

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, JULY 11, 2017 – FOLLOWING THE SPECIAL MEETING**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for July 11, 2017 was called to order by Council President Olstad at 5:01 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: Mayor Steve Gander, Council President Mark Olstad, Council Vice President Chad Grassel, Council Members Clarence Vetter, Mike Pokrzywinski, Tim Riopelle, Henry Tweten, and Marc DeMers.

Karla Anderson, Finance Director; 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; Reid Huttunen, Parks and Recreation Superintendent; Gary Larson, Fire Chief; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, City Clerk; and Jason Stordahl, Public Works Director.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present

Mr. Mike Anderson thanked the Council for allowing him to address them. He explained that he was a 25 year police veteran, that he is the president of the motor cycle group the Iron Pigs, and that they would like to have a section of the greenway trail named after Kenneth M. Olson who is the only police officer in East Grand Forks to be shot and killed on the job. He stated they were holding an event on August 12th and would like to start this process so they might be able to ride their motor cycles on that section during the event. Mr. Murphy said this would have to go before the Greenway Committee first and then come back to the Council for a recommendation. Mr. Huttunen added it would have to meet certain criteria in order for this request to be approved which will be looked into.

1. Presentation of Comprehensive Annual Financial Report – Tracee Bruggeman
a. CAFR Available Online at <http://www.egf.mn/DocumentCenter/View/4134>

Ms. Anderson introduced Tracee Bruggeman and Amanda Scanson from Brady Martz who were present to give an update on the CAFR which had been filed and is available on the website. Ms. Bruggeman thanked the Council for hiring Brady Martz and staff for their help with the audit. She started reviewing the CAFR by reviewing the auditor's report which stated it was in their opinion the statements present fairly in all material respects as of the end of 2016. She then continued on to the statement of revenues, expenditures, and changes in fund balance for governmental funds which showed the general fund balance increased by 1,819,721 and at the end of the year had a total of \$4,596,019. Ms. Bruggeman continued reviewing capital improvement fund, the project funds, the sales tax fund, and the enterprise funds. She

also review the investment information.

Council member DeMers asked why there had been a deficit in the project fund. Ms. Anderson explained the City had bonded for the 2016 street improvement project but the funds for that bonding were not received until March of 2017. Council member DeMers also asked about cash investments and why that had decreased by three million. Ms. Anderson stated again it was due to projects and that they had paid 2.4 million off in debt when some of the bonds were refunded and the remainder of a bond had to be paid in full. There were no further questions.

2. Request for Approval of License Agreement – Ron Galstad

Mr. Galstad introduced Mr. Kirk Tingum who represents Folson Farms and reminded the Council the public hearing for the proposed street vacation was set for August 1st. Mr. Tingum informed the Council that the shared use agreement has been completed and signed by both parties for the utilities. He explained they were asking for a license to build the proposed building that is shown in the certificate of survey. He explained their immediate concern was having this building completed and ready for this fall and asked for approval of the license agreement so they are able to move forward. Mr. Galstad commented that this was a work session and the soonest it could be approved was at the next meeting on July 18th. He added that the items such as the shared use agreement is in place and Public Works was in favor of allowing these utilities to become private. Council President Olstad asked if Mr. Galstad was satisfied with the paperwork that was completed and would suggested moving forward with the approval of the license agreement. Mr. Galstad said he was and to move forward with the approval.

Mayor Gander asked if Ms. Ellis was aware of the situation. Ms. Ellis explained her office had already received the plans for the proposed building and are just waiting for approval from the Council. Council member DeMers brought up concerns about the utilities going private. Mr. Stordahl stated they would still have remain compliant and if there was an issue MPCA would be contacted. Discussion followed about storm water, how a project would have to take up more than one acre to trigger storm water regulations, and the Council may want to review how that is handled. Council member Tweten suggested the Folsoms speak with the Water and Light Office to see if they could qualify for energy credits.

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

3. Review of Bids for 15AJ2 – Paving POW 5th & 6th – Steve Emery

Mr. Emery informed the Council the bids were opened on July 6th. He said there were two proposals but the awarding of the bid was going to be based on the overall costs. He commented they had received seven bids with six being quite competitive. He recommended awarding the bid to Opp Construction who had a total bid of \$295,636. He opened it up for questions and added that the notices had been mailed out on July 7th to the residents with a hearing date set for August 1st. Mayor Gander said he was pleased with the numbers and that they were good, competitive bids for the most part.

4. Discussion on Possible Funding for a Portion of 15AJ2 – Mayor Gander

Mayor Gander reminded the Council of the discussion that had been started about the possibility of end benefit for families on Laurel Drive to help pay for the 162 feet that connects Brandon Boulevard to Laurel Drive. He explained how the time frame did not work to start this process over again for the project to be completed this year and how he has been working with others to try and find different sources to help pay

for that 162 feet. He stated he had drafted a letter that both he and Council member Pokrzywinski would hand deliver, explain to those families on Laurel Drive, and ask them to help pay for a portion of the 162 feet. He said he was asking for permission to move forward with this and to help this project move forward. He asked for comments. Council member Pokrzywinski stated how this had been a long process, that they are trying to find a solution, and there would be a three way partnership to pay for the 162 feet.

Council President Olstad asked what the break down would be. Mayor Gander said right now that it was a moving target. Council President Olstad suggested breaking it into thirds. Mayor Gander said he could not speak for the developer or how many residents on Laurel would agree to that. Discussion followed about how the letter would need to be revised by Mr. Galstad and include an interest rate, the numbers should be firm numbers, and the question was asked what would happen if 100% of the property owners do not sign off on the proposed contract. Council member Pokrzywinski said if they don't get 100% support it could be vetoed. More discussion followed how there is indication that the developer will contribute more than just the funds for the two lots on Laurel Drive, how the three different sources being suggested are some of the residents on Laurel Drive, the developer, and the City, and that it more than likely will not be broken down by thirds.

Council Vice-President Grassel said if the people on Laurel agree he would not have a problem moving forward, the City needs to grow, but the next development will be completed using a developer's agreement because he does not want people screaming at the Council again for the same reasons. Council member DeMers commented the City should then plan on paying for approximately \$30,000. Mayor Gander stated it could be less. Council member DeMers added that no one else in the City should be paying for these specials, all funds available to the City are essentially all tax dollars, and these people are also receiving \$5,000 and two years of tax abatement. Mayor Gander asked if there were any other areas in the City that have \$50,000 in special assessments. Discussion followed about how lots in this area are approximately twice the size of any other lot in town, how the larger the lot the more expensive the special assessments will be, and how there is a possibility of using state aid maintenance dollars to help with the cost of the 162 feet.

Council Vice-President Grassel said the question being asked is if they were comfortable allowing Mayor Gander and Council member Pokrzywinski going door to door with a letter. Council member Riopelle stated he wanted to see it split by thirds but he wants to see this project get done. He added that he agrees with Council Vice-President Grassel and that they will be completing the developer's agreement and this will not happen again. Mr. Meagher stated the City is more than just the loan officer because they decide who has to pay for the project. He added that the bid came in really low and even if not everyone is on board that the project should still move forward. He stated the current rate was \$150 per foot and if the 162 feet was removed it could go down to \$133 per foot. He compared the numbers from project in Grand Forks which was \$221 and one from a few years back was \$141. He stated if they are at \$133 it is something that needs to get done. Mayor Gander commented that it will only go up from there. Mr. Meagher also suggested the City lower the interest rate for special assessments or the City could start charging interest to the developer's using the \$100,000 to build because residents help out with the interest they pay. Discussion followed about how the people on Laurel Drive would be voluntarily be signing up for specials and if it should be suggested for them to pay \$1,500, \$2,000 or \$3,000. Mayor Gander said he would not go higher than \$2,000. He also asked for anyone who had a number in mind to contact him to discuss.

5. Request to Award Sand & Salt Storage Job – Steve Emery

Mr. Emery state the bids were opened for this on June 29th, two bids were received, and the lowest bid was from Higher Ground totaling \$111,704.90. He added this bid did not include the roof structure.

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

6. Request to Purchase Storage Building – Jason Stordahl

Mr. Stordahl explained he received a quote from Structures Unlimited that had the NJPA pricing for the structure that is needed. He stated the quote was for \$89,980 for the structure and installation which would fit on the foundation. He said the total cost of the project was going to be \$201,684. Council President Olstad asked what had been budgeted for this project. Mr. Stordahl said \$200,000. Ms. Anderson stated there were additional dollars available because other projects had come under budget. Council member Vetter asked about the 90% down before installation had started. Mr. Stordahl said he would be calling them on that.

