larson informed the Council a suburban had been included in the capital improvement budget for the last three years but had been bumped due to budget cuts. He explained the suburban they have now has had a fair amount of work done to it and that he had received two quotes for a new one. He stated how this vehicle doubles for a rescue truck when the rescue truck is being worked on, hauls people or gets them out of the weather if needed, and is used for transportation to trainings for both full time and on-call employees. He reviewed the quotes, the cost of lighting, and striping.

Mr. Murphy stated that this purchase had been included in the 2017 budget but there were funds that were available to make the purchase now and then transfer the funds in 2017. Discussion followed about if it would be better to lease a suburban, how this vehicle would be housed at the main fire station, and if the Council would be breaking precedents to approve this purchase before approving the budget. Council member Pokrzywinski commented that this was a little different than the software request since it already had been included in the budget for 2017. Council member DeMers requested they look into a lease option. Council member Vetter requested to look at this purchase in 2017 when the budget was finalized.

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

6. Request to Start a New Hiring Register for Secretary/Dispatcher/Jailer – Rod Hajicek

Lieutenant Hajicek informed the Council there currently was not an opening but the person in this position would be taking leave towards the end of the year would not be returning from their leave. He explained this would allow them a chance to get someone trained for this position while the person was still there. Discussion followed about how this position could not be absorbed elsewhere since it is this position that handles payroll, transcriptions, reporting, and more. Lieutenant Hajicek stated this would be advertised as a temporary position with the possibility of making it permanent.

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

7. Request to Start a New Hiring Register for Police Officer – Rod Hajicek

Lieutenant Hajicek informed the Council they were recently notified about one of the officer's accepting a position with the Plymouth Police Department. He explained how this officer was hired using a grant and in order to keep the grant they have to hire a military veteran. He added they will be advertising this as veterans only. Discussion followed about how there is a current

certified list and the Civil Service will be responsible to figure out a way to combine the current list with the new list that will be created.

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

8. Request to Renew MMUA Safety Management Program – David Murphy

Mr. Murphy explained that this is something the City has done each year since it provides trainings to employees and the costs are split with the Water and Light Department. He stated that the costs were going up \$125 per quarter. Council member Buckalew asked what the City was getting for \$33,000. Department heads explained how training is provided to staff on situations such as how to handle hazardous waste, confined spaces, first aid, and other trainings that are required by OSHA. Discussion followed on how this person brings in his own supplies for the trainings and handles any concerns that OSHA representatives may have.

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

9. Request to Consider CGMC Renewal – David Murphy

Mr. Murphy stated that the City had been a Coalition member for a fair amount of time. He informed the Council the dues were to increase by 1.064% from 2016 to total \$14,376 for 2017 and how the Coalition of Greater Minnesota Cities was also asking for a voluntary assessment for an environmental program. He added the City had turned down that request in 2016. He recommended the City continue to be a member of the Coalition of Greater Minnesota Cities.

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

10. Discussion of 2017 Preliminary Budget – Karla Anderson

Ms. Anderson stated that they had used 18% as an increase to the levy as a place to start. She explained the numbers that were in front of the Council included all of the expenses and requests from the departments and that there was still an excess of \$170,000. Mr. Murphy reminded the Council the preliminary levy had to be certified by the end of September. He said they were looking at a long range plan as far as increasing the fund balance, how they can review expenses, and that this included large capital outlay project. He asked how the Council would like to proceed.

Council President Olstad asked if the funds for the suburban were included in the budget. Mr. Murphy said they were. Council President Olstad asked how an 18% levy increase would affect property owners. Mr. Murphy informed the Council that they had requested information from the County to determine that but the information was not going to be available until September. He added they would know that information before the preliminary budget had to be passed. Council President Olstad commented it works best when they have all of the numbers when looking over the information. Council member Pokrzywinski asked if was figured with sales tax or without a local sales tax. Ms. Anderson stated the budget was figured to pay the interest only which had been included in the budget. Council member DeMers asked if the \$170,000 was put

in reserves what that would put the level at. Council President Olstad commented it would be around 34 to 35%. Mr. Murphy asked the Council how they would like to proceed with the budget discussions. Discussion followed about how the department heads will present how their budget would be changing from their 2016 budget and not go over the individual line items.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER VETTER, TO ADJOURN THE AUGUST 23, 2016 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:00 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer