

**APPROVED MINUTES  
OF THE CITY  
COUNCIL WORK SESSION  
CITY OF EAST GRAND FORKS  
TUESDAY, MAY 28, 2019 – 5:00 PM**

**CALL TO ORDER:**

*The Work Session of the East Grand Forks City Council for May 28, 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 Members Clarence Vetter, Dale Helms, Tim Riopelle, Tim Johnson, 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; David Murphy, City Administrator/Clerk-Treasurer; Megan Nelson, City Clerk; and Jason Stordahl, Public Works Director.*

**DETERMINATION OF A QUORUM:**

*The Council President Determined a Quorum was present.*

**1. Request for Issuance of Industrial Development Revenue Bonds for American Crystal Sugar Company – Ron Galstad**

Mr. Galstad stated Mr. Jim Stewart and Mr. Lloyd Kennedy from American Crystal were present at the meeting and at this time he did not know the depth of the project. Mr. Stewart introduced himself to the Council, stated he represented American Crystal as their bond counsel, and they were looking at bonding to help finance a pulp press for the factory in East Grand Forks. He explained the City has helped with this process eight times over the last 18 years and by doing this the City does not have any liability; all obligations are put on American Crystal. He added how this process allows them to receive a lower interest rate on the bonds. Council President Olstad asked if there were any questions.

Mayor Gander asked if this would affect the City's bond rating. Mr. Stewart said no. Council member DeMers commented that the health of American Crystal does affect the City because of their tax capacity and utility usage. Mr. Murphy said the last time the City assisted in this process was in 2015 and if the Council does not have any issues, a resolution will be brought forward at the next meeting to set a public hearing for July. Mayor Gander thanked them for investing in East Grand Forks. Council member Johnson asked if this would help with the odor problem. Mr. Kennedy said this pulp press would make pellets that could be sold reducing the amount of pulp that is hauled away from the factory and how he was not aware of any current odor issues.

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

## **2. Request for Assistance for Manufacturing Expansion – Paul Gorte**

Mr. Gorte informed the Council that Mayo Manufacturing going to be expanding their facility, this expansion will lead to the addition of five new jobs, and they are seeking assistance from the City, State, and private entities for the funding of this project. He explained the process that is required by both the City and the Minnesota DEED office and this process includes the need for a public hearing, which will be held at the following council meeting. He added Mr. Delisle was present to answer any questions the Council may have.

Council President Olstad commented how DEED is requiring more than what the City does for this process. Council member Riopelle asked again if or how many jobs this would create. Mr. Delisle stated it would be five jobs. Mayor Gander thanked him for investing in East Grand Forks. Council member Helms stated the plan includes ground breaking this year so they would like to try to keep this process moving forward. Mr. Galstad told the Council this seems to be backwards because DEED needs to be shown the City is willing to move forward which is why they require lots of information ahead of time. Mr. Delisle stated he appreciates the time and effort of the City during this process. He added how they built the building they are adding on to in 2012 with the anticipation they would be adding on at some point. He commented he appreciated the help from the City then and again for the effort now. Mr. Gorte stated they might also try to use some tax credits on this project.

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

## **3. Consider Petition for Paving Street – David Murphy**

### **- Supporting documentation will be provided at the meeting.**

Mr. Murphy told the Council a petition had been received for paving 6<sup>th</sup> Ave NE. He explained the two property owners that signed the petition own around 85-90% of the footage that would be assessed. He added that both A&L Potato and MGI Grain were the two property owners making this request. He asked the Council to consider if this is a worthwhile project and if it should be moved forward. He said if it moved forward the next step would be to vote on having a feasibility report done and to set a timeline for the project. Mr. Randy Boushey stated that the street has caused many issues for them this spring and they have a lot of semi-truck traffic. He added they are almost done paying for the assessments from 7<sup>th</sup> Ave NE so then they can start paying for the assessments on 6<sup>th</sup> Ave NE. Discussion followed about how most of the utilities are up to date but there may need to be some work done for storm water drainage and how if they are okay with the street improvements ending before the tracks.

Mr. Murphy explained there are two other properties that may also be affected by this project and will need to be contacted. Council President Olstad asked what was needed from the Council. Mr. Murphy stated if they are interested in moving this project forward to ask for a feasibility report for this project at the next meeting. Mr. Emery stated that if they get the other property owners to sign a waiver they could save some time and not have to hold a public hearing for the project. Council member Helms asked if the south end was already paved. Mr. Boushey said there was some pavement but it was broken up. He added they usually do not use that end of the street and he would like to work with the engineers on the elevations. Council member DeMers asked if the other property owners had been contacted. Mr. Boushey said he had not contacted them. Mr. Murphy said they could contact them once the estimates have been prepared. Mr. Boushey commented he could also reach out to them as well.

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

#### **4. Request to Rent Civic Center for Beer Craft Show – Reid Huttunen**

Mr. Huttunen stated that Michael Brooks and Hannah Carlson were present from Leighton Broadcasting for this item. He explained how they had organized a craft beer show the previous year and this year they would like to rent the Civic Center for this event. He told the Council the set up would be very similar as the craft show that is held each year and the responsibility of managing security would be on Leighton for this event. He added they have not worked out all of the details at this time but the building would be able to host an event like this. Mayor Gander asked what the projected number of attendees for this event would be. Mr. Brooks said it would be approximately 500 up to 1,000. He added they host these events around the State and there is room to grow.

This item will be referred to a future meeting for action.

#### **5. Review of Plan for LaFave Park Area – Steve Emery**

**- Supporting documentation will be provided at the meeting.**

Mr. Emery informed the Council that both he and Mr. Huttunen had received this plan in the morning and were still looking things over. He stated this shows the potential of this area with the proposed parking, having two ramps, the addition of trails, and an access road going through the area. He commented there are areas showing meadow areas but they do not necessarily have to be meadow areas. He added they are still working on putting cost estimates together for the project. Mr. Huttunen said for the meeting on the 29<sup>th</sup> they would be looking at the boat ramp and parking areas. He stated that the City had received approval for a kayak launch dock; the funding still needed to be approved by the State, the launch was included on the drawing but would need to be more on the Red River instead of by the dam of the Red Lake River. He added they no longer had the trails going through this area because flooding and that information had not been passed on to WSN.

Council member Helms said it looked nice but there was not enough parking. Mr. Emery said they would need to find a balance for the times when no one is using the lot and the events that are held in this area. Council member Helms said this could take off like the State Park did. Mr. Huttunen reminded the Council about the parking lots that are located nearby that could be utilized. Council member Johnson commented there were no bathrooms. Discussion followed about how the Army Corps of Engineers has not allowed structures to be built in the flood plain but the State was allowed to build bathrooms in the campground area.

Mayor Gander said he hoped the Department of Natural Resources (DNR) would be a prominent funding source for this project and how there has to be funding out there for a project like this. Mr. Huttunen told the Council the legacy dollars available from the DNR would need to be applied for by the end of July, it would need to be approved in 2020, and the funds would not be available until July of 2021. He added they might want to try to build a storm shelter in the area, which would tap into federal dollars. Council member Riopelle asked about the barriers to keep the cars from leaving the access road. Mr. Huttunen said trees would need to be planted five feet apart, how costly that will be, so they would need to come up with something else. Council member DeMers said he did not remember the trail being out and would have a hard time not having a trail included so this area is accessible for everyone so it should be kept in as part of the plan. Discussion followed about the maintenance of the trails and access road. Mr. Galstad suggested talking with the Army Corps before doing anything else to see what they will allow in this area before moving forward with the plans. Council member Vetter asked about where the concrete chunks had come from. Mr. Huttunen said the only thing they can come up with is if they were lifted by ice and

when it melted they were left behind. Mr. Emery added if anyone had any comments about the plan to send them to either him or Mr. Huttunen.

This item will be brought back to a future Work Session.

## **6. Discussion on Bike Share Program – David Murphy & Reid Huttunen**

Mr. Murphy informed the Council there is a new company that is trying to implement a bike share program in Grand Forks and they would like East Grand Forks to participate with two docking stations. He stated they asked if the City would sponsor one of the stations for \$3,500 per year for three years and the other docking station would be sponsored through a private sponsor. Council member Riopelle asked how they could be asked for \$3,500 for one docking station per year from East Grand Forks when Grand Forks is only paying \$12,000 for all of the docking stations they have. Council member DeMers asked if this should have gone before the Economic Development Authority Board (EDA Board) since they are looking for funding and would be working with the local businesses. He said there was no one present from the company to answer questions, this should be done privately funded, and the Council could create a policy to allow these docking stations to be placed on public property.

Council member Johnson commented how there is only going to be 75 to 80 bikes with 25 docking stations, which put approximately three bikes per station. Council member Helms stated how they are asking the City to invest but the City was not going to be receiving a return on that investment. He added the City should not invest in this and if it came forward, he would be voting no. Mayor Gander agreed this could have gone before the EDA Board, most of these bikes would be used by tourists, he is a big advocate of people using the greenway, and the EDA could see if there was a funding source for this.

Mr. Murphy stated this was a policy decision for the Council. He said they would like to place the docking stations by restaurant row and the State recreation area. He added Altru is the biggest donor for this project and they could ask for more sponsors along restaurant row. Mr. Huttunen explained there are two parts to this because Zagster is asking the City if they are willing to be a sponsor and the other part is that they would like to place two docking stations in East Grand Forks. Discussion followed about how there is currently no funding source from the EDA for this, how the \$3,500 per year for three years will only be benefiting Zagster, and the level of interest the Council had in moving this forward. Council member Vetter stated based on the examples this was advertising, this would be good for businesses, and that he did not know if the City needed to be involved at all with this. Council President Olstad added this should remain private. Mr. Murphy stated he would move forward with the idea to go along with the participation but with only private sponsorships.

## **7. Consider Approval of Lease Agreement – Paul Gorte**

Mr. Gorte informed the Council the lease for Mike's Pizza had a reopener and they are working on bringing the rent amount up to the market rate. He explained the rent will be increasing over time with this lease, the increase will be deferred until after the project in downtown Grand Forks is completed in the fall, and it had been requested to have the cleaning allowance increased from \$425 to \$600 per month for the cleaning of the common areas they do. Council member Riopelle said that would zero out the increase in rent. Council member DeMers asked about the appraisal and possible sale of the building. Mr. Gorte said the party wall agreement needs to be signed and the appraisal will be completed soon after that has been completed.

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

### **8. Review of Community Festivals – Ron Galstad**

Mr. Galstad told the Council he was not able to find a legal definition in statute or in case law for what a community festival is. He explained events could be designated by the Council as community events allowing them to host an event that includes the service of alcohol and this would be a discretionary call for the Council to make. He added they could designate a number of events as community events. Council member DeMers stated he did not mind moving this forward and would like a resolution brought forward in January with a layout of all designated events. He said they could formulate what constitutes a community festival. Mayor Gander stated he agreed and they should look at the calendar of events that take place over the year. Council President Olstad said he would like to designate Heritage Days as a community festival right away and the Council can consider what to designate as a community festival in the future.

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

### **9. Consider Approval of UTV Ordinance – Ron Galstad**

Mr. Galstad stated this ordinance had the changes the Council had requested but he was not able to find anything else out regarding the exemptions on the State Highways. He explained he had added the requirement of certain equipment, there would be an application process, and once permitted a sticker would be placed in an easily identifiable spot on the machine. He told the Council it would be up to them if this process should be done every year or every three years and again the only streets they cannot travel on are Minnesota highways.

Council President Olstad asked to change the requirement of having a Minnesota driver's license to having a valid license. He also asked if the approval process for the application needed to go through the Council. Mr. Galstad said that was up to the Council and it could be designated to the Police Department. Mr. Murphy said the permitting process could be handled at staff level and signed by either him or the Police Chief. Council President Olstad asked what the fee should be set at or what the costs might be for this. Chief Hedlund said he thought the three-year permitting would work, they could pro-rate over the time period, and this would save time and expense. Council member DeMers asked if they were permitting the vehicle or driver. Mr. Galstad said they were permitting the vehicle. He added the decal needs to be displayed and it could be issued by staff unless a permit is revoked which then it could be brought to Council.

Mayor Gander asked what the fee should be for a three-year permit, that he liked the idea of pro-rating the fee over the three years, and to only use one decal for the three-year period. Council member DeMers said staff needed to determine what the costs would be. Mr. Murphy said they do not want it to become prohibitive and suggested \$30. Mayor Gander suggested \$60. Council President Olstad said they need to be able to justify the charges and should know what the costs are. Mr. Murphy said he would look into that. Mr. Galstad commented a driving test might be required. Council President Olstad suggested having different tiers of costs based on what would be required.

Council member Vetter asked again if they were permitting the driver or the vehicle. Mayor Gander said it was the vehicle and how there could be multiple drivers. Discussion followed about how there could be multiple drivers for a UTV like there are multiple drivers for a car, how Mr. Galstad will get the

information regarding the special provision, Minnesota and North Dakota have different laws and regulations, and how there may be a change in the map if US Business Highway 2 reverts back to the City. Council member DeMers asked about requiring wheels and not allowing tracks. Mayor Gander said they would not be able to drive on the roads with tracks. Council member Helms suggested this be moved forward and they can wait and see how this goes before making any more changes.

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

### **10. Request Direction on 2020 Budget – David Murphy**

Mr. Murphy said it had been suggested to start discussing the budget and staff is looking for priorities or direction from the Council. He reminded them there was an increase to local government aid funding, no changes were made in the formula for specific cities, but there is a provision that no cities can go backwards in funding for the year.

Council member DeMers stated they should look at the expansion or renovation of the Civic Center and start setting money aside for that project. He added he does not like it when the Council has not decided on a policy but the funds had already been budgeted. He asked for things to be brought forward for approval before they are included in the budget because it is frustrating what something was not discussed but was included into the budget.

Council member Vetter asked to find out what the County assessments are going to be, to see how many homes will be added into the tax base, and look at what fees they can take off the Water and Light bill and added back into the general fund. He also asked for a timeline on proceeding with a bridge on 32<sup>nd</sup> Avenue and what would be needed for a budget to get this project off the ground. Council member DeMers said they would also need to consider what might be needed for two big events of the fishing opener and hockey day. He stated they would need hard numbers on so they can determine a budget.

Mayor Gander said he agreed with the thoughts and the Council needs to stabilize the increase to the levy so it is closer with inflation. He commented how last year they tried for a 5% increase and ended up at a 5.5% increase. He stated they should start a fund for the Civic Center and ice sheets, move forward with a plan for a south end bridge which will also need a funding source, and buy in from Grand Forks. President Olstad stated the biggest thing is wages. Mr. Murphy said they were all set for the year because of the labor contracts were through 2020. Mr. Emery told the Council one more thing to consider is the ADA transition plan, how there currently is not a timeline to have everything completed, they will need to work towards making improvements, and they might want to try to complete some of these things on a yearly basis.

Council President Olstad informed everyone the prayer service for Mr. George Wogaman was taking place that evening and the funeral was going to be the following day. He stated that Mr. Wogaman had been a big part of the City serving as a council member and a big part of getting Economic Development Authority started as well as serving on that board for a number of years.

### **ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER VETTERE, TO ADJOURN THE MAY 28, 2019 COUNCIL WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:45 P.M.**

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

*Voting Nay: None.*

*Absent: Grassel.*

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David Murphy, City Administrator/Clerk-Treasurer