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

7. Request to Declare Loader as Surplus – Jason Stordahl

Mr. Stordahl stated the repairs were complete on the loader and before it could be put up for auction this item needed to be declared as surplus. He added there was going to be a \$50,000 reserve when this was put up for auction.

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

8. Request for Repairs to 20th St NW & 5th Ave NW – Jason Stordahl

Mr. Stordahl explained to the Council how repairs are needed on 20th Street NW and 5th Ave NW. He said there are safety issues because of the shape the road is in and at this time he is suggesting that an overlay and asphalt be put down until the road can be reconstructed. He recommended Strata who came in just over \$30,000. Council member Tweten commented how this area may have a vein of water going through it and that he supports this repair work. Council member DeMers asked if it was budgeted. Mr. Stordahl said it wasn't. Discussion followed how state aid maintenance dollars could be used for this, how there shouldn't be change orders, and that a policy needs to be developed for when a street needs to be replaced. Council member Pokrzywinski stated there was a time when the Council tried to set this policy but it didn't go anywhere. Mayor Gander said he would be supporting this because it would be a year or two before the street could be reconstructed.

Council member DeMers asked for an update on 4th Ave NW. Mr. Stordahl explained a separation had been found in the sanitary sewer line and when they removed the road it was also discovered that the storm sewer was also busted. He was unsure about the costs of the repairs at this time. He added how there an issue with the concrete by the underpass on 4th Ave NW so he will be receiving quotes for that repair as well.

The repairs for 20th St and 5th Ave will be referred to a City Council Meeting for action.

9. Request to Purchase Fire Engine – Gary Larson

Chief Larson informed the Council they had to start this process again and that they had joined a purchasing group and was able to receive to bids with the lowest bid coming from Fire Safety for \$492,844 which included a discount of \$14,785 if paid in full at the start of the build. He said the committee would have to have a prebuild meeting with the company because there are some variables that would need to be worked out and finalized so there is a chance the price could come down. He said they were looking for approval to move ahead and have Mr. Galstad write up a contract between the City and townships for the purchase of the truck. He asked for questions. Council member Pokrzywinski asked how many people would be going to the factory. Chief Larson said two or three and they would either have to go to New York or Florida.

10. Review of Sales Tax Ordinance – Ron Galstad

Mr. Galstad stated part of the process to implement the sales tax was passing an ordinance. He said how he had researched other ordinances that had been passed by other cities and drafted this for the Council to review. He added that once passed it would need to be certified by the Secretary of State's office, asked for comments from the Council because he had taken some liberties with this ordinance, and that he had also checked with the League of Minnesota Cities about this. Mayor Gander said thanks for getting this done.

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

11. League of MN Cities Legislators of Distinction for 2017 – Mayor Gander

Mayor Gander commented if anyone wondered about what kind of job Senator Mark Johnson was going to do being a newly elected senator the League of Minnesota Cities answered that question by recognizing him as a Legislator of Distinction in 2017. He stated they appreciated his accessibility, consulting with him on a variety of issues, and that he was the chief author to the workforce housing TIF bill. He continued saying Senator Johnson worked hard for the entire area and has ability to understand local needs. He thanked Senator Mark Johnson for going a great job. Council member Pokrzywinski commented that it had been reported Mayor Gander was going to meet with a group to discuss a south end bridge, Senator Johnson heard that report, and showed up at the meeting. He added that he appreciated that and that he has earned the distinction from the League.

12. Review of City Fees – Megan Nelson

Ms. Nelson stated the fees for the library, police department, and public works had been included in the packet and to let her know if there are any questions. There were none.

Council member Tweten stated that Jack Sherlock is regarded as one of the most influential people in East Grand Forks. He explained that his family will be in town this weekend. He stated that Mr. Sherlock was the greatest salesman the City every had, he is referred to as esteemed, and asked to have the Mayor and Administrator meet the family. He added he will be giving the family some history of Jack Sherlock and how he is recognized for bringing American Crystal to East Grand Forks. He continued saying it is important to show appreciation to the family, that it is important he is recognized, and hopes there are more like him.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER RIOPELLE, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADJOURN THE JULY 11, 2017 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:22 P.M.

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

Voting Nay: None

David Murphy, City Administrator/Clerk-Treasurer