

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, NOVEMBER 22, 2016 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for November 22, 2016 was called to order by Council President Mark Olstad at 5:02 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: 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; 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.

Council President Olstad said they would be reviewing number five first.

1. Request for No Parking by the Public High School – Chad Grassel

Council Vice-President Grassel stated that this request was coming from a concern was brought to the Safety Committee from the high school. He explained how they had discussed no parking along the south side of the high school on 14th Street NW because of safety concerns regarding sight lines, how there have been close calls, and that there is a new sidewalk in this area. He commented how there was a question about where those cars would go and that the new parking lot is not being utilized on the north side of the school so instead of using side streets people could park in the new lot. He stated there was some concern about how this was going to be policed but that would be taken care of by the police department. He added that Mr. Bruce Nelson who is the vice-principal of the high school was attending the meeting to help answer any questions. Discussion followed about where the no parking area would extend to and how this request is for a permanent no parking area. Council member DeMers asked if it was necessary to have no parking all day. Ms. Anderson suggested no parking during school hours so this area could be used for evening events.

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

2. Update on the Transit Development Plan – Teri Kouba

Ms. Kouba explained they are now going through the middle stages of the transit development plan process, they have learned about existing conditions and that they are looking at new performance measures. She stated how system effectiveness and system performances go hand in hand and from their interactions with the public. They found people are looking for a higher frequency in service and evening service. Ms. Kouba stated the best thing to do would be route modification which would include making more connections and having more of a direct route. She then reviewed different routes that could be modified, the possibility of adding a cross town bus for more direct service, and how these items would affect the costs of operating the bus service. Ms. Kouba said that in this process they were looking into taking out the Senior Center bus stop on the south end of East Grand Forks as well as what the capital needs are. She stated the MPO will be holding open houses on December 7th at the Memorial Union on the UND Campus and on December 8th at the Grand Forks City Hall to gather public input as well as information and input from focus groups.

Council member Buckalew asked what the cost difference was from what the City paid in 2016 to what is being proposed. Ms. Kouba stated the total increase was approximately \$150,000 but a large portion of that would come from the State of Minnesota so the overall city portion would be approximately \$22,500. Council member DeMers stated that he would be attending the meeting on December 8th, that people have been requesting a night bus service in East Grand Forks, and how they are working on the headway issues in East Grand Forks. He commented that it could take someone an hour and a half to get across town and still not arrive on time. He added how there is always a give and a take which could be removing part of route 11 which goes out to the Senior Center because there is not much of a ridership that goes out to the Senior Center or consider modifications to this route. He asked for the Council to speak to constituents about this and to let him know what their thoughts are. Council Vice-President Grassel asked what the counts were for people riding out to the Senior Center. Ms. Kouba stated they were very low at approximately 0-3 boardings per day.

3. Discussion on Options for the Placement of the HR Office – David Murphy

Mr. Murphy reminded the Council about the need to locate an office for the HR Specialist since she deals with sensitive issues and there is a need for privacy. He commented how the office at the end of the West Wing was being used by the MPO and at this time was not feasible. He informed the Council that office space had been identified in the Water and Light Office but that it is not available at this time. He added how there is an office on the first floor in the East Wing that is currently being used for storage. He said those items could be moved to long term storage out at the Water Treatment Plant. He stated that there was also a possibility to switching the MPO office from the West Wing to the room that is currently being used as storage in the East Wing. Discussion followed about how the HR Specialist needs privacy but also this person should not be isolated in case of a volatile situation. More discussion followed about how long term the office space in the Water and Light office would be the best location since it would allow for privacy, staff is still close by, and this person handles issues for both the City and the Water and Light Department.

4. Review of MPO Lease Agreement – David Murphy

Mr. Murphy told the Council the Metropolitan Planning Organization agreed to a two year lease with a

third year option. He stated any increases to rent would be based on the CPI and asked for feedback from the Council. Mr. Galstad asked if they are paying for their services. Mr. Murphy stated they were and what the amounts included in the contract covers the services they are provided.

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

5. Request to Purchase Floor Scrubber for Civic Center – Reid Huttunen

Mr. Huttunen explained that they were looking at purchasing a floor scrubber for the Civic Center. He stated currently it takes approximately six to eight hours to get the floor and upper concourse cleaned. He said a new scrubber would cut the time down. He told the Council he had received four bids with prices that ranged from \$6,800 up to over \$12,000. He added that after speaking with Mr. Larson about this they would like to request to purchase the floor scrubber for \$11,700 because it was 26 inches wide and because it had the largest tank capacity. Discussion followed about where the storage for this would be, where it could be filled and drained, and that the upper concourse and front lobby are cleaned after events such as high school hockey game or after a tournament.

Council member DeMers asked if the part time people could run the machine. Mr. Huttunen said the part time employees are currently cleaning the floors and that they could be trained to use the new scrubber. Council member DeMers asked if the \$7,000 was the funds to be proposed to purchase this. Mr. Huttunen stated there was \$6,500 budgeted in 2016 for this purchase. Ms. Anderson said the \$7,000 was to purchase an edger for the ice. She added how there were funds available in the playground equipment that could be used for this purchase. Mr. Huttunen said there was approximately \$5,000 left in general supplies for the Civic Center that could also be used for this purchase. Discussion followed on how this was a 2016 budgeted item, there was some difficulty getting good numbers when budgeting for this item, and that there are funds available in the Civic Center Arena budget. Council member Pokrzywinski stated he has hesitant spending playground equipment money on the arena, it should have been spent on playgrounds, but that he does not have a problem moving forward ordering the equipment if there is money available to pay for it from the 2016 budget. He added if the current equipment is still operational they could maybe get by until next year. Council Vice-President Grassel informed the Council that he spoke with the janitor at the school about this and he stated the more expensive one was the way to go based on his experience using the less expensive and smaller option.

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

6. Request to Consider Excess Liability Coverage for 2017 – Karla Anderson

Ms. Anderson reminded the Council that this is something that has to be approved each year with the insurance renewal. She stated that each year the Council has waived the limit without purchasing additional excess liability insurance. She added in years past it would have cost \$35,000 which has not been budgeted for 2017. Mr. Murphy said he had talked with a couple Council members about this and the cost of additional coverage has gone up significantly since the last time they had checked on it. He added that based on the City's history he would agree and recommend moving forward with option 2. Council member Vetter asked if they move forward with option 2 if the City would be self insuring for one million dollars. Ms. Anderson stated that the City would receive the coverage automatically. Discussion followed about what the options were, why the City would waive the tort limits, and how the

City can waive the tort limit and be covered for the same amount of money paying for insurance. Council member Vetter asked if the premium would decrease if the City moves forward with option 1. Ms. Anderson said it wouldn't. Council member Buckalew asked Mr. Galstad what his advice would be. Mr. Galstad stated that if it doesn't cost the City any more than it doesn't make sense not to waive the limit. Council member Vetter asked for clarification on this before next week.

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

7. 2017 Budget Discussion – Karla Anderson and David Murphy

a. Recap of 2015 General Expenses

Ms. Anderson stated she included the year to date expenses for 2015 for informational purposes.

b. Recap of 2016 General Expenses as of 10/31/16

Ms. Anderson said that she also included the year to date expenses for 2016 up to October 31, 2016.

c. Tax Comparison – Truth & Taxation Numbers

Ms. Anderson continued reviewing the budget information for 2017. She reminded the Council the preliminary tax levy was set at 18%. She commented how market values have increased and based on the preliminary numbers most residential property would see an increase of 9-10% with commercial properties seeing a smaller percent increase because of the border city tax credits the City receives. Mr. Murphy stated his taxes were estimated to increase by 9.6% but that his market value increased by \$25,000. Council member Tweten commented how agricultural property values had dropped, the City is constantly increasing our tax base, and the residents of the City will be making up the difference from the agricultural property dropping. He added how they will need to go over the budget and see what can be reduced.

Ms. Anderson continued on reviewing the State Aid information, that it would be negative if the Council moved forward with all of the potential projects in 2017, and that there is \$134,000 earmarked in the budget for the bike lane project. Discussion followed about how the 2015 budget was so far off, that in 2016 there will be \$2,653 left over to put towards the fund balance, but with the increase in expenses the fund balance will be short \$142,000. Council member Vetter stated the levy increases were suppose to be increasing the fund balance but instead expenses were increasing. Ms. Anderson stated that there is an increase due to salaries as well as trying to catch up in capital improvements. Mr. Murphy stated the majority of the increases for 2017 were because of capital improvements or purchases. Discussion followed regarding what expenses were increasing or were an addition, that there hadn't been a increase to LGA, and a review of what the proposed capital expenses were.

Mr. Murphy stated that he had met and discussed this over with the Department heads and he feels they have a good plan in place when it comes to maintaining streets and didn't realize all of the capital needs. He added how he would usually like to be closer to the 50% fund balance but with the plan they have he would be comfortable being at the 30% fund balance. Council member Vetter stated that they aren't anywhere near the 30% fund balance. Mr. Murphy stated the budget is based of everything being

purchased. Discussion followed about the capital finance fund, the building maintenance fund, and that the transfer to Valley Golf was included under the Economic Development budget. Council member Vetter stated he had a list of items to cut and that the goal was to increase the fund balance. He said to send the budget back to the department heads because this will not be approved with the fund balance going down. More discussion followed about how what can be changed to get closer to the 30% fund balance, suggests were made on what could be taken out of the budget like the transfer to Valley Golf, and questions on items that could be double checked to make sure they are accurate.

Council President Olstad asked what the time frame for approving the budget was. Ms. Nelson reminded the Council there was a fifth Tuesday in November so there wasn't a meeting the following week. She stated that the Truth and Taxation Hearing had been set for Monday, December 5th because the County was going to be holding their hearing the evening of December 6th. She reminded the Council the meeting on December 5th starts at 7:00pm and the resolution that set that meeting states the continuation if needed will be held on December 20th. Ms. Nelson said the hearing will be held in the Council Chambers. Council member Vetter asked the latest the Council would be able to pass the budget and levy. Ms. Nelson stated the notice just addressed the continuation of the meeting if it was needed. Ms. Anderson said she thought it was December 28th or December 29th. Discussion followed about how there will be more opportunities to review the budget and levy before it needs to be adopted by the end of the month.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER BUCKALEW, SECONDED BY COUNCIL MEMBER TWETEN, TO ADJOURN THE NOVEMBER 22, 2016 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:43 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer