

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, SEPTEMBER 8, 2020 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for Tuesday, September 8, 2020 was called to order by Council President 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 Steve Gander (5:02), Council President Mark Olstad, Council Members Clarence Vetter, Dale Helms, Tim Riopelle, Tim Johnson and Marc DeMers.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present.

1. Consider Drive-In Movie Special Event – Downtown Development Association

Mr. Blue Weber informed the Council the Downtown Development Association had partnered up with River Cinema and the Blue Moose to host a drive-in movie night on October 1st. He explained they would show two movies, Beetlejuice and the 2007 version of Halloween, there would be 100 cars at the most which would average 250 people attending each showing, and they were working with the restaurants that would offer contactless delivery services to people at the movie. He added this would be taking place in the east end of the parking lot. There were no questions.

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

2. Request to Hire Paid On Call Staff – Jeff Boushee

Chief Boushee told the Council the Fire Department operated with 25 paid on call staff members and they were currently down to 19 members. He asked to fill these positions so they were back up to 25 paid on call members and requested the ability to hire and maintain these 25 positions when there were other positions open. There were no questions.

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

3. Request to Declare Items as Surplus – Jason Stordahl & Reid Huttunen

Mr. Stordahl stated the items on the list were no longer used or no longer needed in either department and they are requesting these items be declared as surplus and sold at a future city auction. Ms. Nelson added there would be a list of items to be declared as surplus coming from the Police Department at next week's meeting for a fall auction. There were no questions.

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

4. Discussion on 2021 Proposed Budget and Levy – Karla Anderson & David Murphy

Ms. Anderson reminded the Council the information on the general fund was presented in August, the information included in the packet was on the enterprise funds, and the summary sheet had been updated which included a 5% levy that the Mayor had requested. She explained \$130,000 had been removed for patching roads in the campground; the amount budgeted for a dump truck was reduced by \$25,000, and there was a change in the insurance saving an additional \$8,800. She stated the budgets had been sent for the enterprise funds, which included electric, sewage, refuse, water, and storm water.

Ms. Anderson said the recommendation was to set the preliminary levy for the general fund at 5% at the next meeting and asked if there were any questions. Mayor Gander thanked staff for their work on the budget and the preliminary 5% levy should be closer to a 1% or 2% increase or less depending on the growth in the community. Ms. Anderson commented the Department Heads were still working on the budget and asked if the Council had any ideas. She added one suggestion was using some of the reserves on one-time capital purchases so more discussion was needed. Mayor Gander said he liked the direction this was going. Council President Olstad reminded everyone this was just setting the preliminary levy and the final budget would be voted on in December.

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

5. Discussion on CARES Act Funding – Paul Gorte & Karla Anderson

Ms. Anderson explained she had taken what had already been spent and added in estimates for COVID-related expenses and overtime due to COVID, which totaled \$421,695; the City had received \$668,445, which left the remainder of COVID funds at \$246,950. She stated there was discussion about holding back some of the funding in case there were additional COVID costs. She said the recommendation was to give \$100,000 to go with the \$250,000 from the County. She added how some cities are giving out funds in two phases, the City could see what the need was with the first phase, and determine if a second phase was needed.

Mr. Gorte stated he had provided information on what other cities had done to distribute funds and the Economic Development Authority Board (EDA Board) suggested reimbursing hard costs only to allow for a paper trail for when the City is audited. He said there were approximately 250 businesses in the City, if all requested \$5,000 and qualified for that they requested they would be able to assist 50 businesses, and if there were \$350,000, they could assist 70 businesses. He added the EDA Board would like to help as many businesses as they are able.

Council member Vetter asked if the Water and Light Department was included in the COVID costs. Ms. Anderson stated they were. Council member Helms said the EDA Board was looking at setting the \$5,000 limit and businesses had to show receipts for items they already paid for, they are not allowed to submit payroll expenses or any other expenses that were not COVID related, and he was concerned what the City would be collecting overtime with these funds. He added the Water and Light Department could take care of themselves and these funds would be better off going to businesses. Ms. Anderson explained the overtime was only COVID related. Discussion followed about how businesses are not allowed to collect for wages and the only time when overtime was paid for is when an employee was quarantined and

someone else was called in to cover shifts creating the overtime, which was a direct result of a COVID related incident. Council member Helms commented again businesses were not able to collect for payroll expenses and he did not see why the City should have payroll costs covered. Council President Olstad asked how much had been spent on overtime expenses. Ms. Anderson stated there were only actual numbers, no estimates had been included, and the total was approximately \$40,000 for overtime. She added \$168,000 was for overtime, cleaning, plexi-glass, and other items for COVID mitigation. She stated \$253,000 was being estimated for air handlers or updates to the HVAC systems at every city building and the biggest expense was at the arenas and technology for at the library.

Council President Olstad asked Mr. Huttunen for comments regarding the air handlers. Mr. Huttunen stated he did not have all of the answers at this time but the Department of Health put out an air quality standard and ways to mitigate the spread of COVID. He explained there was supposed to be fresh air returns in the buildings, in some areas in the arenas have no fresh air return at all, and he was working on adding air movement or air purification systems. He added some of the air handlers needed to be updated; some needed new filters, and an air purification system was to be installed. He said there was a lot of mixed information on what air purification system should be used so any steps they can follow to clean the air.

Council member DeMers stated the funds the City received was supposed to cover City costs, there have been other sources of funds such as the Paycheck Protection Program for businesses, but these funds were to help State and local governments. He said the purpose of these funds were supposed to take care of expenses directly related to this event and he does not have an issue using the funds for covering COVID related expenses. Council member Riopelle said many businesses were able to apply for other grants, loans, or other funding sources to help pay for expenses. He added these funds were meant to cover minor costs, smaller businesses would not have more than \$1,000 or \$2,000 in expenses, and there would not be many that will reach the \$5,000 limit. He stated the larger businesses could have \$20,000 in expenses and they would not be able to recoup that full amount. He said this would not help recoup lost revenue, there are funds available to help some, and there is not enough funding to help the businesses the way the Council would like to help them. He commented he does not want to see anyone go out of business, hopefully they won't, and they need to ask the Governor to let them open up. Council member DeMers stated the City is the responsible party for these funds, if a business uses these funds inappropriately, and it is the City that the Federal Government would be auditing.

Council President Olstad said this has been talked about over the last couple months, it is difficult to see the businesses not being able to operate at 100%, and it is a difficult decision on how these funds should be spent while trying to help everyone out. He stated they want to do what is best for the businesses and community. He added there is not a right answer but they would try to determine what is best and come to an agreement. Mayor Gander commented how the City cannot make these businesses whole, how many have lost money; they may be spread too thin, are unable to borrow money, and they have burned through their savings because of this long event. He stated the need is unknown, the EDA Board was asking how much would be allocated, and the Council was not sure how much to allocate because they did not know what the need was. He explained information was requested from businesses, about 20 businesses responded, and need was more than what was expected. He recommended \$246,950 be set aside to be allocated to businesses. He added the EDA Board was planning on two phases to give out funding to the business community, once the first phase is complete they can look at what funding is remaining, and in the second phase they may be able to give to some of the bigger requests.

Discussion followed about how much would be given out in the first phase, if the Council should hold on to some of the \$246,000, and how the EDA Board would like to coordinate with the Council on this program. Council member Vetter asked to send out applications to see what the need is. Council member DeMers said there were two months to allocate funds, he asked about reopening city buildings, and if there were going to be costs to reopening. More discussion followed about how there are already plans in place for opening the facilities, how the City can handle costs right now better than businesses, how some businesses cannot wait two months for funding, and businesses need to be equipped to allow for safe environments.

Council member Vetter said the applications were due October 2nd, they can allocate after the need is determined, the Council can allocate additional funds if needed and if all of the funds are used in the first phase there would not be a phase 2. Ms. Anderson said some of the cities were limiting funding to businesses that employed 1 to 25 employees and reminded the Council there were strict guidelines that needed to be followed because the City would be audited which is why they were asking for specific costs. She added she has submitted monthly reports to the State showing the City's expenses were COVID related.

Council President Olstad asked to have a working group that consisted of members from the EDA Board, the Mayor, and two council members to make sure things would be done right. Council member Riopelle stated he agreed and asked to get the applications sent out. Council President Olstad said he was committed to allocating the \$250,000 as long as there was a need for it. Council member Riopelle asked to have a list started on what businesses are operating in East Grand Forks. Discussion followed about how there was a list of businesses so they can all be contacted and informed about this process. More discussion followed about how Polk County had funding for businesses outside of the city limits, how that funding may come through the City, and the City would be liable for that funding if it goes through the City. Council member DeMers asked if these funds could be used for paying down or paying off an EDA loan. Mr. Galstad said no and the City should enter into an agreement with the County if they were giving out funds on behalf of the County. Ms. Anderson said an agreement was entered into for the \$250,000 and she would check with the County regarding the other funding.

6. Request for Quick Claim Deed for 221 Central Ave NW – Ron Galstad

Mr. Galstad told the Council the property located at 221 Central Ave NW is in the process of being sold and has had a garage for many years but the garage it is located on city property. He explained the lot was unbuildable, he did not see any easements that would be needed, and this property was mistakenly transferred to the City back in the 1970s. He recommended the City sign a quick claim deed, which would allow the house to be sold. There were no questions.

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

7. Discussion on Ballot Question regarding Charter – David Murphy & Megan Nelson

Mr. Murphy stated the working on the ballot for the question has been set, the State statutes outline the necessary publications, and at this time staff was looking for ideas from the Council on how to inform people about the question. He reminded the Council they are able to inform but not campaign on this issue and staff was planning to use the website, newspaper, and social media to get information out. He added there was discussion on having members of the Charter Commission help get information out. He commented how absentee balloting will be starting soon so they need to get information out.

Mr. Galstad said there was the suggestion to have the Mayor give a public service announcement at the end of each meeting leading up to the election to help inform people about how the charter has been made current. Mayor Gander said he would help in any way he could and the meetings are replayed so that will also help get the information out to people. Council member DeMers asked if something could be sent out with the utility billing. Ms. Nelson said the space might be taken up. Mr. Galstad suggested including a summary of information. Council member Helms asked if the polls were going to be open on Election Day. Ms. Nelson said all poll locations were going to be open from 7am to 8pm.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADJOURN THE SEPTEMBER 8, 2020 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:08 P.M.

Voting Aye: DeMers, Vetter, Helms Riopelle, Johnson, and Olstad.

Voting Nay: None.

Absent: Grassel.

David Murphy, City Administrator/Clerk-Treasurer