

**APPROVED MINUTES
OF THE WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, SEPTEMBER 11, 2018 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for Tuesday, September 11, 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; Keith Mykleseth, Water & Light Manager; Megan Nelson, City Clerk; and Jason Stordahl, Public Works Director.

DETERMINATION OF QUORUM:

The Council President determined a quorum was present.

1. Update from American Crystal Sugar – Representatives from American Crystal Sugar

Mayor Gander stated that American Crystal Sugar has been working on controlling odors for at least the last 10 to 12 years. He said they have been making great progress over the years and that he doesn't really remember smelling anything other than a toasted smell on occasion for the last couple years. He added how American Crystal has been brought in when there are issues but they are not brought in to find out how issues have been addressed, the expenses incurred in the process, and what might be planned for the future. He explained he had looked at their website and found out that American Crystal employs 303 people, they serve 618 growers, work with Transystems employees, and others. He added he feels there is a great partnership between the City and American Crystal and wants them to know the City does appreciate all they bring to the community. He said he was hoping an update could be given on what has already happened and what plans they might have for the future.

Mr. Lloyd Kennedy introduced himself as the Factory Manager of the East Grand Forks. He then introduced Mr. Cory Kritzberger who is the Agriculture Operations Manager who will be giving an update on the harvest and crop potential and Mr. Josh Gleason who is the Environmental Compliance Supervisor who supervises the water treatment, the ponds, and all of the environmental permits. He thanked the Council for inviting them to a meeting because it had been several years since they had attended a meeting. He stated this has been a long process and explained how handling water is a major component of their business because sugar beets are approximately 76% water which at the East Grand Forks plant equates to over 450 million gallons of water that is brought into the plant every harvest season. He reviewed how they handle the water, how this can create odors, and currently there is not a huge amount of technology

that applies to this industry. He stated they have learned as they go, since 2006-2017 at the East Grand Forks plant they have invested 40 million dollars to primarily to deal with water, how it is treated, not all efforts were successful, but they have made great strides, and are starting to see the benefits from those efforts. He added they will continue to invest to try and make things better, they are very proud to be a part of the East Grand Forks community, and they hope they continue to be a good member of the community.

He then turned it over to Mr. Gleason. Mr. Gleason commented that it is nice to know people have noticed they have been trying to mitigate odors. He said it was mentioned they have invested \$40 million to try and mitigate odors. He explained that from 2013 to 2016 they spent \$5 million which included improvements to the aeration system to the ponds, multiple projects to reduce the amount of water that is generated at the factory including increase communication between operations and wastewater, and they spend a lot of time identifying sources and try to find solutions for them. He said they have been trying to integrate more technology in their systems, they manually take 70 samples every 24 hours to try and identify issues, and have improved the screening to remove more organic material from the water that goes out to the ponds. He added projects that are coming up include improving drainage on site to get the water to the ponds quicker, increasing more aeration at the ponds, and recently they completed the anaerobic clarifier cover and should be working within the next couple months which will help pull out the methane gas which will then be used as a renewable energy source at the factory. He commented they expect to see good results from that and moving forward to continue to try new techniques because it is a constant battle. He thanked the Council for the opportunity to explain what they have been doing.

Mayor Gander said he did stop in the neighborhood and asked people if they have been smelling odors from the factory. He stated that everyone he had talked with said they haven't been smelling anything so what they have been doing is paying off. Mr. Kennedy told the Council years back they started identifying major sources, mitigated the issues, and now they are working on finding small sources. He added they sit on approximately 800 acres and rain events are big events for them as well because they collect all of that water, it doesn't go through the City storm water system, it goes through their water treatment system so there are many things that can play a factor into their processes. He said there will continue to be challenges, they are making good progress, and are hopeful the progress will continue.

Mr. Cory Kritzberger told the Council that part of his responsibilities are beet storage and harvest management. He said last year they had a record crop of beets and had to pile over 12 million tons of beets. He stated with better beet storage the less problems they have at the factory and less issues for Mr. Gleason to deal with. He explained how they have increased ventilation in the piles, they are covering more, and they are continuing to look for better ways to store the beets. He added they are looking at having a really nice beet crop, they are estimating to have 28 to 30 tons of beets in the Red River Valley, and the previous year they were just over 30 tons so they are fairly close to last year. He stated the quality of the sugar has been excellent so far this year, beet harvest will be starting up on October 1st like usual, and they are up and running with slicing over 1 million tons of beets. He said things appear to be going well. Council President Olstad asked if there were any questions. Council member Pokrzywinski thanked them for coming in. Council President Olstad said he appreciated them coming in. Mayor Gander also said he appreciated them coming in and thanked them for the update.

2. Request to Award 18CP3 Parking Lot Improvements – Steve Emery

Mr. Emery told the Council quotes has been received on Friday, September 7th for the paving of the down town parking lot. He explained they had requested quotes from three contractors and had received two

quotes back. He said the bid tabulation was handed out and how the quotes had come in much higher than expected and after review of the numbers a big reason for that was the cost of the bituminous material along with higher costs for the storm sewer prices. He added he was told the other contractor did not have time for this project and his recommendation was to reject the quotes and rebid the project over the winter months to try and get better pricing. Council President Olstad asked why mobilization was so much higher on the one quote. Mr. Emery stated it depends on the contractor and how they price things but basically it comes down to the bottom number.

Council Vice-President Grassel asked if the storm sewer was required. Mr. Emery stated this area is very flat and it would result in a much better product with including the storm sewer included. Council President Olstad said he was okay with rejecting the quotes. Council member DeMers asked if these were bids or quotes. Mr. Emery said since the construction costs were estimated under \$100,000 they asked for quotes because it came down to timing and trying to move this project forward this year.

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

3. Request for Change Order for Interconnect Lift Station – Steve Emery

Mr. Emery explained there are high levels of hydrogen sulfide at the interconnect lift which can deteriorate the building and also creates a safety issue for the workers. He stated staff has looked into different solutions with one being a chemical system but there would be an annual \$40,000 cost for chemicals and a \$13,000 set up cost. He commented how they are trying to protect this investment along with providing a safe work environment and they do have the pricing from the contractor to install an exhaust system that would cost \$43,792. He added the first part of the interconnect project is approximately \$28,000 over construction costs due to increases in costs of items needed for the project, there had been three previous change orders approved by the Council, and this would be fourth change order leaving \$16,000 left in contingency dollars.

Mr. Emery reviewed the decommission part of the project, how the project costs are approximately \$4.4 million, 32% of the project has been completed, and at this time none of the contingency funds had been used. He reminded the Council of the City had received \$5.3 million in grant dollars for this project. He added he was looking for approval for the change order. Council Vice-President Grassel asked if there was potential for an issue down wind. Mr. Emery said the exhaust system would push the hydrogen sulfide farther up into the air so there is potential for some issues but other than one property most homes are more than a mile away. Mr. Murphy added how the hydrogen sulfide had always been there but was dissipated into the water of the pond. Council member Pokrzywinski said this was a necessary change so he would support it. Mr. Emery told the Council there was already a coating system in place in the lift station but additional measures were needed.

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

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

Mr. Murphy informed the Council there had been several staff meetings to review and revise the proposed budget. He explained they had taken direction from council discussions and they have brought things down to a 10% levy increase which still included room for the additional parks position. He said the Council could set 10% for the preliminary and they could continue to work on things for the final budget. He added the health insurance increase was less than expected, they reduced the amount to police

overtime, and asked for questions. Council member Pokrzywinski asked with this changes if the fund balance was going to be left alone. Ms. Anderson told the Council staff has been working to have a balanced budget without reducing the fund balance but also not adding any more to it at this time. She added the street reconstruction budget was reduced by \$50,000 and liability insurance was reduced by \$51,000 because there hasn't been an increase to that.

Council President Olstad said they considering a 5% increase to the levy and if this could be cut down further. Mr. Murphy said the current proposed budget is closer to 8%. Council President Olstad said there were going to be more discussions, staff has been doing a good job, and knowing what will happen with insurance will be helpful. Mr. Murphy said the possible change with insurance could reduce the budget by another percent. Mayor Gander commented how work has been done to bring the levy increase to 5% and have services at a cost to residents they are comfortable with. He added how the department heads are putting the greater good of the City ahead of their own departments which he appreciates. He continued saying they are trying to move forward with setting the levy by figuring in the growth of the City along with inflation. Ms. Anderson stated a resolution will be put together for the next council meeting to set the preliminary levy at 10%.

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

5. Request to Update the Purchasing Policy – Karla Anderson

Ms. Anderson told the Council the State had changed the purchasing policy and the updated policy had been included in the packet. She explained she also included a new purchase policy for the City which can be more restrictive than the State's policy. She asked for questions and how if adopted the policy would be implemented immediately. Council member Tweten commented how approving this can expedite the purchasing process and to move it on. Council member DeMers commented how bids are now required on projects that will cost over \$175,000 instead of \$100,000. He said there is a bit of a gray area with the project where quotes were collected and if they need to have it set that high. Mr. Galstad explained the quotes were good faith quotes, they wouldn't have to be rebid, and there is nothing that says the Council can't continue requiring sealed bids on projects that are less than \$175,000. Discussion followed about how collecting quotes can expedite the process but it may lead to issues, how Council does rely on recommendations from staff, and the current recommendation is to reject the quotes that were collected.

Council member DeMers said having sealed bids takes away any irregularity. Mr. Murphy said the Council could decide how to move forward on projects, sealed bids are still the preferred method, and moving the limit up to \$175,000 leaves an option. Council President Olstad added again the Council can dictate if quotes or bids should be used on the projects. Ms. Anderson pointed out the last box of the policy which explains purchasing using the State or National purchasing systems, they have already done the work on finding the lowest prices, and the City purchases a lot of equipment utilizing these systems.

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

6. Consideration of Renewing the Agreement with the Dept of Motor Vehicle – David Murphy

Mr. Murphy informed the Council the lease agreement with the Department of Motor Vehicle (DMV) was up for the use of the space in the Parks Shop on located at 5th Avenue NE. He stated the DMV would like to renew the lease agreement for three years with a two year option. He explained they pay \$1300 for the

year to use this space which covers the cost of them using this space and it was his recommendation to move forward with the new lease agreement with the same terms. There were no questions.

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

7. Request to Purchase Pickup for Public Works – Jason Stordahl

Mr. Stordahl stated \$30,000 had been budgeted for the purchase of a new pickup for the Public Works Department. He stated he is recommending the approval for the purchase of a pickup for a cost of \$27,117.70 from Ranger GM. Council member DeMers asked if the pickup would have a bed liner. Mr. Stordahl said it would. There were no other questions.

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

8. Consideration of Annual Crack Sealing – Jason Stordahl

Mr. Stordahl said every year 100,000 linear feet of crack sealing is done as preventative maintenance on the streets. He explained he had received quotes from Opp Construction and Northwest Asphalt and Maintenance for this project and is recommending to award the job to Northwest Asphalt and Maintenance for a total of \$75,000. Council member Tweten suggested some locations where work needs to be completed on panels which should be set as a priority. There were no questions.

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

9. Request to Apply for Multi-Cultural Center – Paul Gorte & Mayor Gander

Mr. Gorte told the Council several months ago a group of people that included Council Vice-President Grassel started meeting and working on the creation of a multi-cultural center to help improve cultural relations and understanding for all of the cultures in the community. He explained that both he and the Mayor have been involved with these meetings and recently they found an opportunity to apply for a grant for up to \$100,000 that does not require a local match from the Northwest Minnesota Foundation. He continued saying this grant would be applied for by all of the agencies involved which included the public school, Northland College, and a non-profit social service agency and a letter of intent is required in October for this grant process. He asked to move forward with this process, if there were any costs that information would be brought back, but at this time they are not anticipating any local costs for this grant.

Council President Olstad asked what this grant can be used for and if it could be used for building or remodeling a space. Mr. Gorte said it can be used for many things, how to make the program work, things needed for the program, and try to set up long term funding for the program. Council President Olstad asked who would have ownership. Mr. Gorte said that still has to be worked out and added Northland College has volunteered a grant writer to help with the letter of intent. Council member Vetter asked what this grant is going to be used for and if it was to build or purchase a building. Mr. Gorte said it was not for the purchase or to build a building but rather to complete a study to make sure this is possible and it can lead to facilities which will need to be determined. Council member Vetter said this is an up in the air grant and he doesn't think the City should be associated with that type of grant so he will not be voting for this.

Council President Olstad asked what was needed for next week. Mr. Gorte said whatever was needed to move forward in this process. Council President Olstad asked for a resolution to be prepared for the Council to consider the following week. Council member DeMers said he was fine with applying for the grant but was wondering what the governance structure is going to be and if that needs to be determined before they apply. He commented how he has been through this before with other entities and when the money comes in there has to be a fiscal agent or something outlined that explains who is in charge and who has a say on how things are done. Mr. Gorte said they are wanting to submit a letter of intent, once the letters are received each group will be interviewed to ensure they are reaching the goals of the grant, and the foundation will be in charge of handling the funds so it is not locked in to just a few groups. Mr. Galstad said if this grant is for a study this group will have to discuss how the governing board will be set up. Council member DeMers asked if they were going to be hiring a consultant or staff for this. Mr. Gorte said they will not be hiring staff or using a consultant because the different members of the group have their own areas of expertise and everyone is pitching in to help.

Council Vice-President Grassel said the people that have been meeting include the school district, the City, Lutheran Social Services, Global Friends Coalition, and Northland College and others. He said they have a site in mind which they have brought to the school district's attention. He stated that Northland is very interested in participating in educating people and this is a way to help guide the group to get going in the right direction. Mr. Gorte said this funding source just came up within the last 30 to 45 days and the group is planning on meeting to prepare the information for the grant writer who will also be preparing the letter of intent. There were no other questions.

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

10. Update on Special Events – Megan Nelson

Ms. Nelson stated she wanted to update the Council on a few things before they were added to the agenda for the following week. She said the VFW Post 3817 would like to use the gravel lot to grill during the Potato Bowl Parade on Saturday, September 22nd. She explained they had already submitted the license information from the Department of Health for this, nothing was required from the City, and asked for questions. There were none.

She continued saying the previous week she had received the special event application for the Grand Forks full and half marathons. She stated the running routes will be using more of the greenway, they will not be running over the Sorlie Bridge, and they will be using the Point Bridge so that will be shut down for part of the day. She said the RCA including asking for MNDOT approval but she had been informed they do not control it so as long the Council approves it the bridge can be shut down. She added how a section of the race will go through a residential area, typically the race organizers send out a notice to those in the neighborhood about what is coming up, and Public Works will also be working on the bridge while it is shut down.

Ms. Nelson then reviewed how she is still waiting on some information for the Leighton Broadcasting beer tasting event for October 6th. She told the Council they were working with Development Homes in Grand Forks who was going to be contracting for liquor services with Up North Pizza for this event. She explained the special event application and temporary liquor license will be on the agenda for the following week. She informed the Council that the VFW does have two events scheduled for that evening so Leighton has been asked to have their event cleaned up as quickly as possible to allow for parking.

Chief Hedlund told the Council the Wild Hog Marathon group held an open house at the library to discuss the event and no one showed up. Council member DeMers asked what times the bridge will be closed. Chief Hedlund said it is typically closed until noon. Mr. Stordahl said it might be closed a little longer because of some work they will be doing on the bridge. Discussion followed about the bridge closure will be taking place on Saturday morning on September 29th. Council member DeMers said the City can't decide when people do events but maybe they could look to do the beer tasting event after harvest. He commented more people might be able to attend and it might connect more groups. Ms. Nelson said they originally wanted to use the Civic Center but the weekend of this event is the weekend of the Arts and Crafts show and there will be ice in the arena after the craft show but a suggestion for another venue could be made. Council member Riopelle asked about additional police officers being on duty for this event. Chief Hedlund said they haven't talked to him about it and how they did have two additional officers on duty during the Up North event.

These items will be referred to a City Council Meeting for action.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER RIOPELLE, SECONDED BY COUNCIL MEMBER VETTER, TO ADJOURN THE SEPTEMBER 11, 2018 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:05 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer