

**APPROVED MINUTES  
OF THE CITY  
COUNCIL WORK SESSION  
CITY OF EAST GRAND FORKS  
TUESDAY, MARCH 12, 2019 – 5:00 PM**

**CALL TO ORDER:**

*The Work Session of the East Grand Forks City Council for March 12, 2019 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, Dale Helms, Tim Riopelle, Tim Johnson, and Marc DeMers.*

*Karla Anderson, Finance Director; Steve Emery, City Engineer; 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 Keith Mykleseth, Water & Light Manager.*

**DETERMINATION OF A QUORUM:**

*The Council President Determined a Quorum was present.*

**1. Environmental Study Phase 1 Report for Water Tower Property – David Murphy**

Mr. Emery gave an update on the request by Sacred Heart to purchase the lot the city owns near the school. Zavorals hired Wenck Associates to do an environmental phase 1 study on this lot. He explained two recognized environmental conditions were listed as controlled recognized conditions because they were researched, investigated, and contained to the satisfaction of the Minnesota Pollution Control Agency (MPCA). He stated the contamination was limited to the immediate release sites and further contamination was unlikely, the city would not be responsible for contaminations, and believed the city would not have liability.

Council President Olstad asked if the city would be responsible if it was dug up, to which Mr. Emery responded no. Mayor Gander requested the process continue to move forward for the sale of the property. He asked whether any payments were made. Mr. Punky Beauchamp from Sacred Heart stated that two payments were made for \$500 and \$5,500. Mayor Gander asked that if all has been done so far that was required that Mr. Murphy follow up with Sacred Heart on the next steps and Mr. Galstad have some documents ready for the next council meeting.

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

**2. Discussion on Establishing a Quiet Zone – Steve Emery**

Mr. Emery noted that there have been multiple requests by different entities for establishing a quiet zone

through town from the railroad bridge through the three city crossings. He explained Mr. Murphy requested some research on to what would be required to establish a quiet zone so he began by contacting BNSF and Federal Railroad Administration (FRA). He stated a meeting was held in May of 2018 with BNSF, the FRA, Sacred Heart, MNDOT, and staff from the City. He said how they reviewed all three crossings, the first recommendation for the Third Street crossing was to close it entirely, the second recommendation was to install a four-quadrant gate system, and the third option would be to install a three-quadrant gate with some additional safety measures. Mr. Emery continued with the Central Avenue crossing which already had most of what was required but would need medians. He added it was also recommended to add a fence between Third Street and Central Avenue to protect individuals from wandering onto the train tracks. Mr. Emery explained there was discussion about vehicle detection monitors allowing vehicles to finish crossing the tracks before the gates closed, the MPO completed a traffic study in 2017, and the traffic count for Second Avenue Crossing had 6,000 vehicles per day, Central Avenue had 500 vehicles per day, and the Third Street NW crossing had 400 vehicles per day.

Mr. Emery then reviewed the initial estimated costs for improvements were \$567,000 for Second Avenue, \$122,000 along Central Avenue, and along Third Street NW if completing a three-quadrant system with other improvements the estimate was \$909,000. The total could near \$2 million with the three-quadrant system or if they installed a four-quadrant system the cost would go up to \$2.3 million. Mr. Emery explained there could be an incentive to closing the Third Street crossing that included up to fifty percent of signal system improvements being paid for by BNSF that needed to be done at Second and Central which would make the total cost approximately \$652,000. Mr. Emery started explaining the locations of the medians at the different crossings and the addition of the medians on Third Street would change some of the traffic flow and possibly make the street by Sacred Heart a one-way. Mr. Emery said again the improvements would be paid by the city but BNSF would provide some dollars as incentive to close the Third Street crossing. He continued that he asked MNDOT if they could use some state-aid dollars for improvements but has not heard back at this point.

Mr. Punky Beauchamp noted that Governor Walz had earmarked money for railroads and asked if those funds could be used on a project like this. Mr. Emery said he had not looked into that at all at this time. Mr. Beauchamp also referred to a study in 2010 for a quiet zone in the same area that showed costs that were lower than the current estimates. Mr. Emery stated he was not familiar with that study. Mayor Gander asked Mr. Beauchamp how important it was for Sacred Heart to keep all of the crossings open. Mr. Beauchamp responded it was important for Sacred Heart and for traffic flow as a whole for the city in relation to other businesses and the students who come from Grand Forks. Mr. Emery noted that the traffic flow study could have been different if it were done in the summer so he would ask when it was completed. Discussion followed about how often city safety personnel use this crossing and how years ago the Council voted against the closing the Third Street crossing.

Council member Helms said he does not hear it from his house but he is sure it is more difficult for those who live closer. Council member Vetter asked if the city were to keep it open whether Sacred Heart would be willing to pay some to keep it open. Mr. Beauchamp asked how paying to keep it open would be in Sacred Heart's interest. Council member said it if was not a benefit to Sacred Heart then the crossing could be closed. Mr. Beauchamp said the question would have to be discussed further with some other officials and asked what exactly the city would be looking for with a dollar amount. Council President Olstad noted further discussion would be needed and that the city should possibly look into more about the impacts on traffic.

Council member DeMers acknowledged that further discussion would be needed for them to see what

kind of funds Sacred Heart could or would want to raise and asked for further clarification for what BNSF would pay if the city were to close the intersection. Mr. Emery explained it would be half of the signal system updates for the other crossings. Council member DeMers pointed out that further costs could be incurred for fencing and pedestrian crossing with a trailhead close by. He continued saying the Council could revitalize the central corridor project, possibly find a route over or under the track which might allow for Federal or State funding. He added the City should look at alternatives.

Mayor Gander stated it would be a three-organization negotiation with the city, federal railroad, and BNSF. Mr. Emery commented that a more detailed plan would be needed for better numbers. Mayor Gander asked what it would cost to get to the point of a more detailed plan. Mr. Emery said he was unsure. Council member Helms stated how more costs could be incurred going further east for the quiet zone. Mayor Gander wanted to make note that the changes are not just for one organization but for thousands of people who are involved. Council member Riopelle said BNSF has a lot to lose if there is an accident, and to be mindful of that. He continued saying it was more than just Sacred Heart would be affected by the closing of Third Street, such as the post office, and where the Council would stop with asking organizations to help pay for this. Council President Olstad asked whether those numbers in the study were artificially high or if they were the real costs. Mr. Emery said these are the numbers right from BNSF, how they may be artificially high, but this was the starting point. Council President Olstad suggested reaching out to the railroad to get more details about the project. Mr. Beauchamp thanked the Mayor and Council for their time and consideration.

This item will be brought back to a future work session.

### **3. Request for Direction on R22 Phase-Out at Arenas – Reid Huttunen**

Reid Huttunen explained R22 is a refrigerant used to run the compressor systems used to make the ice in the VFW Arena and Civic Center and how a few years ago the EPA pushed the Clean Air Act, which will prohibit the further production and importation in the United States beginning in 2020. He reviewed the indirect system at the Civic Center, how it holds approximately 400 pounds of R22, and VFW it is a direct cooled system meaning there is between 4,000 to 5,000 pounds in the system. He continued saying with the discontinuation of R22 there has been a rise in cost of this product, which may substantially increase the price of a repair if there is a leak or if they need to charge the system. He said recently the price for R22 was \$20 per pound, last year it was \$40 per pound, and in 2013 it was about \$13 per pound and it is unknown what will happen in the future because of what might happen with the recycled R22 when people change out their systems.

Mr. Huttunen told the Council that with the systems changing parts would no longer be made for the R22 systems so they will be harder to find or will have to be made. He stated the costs for maintenance and repairs will greatly increase and they have already seen this happen with the system at the VFW Arena. He added the study completed by CIMCO states the system at VFW Arena was almost obsolete when it was installed back in 1997, a compressor had to be overhauled in 2017, which cost \$50,000, and to overhaul one of the compressors at the Civic Center is \$4,000 but in the next few years this system will be obsolete as well. Mr. Huttunen added the system used at the Blue Line Arena runs on R404A, those systems will no longer be installed after 2020, and the cost for the R404A has already risen to \$20 per pound.

Mr. Huttunen started reviewing the presentation that was included in the packet, how there was information from CIMCO on what the City might be able to do to get more time out of the current systems,

and they provided preliminary estimates on what it costs to replace the systems. He explained the floor at the Civic Center might be able to be reused but there are code issues that would need to be addressed and the cost for addressing everything is approximately \$1.4 million dollars. He continued with the VFW Arena, how it would require the replacement of the floor and all of the pipes, so the cost estimate for this arena was \$2.2 million dollars.

Mr. Huttunen said there had been updates done in recent years at Civic Center but not as much had been done at the VFW Arena and listed some of the issues that need to be addressed which include replacing the boilers, the roof needs to be inspected, and the signage needs to be replaced. He asked for a direction from the Council on a strategy on what should be taken care of or what the priorities of maintenance or projects should be. Mr. Huttunen went on to discuss what some other cities have done in the area with implementing different systems and the costs associated with them. He said the price tags are all over the place depending what is done. He added how in many of these cases the first step was to contract with an architect or engineering firm for completing a building study and produce a feasibility report showing all of the estimated costs to address the deferred maintenance and other items that need to be addressed. He stated he was not sure what the cost would be to have this report completed, how they have been discussing this at Park and Recreation Committee meetings, and they are looking for direction on how to move forward. He commented members from both the commission and the Blue Line Club were at the meeting so they are aware of what is being discussed and how it had been suggested to build a hockey specific training facility, which has been done in other communities. He then asked for questions.

Council Vice-President Grassel said two or three years ago the council met, came up with a strategic plan noting that they would need to address issues with city buildings, and there was the idea of eliminating the VFW as an ice arena and designating it for something else within the parks department. He continued saying they could add a second sheet of ice at the Civic Center and bring everything up to code, and make some updates, which are things that have been discussed at the Parks and Recreation Commission meetings. He added it would make more sense to upgrade the one arena and make the other a usable space for everyone in the community. He stated the Council needs to get things started now and start looking at how to fund these projects through naming rights and fundraising. Council member Riopelle told the Council he had been a part of fundraising for several rinks before, fundraising could take up to two years, and a plan needs to be in place of what will be happening before the fundraising begins. He commented that fundraising is a major undertaking, there were many things to consider when it came to naming rights, and everyone is involved, not just the City.

Mayor Gander said he likes the conversation and that they are considering different options. He commented how they do not want to spend millions to continue doing the same thing. He added this is the time to consider all options so they come out in a better place. Council member Helms asked how much had been spent in the last couple of years on maintenance at the arenas. Mr. Huttunen estimated between 2017 and 2018 was \$50,000-\$60,000 for maintenance at the VFW Arena and approximately \$25,000 in maintenance at the Civic Center in 2018. Council member Helms then asked how much R22 was available in inventory. Mr. Huttunen said less than 1,000 pounds. Council member Helms commented how that could create an issue if a major repair was needed, how the cost of R22 does fluctuate, and they should look into purchasing more R22 to have on hand. Discussion followed about how the Parks Department tries to watch the prices and tries to purchase R22 when the price is low because it can be stored for a long time.

Mayor Gander asked for clarification about the Blue Line Arena and if it would remain as an ice rink. Mr. Huttunen said it would. Mayor Gander noted it was nice for the community to have a sheet on that end

of the city. Council Vice-President Grassel suggested when considering upgrades to fix entrances and other areas around the Civic Center because there are times when rains or melting snow cause issues and how they might also consider addressing the parking lot as well. Mr. Huttunen added there are a number of areas in the arenas that could be improved on to run more efficient and how these items could be included in this process.

Council member DeMers said the Council has many challenges in front of them and they need to determine what project they want that will get the City in a better place. He said the funding won't be the difficult part, it will be determining what the project should be, and how there are many people in the community that will support this. He commented he was in support of a master plan that will utilize one location to help with efficiency and a betterment to what can be offered. He asked if there was an estimate on the cost of adding another rink at the Civic Center location. Council member Riopelle stated the ICON arenas started out at \$6.5 million but ended up higher. He said adding just one arena with smaller number of seats could cost around \$3 million to \$4 million. Discussion followed about how costs have escalated in just a few years when comparing arena projects and repurposing the VFW Arena could allow for more opportunities to the whole community to participate in.

Council Vice-President Grassel asked if anyone would have an issue for Mr. Huttunen to come back with a comprehensive study so everyone is on the same page. Council member DeMers asked if they should request proposals first. Discussion followed about having companies submit a concept, how input could be given from other groups, and it could give the Council a preliminary number of the cost. Mayor Gander also said he believes a concept would be a great thing to have to help gather support for the project. Council President Olstad asked if it could be determined on how much it will cost to complete the study and if that is where they should start. Discussion followed about how other city projects have started that way, how Crookston was able to get money to build their facility from the State bonding bill, and how they are not replacing the Civic but add a sheet of ice with a smaller seating area.

Council member Vetter stated the Council would also need to keep in mind the costs of repurposing the VFW. He continued saying how the Council wasn't thinking broad enough when it came the sales tax, by the time this project comes up the sales tax for the pool will have been completed, and that could be a great funding source for a project like this. Council President Olstad said the discussion has started about what is needed in the community, what groups should be included in the discussion, and they need to determine what is needed to move forward. He added how a study was done for the pool project, how they met with all age groups in the community to determine what was desired, and how this process developed different options with the cost estimates. Discussion followed about how there has been a suggestion of a training facility to included, what the possible times lines could be, how it was approximately six months to have the pool study completed, and the Council would discuss how to move forward after the study was completed.

Council member DeMers stated they should plan on a 6-9 months for the study and asked how far things have gone with the sales tax. Ms. Anderson stated about \$800,000 had been collected after a year, there was approximately a year and a half of collection left, and the City will have to wait a year before they can ask the residents to vote on the implementation of another sales tax. Council member DeMers commented they might be able to implement a plan in about four years if things going right and suggested they should start looking at a consultant.

DeMers then asked if the training facility would need to be hockey specific or if it could be partially combined with other training facilities or activities. Discussion followed about what is needed for a

hockey specific training facility, the VFW is a large space, and how even though there is still snow on the ground spring sports are starting up, so it might be good to give them a space as well. More discussion followed on how the Blue Line Club has funds to spend; they need a direction from the Council, and how the Blue Line Club is wanting to bring more tournaments back to the City not only for the youth but to help with the local economy with bringing people to town. Council President Olstad thanked everyone for their comments.

This item will be brought back to a future work session.

#### **4. Discussion on LaFave Park & Red River Boat Landing – Reid Huttunen**

Mr. Huttunen said this item was prompted by the opportunity of applying for the Governor's fishing opener and the boat landing for the Red River needs a lot of work. He explained this boat landing is busy all summer because it is utilized by fishing leagues and fishing tournaments among others, which makes it a vital part of the community. He commented how the current landing is deteriorating away. He reminded the Council the City is a part of the Red Lake River Corridor project, the City is able to apply for funding, and have been recommended to receive funding this year, which still needed to be approved by the State Legislature. He added how usually when a project starts receiving funding the Greater Parks and Trails Commission funds the project until it is completed, the City hasn't applied for much just yet, and this could be an opportunity for get funding for this project especially when there is a plan in place.

Mr. Huttunen explained he asked Mr. Emery to help with a conceptual design plan for the LaFave Park area including the boat ramp. He stated there was a plan drawn up a few years ago but the plan did not include cost estimates so he was asking for WSN prepare a design on an hourly basis not to exceed \$6,000. He said this would help prepare the hard numbers to take back to the groups and apply for funding. He recommended moving forward with option one at this time. He continued saying that he and Mr. Brad Durick have had a few discussions about the boat ramps, how replacing the current boat ramp will take all summer, so the suggestion is to build a new boat ramp further to the south and once that is completed, to replace the existing boat ramp. He said this would provide him with the necessary information when meeting and applying for funding.

Council member DeMers said he had been in favor of fixing this spot for a long time because it doesn't live up to the City's standards. He continued saying he is excited to have WSN work on this concept, it will give them more detail, he is in favor of having two ramps, and the Council may need to consider adding additional docks. He added he would like to see if something could be added along the land, the boat ramp it the first priority, and they will need to determine how they would like to address or contain traffic. He continued saying they need to be able to replace some of the trees of this area, how they should try to include costs for the natural playground, how there are TIF dollars available that could be used for the matching funds, and this would be a terrific use of those funds.

Council Vice-President Grassel stated he agreed with Council member DeMers to come up with a plan for this area and there may be other opportunities in the future with two ramps and a parking lot. He added how they might also want to consider adding power and water if it is possible for events to take place and he was in favor of this. Mayor Gander commented they may also want to add in safeguards to be able to close this area off if necessary. Council member Johnson asked if they should include restrooms or if people would continue to use the trailhead by Sacred Heart. Council member DeMers didn't think they could build something down there because it is in the flood plain. Mr. Huttunen stated it would be a great service if possible. He continued saying the Heartland Trail Park in Park Rapids has pillars every two feet

so there is no way for people go off the road and he would like to possibly use that idea in this area. Council President Olstad asked if there were any more questions. There were none. Mr. Huttunen said he had his direction.

This item will be brought back to a future work session.

#### **5. Request to Purchase Toro 4110-D Mower/Snow blower – Reid Huttunen**

Mr. Huttunen told the Council a 2006 Toro that was being used for snow removal started on fire and with no fire extinguisher, it ended up being a total loss. He asked to replace this Toro because it is also used for mowing in the summers. He explained he had been working with the insurance company, a value was determined for the mower and snow blower, and the City's policy will pay up to 200% of the value if the machine is replaced so they would pay \$45,350 towards the new mower. He added the City would buy back the snow blower back for salvage and possibly use it on a different machine.

Mr. Huttunen informed the Council the price was incorrect in the packet because it was for a summer cab option but they came back with a winter cab option and that information would be included in next packet. He asked for approval to purchase this new mower with snow blowing attachment and stated the City's share would total \$40,663.79. He added the funds could come for the CIP fund, they were scheduled to purchase a new mower with a snow blower in 2021, and the funds are available for this purchase. Council member Johnson asked if it had air conditioning. Mr. Huttunen stated no and how the cab would be removed in the summer months.

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

#### **6. Request to move Sherlock Forest Playground Funds into designated Endowment Fund with the Community Foundation – Reid Huttunen**

Mr. Huttunen reminded the Council a savings account had been established after the fire and rebuilding of Sherlock Park. He said there was still \$35,000 left in the fund; some funds had been used over the years for maintenance, and it was asked if these funds should be rolled over into an endowment. He stated the Park and Recreation commission would be recommending to spend an estimated \$8,000 this year on maintenance and to replace some of the playground equipment. He added if directed by the Council the remaining funds could then be rolled into an endowment fund.

Mayor Gander asked what intervals they could withdraw funds if this was put into an endowment. Mr. Huttunen said it would be based on the three-year average with the City being able to withdraw up to 5% of the growth on an annual basis so when this starts there won't be much to draw from and reviewed there are different options of withdrawing funds. He added it would cost 1% of the balance per year for the Foundation to maintain this account, which would be withdrawn at a quarter percent each quarter. He added that since this account hasn't been used could make this something to consider.

Council President Olstad asked if it has been considered to put this into something else. Mr. Huttunen said no. Council Vice-President Grassel asked if the money would need to be spent right away. Council member Vetter said they would be giving up a lot along with the surcharges. Discussion followed about how they might want to see if there was something else these funds could be put into, how the City can only withdraw 5% of the growth of the fund, how more maintenance may be needed in the upcoming years, and how with a small growth it more than likely won't be able to cover the maintenance.

Mayor Gander asked if there was something else these funds could be put into and create a perpetual maintenance fund that people are able to donate to that could take care of this park but allow this for City to withdraw funds. Council member Riopelle suggested a money market fund. Council member DeMers commented the \$27,000 isn't enough for an endowment, the community came together to build and rebuild this park before, and it's the City's responsibility to maintain this park. He added he doesn't see many people donating to this so they need to include the maintenance of Sherlock Park in the budget. Ms. Helgeson informed the Council the Friends of the Library have an endowment with the Community Foundation; they are able to apply for more funds if it's needed, and can be applied for through a grant program. Council President Olstad said if these funds are added to the City that could only be used for the park. Council member DeMers said they shouldn't spend a lot of time on this fund because it isn't a function of the City. Ms. Anderson said there was a fund specific for the library and it could also be done for this as well. Council President Olstad said there were some questions to look at, a few ideas, and go from there.

This item will be brought back to a future work session.

**ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADJOURN THE MARCH 12, 2019 COUNCIL WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 7:04 P.M.**

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

*Voting Nay: None.*

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David Murphy, City Administrator/Clerk-Treasurer