

**APPROVED MINUTES  
OF THE CITY  
COUNCIL WORK SESSION  
CITY OF EAST GRAND FORKS  
TUESDAY, DECEMBER 10, 2019 – 5:00 PM**

**CALL TO ORDER:**

*The Work Session of the East Grand Forks City Council for December 10, 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 (5:00), 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; Reid Huttunen, Parks and Recreation Superintendent; and Megan Nelson, City Clerk.*

**DETERMINATION OF A QUORUM:**

*The Council President Determined a Quorum was present.*

**1. Request for Approval of Pre-design Service Proposal – Reid Huttunen and Karla Anderson**

Mr. Huttunen explained if the City moves forward with a project this proposal from JLG would cover the time from when the proposal was accepted to when projects are voted on during the November election. He stated the proposal lays out the timelines for pre-design work, some public meetings that would include JLG and Parks and Recreation staff, work with a tax force to help define the scope of these projects, and include analysis of the city tax base compared to others of similar size along with other statistics. He continued with the compensation, the value of the work would be \$60,000; this would be billed later if a project were approved at the general election. He added if the proposal was accepted but no projects were completed either by being voted down or because of other circumstances, the City would not be billed.

Mr. Huttunen said there was also information from Kennedy and Graven about the questions from the Council that had been included in the packet. He explained a project cost needed to be listed with each project, the time it would take to raise the revenue for that amount, and the costs needed to include inflation. He continued saying the proposed amounts for the projects can be decreased when added to the ballot, they cannot be increased, but the City should also try its best to give the most reasonable amount of these projects so there is not a change in scope of the project. He stated along with the project costs, they could include a line item for costs related to paying for the bonds or debts.

Mr. Huttunen added that since the last meeting a web page had been added to the City website with the documents the Council has been given along with request for feedback from the community about these projects. He shared some comments that included how no one wants to see their property taxes increase

to pay for these projects, residents liked the fact they would have the opportunity to vote of the projects, some people have commented about the number of sheets because there may need to be more than one added, there is a need to focus on a community center and not just an ice rink, and there is a concern on the amount of the project but they like they are able to vote on the projects.

Mr. Huttunen said they would need direction on sales tax and the scope of the project that should be voted on by the community. He stated it would cost \$7 million dollars to replace the compressors and reconstruct parking lots at both arenas. He continued if they also include fixing all of the deficiencies in both arenas the amount would increase the amount to \$12 million and then there is the \$24 million that included the expansion. He asked the Council what they would like to see for the arenas and other facilities and if sales tax is an option to fund some of these projects.

Ms. Anderson stated some of the comments she has heard was to do it right the first time and make the facilities work for another 30 to 40 years. She added this is a sales tax and it would only be on items that were purchased and taxable. She reminded everyone the process has changed for implementing a sales tax; the State Legislature needs to vote on this first, and the information needed to be to the State by the end of January 2020.

Council member Helms asked how the City ended up with the engineering firm on this and if a bid process can be done. Mr. Huttunen explained in March the Council authorized the Parks Department to request a proposal to complete an arena study, six firms submitted proposals, prices ranged from \$10,000 up to around \$85,000, and JLG was the lowest at \$10,000. He added that he, Mr. Murphy, and Mr. Larson interviewed all six firms and after this process, they decided to move forward with JLG to complete the study. He said JLG has not been hired to conduct any other work for the City at this time, at other meetings the Council has discussed what the next steps might be, how having conceptual designs might help showing the community what things could look like, and that work is included in the proposal. He commented the Council would have the discretion to hire whom they would like for the actual projects. Council member Helms asked what this work would all include. Mr. Huttunen stated they would complete the schematics showing the idea what could be done, help determine the amount of sales tax that could come from the community and how much would come from visitors, and help facilitate community meetings so the residents are informed about what they might be voting on.

Council member Helms asked what the current sales tax was. Ms. Anderson said 8.125%. He asked if it would go up to 10%. Ms. Anderson said only 9.125% because the pool sales tax would have come off by then. Council member Helms asked how much the City receives in sales tax. Ms. Anderson stated it was approximately \$85,000 per month. She added if all of the projects were done it would take approximately 50 years to pay them off collecting a 1% sales tax or around 25 years if it is a 2% sales tax. Council member Helms said they could not compete with Grand Forks, the City is not growing very quickly, and asked if the projects are completed how they will be maintained. Council member Vetter said he agreed they cannot compete with Grand Forks but the City needs to recognize its strengths as a bedroom community that provides amenities for families to participate in such as the rinks. Discussion followed about even though there are rinks right now it will cost \$7 million to \$14 million to bring them up to code, spending another \$10 million would bring in a new rink along with new amenities, and the sales tax in just one option to pay for these projects.

Council member Helms asked how the prices got so high. Ms. Anderson said the estimate for just repairing the Civic Center parking lot was \$2 million a couple years ago and did not include the cost for repairing the VFW Arena parking lot. Mr. Huttunen said it was \$7 million to replace ice compressors and

parking lots at both buildings without doing anything else. He said the additional funds would be used to replace heat exchangers, replacing electronic components, bringing the buildings up to code for ADA compliance and fire rating. Ms. Anderson stated the City could be required to complete these compliance requirements because of the amount of improvements being done to the buildings. She added the changes the VFW Arena could make it a multi-use facility that could be used by many people.

Council Vice-President Grassel said he had pushed to bring all of these items to be brought before the Council to be considered. He commented how they have kicked the can down the road on how to fix the boat ramp, they argue about what is considered maintenance on the greenway trails, and how long they will need to collect the fee before a mile of trail can be repaired. He added people should walk in to the rinks after a team has played because there is no air movement. He asked to put this up for a vote and let the people decide what projects should be done. He commented how they could analyze everything, but the residents should have the final say on some of the facilities that have not changed for over 30 years.

Council member DeMers said he agreed, they should make a statement with these projects, and it should be something for the community to be proud of. He stated there is more than just the arenas that need attention and this could be a corner stone of being an economic driver for the city. He added JLG is amazing for not charging if these projects do not move forward and he is in favor of moving forward with this proposal. He commented how this will help show people what they are planning and help people focus on the proposed projects. He ended by saying they will need multi-faceted funding sources for this such as bonding or lodging tax with more people coming in staying in town for events. Council President Olstad stated most of lodging tax goes to the Visitors Bureau, a very small portion stays with the City, and they are not able to raise it. Council member DeMers stated he thinks the sales tax is the best approach, 2% may not be desired, but it may be what it ends up at.

Council Vice-President Grassel asked why they do not ask for bonding funds for these projects because the State has given money to cities that have benefited from additional infrastructure. He added even if they receive half of what they are asking for they are ahead or if they say no the City will try for a sales tax. Council member Riopelle said the Park and Recreation Commission talked about many ideas and they never once brought up raising property taxes so the community was aware of that. He stated they would be able to collect quite a bit with donations, maybe not as much as what was collected in Grand Forks for the ICON Arena, but some to help offset the costs and still include something for all ages in the community.

Mr. Galstad informed the Council Mr. Murphy did look into bonding and even with a sales tax in place the City could ask for supplementation from bonding to help pay for these projects. He said they can also supplement with donations and naming rights so there is a good way to reduce the sales tax amount because people would not be in support of paying for this through property taxes. Ms. Nelson reminded the Council the bonding bill information needed to be sent a year prior before it is considered.

Council President Olstad thanked Mr. Huttunen and Ms. Anderson for putting all of this information together and he thanked JLG for their work as well. He asked about the stakeholder meetings and with the requirement of getting the questions to be included on the ballot by the end of July to make sure they have enough meetings prior to July. Mr. Huttunen said he had asked the same question and JLG stated it was important to have public meetings after the questions are submitted because it will help inform voters about what they are voting on but some public input meetings can be moved up. Council President said he agreed with the comments on what the community may need or what they want so he is in support of letting the citizens decide what should be done and not kick the can down the road. He added he is in

support of moving this forward and having the questions included on the general election ballot.

Mayor Gander stated he had talked with many people about this and how there is a difference between wants and needs. He said they need to make the distinction of what is needed and what is wanted, there are strong programs, accessible facilities are necessary, and a January deadline seems rather quick. He commented how different is to start with the State Legislature prior to knowing what the majority of the community would support. He added he wanted to make clear they are not delegating this process to JLG, the Council is still accountable to the community, and JLG is helping facilitate this process. He continued saying this process will happen to help prioritize what is wanted by the community. He stated they know they do not want to keep kicking this down the road, rather bring this to a reasonable point to start this process, and begin the next step. Council member Johnson asked if the 24 million dollar plan was going to address all of the issues. Mr. Huttunen said that only covers the ice arenas, none of the other projects. Council member Johnson said he was just asking about the arenas. Mr. Huttunen said yes.

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

## **2. Consider Ice Rink Request – Paul Gorte**

Council President Olstad said this item was being pulled from the agenda.

## **3. Review of Water Tower Designs – Marc DeMers**

Council member DeMers said the Water and Light Department will be repainting the north end water tower and they are considering if there should be changes regarding the logo or designs. He explained they had requested some mock ups to give ideas of what could be done. He stated they liked the idea of using the new marketing design, adding a flag, and how there is a proposal from Northland Community and Technical College to include their logo on a side of the water tower. He added Northland would be charged \$20,000 to have it included. Mayor Gander said he preferred option 5A. Council member DeMers asked if this can be done by request or if there was another process to follow. Mr. Galstad said no. Council member DeMers asked about if another group approached them about this and how that might be handled. Mr. Galstad stated it would be at the discretion of the City on how they would like to move forward with another request. He added nothing has been decided at this time, this would open the City up to other requests, and they would have to be reasonable request.

Discussion followed about how the Water and Light Department will be taking care of this, they will be deciding at their December 18<sup>th</sup> meeting about this, and how the painting of the flag should last. Council Vice-President Grassel said he has always voted for Northland to use the parking lot for their truck driving program, they have never been able to come up with money to help with maintenance, and now they are able to pay for their logo on the water tower. Mr. Galstad asked to give Water and Light direction on if the Council is okay with having the Northland logo on the water tower. The consensus of the Council was in support of option 5A that included the Northland logo.

## **4. Update to City Park Designations – Ron Galstad**

Mr. Galstad reminded the City there was a resolution in place designated the locations of the city parks, there have been some changes, and Polk County has requested this resolution be updated. He said a map was developed and the parks are listed. Council member DeMers asked if there was a delineation between Griggs Park and LaFave Park but this could be looked at by the Park and Recreation Commission. Council

member DeMers asked when something is listed as a city park what the zone was. Mr. Galstad said one city block or three hundred feet. Council member DeMers asked what percentage parks make up of city property. Mr. Galstad he was unaware and this request was being made by the County, and school property is something separate. Ms. Ellis said the percentage was in the land use plan.

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

#### **5. Review of Metropolitan Planning Organization Rental Agreement – Nancy Ellis**

Ms. Ellis informed the Council the Metropolitan Planning Organization would be renewing their lease for renting space in city hall for another year. She explained they will not be renting the office in the west wing because they down sized by one employee and they will be renting storage space so that was added into the agreement.

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

#### **ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER RIOPELLE, SECONDED BY COUNCIL MEMBER DEMERS, TO ADJOURN THE DECEMBER 10, 2019 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:55 P.M.**

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

*Voting Nay: None.*

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David Murphy, City Administrator/Clerk-Treasurer