

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, JUNE 11, 2019 – FOLLOWING THE SPECIAL MEETING**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for June 11, 2019 was called to order by Council President Olstad at 5:01 P.M.

CALL OF ROLL:

On a Call of Roll the following members of the East Grand Forks City Council were present: 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; 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. Review of Party Wall Agreement – Paul Gorte

Mr. Gorte explained how this agreement had been needed for some time, he along with others have been working with Mr. Stauss on this, and there are three areas of costs included the agreement. He stated the daily cleaning that is done will be split with each party paying half, the second area is the annual inspection and licensing fees for the elevator that will be split with each party paying half, and the last area is for capital which is split with each party paying half of the costs. He added there are details that need to be worked out regarding the capital costs. He reviewed the hours when the doors will be locked. Council President Olstad asked when this will be finalized. Mr. Gorte said as soon as possible. There were no other questions.

This item will be brought back to a future meeting.

2. Discussion on Requirements for Shovel Ready Bridge Project – Steve Emery

Mr. Emery said there had been some inquiries from the Council about what it would take to have a shovel ready bridge project ready to go. He explained he put together some information to help answer that and the biggest thing to determine would be the location. He stated once a location is selected and agreed upon surveys, exploration work, and analysis work would have to be completed along with the environmental reviews. He continued saying they will need to get the necessary permits for the project, acquisitions of any right-of-ways or easements, platting, and have the plans and specifications ready to be

bid. He added this is so preliminary he does not want to put a number to this but to give an idea he based estimates off the information from the Metropolitan Planning Organization's (MPO) consultant who estimated a low profile bridge located at 32nd Avenue at \$25.6 million and a high profile bridge to be \$58 million. He explained to go through all of these steps to have a shovel ready project the estimated cost is \$1.4 million, which is about 5% of the construction cost of the low profile bridge.

Mr. Emery stated they would also help with funding, getting assistance from legislators, applying to be included on the bonding bill, and how there may be dollars available in transportation to help with the planning costs. He said they would need to get buy in from both the City of Grand Forks and the State of North Dakota, which could help with the funding mechanisms. He told the Council they are not offering a recommendation or looking for approval on this and it will be a lot of work to get this to a shovel ready project. He asked if there were any questions from the Council.

Council member Vetter asked if some of these steps could be done at the same time. Mr. Emery stated some of them could but not all. Council member Vetter asked what the MPO could do with their funding. Mr. Emery said most of these items would need to be completed by an engineer. Council member Vetter asked what the timeline would be to complete these steps. Mr. Emery explained these steps could be completed in about 9 months or it may take up to a year. He added the very first step would be to determine the location. Council member Vetter said the location had been determined in the 40-year land use plan. Discussion followed about looking for funding, deadlines were coming up for some funding sources, how widening the scope of work to more than one location would only increase costs, and the shelf life of the plans and specifications for this project should be good for many years unless there are changes to code, which would require some modifications to the plans.

Council member Helms said a location needed to be determined before spending any money on this project. He said they would need to make sure the neighbors to the west agree with the location before starting any funds are spent. Council member Johnson commented they might want to consider moving upstream. Mr. Emery reminded the Council the intent of this was to give them an idea of costs. Council President Olstad stated there needed to be more conversations that include both cities, counties, and States. He added there would be some tough meetings and discussions on this.

3. Request to Conduct Ice Arena Building Study & Feasibility Report – Reid Huttunen

Mr. Huttunen told the Council he handed out an addendum showing a proposed timeline for this process. He explained proposals for a building study were requested, six proposals were received, all six businesses were interviewed by staff, the staff recommendation is to hire JLG for completing the building study and feasibility report, and their proposed fee was the lowest for this project. Mr. Huttunen reviewed the proposed timeline, how it extended into October because they wanted to see the arenas up and running but they would be starting now. He said Mr. Randy Lieberg was present to answer any questions about the scope of work and they are looking for approval to move this forward.

Council member DeMers said this seems like an aggressive timeline and asked if this can be done as proposed. Mr. Lieberg said this is a realistic timeline and how it could be faster but they need to see the arenas operating. He added how these are open buildings that are easy to get into, they will wait for the ice to be put in, and they are familiar with these types of buildings. There were no other questions.

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

4. Consider Approving Purchase of R-22 for Ice Arena Refrigeration – Reid Huttunen

Mr. Huttunen informed the Council he had contacted Midwest Refrigeration about R-22 refrigerant and how currently it is at a low price. He stated he was quoted a price of \$12.59 per pound, which included delivery to the arena. He explained the City was not certified so we had to go through a contractor to order and have it delivered to the arena. He stated the price for 2,000 pounds was \$25,180 and how this had not been budgeted for because the price has fluctuated so much the cost was difficult to estimate. He added there were some funds available in the repair and maintenance fund but not enough to cover the entire cost so this purchase would be an unbudgeted purchase if approved. He said there currently was approximately 450 pounds of R-22 in inventory; this would be enough to cover the Civic Center if they lost all of the R-22 in the system but not enough for the VFW because that system held around 4,000 pounds of R-22. He commented that for comparison about two years ago the cost for R-22 was around \$40 per pound so the \$12.59 was a good price and in September of 2018 Thief River Falls had to purchase R-22 and at that time it cost them around \$18 to \$20 per pound.

Mr. Huttunen reminded the Council even if changes are made at the arenas that they can sell the R-22 they have in inventory as well as any that is reclaimed from the system. He stated that the Ralph Englestad Arena has already inquired about purchasing any remaining R-22 from the City. Council member Helms stated this was a good deal, down the road it will get harder to purchase R-22 and they should move on this. Council member Riopelle added that if a change is made it will still be three years down the road so this will be needed and will be a good investment.

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

5. Update on Legislative Session – Marty Seifert

- Handouts will be provided at the meeting.

Mr. Seifert introduced himself and explained he had some sheets that were customized for East Grand Forks regarding local government aid (LGA). He explained the City was in a unique situation because it did not matter if money was added to LGA funding or not the City continued to go backwards and lose funding. He reminded everyone how the Coalition of Greater Minnesota Cities (CGMC) had worked with staff, council members, and legislators to bring a bill forward. He commented that when he had visited the Council the last time the message he had taken away was that the City wanted to stop losing LGA funding. He explained there were other cities that also have anomalies including Detroit Lakes, which was where the tax committee chair is from so they understood something needed to be done. He stated no changes were made to the formula but they did get a grandfather clause passed so no city can go backwards in their LGA funding.

Mr. Seifert told the Council the Governor had included \$35 million increase for LGA, the Senate did not have increase included in their proposal, but there ended up being an increase of \$30 million which will be split into \$26 million being added in one year and another \$4 million added in the next. He explained during the next sessions the CGMC will be working to get an inflationary increase included with LGA, work to get funding back to the 2002 level, and possibly get something figured out with the formula. He asked if there was any questions regarding LGA.

Council member DeMers thanked Mr. Seifert for stopping in East Grand Forks and for the work that has been done for the City. He continued saying it was good \$26 million was added to LGA funding but it was not a win for the City because the City's funding remained the same. He added the City will continue

to work on this, representatives from the City have made trips to St. Paul for this, and the City is willing to do what is needed. Mr. Seifert thanked Council member DeMers for his comments, he does agree that more needs to be done, and he sees it as they completed step one of a two-step process. Council President Olstad also thanked Mr. Seifert for the work that has been done by the CGMC and again the city will do what they have to for LGA funding. Mr. Seifert thanked Mr. Murphy for always making himself available and working with Coalition staff on this effort. He added the City was lucky to have Mr. Murphy.

Mr. Seifert then reviewed the second hand out which showed the goals of the Coalition, what was proposed by the Governor, House, and Senate, and what the actual outcome was. He reviewed the issues with the clean water bond and how it had to be changed to general obligation bond to be issued. He explained how there was some agreement to a bonding bill, a 60% majority is required, but there wasn't enough time at the end of the session to get this put together and voted on. He stated there was funding approved for housing, for the Greater Minnesota Business Development Public Infrastructure grant program, which is used to keep or attract businesses, and the issues and challenges related to childcare. He added that 60% of the funding for childcare would be going to greater Minnesota.

Mr. Seifert continued with the comprehensive transportation package. He stated how a 20 cent gas tax increase has been proposed by the Governor and House and no significant increases proposed by the Senate. He said the Legislature was looking at giving State Aid to cities that had a population under 5,000 but that did not happen and lastly they were able to keep the \$25 million for the corridors for commerce but no additional funding was added. He also invited the Council to attend the Coalition's summer conference that will be held in Bemidji this year at the end of July and to let him know if there were any other items the Coalition should be looking into.

Council President Olstad asked if there were any questions. Council member Helms thanked Mr. Seifert and told him to keep up the good work. He added the City will be asking for funding for another bridge at some point. Mr. Seifert asked if there was a range the City might be looking at for a bridge. Mr. Galstad said \$25 million to \$60 million. Council member DeMers asked about licensing centers, how the current reimbursements are not covering the costs, and if they cannot remain open it will affect local businesses. Mr. Seifert said the license centers do have their own lobbyists, they are currently getting around \$13 million in reimbursements, and they were able to start charging a \$1 surcharge but that wasn't enough either. He commented how there are 49 other states that have systems that work so Minnesota could use one of their systems to fix the current situation. Council member DeMers stated some of these offices are under staffed and need help. Mr. Seifert said it is something the Coalition could look into because much like the childcare issue, there is an impact to communities. He added if there is something that might prevent people from moving into a community the CGMC could work on the regulatory side of it. There were no other questions.

OTHER:

Council member Helms told Mr. Stordahl the north side of the Point Bridge needs some work done. He said the south side looked good but there were still some things on the north side that needed to be addressed so they would need to get the contractor back out there. Mr. Stordahl stated he would get it addressed.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADJOURN THE JUNE 11, 2019 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:51 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer