

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, SEPTEMBER 27, 2016 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for September 27, 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, Craig Buckalew, Henry Tweten, and Marc DeMers.

Karla Anderson, Finance Director; Brad Bail, City Engineer; Dan Boyce, Water & Light Manager; Steve Emery, City Engineer; Ron Galstad, City Attorney; Paul Gorte, Economic Development Director; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; Reid Huttunen, Parks and Recreation Superintendent; 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. Tax Comparison Information – Karla Anderson

Ms. Anderson explained to the Council that the information provided wasn't exact but it would be close and would help the Council. She stated based on the information in the table the tax comparison shows the change from 2016 to 2017 would be approximately 5% increase even though the proposed increase is at 18%. She stated the tax rate would change from \$49 to \$54 per thousand or an increase of \$5 per thousand dollars of value. She continued reviewing the tax capacity for the City in 2016, explained that the TIF districts are going to be decertified, and now those funds will be included in the tax capacity numbers for the City. She said there were some properties that were still receiving tax abatements so the full value was not included in the tax rates at this time. She asked if there were questions.

Council member DeMers asked about the \$400,000 increase in tax capacity with approximately \$150,000 coming from the TIF district. Ms. Anderson stated the previous year the tax capacity for the TIF District was \$239,000 but at this time the City was given the gross tax capacity. Council member DeMers then asked how much of the increase was based on new properties versus an increase in valuations. Ms. Anderson said she wasn't able to get that information at this time. She added that the City did receive an increase of approximately \$150,000 from 2015 to 2016. She explained that it isn't a disparity credit but the City's border tax credits. She stated that the City received these funds to cover the tax increase of the businesses. Council member DeMers asked what the cap is for that. Mr. Gorte stated it was 1.6 which included business and commercial properties along with apartments. Discussion

followed about how these numbers will be updated once the truth and taxation statements come out in November.

2. Budget Information & Presentations

a. Capital Improvements

Ms. Anderson stated there were two reports showing the information, one broken down by department and the other broken down by funding source. She reviewed the building maintenance fund which still included the sand and salt shed as a project meaning there were still funds available in this fund. She explained how it is this fund that includes the garage for the cemetery because the cemetery fund does not have enough to cover the cost for the new garage and it would need to come out of the general fund. She commented how the total is \$314,000 and that the City receives \$250,000 from the Water and Light Department each year.

Ms. Anderson continued on to the Capital Improvement Financing fund which is used to purchase larger equipment items. She explained how Public Works is scheduled to purchase a pay loader and the Fire Department is scheduled to purchase a pumper truck. She added how the townships the City has contracts with will be helping pay for the new pumper truck. She continued reviewing the planned purchases of a slope mower and turf for the Civic Center. Ms. Anderson then explained the payments that are made to this fund to keep it going. Discussion followed about a software upgrade and how there isn't much of a balance in the state aid maintenance or construction fund because of the payments being made for 23rd St and the street improvement projects that have been done in previous years. More discussion followed about how payments are made to the Capital Improvement fund based on a 10 year depreciation cycle.

Ms. Anderson continued with the tax rebate information that come from the 280 fund followed by a review of the street maintenance fund. She added again how the building maintenance fund is separate from the general fund.

b. Bonding/Bygland Road Information

Ms. Anderson explained to the Council she had sent information to Springsted about bonding. She reviewed the projects that could be bonded for and that some of these projects would be at the City's costs and not assessed. She then explained to the Council they would need to levy \$539,000 just to cover the listed projects. Discussion followed about the projects, that this would still keep the City within its debt limit, and that the Council would like to see what the current debt looks like and a timeline of when the debt will be retired. Ms. Anderson stated that information is available in the CAFR.

c. Admin/Finance

Ms. Anderson informed the Council the only changes to the administration and finance budgets were due to increases in salaries, communications, and repairs and maintenance for the copier service.

d. City Council/Mayor

Council member Vetter stated that the Council and Mayor's budgets stayed the same. Ms. Anderson

informed the Council that approximately \$15,000 was spent on the special election and there is \$10,000 scheduled for the General Election for 2016 but there wasn't an election scheduled in 2017.

e. Library

Ms. Helgeson informed the Council that she and the library board were requesting for one full time position. She explained currently they only have three full time people and libraries the same size have four or five full time staff. She told the Council she has found that all of the schools in East Grand Forks are down to one library for the school system or use volunteers instead of having a librarian. She added how the library has already had more visits this year than all of last year from the schools, more assistance is needed for patrons of the library which part time staff is not always able to provide, and there aren't any services for people who are not English native speakers. She continued reviewing the current staff positions at the library, how they are struggling to keep up, library hours have been cut back, and they haven't been able to participate in community involvement like they have done before. Ms. Helgeson continued saying they do not have enough time to get to archive information that has been brought to the library. She added how they would like to add two more cameras for security purposes.

Ms. Helgeson said how there was a request for help from the Senior English Class for assistance with their research project but they were not able to help because of the amount of items the class was requesting. She stated that in the RCA this would be a \$54,000 change and because of that they would decrease the part time staff, could change a couple part time positions, but that there would still be a difference of \$54,000 in the budget. She continued reviewing other changes in the proposed budget which included an increase to the small tools and equipment budget for items to train staff on. She added how having a regular maintenance worker has helped save money. She stated how there was an increase to the travel budget to be able to send staff to trainings and that there was an increase for purchasing electronic materials. Discussion followed about the cost of electronic materials for libraries and how those costs are higher for libraries.

Ms. Helgeson continued regarding capital items which included new carpet for the meeting rooms, new carpet for the remainder of the library in 2019, and windows scheduled for 2018. Discussion followed about how the schools currently do not plan to hire any more librarians, how the city library should not be having to fill in because the schools do not have the necessary staff in their library, and how there is support for hiring another full time person. Ms. Helgeson reviewed information about how 12% to 17% of those that use the library are non-residents, over 400 children participated in the summer reading program, and how there are over 1000 teenagers that participate in programs at the library.

f. Public Works

Mr. Stordahl informed the Council that his overall budget did not change much. He stated some increases and some decreases. He stated some of the increases were due to salary and wage increases and budgeting costs to what they actually are such as adding an additional \$8,500 for stripping because that is closer to the actual cost. He then reviewed capital items which included looking at replacing mowers, purchasing a slope mower for the levee system, and completing a SCADA upgrade to the storm water lift stations. He also informed the Council about relining the pipes by Northland Technical College and the purchase of a portable pump that would be used in both the storm and waste water departments that would cost approximately \$68,000. He commented on the purchase of the pay loader which would replace the pay loader that is 15 years old and that they were also looking at purchasing a push plow that could help speed up the process of snow removal in the downtown areas.

Council member Pokrzywinski asked if there is storm water requirements regarding how things need to be maintained or replaced to keep the system certified. Mr. Stordahl stated that he hadn't seen any requirements but the City has the pumps serviced and tested on a regular basis to ensure they will work when needed. Council member Pokrzywinski asked if the City is charged by the Army Corps of Engineers when we are inspected. Mr. Stordahl explained there was an inspection done every year and every 5th year there is a very thorough inspection done.

g. Fire Department

Chief Larson said there were few changes to the overall budget. He explained there was a increase to salaries and wages due to what had been agreed upon the labor contract, that he was requesting an increase for travel expenses since the firefighters will be able to go to training on state grants, a small increase for program items to give to kids, and an increase to cover uniforms for both the full time and paid on-call fire fighters. He continued on to the capital purchases and right now they were in the process of getting the bids back for a new pumper truck. He explained that this truck will replace one city engine and one rural engine. He commented how the HVAC unit at Station 2 continues to have issues and they were unable to purchase parts for repairs so they are looking at replacing it. He added the suburban was included, a mill and overlay of the parking lot at Station 2, and something that may be added in the future was replacement of the roofs at both stations but currently they are not having any issues so that had been pushed out. Chief Larson said they were also looking at replacing carpet and completing some maintenance work at Station 2.

Council member Buckalew commented that there is a concern as the City grows to the south what the response times may be to the outlying areas and the schools. He asked if that was measured and given to the insurance companies. Chief Larson stated the City is currently rated as a four and they are working on getting down to a three. He stated how they are looking for grants that could help with the cost of building a new fire station or even a training center which would give them a place to start. Discussion followed about what it would take to get down to a three and how the ISO will be coming back to review the system so they can find out where the shortfalls are in the system.

3. Kennedy Bridge Discussion – David Murphy

Mr. Murphy reminded the Council of the rehab of the Kennedy Bridge. He stated that as part of that process a maintenance agreement is needed to clarify what the City is responsible for. He commented that included in the packet was the draft of the agreement, a memo from the City Attorney, an email chain, and a letter from the Minnesota Department of Transportation. He stated staff reviewed the questions from Mr. Galstad along with any other questions they had and staff was present to answer any questions the Council had.

Mr. Murphy commented there had been questions about how the trail would connect to the path on the bridge. Council President Olstad stated he had questioned about how that would be connecting as well as having the onramp so close if there would be protection for pedestrians that extended past the bridge. Mr. Bail handed out a drawing of a possible path connecting to the trail system. He explained that this would be the City's responsibility but the State will help pay for this project. He added how the State is not able to work outside of their right-of-way so the City would be responsible for approximately 250 feet of the path as well as connecting it to the trail system. He stated there could be issues since this trail will be located in the drainway of the river so they will have to work with the Army Corps of Engineers

to see what would be allowed. Discussion followed about how it is a challenge to see when using the onramp, how the path will be 10 feet wide coming across the north side of the bridge, and the median will be removed from the middle of the traffic lanes. Mr. Bail stated how the State said it was unfeasible to put the path on the outside of the bridge.

Mayor Stauss asked if Grand Forks had agreed to this. Mr. Murphy stated that they haven't agreed to this but they have accepted the agreement. Council member Buckalew asked if there was going to be a barrier that extends from the bridges off down the path for protection. Mr. Bail stated again that they haven't received the final layout and they are following the federal highway rules for this project. Mr. Emery stated they would send the City's concerns to MNDOT regarding this project. Mr. Murphy stated that he would be requesting formal approval of the agreement at the next meeting.

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

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER BUCKALEW, TO ADJOURN THE SEPTEMBER 27, 2016 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:22 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer