

**APPROVED MINUTES
OF THE WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, NOVEMBER 27, 2018 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for Tuesday, November 27, 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; 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 QUORUM:

The Council President determined a quorum was present.

1. Request for Approval on ADA Transition Plan for Public Right-of-Way – Nancy Ellis

Ms. Ellis told the Council that this plan is a part of a larger ADA compliance plan for the entire city. She stated this part of the plan is for public right-of-way which includes curb ramps, sidewalks, and trails. She said they had met with a consultant, a number of focus groups, and others to get input along with completing a physical survey all of the sidewalks, curb ramps, and trails and right now the City is approximately 22% compliant which is good for a city of this size and with a plan in place the City will continue to receive State and Federal dollars to continue becoming more ADA compliant. She added part of the process is to allow for public comment and have a grievance procedure, the appointment of an ADA coordinator which she has been, and the rest of the plan will be coming forward for approval in the spring. She said they will continue to move forward with ADA compliance when working in the right-of-way, when major projects are done, or in more heavily traveled areas. She asked for questions.

Council member Riopelle asked if any grievances had been filed. Ms. Ellis said there had only been one regarding snow removal on the sidewalk and they were looking at measures to keep sidewalks from being located right next to the street because it is hard to keep the snow off of them. She added there has not been a grievance because something was not ADA compliant at this point. She stated this was going to go to a focus group, public open house on December 6th, and they were going to have the final draft approved by the end of December. There were no other questions.

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

2. Consider ICAN Bike Camp Use of VFW Arena in 2019 – Reid Huttunen

Mr. Huttunen reminded the Council about the bike camp that was hosted by the Anne Carlson Center at the VFW Arena last year. He stated they had close to 40 participants and things went well for all that were involved with this camp so they are requesting the use of the arena again in 2019. Council member Vetter asked if this group charged participants for attending. Mr. Huttunen said he would have to check. Council member Vetter said if they charge something the City should charge a fee but if they don't he didn't have an issue donating the use of the arena for this. Mr. Huttunen said he would clarify that for the next meeting.

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

3. Consider Proposal to Increase Park & Rec Activity Fees – Reid Huttunen

Mr. Huttunen said by the time they were going to have a Park and Recreation Commission meeting there wasn't a quorum so he checked with the commissioners about the presentation that was included in the packet. He stated the increase to the fees was to help bring in more revenue but also keep them at a place that they are reasonable. He commented how there hadn't been a significant increase in the fees for many years other than a small increase to help pay the fee for online registration. He stated that at this time he is recommending a 30% increase to the winter activity fees and 15% increase to the summer activity fees along with increases to the pool fees. He explained this would bring in approximately \$40,000 more per year to help support the budget and help pay for the additional employee that has been discussed. Council President Olstad asked if that was the sheet with the total of \$42,332.90. Mr. Huttunen said that was correct but they were using \$40,000 to be more on the conservative side because of possible fluctuations such as this year because there is no 15U hockey team. Discussion followed about the service fee, how there is a fee for every online transaction along with the charge for the use of the card, and how it is a user fee. Ms. Anderson added the software costs are about \$600 to \$700 per year.

Council member DeMers said he appreciated the effort being made, it was good to get the fees in line with neighboring communities, and asked if they factored in attrition as a result of these increases. Mr. Huttunen said they hadn't completed a survey regarding this but at this point he hadn't heard any negative comments about these increases. He continued saying how the commission did look at 30% for summer activities but it seemed too steep of an increase for only six weeks of activities, how the winter activities last longer, and those in the winter activities understand the costs related for running arenas. Council member DeMers commented how everyone should be able to participate and asked if there were any outside opportunities for hardship. Mr. Huttunen said there is already an application process in place for that and the decisions are made internally in their department for any activity. Council member DeMers commented how they should maybe be a little more conservative with this increase when considering allowing for hardships.

Mayor Gander stated how increasing fees has been something that has been talked about for a while now, how parks and recreation are high priority because of the hundreds of thousands of dollars that are used each year to subsidize programs and maintain the parks, trails, pool, and everything else. He added he likes the idea of including a process for hardship cases so no one is excluded, and it is good for people to get into the habit of exercising. He said this was a sensible proposal and worth it to help staff. Council member Riopelle said he had spent lots of time at the arenas over the weekend and talked with people about the increase in fees. He said how some people commented it was about time the fees were increased. Council member Pokrzywinski said he agreed with the Mayor, a lot of money is used to subsidize these

programs, it is an investment in the community, and makes the community attractive for the families living here. He said people expect a high level of service, they are willing to pay for it, he supports the hiring of the additional staff person, and the increases are modest and justified. He added this make good business sense and what the Council should do.

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

4. Review of Proposed 2019 Budget – Karla Anderson

Ms. Anderson told the Council the budget information in the packet was based on a 7.5% levy increase and the truth and taxation statements had been sent out so she had included the information for the five properties they have used over the last few years. She stated that at a 7.5% lev increase there was \$1906 more in revenue than expenses. She continued reviewing the truth and taxation information on the same five properties each year, how valuations fluctuates each year, and with a 7.5% increase in the levy the average increase is 5.19% to 5.83%. She stated this was a start with the budget, how the Council has talked about 5% and 6% increases, and asked for direction from the Council on how they would like to move forward.

Mr. Murphy said Ms. Anderson has done a very good job of putting the information together showing where things are at, the truth and taxation statements have gone out, one comment had been received at the City, council members have received some phone calls about this, and suggestions have been made for the levy to be between 5% and 7.5%. He stated they are prepared to talk about those different figures and suggestions that have been made. Council President Olstad asked for an elaboration on the truth and taxation statements that were mailed to residents and a brief overview of that process. Mr. Murphy said there are two times a year when the City has to give a number to be certified for what the upcoming levy will be. He explained the first is the preliminary levy, State statute does not allow for the number to be increased only decreased from where it is set, and what cities do since the overall number isn't known the number is set higher than what is anticipated for needs. He stated staff and the Council works on where the levy and budget should be and it is that number that gets certified with the County in December as the final levy to calculate property taxes. Council President Olstad asked if the County goes through the same process. Mr. Murphy said they do.

Council President Olstad commented how the statements recently received also include an assessed value of the properties which is set by the County. Mr. Murphy said the assessed value is supposed to be between 90% and 105% of what the property sell for, they review ranges of homes, and since 2012 the lowered valued homes have increased in value at a greater rate compared to other homes. He stated in 2012 a property was valued at \$115,000 and is now valued at \$164,000. He added how Minnesota has a homestead credit and with an increase to the value of the home the amount of the homestead credit decreases.

Mayor Gander stated they are working so the increase to the levy is similar to the rate of inflation. He said the City continues to grow and the Council doesn't want to do something that will stop that growth but the City also needs to continue to provide services and keep up maintenance. He commented how staff has trimmed the budget down, it is a very lean situation, and they are trying to make every dollar stretch as much as possible. Council President Olstad asked for questions. Council Vice-President Grassel asked if they were looking for a specific number. Mr. Murphy said they were, any additional ideas, staff was there to answer questions, and a final number will need to be set. Council Vice-President Grassel stated that he would rather see a 5% or 6% levy, there had been large increases over the last couple years,

and they need to get this back in line so he won't support anything over 6%. Council member DeMers asked what number was used on the truth and taxation statements. Ms. Anderson said it was 10%. Council member DeMers then asked how the budget was down to 7.5%. Ms. Anderson said she could send out the list of items. Council member DeMers said the Council should know what has been taken out, how some people he has talked to have been surprised by the 10% increase, and how the Council should be able to get the levy down to 5% or 6%.

Mayor Gander said he would like to see a 5% increase to the levy, how the City has received a decrease by 2% in LGA, and how the City has to make up that difference by increasing the levy or by cutting services. He said a justification for an increase to the levy would be the 2% decrease in LGA. Council President Olstad said he would support a 5% or 5.5% levy increase, how it is detrimental when the City has a decrease in LGA funds, and they need to find a way to not cut services while still providing a great place to live.

Ms. Anderson said she had done some work to reduce the levy to 6%. She reviewed how the five properties would be effected by a 6% levy increase and how there are still funds available in the 2018 budget to purchase some items so they wouldn't have to be included in the 2019 budget. She explained how there were funds available in the traffic engineering fund so a message board could be purchased, there was savings in the Parks Department to cover the cost of an ATV, and there were funds available to pay for the software and hardware needed for a time clock system. She added staff is working on submitting information to FEMA on damages from the wind storm that took place this past summer, and there would be funds available to purchase a suburban this year. Council President Olstad asked if that lowered the levy from 7.5% to 6%. Ms. Anderson said yes and maintain the fund balance. Mayor Gander asked if that included the new revenue from Park activities fees. Ms. Anderson stated it did. Council member DeMers asked if it included the Park position. Ms. Anderson said it had been put back in and is accounted for.

Ms. Anderson then reviewed how vacant Public Works position was removed, she said with the new GASB rules on employee benefits allowed for a \$51,000 savings, the health insurance increase was less than expected so that was a \$70,000 savings, the Police Department overtime was reduced back down to \$100,000, the SAFER grant position may not be filled, and the pickup for the Police Department will be purchased with the use of a trade reducing the overall cost. Discussion followed about how the SAFER grant position was for the Fire Department, how the budget would break even at a 6% increase, how the IT handles the changing out of computers for the departments, and staff is open to suggestions on how things are done. Mayor Gander stated he was thankful they were not deferring maintenance and asked those watching or listening to let the Council know what they would want or what they would prefer.

Council member DeMers stated he would like to see the job description for the Parks position because he is on the fence about the need for it. He recommended this position could also be used by another department such as finance. Mr. Huttunen said he had shared a job description with the Council a little while back. He explained this position would be about 30% administrative assistant and 70% parks or programming specialist. He stated how across the country Park Departments have gotten more into cultural activities which is something he would like to bring to this city. He continued saying this position would help and set up programming, taking money at the window would be a very minimal part of the position because almost all registration is completed online, and he would like to see new activities along with winter activities outside of a rink. Mr. Murphy commented how the Parks staff is called out of the office so there is a significant amount of time when the office is not staffed. Council member Pokrzywinski stated that someone should be there to give information, how the building was poorly

designed, he was not on the fence about this position, and people should be given good customer service from someone who is available.

Council member Riopelle commented that the Council also needs to working on a down town assessment for snow removal. He stated it could help bring in another \$45,000 to \$50,000 per year. Ms. Anderson told the Council that staff had talked about charging differently for special events when it is a for-profit organization to cover the City's costs but the numbers were not known at this time. She asked the Council if it would be okay to bring forward the three items she had mentioned early to the next council meeting. Discussion followed about how these items would be covered by funds from the 2018 budget, it wasn't deficit spending, and it was not coming from the reserves. Council member Vetter said if they don't spend it this year they could add it to the reserves and then spend the reserves down by that amount next year. Ms. Anderson said that could be done. Mr. Murphy asked if there would be an audit impact. Ms. Anderson said there wouldn't be. Mayor Gander stated if they are priorities to get them taken care of. More discussion followed about how two of the items could be purchased right away but one would have to be ordered because it is an emergency vehicle. Council member Vetter suggested again to put the funds into the reserve and spend them in 2019.

Mr. Murphy reminded the Council that any additional funds remaining at the end of the year will be added to the reserves. Council Vice-President Grassel asked to get this taken care of so there wasn't any arguments later with new council members starting soon. Mr. Johnson asked about the position in Public Works. Ms. Anderson said it hadn't been filled for a couple years. Mr. Johnson commented with the hiring of the Parks position it should be a wash. Ms. Anderson said it was close. More discussion followed on how all three items should be brought to the next council meeting for consideration. Ms. Anderson asked if the resolution should be set for 6%. Mayor Gander asked for resolutions with 5%, 5.5% and 6% to be prepared. Mr. Murphy said he would make a recommendation at the next meeting. Council President Olstad asked Mr. Helms if he had any comments. Mr. Helms stated the cost of the suburban might increase so it should be brought forward sooner rather than later. Council member DeMers asked when the levy information was due. Ms. Anderson stated December 28th. Council member DeMers said it would be good to get feedback from those at the meeting the following week.

Ms. Nelson reminded everyone that the meeting on Tuesday, December 4th started at 6pm in Council Chambers.

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

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADJOURN THE NOVEMBER 27, 2018 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:15 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer