

**APPROVED MINUTES
OF THE WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, AUGUST 28, 2018 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for Tuesday, August 28, 2018 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, 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; and Megan Nelson, City Clerk.

DETERMINATION OF QUORUM:

The Council President determined a quorum was present.

1. Review of 2015 Assessment Job No. 2 Point of Woods 5th & 6th Paving – Steve Emery

Mr. Emery reminded the Council of the process they went through the previous year with holding the final hearing along with adopting the assessment roll prior to the project being completed and moving forward with the project. He stated the estimated construction cost was \$255,000 and the final came in around \$256,000 but the 5% contingency was not used so the overall project costs were approximately \$11,500 less than the total amount that had been adopted. He said there was an average costs savings of \$500 to \$800 per parcel depending on the size on the revised assessment roll and now since it has been finalized he brought it back for questions.

Council member Pokrzywinski recommended moving forward with this without a hearing. Council member DeMers asked what had been agreed upon for the subsidy. Council President Olstad said it was \$25,000. Council member DeMers stated he would rather use the funds to pay down the subsidy amount first, how this was a contentious agreement, and he wouldn't be voting for this if the assessments were lowered and this development also received a subsidy. He commented the City should be paid back first.

Mayor Gander explained this amount was came to by a formula, this was not a random number that was picked, and he said he would argue the Council should move forward approving the revised roll. Council member Vetter stated there had been discussion about having final assessment rolls before awarding projects. He asked if this was a policy statement and if they will be revising rolls in the future every time there is a difference in costs. Mr. Emery stated that typically the final hearing is held after the final costs have been determined. Council member Vetter said there have been many discussions on completing the

final assessment roll prior to awarding the project to prevent the arguments of people not wanting to pay for the assessments. He asked again if this is a policy statement with the Council revising the assessment rolls after they come in. Mr. Emery said that would be a decision of the Council and long term would be the fairest way. Mr. Galstad stated a roll can be revised lower without a hearing and could be revised for an increase if another hearing was held. Mr. Murphy said he was reiterating what Mr. Galstad about revising the roll, cities have done this before to see if there are going to be any appeals, and from what he has seen cities usually only make a revision to lower the costs with the city paying the remainder if there are overruns.

Mayor Gander said he did not want to drag this item on and to have the other roll prepared just in case if a separate motion is made. Mr. Galstad stated the other roll was already adopted, it wasn't filed with the County, and revising it down was accounting for the savings. He added it would just need to be submitted to the County. Mayor Gander asked if it was the normal way to revise an assessment roll with the costs coming in lower. Mr. Emery stated the final hearing is usually held after the project is completed, not before like it was in this case. Discussion followed on how the Council should proceed, if the roll should be revised, and how this shouldn't happen again because of the changes made in the developer's agreement. Council President Olstad asked the Council what they were in favor of. Council Vice-President Grassel stated was not happy about this project went and he was not going to be given \$11,000 back to the project. Council President Olstad commented how the resolution for revising the roll will be on the agenda the following week for consideration. Council member Pokrzywinski said he was in agreement with the Mayor's position. Mr. Galstad suggested the revised resolution could be considered at the next meeting and if it was voted down the resolution that was already adopted would be sent to the County.

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

2. Consideration of Proposal to Replat Properties – Steve Emery

Mr. Emery stated this item had been brought up before lastly in 2011 or 2012, it was not completed more than likely because of lack of funds, but the need to have this done is becoming more apparent. He introduced Mr. Chris Jordheim who was going to present the proposal. Mr. Jordheim told the Council he appreciated the opportunity to give this proposal, how they have recognized issues with first how some areas violate the city ordinance, and replatting some areas will fix these issues. He explained how there are been issues with having clean titles because of insufficient records and digging through the information can take significant time. He added there are abandon roadways, some have been addressed by resolution, but the information has not been officially recorded. He stated how there are more efficient ways to do things, plats can clean up many things by including easements and removing old lot lines, and there are hundreds of parcels that are no longer needed. He showed examples of how the Folsom Park area is still on the plat and there are still road right-of-ways in the greenway that should be removed. He added completing this process will allow things to be simplified and expedite processes since staff won't need to go through the title search process anymore. He asked for questions.

Council member Pokrzywinski asked what was a necessity to complete or if there are different ranges for completing things. Mr. Jordheim said it depended on what the Council thought was a necessity because nothing had been done for 20 years and they could choose to not take any action. He referred them to page five of the proposal which showed this could be completed over the next five years for \$16,000 a year which should fix all of the issues. He added he was willing to work within the needs set by the City because they could do it all, only complete some of the work, or do nothing at all. Ms. Ellis said from a

planning standpoint this would be very beneficial because there was a lot of utilities relocated, there is a need to establish ownership in some areas, show where the utilities have been relocated to, and this is an overall good practice. She added how currently this was not included in any of the budgets she has prepared for 2019 and it was up to the Council on how they would like to move forward.

Council member Pokrzywinski stated that answered his questions, how it does make sense to move forward with this, and asked if this could be prioritized over a long period of time. Mr. Galstad told the Council he thought this would be beneficial because there are been areas in town that haven't been replatted since the 1970s, he seems to be constantly doing legal work regarding these properties, and he understands prioritizing this process. Council member DeMers thanked Mr. Jordheim for putting the proposal together, how this had been rejected by the Council before, but the City was bypassed by the DNR for updates that are needed to the boat ramp because there wasn't clean title. He commented how this is something that needs to be done and asked if there was still funding available in the CDBG funds to fund this project of if they were going to be used for the parking lot downtown. Ms. Ellis commented the paving of the parking lot was going to be paid using TIF dollars, not CDBG funds. Council member DeMers asked for staff to look and see what funding may be available to complete this.

Council President Olstad commented about issues and work that was needed to be done for the pool project, it would be great project to get done, and if there were funds available to try to spread this over a longer period of time because it would be good to clean up these issues. Mayor Gander stated how there are three easements on his property but none are included on the plat. Mr. Jordheim said the last plat that was filed for the Folson Park area was done back in 1959. Discussion followed about how this was needed and possible ways to raise revenue to pay for it.

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

3. Discussion on Reimbursement for Concrete Curb Cut Replacement – David Murphy

Mr. Murphy stated he had received some new information today regarding this item. He explained there is a city ordinance that dictates how curb cuts should be done, past practice has been different than what is stated in the ordinance, the issue has been brought forward by Public Works because of issues with the streets, and from this point moving forward everyone will be following the city ordinance. He continued saying how contractors were talked to about this, one redid the projects he was working on, but other contractors refused to change for the project they were working on. He added because the other two companies were allowed to complete the project with changing things is not fair to the contractor who did and that contractor is looking for a reimbursement because there is a difference in cost in regards to the different methods used.

Mayor Gander stated this contractor was working on three jobs, he was able to work with the people on two of the jobs regarding the additional cost, but the last job he was not able to because it was a project that was bid. He said the other contractors were allowed to finish their current jobs using the old method and there needs to be some point of fairness. He explained the old method people were allowed to use, how it involved a seal, but after so many years the seal would need to be replaced which is why the City is requiring contractors to use the method as outlined in the city ordinance because a seal isn't necessary and the driveways last. Mr. Emery said he penciled out the cost of what needed to be done and he came up with a cost of \$1,500 so that should be more than fair. Discussion followed about how the reimbursement was for only one project since the property owners paid the additional costs at the other to project sites, this city ordinance had not been included in any of the information until it was brought

forward by the Public Works Department, and now the information is included with all applications along with being given to all contractors that complete this kind of work.

Council member DeMers commented that Mr. Knutson did the right thing and asked since the others were not forced to follow the ordinance the City now has to pay \$1,500 because of the inability to enforce the rules. He added he had no issue with Mr. Knutson but didn't understand the reasoning for this. Mayor Gander stated he was not able to work with the home owner on this because the work was being done at the house being built by Northland Technical College, he had bid the project, and was locked in at that price. Council member Riopelle asked if that was the difference in cost for the two different methods. Mayor Gander said that was. Mr. Murphy stated that in regards to enforcing this matter, there were contractors that were very adamant about it being not fair to change the process part way through the project. Council President Olstad stated this item will be on the agenda the following week to be voted on. Discussion followed about how this information is included in all of the applications, available on the City's website, that there needs to be consistency with enforcement, and there should be a goal to have all of this information readily available by the start of the next building cycle.

Council member DeMers added how the Department of Natural Resources has made a recommendation regarding the diversion project for the Fargo/Moorhead area. He said the comment period begins in September, the area has received a lot of help to be made whole again after the flood, and there should be a coordinated effort from both cities to make comments regarding this project. Mayor Gander said it was one of the guiding principles of the Army Corps that it has to demonstrate it won't be hurting others. Council member DeMers commented this was the DNR and how they should be ready for the comment period.

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

4. Request for Direction on Golf Course Agreement – Ron Galstad

Mr. Galstad told the Council there have been some discussions about the possibility of amending the agreement with the golf course to allow a cell tower. He added how there currently aren't any discussions about putting up the tower at this time but would like direction from the Council if he should move forward on the addendum. Mayor Gander reminded the Council about how the proposed tower was denied, a tentative location has been found on the golf course for the placement of this tower, and he would like to request an addendum to the lease to allow the placement of the cell tower. He added he would like the revenue to be collected by Valley Golf and how this would send a strong message to Verizon so there is one less obstacle for the next process. Mr. Galstad stated that he wanted to make sure the Council approves of this before moving forward.

Council President Olstad said he had met with the Mayor, discussed this proposed location, and asked if there had been anything received from Verizon that they would be moving forward with this. Mr. Jeff Kamedula stated he was the general manager at the golf course. He informed the Council that Verizon told them they had no plans for this in 2018 but they were open to looking at it in 2019 which is why the golf course is trying to get things as prepared as possible. Discussion followed about moving forward with addendum to the agreement, how the proposed location is approximately 550 feet away from the nearest residence, and how the funds collected from the tower rental would be dedicated to making loan payments.

Mayor Gander asked if this would also be going through the planning commission. Ms. Ellis stated the planning commission usually doesn't look at things unless there is an application to consider. She added she got a very different response from Mr. Buell. Council Vice-President Grassel said if they were not going to be putting up the tower then why spend the money on making a change to the agreement. Ms. Ellis said she was told they had spent a lot of money and four years on this, they are currently looking at other possible locations, but they will keep this possible new location in mind. Council member DeMers said they would not be under the same constraints as before during the last process. Ms. Ellis added that they are not the only provider and other companies may be looking for a location.

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

5. Discussion on Proposed 2019 Budget – Karla Anderson & David Murphy

Mr. Murphy said he hoped the Council had a chance to digest the information and asked what questions the Council has. Mayor Gander commented how there is a sizeable increase in personnel and asked what had come from the wage study. Mr. Murphy said there were several factors regarding the wages because staff was using realistic estimates when it came to over time and part time positions, how there was a position included for the Park and Recreation Department, and there was a vacant truck driver position that was also included which makes up the majority of the costs. He continued saying they made some assumptions by including the increases of the wage study and the addition of four corporals were also included. He added the wage study had an increase of \$25,000 which was less than other items relating to wages. Discussion followed about removing the truck driver and parks position would reduce the amount by approximately \$123,000, the suggestion was made to have a part time position in the parks office rather than a full time position, and how the increase for wages was typically 7% each year.

Council member Vetter said after Ms. Hadden had retired he thought there was going to be a position that was shared in two departments and asked why that never happened. Council President Olstad commented the assistant in Public Works was going to be shared. Mr. Huttunen stated he understands these are difficult decisions for the Council, the idea to share an assistant predates him, but he was also consider this position for more than just an assistant. He explained he would like to hire a Park and Recreation Specialist who helps with the administrative duties in the office but also helps set up new programs. He told the Council that currently with only two people in the office he doesn't know how he will have time to add additional programs without more assistance.

Council President Olstad commented how the wage study was increasing the amount of wages by \$25,000 if adopted and other than that how do they get the 14% down to an acceptable level. Mayor Gander said the realistic accounting for the seasonal pay and over time have been paid for from somewhere because the fund balance had not been decreasing. He said they could be lower other lines to show where that savings was coming from. Council member DeMers said it is better to have more honest numbers and possibly at times the Council could require staff to request funds for purchases. He stated how currently staff is allowed to make decisions but the Council may want to take that authority back and added how he doesn't think that anyone is taking advantage of the situation currently. He told the Council he would prefer to have a bare bones budget and have formal requests for any expenditures that go over budget. Mayor Gander suggested that there may be a hybrid system of what has been discussed with still allowing staff to make choices. Council member DeMers suggested using the zero budget process which could be a good exercise. Mr. Murphy stated exercises in budgets do have benefits, it really depends on what is trying to be accomplished or what the end result is going to be, and staff will also need to know what level of services the Council would like to continue with.

Mr. Murphy stated how the Public Works Department was not certain on filling the truck driver position, there are wild cards with overtime costs, and the police department was working on different options to see what might help bring costs down. Council member DeMers commented they should be looking at long term trends that could be cut and how some of the LGA that the City won't be receiving might be made up with an increase from property tax revenues from the growth of the City. He added how some of these costs are compounding. Ms. Anderson told the Council she has asked department heads to look at their budgets for this year to see if there was something they can fit into their budget, how the \$21,000 that was budgeted for a pool interest payment could be used for some of the purchases that are being requested in the 2019 budget. She added how the departments have until December 31st to spend the funds in their budgets. Discussion followed about watching the bottom line, how there is not an anticipation of the reserves being spent, how staff reviews previous years expenditures to see where they can cut back, and staff will need direction from Council on what to cut.

Mayor Gander stated the Council will set the limit and staff will have to stay within that limit. More discussion followed about the levy number will have to be set by the Council, how it may involve cutting personnel, and how the truck driver position had been vacant for a few budget cycles. Council member Vetter said the Council has struggled with budgets, how there are increases each year, but services are not increased. He asked that staff provide how the increase being requested increases services and then maybe he will be able to support it. He added they need to know where the values are going to be from the County because this is difficult without looking at those numbers. He suggested to set the preliminary levy higher and then bring it down once they have the information from the County. Council member DeMers stated the Council should set priorities so staff knows an idea of where to cut back. Mr. Murphy told the Council that based on all of his past experiences he is every impressed with the department heads, they work very well together, and they offer things up so another department can get what they need which is something he has never seen before.

Mayor Gander stated that putting off capital purchases is not a real savings. Ms. Anderson said to wait to see what numbers they receive from the County and they will come back with a list of purchases as well as checking on different funding sources for the replating project. Council President Olstad also suggested at looking at other options such as shift schedules. Ms. Anderson said there was one more work session before the Council will need to vote on the preliminary levy on September 18th. Council President Olstad said they can set it high because it can always come down. Council member DeMers suggested liquidating city property and the possibility of consolidating office space. Mr. Murphy said they were still waiting on what the cost would be for remodeling but they are running into issues with the heating and electrical. Council member DeMers said a remodel could free up space that could be leased. Discussion followed about not including the possible dollar amount from selling property in case the building doesn't sell, how possible properties need to be identified, how those funds could be used to set up a long term capital improvement fund, and staff will continue to work on cutting back on the budget.

This will be brought back to a future work session.

OTHER:

Mr. Murphy told the Council he had received a notification from the Department of Motor Vehicle that the lease for the space at the parks shop was up. He stated after review of the information his recommendation was to renew the lease with the current terms. He added that it was Mr. Welle's last meeting.

Mayor Gander stated that he had been asked to meet with representatives from Sacred Heart and if they signed a hold harmless and assume all of the responsibility of the removal of hazardous materials if they can move forward with the purchase of the property. He said they would be able to come to the next meeting to answer any questions. Mr. Galstad said he would have to look into the request.

Council member Tweten asked to have President Dennis Bona from Northland Community and Technical College invited to a meeting to share what has been going on at the college and how enrollment was up. He added that President Bona was also going to be appointed to the Library Board.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADJOURN THE AUGUST 28, 2018 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 7:11 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer