CALL TO ORDER:

CALL OF ROLL:

DETERMINATION OF A QUORUM:

PLEDGE OF ALLEGIANCE:

OPEN FORUM:
“An opportunity for members of the public to address the City Council on items not on the current Agenda. Items requiring Council action maybe deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate.”

APPROVAL OF MINUTES:

1. Consider approving the minutes of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of February 18, 2020.

2. Consider approving the minutes of the “Special Meeting” for the East Grand Forks, Minnesota City Council of February 24, 2020.


SCHEDULED BID LETTINGS: NONE.

SCHEDULED PUBLIC HEARINGS: NONE.

CONSENT AGENDA:
Items under the “Consent Agenda” will be adopted with one motion; however, council members may request individual items to be pulled from the consent agenda for discussion and action if they choose.

4. Consider approving the social media contract between the City of East Grand Forks and AE2S Communications for continued social media services through 2020 not to exceed $2,447.

5. Consider approving the termination of the development agreement between the City of East Grand Forks and Scheving Properties LLC and authorize the payment of the property taxes on the remaining two properties.

6. Considering adopting Resolution No. 20-03-17 approving the termination of the business subsidy agreement between the City of East Grand Forks and Holms Properties LLP.
7. Consider approving the Exempt Gambling Permit Application for Sacred Heart Church & School to have tipboards on April 6, 2020 at the Sacred Heart School located at 203 3rd ST NW East Grand Forks, MN 56721 and waive the 30 day waiting period.

ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS AND COMMISSIONS:


COMMUNICATIONS: NONE

OLD BUSINESS: NONE

NEW BUSINESS:

9. Consider approving the purchase of the 120 Niche columbarium from Coldspring for a total of $39,126 which includes delivery and installation.

10. Consider adopting Resolution No. 20-03-18 approving the hiring of Justin Roue at Police Officer at a salary of $29.89 per hour.

CLAIMS:

11. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.

COUNCIL/STAFF REPORTS:

ADJOURN:

Upcoming Meetings:
Work Session – Tuesday, March 10, 2020 – 5:00 PM – Training Room
Regular Council Meeting – Tuesday, March 17, 2020 – 5:00 PM – Council Chambers
Work Session – Tuesday, March 24, 2020 – 5:00 PM – Training Room
Regular Council Meeting – Tuesday, April 7, 2020 – 5:00 PM – Council Chambers
CALL TO ORDER:

_The Council Meeting of the East Grand Forks City Council for February 18, 2020 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, Tim Riopelle, Tim Johnson, and Marc DeMers._

_Karla Anderson, Finance Director; Jeff Boushee, Interim Fire Chief; 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; David Murphy, City Administrator/Clerk-Treasury; and Megan Nelson, City Clerk._

DETERMINATION OF A QUORUM:

_The Council President Determined a Quorum was present._

PLEDGE OF ALLEGIANCE:

OPEN FORUM:

_Council President Olstad stated the open forum was an opportunity for members of the public to address the City Council on items not on the current agenda and items requiring Council action may be deferred to staff or Boards and Commissions for research and future Council Agendas if appropriate. No one came forward for the open forum._

APPROVAL OF MINUTES:

1. Consider approving the minutes of the “Regular Meeting” for the East Grand Forks, Minnesota City Council of February 4, 2020.

2. Consider approving the minute summary of the “Closed Session” for the East Grand Forks, Minnesota City Council of February 4, 2020.


_A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER JOHNSON, TO APPROVE ITEMS ONE (1) THROUGH THREE (3)._
Voting Aye: DeMers, Vetter, Riopelle, Johnson, Olstad, and Grassel.
Voting Nay: None.
Absent: Helms.

SCHEDULED BID LETTINGS: NONE.

SCHEDULED PUBLIC HEARINGS: NONE.

CONSENT AGENDA: NONE
Items under the “Consent Agenda” will be adopted with one motion; however, council members may request individual items to be pulled from the consent agenda for discussion and action if they choose.

ACKNOWLEDGE RECEIPT OF REPORTS OF OFFICERS, BOARDS AND COMMISSIONS:

COMMUNICATIONS: NONE

OLD BUSINESS:

5. Consider adopting Ordinance No. 28 4th Series amending City Code Chapter 116 entitled “Tobacco Products” to comply with new federal age requirements, to include administrative penalty provisions for failing compliance checks, and by adopting by reference City Code Chapter 1 and Section 10.99 which among other things contain penalty provisions.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADOPT ORDINANCE NO. 28 4TH SERIES AMENDING CITY CODE CHAPTER 116 ENTITLED “TOBACCO PRODUCTS” TO COMPLY WITH NEW FEDERAL AGE REQUIREMENTS, TO INCLUDE ADMINISTRATIVE PENALTY PROVISIONS FOR FAILING COMPLIANCE CHECKS, AND BY ADOPTING BY REFERENCE CITY CODE CHAPTER 1 AND SECTION 10.99 WHICH AMONG OTHER THINGS CONTAIN PENALTY PROVISIONS.

Voting Aye: DeMers, Vetter, Riopelle, Johnson, Olstad, and Grassel.
Voting Nay: None.
Absent: Helms.

NEW BUSINESS:

6. Consider approving the Ordinance Summary for Ordinance No. 28 4th Series which will be published in the official newspaper.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER JOHNSON, TO APPROVE THE ORDINANCE SUMMARY FOR ORDINANCE NO. 28 4TH SERIES WHICH WILL BE PUBLISHED IN THE OFFICIAL NEWSPAPER.
7. Consider adopting Resolution No. 20-02-14 approving the appointment of Mike Powers to the Metropolitan Planning Organization for a two year term.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADOPT RESOLUTION NO. 20-02-14 APPROVING THE APPOINTMENT OF MIKE POWERS TO THE METROPOLITAN PLANNING ORGANIZATION FOR A TWO YEAR TERM.

Mayor Gander thanked Mr. Powers for serving on the city planning commission, the county planning commission, and for continuing to serve on the MPO Board. He commented that he is affective at what he does. Council member DeMers asked since this position also serves on the planning commission if they should be the group that appoints this position. Discussion followed about how it is the Mayor that appoints this position, the person usually volunteers, but moving forward it could be good practice for the planning commission to recommend a person to the Mayor.

Voting Aye: DeMers, Vetter, Riopelle, Johnson, Olstad, and Grassel.
Voting Nay: None.
Absent: Helms.

8. Consider adopting Resolution No. 20-02-15 supporting the pedestrian improvements to the intersection of Highway 220 and 17th Street, committing to paying for 50% of the beacon system, and committing the City to maintaining the beacon system once it has been installed.

A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADOPT RESOLUTION NO. 20-02-15 SUPPORTING THE PEDESTRIAN IMPROVEMENTS TO THE INTERSECTION OF HIGHWAY 220 AND 17TH STREET, COMMITTING TO PAYING FOR 50% OF THE BEACON SYSTEM, AND COMMITTING THE CITY TO MAINTAINING THE BEACON SYSTEM ONCE IT HAS BEEN INSTALLED.

Council Vice-President Grassel asked if the one side could be moved back if they move forward with this system. Mr. Emery stated that he talked with the Minnesota Department of Transportation (MNDOT) and they are willing to work with the City on what the best placement is for this system.

Voting Aye: DeMers, Vetter, Riopelle, Johnson, Olstad, and Grassel.
Voting Nay: None.
Absent: Helms.

CLAIMS:

9. Consider authorizing the City Administrator/Clerk-Treasurer to issue payment of recommended bills and payroll.
A MOTION WAS MADE BY COUNCIL MEMBER DEMERS, SECONDED BY COUNCIL MEMBER JOHNSON, TO AUTHORIZE THE CITY ADMINISTRATOR/CLERK-TREASURER TO ISSUE PAYMENT OF RECOMMENDED BILLS AND PAYROLL.

Voting Aye: DeMers, Vetter, Riopelle, Johnson, Olstad, and Grassel.
Voting Nay: None.
Absent: Helms.

COUNCIL/STAFF REPORTS:
Mayor Gander stated it was good to be back, he reminded everyone about the upcoming Grand Forks State of the City address, and the City’s State of the City address will be in April once again. He added he was glad they were looking at the pedestrian safety along Highway 220 and asked residents to be mindful of safety for pedestrians and all other types of traffic throughout the City. He informed everyone he would be meeting with Lou Tasa from MNDOT about the intersection of Bygland Road and 13th Street SE to see what can be done to address the challenges for pedestrians along with left turns for vehicles. He added that staff will be joining him for this meeting and even if it is not always talked about they are working hard to take care of the community.

Council Member Vetter said Bygland Road was going to be stripped this spring and asked to have that item brought to a work session so the Council can discuss how it should be stripped.

Council Member Riopelle said he had been at the Economic Development meeting earlier in the day and one thing that came up was where to find information about the park projects. He stated it was available online on the City website under Parks and Recreation and then click building and arenas. He added there was a plethora of information available on the projects.

Council Member Johnson stated since they are taking about safety they should also talk about 10th Street NW by the Presbyterian Church because it should be marked. Ms. Ellis said she had talked with Mr. Stordahl about that location, where it was requested was in the middle of a driveway, and there was a diagonal crossing that would be stripped in the spring.

Council Member DeMers informed everyone there were three cities and one county that have had hearings for their proposed local sales tax. He said there were 17 entities that have submitted information and suggested contacting legislators to make sure the City also has a hearing. He continued saying the League of Minnesota Cities is proposing a bill for street improvement districts, the City may want to pass a resolution in support of that. He said they may also be clarifying what fees can be charged for a development and this may need to be brought to a work session for discussion.

Council Member Olstad reminded everyone about the first informational meeting about the park and recreation projects was going to be held on Thursday from 5:30pm to 7:00pm at the Civic Center arena.

Mr. Murphy told everyone he volunteered for the 5K/10K Frozen Feet event, he was stationed at the 10K turn around on the East Grand Forks side, and he heard many comments from people from out of town on how nice the trails were.
Ms. Ellis said the census was going to be online in 23 days and cards will be sent out in the mail informing people how to fill out their information online. She stated there were going to be help locations at the Senior Center, the city library, the public school, and here at City Hall she was able to assist people with the census. She reminded everyone that the census is a big deal because it equates to $2,000 per person per year, it’s a lot of federal and state dollars that can be brought into the community, and there is a chance that the State could lose a representative in Congress so it is critical everyone gets counted in Minnesota.

Council member DeMers asked if there were volunteers or employment opportunities that are unfilled. Ms. Ellis said there are still positions available. Council member DeMers asked if there was marketing or if there was an outreach effort for this. Ms. Ellis said there will be a reminder on the April Water and Light bill, advertisements will be going out in the newspapers, on city buses, and on the social media accounts along with other things. Mayor Gander thanked Ms. Ellis for the work she had done on the Census, how she has been working ahead, and she is thorough and ahead of the game. He added this is a big deal because of the federal dollars that come with it.

Mayor Gander read the update from Interim Fire Chief Jeff Boushee about the upcoming flood situation. He said staff had met on February 13th and watched a National Weather Service 2020 Spring Flood Outlook webinar which was followed by a flood prep meeting afterward. He stated the staff members at the meeting and how there is little change in the outlook for flooding since the last update. He read through the percentages and how there is currently 95% chance the flood waters will reach 44.6 feet and 75% chance of the flood waters reaching 47 feet. He continued saying the Public Works is preparing for this event, Mr. Olson reported the inventory on the flood walls is good, and requested snow be moved away from the stem walls and closures to help prepare for flood wall installation. Mayor Gander thanked staff for staying on top of this.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER JOHNSON, SECONDED BY COUNCIL MEMBER GRASSEL, TO ADJOURN THE FEBRUARY 18, 2020 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:20 P.M.

Voting Aye:  DeMers, Vetter, Riopelle, Johnson, Olstad, and Grassel.
Voting Nay:   None.
Absent:      Helms.
CALL TO ORDER:

The Special Meeting of the East Grand Forks City Council for February 24, 2020 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 (5:08pm), Council President Mark Olstad, Council Vice-President Chad Grassel, Council Members Clarence Vetter, Tim Riopelle, Tim Johnson, 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; David Murphy, City Administrator/Clerk-Treasurer; and Megan Nelson, City Clerk.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present.

1. Consider adopting Resolution No. 20-02-16 approving the appointments of the election judges for the Presidential Primary Election.

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER DEMERS, TO ADOPT RESOLUTION NO. 20-02-16 APPROVING THE APPOINTMENTS OF THE ELECTION JUDGES FOR THE PRESIDENTIAL PRIMARY ELECTION.

Voting Aye: Vetter, Riopelle, Johnson, Olstad, Grassel, and DeMers.
Voting Nay: None.
Absent: Helms.

Mr. Murphy informed the Council he will be an election judge in Ward 1 because they were short a judge so he would not be attending the March 3rd council meeting. Council member DeMers asked if this would be for the general election as well. Ms. Nelson said it was only for this election. Council member DeMers asked if something happens with elections what would happen. Mr. Murphy said the election judge in charge would be making decisions which would be Ms. Nelson. Ms. Anderson said Mr. Murphy was needed, she could replace him as the election judge.

2. Discussion on the recreation facilities plan and consider the sales tax percentage.

Mr. Huttunen said information had been included in the packet about the different projects and the
different sales tax rates. He commented how a month ago a resolution was passed asking for up to a 2% sales tax, it was submitted to the tax committees by the deadline, but at this time no bill has been written. He stated there has been some hesitation to move forward after discussions with the local representatives and they are looking for a consensus from the Council on what percent they would like to try to move forward with. He added the deadline to submit a bill was February 27th to try to get a hearing in the committees. He stated the percentage will determine what projects can be done and he also handed out comments from the informational meeting that was held the previous week. He told the Council they handed out materials to help inform people, staff was available to answer questions, he thanked the council members that attended, and how there seems to be a lot of interest in the projects but some think more should be done and others think it needs to be downsized. He referenced the information that was handed out on other projects that have been done in recent years and what their costs are in today’s construction dollars. He asked for questions. Mr. Murphy reminded the Council they need to keep in mind they are living on borrowed time with the ice plants so they will need a plan in place because parts for those plants are not available.

Council President Olstad said they had started out with the study of the arenas, once it came back they discussed including more than just the arenas, but now based on some information being received this may not even get a hearing. He stated they need to take a look at this, determine what needs to be taken care of, and asked Mayor Gander for his comments.

Mayor Gander explained he had reached out to Representative Kiel and Senator Johnson about the sales tax. He stated they both said they would try to move it forward as it is but in its current form it will not pass because the 2% was beyond what the State thought was appropriate. He added they didn’t see the same effort that was done for the pool and he reminded them the process changed, this goes to the State before it can be voted on by the people, but they are still looking for the community support. He commented they need to come forward with a fundraising goal or plan along with adjusting the percentage that is being asked for. He said his preference is for a 1% sales tax over 15 years and if there was a longer time period they could anticipate paying it off soon due to increased sales tax collections over time.

Mayor Gander said 1% sales tax brings in approximately 1 million dollars per year, 2% would bring in 2 million dollars per year, possibly half would be covered by people visiting the community, and the individual family of four would expect to see $240 per year if everyone pays the same amount. He commented that is a lot of money for each family, a 2% yearly sales tax is approximately 40% of the tax levy, the percentage of sales tax is not the same as a percentage of the city’s levy, and even a 1% sales tax brings in a huge amount of money. He thanked Mr. Huttunen for being professional throughout this process by doing what is asked and representing the people but the proposed 2% sales tax along with the regular budget would be 4 million dollars for parks and recreation which is almost what is spent on police and fire combined. He said he struggles with that, 2% would put the City at a higher sales tax rate than Grand Forks, consumer trends could change, and this could make it harder to recruit businesses to move into the community.

Mayor Gander continued saying the vast majority of recent arena projects have been paid for through donations, naming rights, sponsorships, and other funds. He said there really hasn’t been an arena in the area to be paid for by tax dollars, in most of these communities’ people have stepped up to make these projects happen, and he would like to be a part of the fundraising effort. He added it would be appropriate to revise the wording of the bill to give it a chance to succeed, they need to be intentional about fundraising,
they will need to bring in a professional to help, and a fundraising goal will need to be set. He said he is trying to put something together that can be approved by the Legislature, by the voters, and get something built. He commented he may look like an obstacle but he is one of the strongest supporters of this effort. He stated he would like a new boat ramp but that will need to be removed, he uses the trails several times a week but that also needs to be removed, and he would like to see the Stauss Park renovations included but he doesn’t want confusion with two questions or items on the ballot. He thanked everyone that had worked on this to get things to this point, they will have to revise what the priorities are because not everything can be done, and there is still time to do that.

Council President Olstad asked for clarification on the due date of February 27th. Mr. Murphy said the 27th date was what he was given from Representative Kiel and this date gave her enough time for the bill to be jacketed and sent on. Ms. Lisa Brown, 2225 9th St SE, said she was confused because at the last meeting the percentage was going to be up to 2% and it was up to the community to decide what was going to be funded. Mayor Gander said that is what the process was but the City has received information from the Legislature is not okay with the City’s ability to have up to a 2% sales tax even though they were going to try and work it down. Ms. Brown said this new process is not going to work because they want all of the work done up front like it was for the pool but it cannot be done that way and it does not make sense. Mayor Gander said he agrees because they reversed the process and it is no longer a logical process.

Council member DeMers asked if anyone knew how the Moorhead hearing went earlier in the day. Mr. Murphy said he did not listen. Mayor Gander asked what they were proposing. Discussion followed about how Moorhead was asking for a half percent to raise $130,000,000 for a variety of projects and to cover the bonding costs. Council member DeMers asked what the State was opposed to for the City’s request. Mr. Huttunen said he has a feeling it is the 2% rate because it would be the highest they had ever seen. Mr. Murphy added this has never has been asked before so it is an unknown. Mayor Gander commented the closer people get to a number like that the less successful they are and he was told 1% was consider high.

Mr. Huttunen informed the Council there were 20 cities asking for sales tax increases this year. Mayor Gander asked what the highest ask was. Mr. Huttunen said the City of Hermantown is asking for a half cent increase, they already have a 1% sales tax in place, and if it passed they would be tied with Duluth for the highest tax in the State. Discussion followed about other cities were asking for and how some already have a local sales tax in place. Council President Olstad stated it was frustrating the City is following the rules for this process, the last time things were different, and the change in the law makes it State govern instead of local governing. Ms. Anderson said a city like Hermantown can do a half percent because they have the big box stores but if the community is willing to pay the 2% they should have a chance to vote on it. She added she was speaking as a resident who lives at 1609 8th St SE and if they want to see community support residents can start sending emails.

Council President Olstad said if they want to change anything it needs to be done this week or they need to let Representative Kiel that no changes are going to be made so they need to decide what they would like to do. Council Vice-President Grassel stated he was afraid that if they do not make a change and it dies they will have to wait another two years and will only increase costs. He asked if they changed it to a 1% for 15 years if it would cover the costs of fixing the Civic Center and VFW Arena including the parking lots, locker rooms, and everything else. Ms. Brown asked if it would cover the ADA compliance. Council Vice-President Grassel commented how every time they try to do something they get close but
then find a way to pull back and this is why things are at where they are at. He said they need to decide if they are going to go for it, revamp it, or gamble and wait another two years and maybe have to add this to the tax roll which could really bring people to meetings. Ms. Brown said they cannot afford for their property taxes to go up any more and their house is assessed for more than it is worth.

Council President Olstad said information had been included on different percentages over different periods of time and asked if they ever looked at 1% over 20 years. Ms. Anderson said they have the information for 1% over 30 years and that was $17 million and they don’t have the information for 20 years. Council President Olstad said if they consider 1% over 15 years just looking at one the project they will still need to raise $9 or $10 million to reach the $24 million. Mr. Huttunen said $11 million would come from the sales tax so and additional $13 million would need to be raised. Mayor Gander asked if there was a way to bring the costs down. Mr. Huttunen stated yes there should be ways to bring down the costs, he gave an example of the cost to replace the boilers at the VFW Arena in the feasibility study he thought was around $200,000, and the it was replaced for $90,000 last year. He added they won’t be able to cut the costs in half but when they eventually get to the design phase they can make considerations to help reduce costs. He explained Baudette built an arena for $6.8 million, they built it for much less than others, but the building is a pre-fabricated concrete shell for the building that has no design features, no extra amenities, it is not heated, and there is some seating for around 400 to 500 people. He said he does think there are considerations that can be made to reduce costs if this gets to a design phase.

Mayor Gander stated the City should be able to come up with 20 million dollars between the sales tax and fundraising and the challenge for the Council is to come up with a plan that includes a new ice sheet attached to the Civic Center, to convert the VFW Arena, and fit this into $20 million dollars. He then asked what the total dollar amount has been spent on arenas since they were built. Ms. Anderson said these amounts were not in today’s dollars, $3.18 million had been spent on the Civic Center, and about $1.5 million had been spent on the VFW Arena. Mayor Gander said the City has only spent approximately $5 million on the arenas. Ms. Anderson said it hasn’t been enough. Mayor Gander said they are now considering a $20 million expenditure which is four times the amount that has been spent on the arenas. He asked how spending that kind of money would be consider doing it on the cheap side which he doesn’t understand. Ms. Anderson stated the arenas are 30 and 40 years old. Mayor Gander said there has been lot of maintenance done on these buildings.

Mr. Murphy said if the City moved forward with 1% for 15 years they would be fixing what is there, there would not be the additional ice sheet added, and they would need to do fundraising. He stated the major changes that would be seen would be the parking lots because most of the other changes will be to the ice plant systems and flooring. He added when these ice arenas are built there seems to be one major donor so they will need to see if that can happen for these projects because that has not been explored. He said if they want the second ice sheet it would require an unprecedented fundraising effort. Mayor Gander stated they will not be retrofitting the VFW Arena to stay an arena, they won’t need as much parking when it turns into a fitness center because it won’t be an arena any more, and there is a way to rework things to that is money saved and can go towards a second sheet of ice at the Civic and to the locker rooms.

Council member DeMers asked what happens in October if the ice plants don’t start up. Mr. Huttunen said at this time he is not sure, he does not know how much it would cost, and they would find a way to get things up and running. Mayor Gander asked how many council members have reached out to the business community and what their response was. Council member DeMers said the people he has talked
to see it both ways, they understand there are needs, but there are concerns. He stated there was an Economic Development Authority Board meeting last week and Mr. Gorte was asked to push this through his channels to find the sales tax capacity before starting to meet with the business community. He added there are lots of comments being said and he does not know what the ramifications of a 2% sales tax would be. Mayor Gander told the Council he had not had a single conversation with any businesses that said they would support a 2% increase and around 90% of them ask that this doesn’t happen. He said he has to look at everything when considering this, at least half would be carried by the residents, he knows people have chosen to live in the City because of the amenities that have been provided, but they should be able to get something really good for $20 million dollars.

Mr. Gorte told the Council he had contacted a company that may help with determining the sales tax capacity but it may not be simple process because of all of the different aspects that need to be considered. Council member DeMers said they think of retail for sales tax but an example of something else is if American Crystal does a $5 million project some of the items needed could have sales tax which would increase their costs. Mr. Gorte stated some capital improvement items are tax exempt or they can request an exemption from the State. Ms. Anderson stated the comparison of sales tax and property tax is not apples to apples, how if the $15 million was added to property tax a house valued at $250,000 would pay an additional $335 in property taxes per year for the next 20 years, and a family of four would need to spend over $16,000 each year to pay that much in taxable sales in a year. Mayor Gander said they are estimating half of the 2% sales tax is coming from the community so $1 million is coming from the community. Ms. Anderson said they are getting a service. Mayor Gander said they are still paying it. Ms. Anderson stated they are either purchasing a good or receiving a service with the sales tax. She added there are restrictions for fundraising and if a person wants to give to only to a specific project those funds cannot be used for a different project. She said they are not asking for money from the State but they need to be given the means to do this.

Council member Vetter said they are here to determine if a change needs to be made or if they want to keep it the same. He proposed adjusting this down to 1%, leave all of the projects included, and stress to the Legislature they are the first step instead of doing the work ahead of time including fundraising. Council member DeMers asked what the package look like with 1%. Council member Vetter said the sales tax would not be the only thing paying for projects, set 1% for 20 to 25 years, and fundraise for the remaining costs. Council President Olstad asked how much would be raised in 25 years with a 1% sales tax. Ms. Anderson said at 30 years they could take out a bond for $17.7 million. Council President Olstad then asked what it would be at 25 years. Ms. Anderson said they would have to ask. Mayor Gander asked how long it would take to pay off if they went for 25 years with expected growth over time. Ms. Anderson said she had no idea, they can only bond for what is expected to be collected based on the current sales tax collection, and based on that they expected to pay off the 30 year bond in 25 years. Mr. Murphy said 15 versus 30 years only adds approximately $6 million because more of it goes to paying interest.

Mayor Gander explained the City would borrow money or bond for these projects, the interest rate is around 3.5%, and the sales tax collected would be used to pay off the bond. He stated doubling the term does not double the amount because of the increased amount of interest. Council member DeMers said 1% for 15 years gets them almost the total for replacing the ice plants, the HVAC systems, and repaired parking lots.
Mr. Huttunen told the Council he had talked with some business owners and one conversation gave him the most to think about. He explained the business owner started by saying if there were twice as many businesses the City could be at a half percent like other communities instead of what 1%, the City is trying to attract more businesses, the current businesses have been able to handle 1%, they could continue with it, but they fear 2% because it will scare away any new businesses and could cause more to leave the community. He continued saying if they were going to continue with 1% he would like to see it for a term of 30 years and he understands it would be paying in more interest. He asked to find the number where they feel is the right point, they are completing the projects wanted, and let the community know what they have to work with so they can determine what can be accomplished. He asked to continue the conversation and determine how to find the additional funds needed so they have a direction to go with this to help give answers at public meetings.

Mayor Gander thanked Mr. Huttunen for his candor, he thinks $5 million is doable if they bring in a professional, and it is evident there is a need which helps people step up. He added these projects are for everyone in the community. Council member Vetter said they can still work through the process by adjusting down to 1% with keeping all four projects for the residents to vote on them in the fall. He stated if they vote out the arenas but keep other projects those are the projects that will be completed or they all could be voted in so then they will know how much they will need to fundraise so they should let the process work. Council Vice-President Grassel asked if the process will get vetoed if all four projects are listed since Mayor Gander only wants one question on the ballot. Mayor Gander stated he didn’t veto the resolution with the four projects at 2% for 30 years because the intent was to bring it down and he doesn’t intend to veto this because the conversation will continue. He said the Council has decided it is time to fix the arenas, which was the priority, and they will find ways to fix these other items. He added he does appreciate the consideration of 1% and the conversation will continue.

Council President Olstad said the comment has been made by Mayor Gander of not waiting four questions on the ballot so it was asked for clarification if there would be a veto for 1% for all four projects. Mayor Gander said he would not veto the effort and hope it passes. Ms. Brown asked who was going to veto this because at the last meeting they were moving forward with up to 2% and 1% only fixes what is already there. She asked what it costs to fix the arenas. Council Vice-President Grassel stated $13 million to fix the arenas. Mr. David said they moved forward with 1% at 15 years they would come up short for fixing the arenas. Mayor Gander commented they still need to talk about fundraising and not rehabbing the VFW Arena. Council President Olstad asked if they make a motion for 30 years would that commit them to that time frame. Mr. Huttunen stated as far as he knew it was based on the amount they wanted to borrow and it will be finalized when they prepare the question for the ballot. Discussion followed about just changing the percentage and leaving the 30 years, how Mayor Gander would rather see a term of 15 or 20 years, and how 13 million would fix the ice systems, parking lots, the mechanical systems, fire systems, some of the ADA issues but not the locker rooms, and it does include an elevator at the Civic Center.

Council member DeMers said he has concerns with the 30 year term which is why they were trying to get these things done. He added he would like to fund the trails a different way. Council member Vetter said there were other sources for all of these projects which is why they should all be listed, the sales tax is just one piece to pay for these project, and they need to work up the whole package after the vote by the citizens. Council President Olstad asked if they only want to change the percentage. Mr. Galstad said he was speaking as a citizen and asked what happens when the arenas aren’t included and the compressors
go down. He asked where they will be coming up with $13 million. He said the arenas need to be done and the rest of the projects are gravy, they have been elected to make these decisions, and leaving that to the citizens could be a mistake. Discussion followed about how difficult fundraising could be, 1% will be helpful for the business community, and what the percentage should be changed to and submitted to the State.

Council President Olstad said they need to make a decision. Council Vice-President Grassel stated he was worried if they stick with the bare minimum they will not be able to fix the locker rooms. He said they need to figure out if they can get the locker rooms done. Mayor Gander said they need to bring common sense into the design process. Discussion followed about what projects should be left in and what should be taken out, what some of the differences were in the cost estimates for the ball fields, how the poles need to be taken out of the main ball field, and what would be included in the proposed $2.5 million. Mayor Gander said he would like to see where they could get for $1 million at the ball fields.

Mr. Huttunen said he needs direction on the percentage and what the Council would like to see. He explained he would take that information to the public forums, and determine what can be done with the funds available. He commented this needs to keep moving forward and if this doesn’t move forward what is their Plan B.

A motion was made by Council member DeMers, seconded by Council member Grassel, to move forward with a 1% sales tax for 15 years or up to $15 million to cover the current issues at the Civic Center, VFW Arena, and Stauss Park.

Mayor Gander asked if this leaves room for improvements through fundraising. Discussion followed about how the information needed has to include a percentage, the term, and specified what the funds will be used for. More discussion followed about how the term determines the amount that can be bonded for, how the expected bond costs were included in the information sent to the State, and the bond could be paid off sooner. Mayor Gander asked if they would consider 1% at 20 years which could be paid off sooner. Council member Vetter commented how the State accomplished taking off two projects by the City having to make a change. Mayor Gander stated there would be other ways to fund those projects and asked if the motion was going to be changed. Mr. Huttunen said there are legacy dollars but there is also a required local match. Council member Vetter stated the sales tax could have been the local match.

Council President Olstad asked if they were going to include the use or change how they could add improvements. Ms. Nelson repeated the motion to the Council of 1% over 15 years or up to $15 million to cover the current issues at the Civic Center, the VFW Arena, and Stauss Park. Mr. Huttunen suggested to change the wording to cover repairs and improvements. Council member DeMers said he would also move it to 20 years. Council Vice-President Grassel stated he agreed. Council member Riopelle asked to have the motion read again.

Ms. Nelson stated the motion was now for a 1% sales tax for 20 years or up to $15 million whichever comes first for repairs and improvements for the city ice arenas and Stauss Park.

Discussion followed about how $15 million would be the bond amount and if that was enough to go on. Ms. Anderson said they could run the numbers the next day and they will need to figure out what the pay back would be. More discussion followed about what is being proposed, they can only use the current
collection figures, at 30 years it is expected to collect $17.7 million, and they need to include a dollar amount for the maximum amount they expect to collect. Ms. Anderson said the laws have changed and things have to be specific, they can include on the resolution the City expects to collect donations to cover the additional costs, and staff will need to know what projects to include. Council member DeMers said it is at 1% at 20 years or up to $15 million. Mr. Murphy said the Council can vote on the motion, staff can draft a resolution, and it would be considered voted on. Mr. Galstad commented that they should include any additional improvements will be paid for through fundraising. Mayor Gander said they need to let the legislators know the City is committed to fundraising.

Council member DeMers asked if they need to decide on the ratio for each project or if that will be deferred to staff. Mr. Murphy said it can be set at a later date. Council member DeMers said the dollar amount needs to be included in the resolution. Mr. Huttunen stated none of the projects are fully funded so the Council would need to decide. Council President Olstad asked if that needed to be designated tonight. Mr. Huttunen read the information from the League of Minnesota Cities of what is needed in the resolution which required the designation. Council member DeMers said if this was based on the $15 million and not knowing anything else he would designate $13 million to the arenas and $2 million to Stauss Park. Council Vice-President Grassel seconded the designation of funds. Council President Olstad asked to have the motion again.

Ms. Nelson stated the motion from Council member DeMers, seconded by Council member Grassel was for a 1% sales tax over 20 years or up to $15 million for repairs and improvements for the city ice arenas and Stauss Park with $13 million going to the arena project and $2 million going to the Stauss Park project.

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

Voting Nay:  
  Vetter.

Absent:  
  Helms.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER DEMERS, TO ADJOURN THE FEBRUARY 24, 2020 COUNCIL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:48 P.M.

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

Voting Nay:  
  None.

Absent:  
  Helms.

_______________________________________________
David Murphy, City Administrator/Clerk-Treasurer
CALL TO ORDER:

The Work Session of the East Grand Forks City Council for February 25, 2020 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 (5:00pm), Council President Mark Olstad, Council Vice-President Chad Grassel, Council Members Clarence Vetter, Tim Riopelle, Tim Johnson, and Marc DeMers.

Karla Anderson, Finance Director; Jeff Boushee, Interim Fire Chief; Nancy Ellis, City Planner; Ron Galstad, City Attorney; Paul Gorte, Economic Development Director; Mike Hedlund, Police Chief; Charlotte Helgeson, Library Director; 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 to Approve Social Media Agreement – Paul Gorte

Mr. Gorte said all three of these agenda items that had been included on the Economic Development Authority (EDA) Board meeting the previous week. He stated this request was to extend the social media agreement with AE2S through 2020 and the analytics from 2019 had been included in the packet. He added it had been asked if there were things that could be done to enhance the outreach and that was included in the agreement for the year. He added the board recommended approving this agreement.

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

2. Request to Terminate Development Agreement – Paul Gorte

Mr. Gorte reminded the Council that Mr. Scheving had purchased six lots for twin homes on the north end, he built homes on four of the lots, and he is returning the last two lots to the City. He stated the EDA Board recommended approving this request. Council member DeMers asked if it was typical for the City to pay taxes on returned properties. Mr. Gorte said the taxes were a few hundred dollars for the year and the City had received $1,000 in earnest money on each lot.

This item will be referred to a City Council Meeting for action.
3. **Request to Terminate Border Cities Tax Credit Assistance – Paul Gorte**

Mr. Gorte stated that Mr. Holm had been doing business as Jay Holm’s Valley Auto, he has sold his building, and the agreement stated they needed to maintain the business with two employees, which is no longer the case. He said the five-year agreement will need to be terminated and the remaining tax credits will be returned to the city for future allocations.

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

4. **Infill Building Common Area Reciprocal Maintenance Agreement – David Murphy**

Mr. Murphy stated he had supplied the Council with information and a timeline of this situation. He explained they have tried to negotiate this reciprocal maintenance agreement for almost two years, there were several reasons why negotiations did not start until 2018, and the first time the City had received a redlined agreement was not until February of 2020. He continued saying the suggested changes were not feasible when it came to the costs being split, when it came to pay for damages, or they were hard to calculate. He said again they have been trying to negotiation for almost two years and it is at the point he does not see that an agreement will be executed. He informed the Council if they would like to sell this property in the future, it would be easier to do without being encumbered. He recommended they move forward with ceasing attempts to negotiate and close the openings in the common wall. He asked for questions.

Mayor Gander asked if there were any conversations in the last couple of weeks between the City and the other entity. Mr. Murphy said he has talked with the owner of the property over the phone twice and the rest of the communication has happened through attorneys. Mayor Gander asked if they were able to meet fire code. Mr. Murphy said the City’s attorney, Bob Vose, said if they do not enter into a common area agreement the City would not be responsible for them to meet fire or building codes, it was reviewed by the fire and building inspector, and currently they would meet the criteria. He explained the only thing they did not have was access to their roof. Discussion followed about how short term access would be granted until June 1, 2020.

Council member DeMers asked about the history of the water issues. Mr. Murphy said this issue had been brought up several times and since the sump pump was installed and plugged in there have not been water issues in the elevator shaft. Discussion followed about how it had been a few years since the sump pump has been installed and working, they have not had issues with water being in the shaft since the sump pump and drain installed, and there was no noticeable water in the basement or in the shaft after the five-inch rain that happened in the fall. Mr. Murphy said the maintenance person from OTIS was out the following day and reported not seeing water in the elevator shaft at the Infill building.

Council member DeMers asked if there was a common drain field. Ms. Ellis said she was not aware of what was there for storm water and Mr. Stordahl would be able to answer that question. Council member DeMers asked if there was any drain tile installed when the building was built. Discussion followed about how staff does not know if there are drain tile around the building, they did say where the storm drains are located, and there were questions regarding a possibility of issues moving forward. Mayor Gander commented how more than likely these buildings were built at a different time so they would have different drain fields.
Council President Olstad asked if there were any questions or objections about moving forward. Council member DeMers asked if an affidavit was done by Council member Helms. Mr. Murphy said no since he has been out of state. Mayor Gander asked Mr. Galstad if there was any legal concern about letting this ride for a while with the closures that are currently in place. Mr. Galstad deferred that question to Attorney Vose since he is a tenant in the building. Mayor Gander asked the Council if there was any reason to wait before moving forward with the permanent closures. Mr. Galstad stated they were already doing that for the last two years. Council member Riopelle said it was time to close it up.

Council member DeMers asked about a cost estimate for the permanent closures. Mr. Murphy explained they had an estimate of $750 for wood studs and sheet rock but if it will be permanent it would be done with cement blocks and he did not have an estimate at this time. Mayor Gander commented the only thing that has changed is the openings are now closed which could have created a sense of urgency. Council President Olstad said it has not seemed to be urgent to others to reach an agreement. Ms. Ellis told the Council this idea was brought to the City by the other entity who was asking what it would take to close it because they did not see a reason to keep it open since it they did not use this very often. Mr. Murphy said this was brought to the City in the fall of last year. Mayor Gander said this was a great remedy and there would be no expectation of shared costs. He added this bring resolution to this as long as it is mutually agreeable.

Council President Olstad said Mr. Murphy should move forward. Council member DeMers asked if action was needed. Mr. Murphy explained he only needed direction from the Council at this point; the other entity will be notified the City will be ceasing efforts to negotiate, and he will get an estimate for what it will take to close the openings. Council member DeMers said he is concerned about the language in the agreement to have both entities to work toward an agreement and asked if there needs to be something that releases both entities from forming this agreement. Mr. Murphy said he would ask Mr. Vose what would need to be done for formal closure of the agreement.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER GRASSEL, SECONDED BY COUNCIL MEMBER JOHNSON, TO ADJOURN THE FEBRUARY 25, 2020 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:21 P.M.

Voting Aye: Riopelle, Johnson, Olstad, Grassel, DeMers, and Vetter.
Voting Nay: None.
Absent: Helms.

David Murphy, City Administrator/Clerk-Treasurer
Request for Council Action

Date: March 3, 2020

To: East Grand Forks City Council 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.

Cc: File

From: Economic Development Director

RE: 2019 Analytics and 2020 Social Media Agreement (AE2S)

Attached are the analytics for 2019.

Attached also is the proposed 2020 Social Media Assistance Agreement. The proposed Agreement includes enhancements that will increase the reach of social media and benefit the EDA and the City. The new Agreement has a not to exceed fee of $2447. The approved budget contains funds to cover the costs of the Agreement.

On February 18 AE2S presented the analytics to the EDA. The EDA asked whether there were ways to enhance the reach. The proposed Agreement had anticipated and included some ways to enhance the reach of the social media. The EDA recommended that the City Council approve the proposed Agreement. The City Attorney has already reviewed the Agreement and signed off on it.

Recommendation: That the City Council approve the 2020 Social Media Assistance Agreement with AE2S.
February 7, 2020

Paul Gorte, Economic Development Director
East Grand Forks Economic Development Authority
600 Demers Ave NW
Second Floor East Wing
East Grand Forks, MN 56721

RE: Letter Contract for Social Media Support

Dear Mr. Gorte:

The East Grand Forks Economic Development Authority (EDA) is continuing to transform the way it communicates and markets itself through its branding efforts, marketing plan, and its use of social media.

To further assist the East Grand Forks EDA in telling important stories, engaging its audience, and strengthening its brand, AE2S is pleased to offer our strategic social media guidance to you as you move forward in 2020.

Scope of Services

AE2S Communications (AE2S) proposes to support to the East Grand Forks EDA (CLIENT) with its marketing and communications efforts. This Agreement sets forth the terms and conditions under which the CLIENT and AE2S shall be governed regarding the Assignment.

Scope:
- One hour monthly meetings
- Present social media analytics at one board meeting each year
- Quarterly Facebook ads

Deliverables:
- Monthly social media plans
- Quarterly analytics

Fees

AE2S proposes to render professional services under this Agreement on an hourly basis in accordance with the Hourly Fee Schedule attached not to exceed $2,447 without written authorization from CLIENT. The general breakdown of fees are shown on the following page.
Additional Services

Services resulting from significant changes in the general scope, extent, or character of the Assignment are not included as a part of the general Scope of Services. If authorized in writing by the CLIENT, AE2S will provide services beyond the scope of this Agreement on an hourly basis in accordance with the Hourly Fee Schedule attached as Exhibit B.

CLIENT’S Responsibilities

CLIENT shall do the following in a timely manner, so as not to delay the services of AE2S:

1. Designate a person to act as CLIENT’s representative with respect to the services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define CLIENT’s policies and decisions with respect to services for the Assignment.

2. Provide relevant information and content regarding requirements for the Assignment. AE2S shall be entitled to use and rely upon all information provided by CLIENT or others in performing AE2S’s services under this Agreement.

3. CLIENT shall, so long as AE2S is not in default, promptly pay AE2S for such professional services as have been performed satisfactorily hereunder in accordance with the fee schedule set forth herein.

CLIENT shall bear all costs incident to compliance with its responsibilities pursuant to this section.

Standard Terms and Conditions

Standard terms and conditions of this Agreement between CLIENT and AE2S are specified in Exhibit A.

Performance Schedule

The timetable and deliverables will be developed and accepted between the CLIENT and AE2S upon the commencement of the project.
**Contract Documents**

The Contract Documents consist of the following:

1. This Agreement;
2. The attached Terms and Conditions;
3. All other attached Exhibits; and
4. Any duly executed amendments.

There are no Contract Documents other than those listed above.

If this Agreement sets forth your understanding of our agreement, including the scope of work desired, fees, terms, and conditions, please sign both this original and the enclosed copy in the space provided. Please retain the original for your files and return the copy to AE2S. Thank you for the opportunity to assist in this project and we look forward to working with you.

Sincerely,

Andrea Boe  
AE2S Communications Practice Leader

Joardan Grasser  
Operations Manager

**CLIENT**

Accepted this _____ day of ________________________, 2020

By: ______________________________
Standard Terms and Conditions

The Agreement is supplemented to include the following terms and conditions:

1. **TERM.** This Agreement shall commence on the Effective Date.

2. **SCOPE OF SERVICES**
   2.1.1 CONSULTANT will devote the required amount of time necessary to perform the Services for CLIENT as stated herein. CONSULTANT will have discretion in selecting the dates and times it performs the Services giving due regard to the requirements of the project and schedule of CLIENT.
   2.1.2 CLIENT will provide CONSULTANT with materials and information necessary to perform the scope of services proposed.
   2.1.3 The relationship between CLIENT and CONSULTANT created by this Agreement is that of independent contractor, and CONSULTANT is not and shall not be deemed to be an employee of CLIENT for any purpose.

3. **INVOICES AND PAYMENTS.** CONSULTANT will invoice CLIENT for time and reimbursable expenses monthly. Payments to CONSULTANT will be made within 30 days of CLIENT’s receipt of an invoice documenting the services performed by CONSULTANT. If CLIENT fails to make any payment due AE2S for services and expenses within 30 days, the amounts due AE2S will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, AE2S may, after giving seven days written notice to CLIENT, suspend services under this Agreement until AE2S has been paid in full all amounts due for services, expenses, and other related charges.

4. **TERMINATION**
   4.1 If, for any reason, either party fails to fulfill in a timely and proper manner its obligations under this Agreement, or if either party shall violate any of the covenants, agreements, or stipulations of this Agreement, the first party shall thereupon have the right to terminate the Agreement by giving written notice to the other party of such termination and specifying the effective date thereof. This Agreement may be terminated by either party (“the Terminating Party”) upon a breach by the other party (“the Breaching Party”) of any representation or obligation imposed hereby, provided that Terminating Party has given written notice of the breach to the Breaching Party and such breach has not been cured within ten (10) days of the date of such notice.
   4.2 The EDA may terminate this Agreement for convenience at any time. Termination shall be effective upon ten (10) days written notice to AE2S.
   4.3 The Parties may voluntarily terminate this Agreement at any time by mutual agreement.
   4.4 In the event of termination, the EDA shall only be responsible to pay for Services satisfactorily performed by AE2S to the effective date of termination, as described in the final invoice to the EDA.

5. **STANDARD OF CARE.** CONSULTANT shall exercise the same degree of care, skill, and diligence in the performance of the Services as is provided by a professional of like experience, knowledge and resources, under similar circumstances.

6. **INDEMNIFICATION.** To the fullest extent permitted by law, AE2S agrees to defend, indemnify, and hold-harmless the EDA and its employees, officials, and agents from and against all claims, actions, damages, losses, and expenses, including reasonable attorney fees, arising out of AE2S’s negligence or its performance or failure to perform its obligations under this Agreement. AE2S’s indemnification obligation shall apply to subcontractors or anyone directly or indirectly employed or hired by AE2S, or anyone for whose acts AE2S may be liable. AE2S agrees this indemnity obligation shall survive the completion or termination of this Agreement.

7. **CONFIDENTIALITY.** All of reports, information, and data, prepared or assembled by CONSULTANT under this Agreement are confidential and CONSULTANT agrees that they shall not be made available to any individual or organization without the prior written approval of CLIENT. However, AE2S agrees to abide by the applicable provisions of the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13. AE2S understands that all of the data created, collected, received, stored, used, maintained, or disseminated by AE2S is subject to the requirements of Chapter 13. In the event AE2S receives a request it will not provide the information without prior written approval of the EDA.

8. **INSURANCE REQUIREMENTS.** AE2S, at its expense shall procure and maintain in force for the duration of this agreement the following minimum insurance coverages:
   8.1 **GENERAL LIABILITY.** AE2S agrees to maintain commercial general liability insurance in a minimum amount of $1,000,000.00 per occurrence; $2,000,000.00 annual aggregate. The EDA shall be endorsed as an additional insured.
   8.2 **PROFESSIONAL LIABILITY INSURANCE.** AE2S will maintain professional liability insurance for all claims AE2S may become legally obligated to pay resulting from any actual or
alleged negligent act, error, or omission related to its professional services required under this Agreement. AE2S is required to carry the following minimum limits of $1,000,000.00 per claim; $2,000,000.00 annual aggregate. The retroactive or prior acts date of coverage shall not be after the effective date of this Agreement and AE2S shall maintain such insurance for a period of at least three (3) years following the completion of services. If such insurance is discontinued, extended reporting period coverage must be obtained by AE2S to fulfill this requirement.

9. COPYRIGHT. No printed or digitally designed documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of CONSULTANT.

10. COMPLETE AGREEMENT. This Agreement with its exhibit, attached, constitutes the complete agreement and sets forth the entire understanding and agreement of the parties as to the subject matter of this Agreement and supersedes all prior discussions and understandings in respect to the subject of this Agreement, whether written or oral.

11. MODIFICATION. No modification, termination, or attempted waiver of this Agreement, or any provision thereof, shall be valid unless in writing and signed by the party against whom the same is sought to be enforced.

12. BINDING EFFECT. This Agreement shall be binding on, and shall inure to the benefit of the parties and their respective successors in interest.

13. NOTICES. All notices given under this Agreement shall be in writing, addressed to the parties as set forth on page 1.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Minnesota. All proceedings related to this Agreement shall be venued in Polk County District Court, Minnesota.

15. EXECUTED IN COUNTERPARTS. This Agreement may be executed in counterparts, each of which together will constitute one and the same instrument. Delivery of an executed counterpart of this Agreement shall constitute effective delivery of this Agreement. Each Party agrees that the delivery of the Agreement by facsimile or electronic mail shall have the same force and effect as delivery of original signature and that each Party may use such facsimile or electronic mail signatures as evidence of the execution and delivery of the Agreement by the Parties to the same extent that an original signature could be used.

16. OWNERSHIP. All reports, plans, data, maps, other documents, and any and all other electronic materials and intellectual property produced by AE2S in the performance of this Agreement shall be the property of the EDA.
**ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES, INC.**

**2020 HOURLY FEE AND EXPENSE SCHEDULE**

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**ADVANCED ENGINEERING AND ENVIRONMENTAL SERVICES, INC.**

**2020 HOURLY FEE AND EXPENSE SCHEDULE**

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<th>Reimbursable Expense Rates</th>
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* Position titles are for labor rate grade purposes only.

** Includes laboratory testing, architectural and engineering consultants, surveying, etc.

*** Includes toll telephone, shipping, postage, subsistence, technical literature, equipment rental, etc.

These rates are subject to adjustment each year on January 1.
FOLLOWERS

The East Grand Forks Economic Development Authority (EDA) Facebook page currently has 129 followers. 63% are women and 37% are male. A majority of the followers (30%) are between the ages of 35-44.

PAGE VIEWS

During 2019, the EDA’s page was looked at by a range of 0 to 21 profiles. Most of the time people are finding the page by searching on Facebook. This is followed by Google results.
REACH

In 2019, the EDA reached over 19,200 people on Facebook. The largest number of people reached in one day was 338. Most of the people reached are located in East Grand Forks, Grand Forks, Fargo, Crookston, Fertile, Thief River Falls, Alvarado, Detroit Lakes, International Falls, St. Paul, and Minneapolis.

At this time, all the posts have reached audiences organically. This means that no ads were created using the Facebook page. Developing ads on Facebook is a cost effective way to spread your message with target audiences and targeted locations. The best part is, you can track and measure the ads success.

REACTIONS, COMMENTS, & SHARES

The EDA’s top post featured a local business. This post generated 264 reactions, comments, and shares and reached more than 2,900 people. Comments are seen as key engagement by social media algorithms. We encourage you to continue interacting with the EDA posts.
Request for Council Action

Date: March 3, 2020

To: East Grand Forks City Council 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.

Cc: File

From: Economic Development Director

RE: Termination of Scheving Development Agreement

Roger Scheving wants to be released from the Development Agreement approved in 2018. He has built 4 of the 6 homes contemplated under that agreement. Lots 1 and 2 remain vacant and will, if the agreement is terminated, be part of the lots to be marketed by the realtors. He paid earnest money of $1000 per lot. He does not want to pay the 2020 property taxes on these lots. The taxes for the two lots totals less than $400 in 2019 and expected to be about the same in 2020. At this point it is in the best interests of the City to terminate the agreement.

On February 18 the EDA discussed this matter and recommended that the Agreement be terminated.

Recommendation: That the City Council terminate the agreement and pay the 2020 property taxes to effect, with the quit claim deed, the property transfer back to the City.
LAND PURCHASE AND DEVELOPMENT AGREEMENT
WATER'S EDGE $1,000.00 DOWN PAYMENT PROGRAM

THIS AGREEMENT is being made and entered into this 31st day of May, 2018, by and between the City of East Grand Forks 600 Demers Ave, N.W., East Grand Forks, MN 56721 (hereinafter referred to as the “City”) and the East Grand Forks Economic Development Authority, 600 Demers Ave, N.W., East Grand Forks, MN 56721, (hereinafter referred to as the “EDA”) (collectively hereinafter referred to as "Seller"); and Scheving Properties, LLC, 1600 10th St SW, East Grand Forks, MN 56721, (hereinafter referred to as "Buyer").

WITNESSETH:

The purpose of the Water’s Edge $1,000.00 Down Payment Program is to induce increased residential development on the Water’s Edge Lots owned by the City of East Grand Forks.

WHEREAS, Seller is the owner of real property located in the City of East Grand Forks, Minnesota (hereinafter referred to as the “Property” or “Subject Property”) such Property being situated in the County of Polk and State of Minnesota, and described as follows:

Lot 1, 2, 3, 4, 11 and 12, Block 2, Waters Edge Second Addition to the City of East Grand Forks, Polk County, Minnesota.

Parcel No. 83.04156.00
Parcel No. 83.04157.00
Parcel No. 83.04158.00
Parcel No. 83.04159.00
Parcel No. 83.04166.00
Parcel No. 83.04167.00

WHEREAS, Buyer desires to purchase the Property and pay Seller under the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements of the parties, it is hereby agreed as follows:

1. Subject Matter. The subject matter of this agreement is bare land upon which no buildings or other improvements have been constructed as legally described above.

2. Purchase Price. Purchase price of the subject properties in total is: One Hundred Forty-one Thousand Three Hundred Thirty-two and no/100ths Dollars ($141,332.00)

1
| Parcel No. 83.04156.00 | $24,896.00 |
| Parcel No. 83.04157.00 | $22,844.00 |
| Parcel No. 83.04158.00 | $22,896.00 |
| Parcel No. 83.04159.00 | $22,948.00 |
| Parcel No. 83.04166.00 | $22,954.00 |
| Parcel No. 83.04167.00 | $24,794.00 |

$141,332.00*

*Includes 10% discount from each lot price for purchase of 4 or more lots. No lot may be used for personal use, if so, it is removed from Builder’s Incentive Program and does not receive a discount and purchase price of lot must be paid immediately.

3. Payment of Purchase Price. Buyer is paying to Seller One Thousand Dollars ($1,000.00), for each lot for a total of Six Thousand and 00/100 Dollars ($6,000.00) at the time of execution of this agreement, the receipt of which is hereby acknowledged. The balance of the purchase price ($135,332.00) shall be payable upon terms and in the manner as follows:

3.1 The remaining balance to be paid in full upon the sale of the subject property after construction of the home.

3.2 Buyer shall execute, at closing, a promissory note in favor of Seller in the amount of the remaining balance of the purchase price of each lot. It is anticipated that the Buyer will develop the lots in intervals two lots at a time and it is anticipated that the third set of two lots lot will have construction completion date no later than 42 months from the date of this agreement. The term of repayment of each note will be no longer than one year from the issuance of the certificate of occupancy, unless extended by the City at its sole discretion. One year from the date of the certificate of occupancy the lender may demand payment for full and final satisfaction of the loan.

3.3. Buyer shall execute a mortgage on the subject properties in favor of Seller in the standard form for mortgages of commercial property in the State of Minnesota to secure the debt evidenced by the promissory notes.

3.4 Buyer’s principal owners shall sign a personal guaranty for 100% of all amounts due to the Seller under the terms of this agreement.
3.5. Seller understands and agrees that Buyer does not intend to obtain financing for construction of the buildings upon the Subject Properties but if the Buyer decides to secure lender financing the Seller agrees to subordinate its mortgage of the Subject Properties to such construction mortgage of said building. Seller agrees to execute such documents and consents necessary to effectuate such subordination of Seller’s mortgage so long as the total financing does not exceed 90% of the estimated appraised value of the property and building on each separate lot.

3.6 At closing, Seller shall transfer and convey the property by a quit claim deed.

4. Examination of Title. Seller states, and Buyers acknowledge, that no abstract of title to the properties exits, and Seller has no obligation to provide Buyers with an abstract of title. Buyers shall have until \text{March 31, 2018}, [10 days from the date of this agreement] to examine the title to the real property and to provide Seller with written objections to Seller’s title. Buyers, at their option, may pay the costs of obtaining an abstract and the cost of title examination or, in the alternative, Buyers may obtain title insurance at the Buyers’ expense.

5. Remedies. If said title is not marketable and is not made so within 120 days from the date of written objections thereto as above provided, this Contract shall be null and void, at option of the Buyer; and neither party shall be liable for damages hereunder to the other party. If the title to said Property be found marketable or be so made within said time, and said Buyer shall default in any of the agreements and continue in default for a period of 10 days, then and in that case the Seller may terminate this contract and on such termination all the payments made upon this contract shall be retained by said Seller as liquidated damages, time being of the essence hereof. This provision shall not deprive either party of the right of enforcing the specific performance of this contract provided such contract shall not be terminated as aforesaid and provided action to enforce such specific performance shall be commenced within six months after such right of action shall arise.

6. Condition of Property. The hereinbefore described real property is being sold "AS IS" and Seller makes no warranties, either expressed or implied, concerning the condition of the real property, and no warranties that the real property is fit for any specific purpose. Seller has not investigated whether any environmentally hazardous materials may be present upon or in the real property.

7. Taxes and Special Assessments. Taxes and installments of special assessments, if any, payable in 2017 are the responsibility of Seller, and taxes and installments of special assessments, if any, payable in 2018 and thereafter shall be the responsibility of Buyer. The Special assessments have been included in the purchase price and will be paid in full by the Seller out of the proceeds of the payment from the Buyer to satisfy the loan that is a part of this transaction.
8. **Closing Date and Transfer of Possession.**

8.1 Closing on the sale of the Property shall occur Five (5) business days following the expiration of the Ten (10) day due diligence period as outlined in Section 15 below (the “Closing Date”), or on such other date and at such location as mutually agreed upon by the parties in writing.

8.2 Seller shall deliver possession of the Property to Buyer on the Closing Date.

Closing of this transaction shall take place on or before **June 5, 2018** (15 days after the date of this agreement) at a mutually agreeable location, unless such other time and place shall be agreed upon in writing.

9. **Closing Costs.** The closing fee, deed stamp tax, as well as preparation of the Quit Claim deed, well certificate, purchase agreement, drafting of the promissory note, the mortgage document, disbursement agreement, subordination agreement and all other documents necessary to transfer the property to the Buyer under the incentive program will be the responsibility of Seller. The recording of the quit claim deed, mortgage registration tax and all other expenses to obtain additional construction financing shall be at the expense of Buyer.

10. **Liens and Encumbrances.** The Property shall be conveyed to Buyer free and clear of all liens and encumbrances, except special assessments, easements or covenants of record, if any, and those exceptions set forth in the preceding Paragraph 3.5.

11. **Assignability and Title.** Buyer is not authorized to assign its rights to purchase the Subject Property. Buyer wishes to take title as follows:

   **Scheving Properties, LLC**

12. **Personal Property.** There is no personal property included in this sale.

13. **Contingencies.** It is specifically understood and agreed between the parties that this sale is subject to the following contingencies for the benefit of Buyer. If Buyer exercises any of the contingencies described in this agreement prior to the **21st** day of **May**, 2018, (tenth day after agreement date) all earnest money shall be released to Buyer and upon such return neither party will have any further rights or obligations regarding this agreement or the Property.

   13.1. Buyer shall have obtained, at its sole cost and expense, during the Contingency Period all governmental and all other approvals and permits necessary in Buyer's sole discretion for Buyer's intended development of the Property containing terms and conditions acceptable to Buyer.
13.2 Buyer shall have satisfied itself, in Buyer's sole discretion, that water and gas mains, electric power lines, and sanitary and storm sewers are available to the Property and adequate for Buyer's proposed use of the Property.

13.3 Access. Buyer shall have satisfied itself, in its sole discretion, that access to and from public roads and the Property is (or can be made) adequate for Buyer's proposed use of the Property, including without limitation, median cuts, curb cuts, changes in road elevation and changes in access points.

13.4 Financing of Construction. Buyer shall have obtained, at its sole cost and expense, a commitment for financing with terms and conditions satisfactory to Buyer for the cost of construction of building and improvements upon the Property.

14. Down Payment Program Requirements. It is specifically understood and agreed between the parties that this sale is subject to the following requirements for the benefit of Seller. If Buyer does not comply with the requirements the City may demand immediate payment of the promissory note and a 10% penalty.

14.1 Buyer and its Builder is licensed in State Minnesota.

14.2 Builder is insured and Bonded in State of Minnesota.

14.3 Builder shall remain in good standing during the term of the Down Payment Program agreement.

14.4 The home shall conform to City and State codes and all restrictive covenants.

14.5 The home shall be for resale; the Buyer shall not be the resident of the home built under the program. No lot may be used for personal use, if so, it is removed from Builder’s Incentive Program and does not receive a price discount and the purchase price of lot must be paid immediately.

14.6 The Buyer shall provide a confidential financial statement demonstrating the ability to personally finance the completion of the project or to obtain additional construction financing and will provide a letter of intent for the lender.

14.7 The Buyer shall provide a site plan and building plans and specifications acceptable to the City of East Grand Forks.

14.8 Construction of the first two lots shall be complete and ready for occupancy within 12 months from the date of the agreement. Within ninety (90) days after the issuance of the Certificate of Occupancy construction shall begin on the next two lots and shall be ready for occupancy no later than 12 months from the beginning of construction. Within ninety (90) days of issuance of the certificate of occupancy on the home on the second set of lots the construction shall begin on the final two
lots and shall be complete and ready for occupancy within 12 months. It is anticipated that all construction will be completed within 42 months of the date of this agreement.

14.9. The Buyer shall provide a release and sworn construction statement, lien waivers, and indemnification upon sale of each of the homes or termination of this agreement whichever comes first.

15. **Due Diligence Period.** Until 7:00 p.m. CST on the Tenth (10th) **business** day following the full execution of this Agreement, and the establishment of the Deposit, Buyer shall have the right to conduct its investigation with regard to the Property and all matters associated therewith. Buyer shall have the irrevocable right, at Buyer’s sole and unrestricted discretion, to terminate this Agreement in writing in the event Buyer elects not to purchase the Property. In the event this Agreement is terminated by Buyer on or before the expiration of the Due Diligence period the Deposit money shall be returned in full, without set off of any type, within two (2) business days to the Buyer and the parties shall have no further responsibility or liability under this Agreement which shall be deemed cancelled. Any time after the expiration of the Due Diligence period and before the Closing date, Buyer shall have the right, at Buyer’s sole discretion, to terminate this Agreement in writing in the event Buyer elects not to purchase the Property. In such event, the Deposit money shall be forfeited by Buyer to Seller, and Seller shall be entitled to the Deposit Money as Seller’s sole and exclusive remedy. This shall be the sole and exclusive remedy for the benefit of the Seller in the event of termination after the due diligence period has expired. Furthermore, the contract shall be deemed terminated and the parties shall be completely released from any further responsibility or liability thereunder. Upon request, if the closing is not completed, Buyer shall give Seller all documents, reports or information obtained during Due Diligence Period.

16. **TIME OF THE ESSENCE FOR ALL PROVISIONS OF THIS CONTRACT.**

17. **MINNESOTA LAW.** This contract shall be governed by the laws of the State of Minnesota.

18. **Miscellaneous Provisions.**

   A. **Survival.** All of the warranties, representations and covenants of this Agreement shall survive and be enforceable after the closing for a period of Twelve (12) months after the issuance of the Certificate of Occupancy for each separate construction project in accordance with the provisions of this Agreement.

   B. **Entire Agreement; Modification.** This Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement and no waiver of any of its terms will be effective unless in writing executed by the parties.
C. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, successors and assigns.

D. **Severability.** In the event any provision of this Agreement shall be held to be invalid, unenforceable or in conflict with any of the laws of the State of Minnesota the remaining provisions of this Agreement shall continue to be valid, enforceable and not to be affected by such holding.

E. **Waiver.** No term or condition of this Agreement will be deemed waived or amended unless expressed in writing. The waiver of any condition or the breach of any term will not be a waiver of any subsequent breach of the same or any other term or condition.

F. **Notices.** Any notice required or permitted pursuant to this Agreement shall be in writing and delivered either by (a) personal delivery, (b) Federal Express overnight delivery service with proof of delivery, (c) Email with proof of transmission, or (d) facsimile transmission with proof of transmission. All notices shall be sent to a party at the address set forth below, or to such other address or person as the party shall have designated in writing. Notices shall be deemed given upon compliance with the provisions set forth.

If to Seller: 600 Demers Avenue, East Grand Forks, MN 56721
Email. pgorte@egf.mn

If to Buyer: 1600 10th St SW, East Grand Forks, MN 56721

G. Seller waives collection of the $3,000.00 per lot relator fee and the Buyer is solely responsible for any commission owed to a realtor/Broker fee for the subject properties of this agreement.

H. That the Quit claim deed will contain a reversionary clause that should Buyer fail to adhere to the building timelines of this agreement as referenced in paragraph the lots shall revert to the ownership of the Seller and the earnest money shall be retained as liquidated damages.
DATED the day and year as set forth above.

SELLER:
City of East Grand Forks

By: 
Steven Gander, Mayor

By: 
David Murphy, City Administrator

BUYER:
Scheving Properties, LLC

By: 
Roger Scheving, President

East Grand Forks Economic Development Authority

By: 
Justin Hecht, President

By: 
Paul Gorte, Executive Director

(LAND PURCHASE AND DEVELOPMENT AGREEMENT WATER’S EDGE $1,000 DOWN PAYMENT PROGRAM-SCHEVING PROPERTIES, LLC)
Request for Council Action

Date: March 3, 2020

To: East Grand Forks City Council 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.

Cc: File

From: Economic Development Director

RE: Termination of Border Cities Tax Credit Assistance for Holms Properties dba Jay Homs Valley Auto

In 2018 the City approved the use of Border Cities tax credits for the benefit of Holms Properties LLC dba Jay Holms Valley Auto on Highway 220. Recently Mr. Holm sold the property and relocated his business away from the site. The assistance is not transferable. Therefore, it is necessary to terminate the assistance because Mr. Holm is no longer at the site and cannot fulfill the terms of the agreement which require him to keep two employees at the site. The City has the right to claw back benefits already conferred (approximately $7500) because of the failure to fulfill the terms of the agreement. The City, however, got an attractive, marketable building. Therefore, the Director recommends against exercising the right to claw back benefits. The unused tax credits return to the City’s available pool of Border Cities tax credits.

On February 18 the EDA discussed the situation and recommended that the City Council terminate the Agreement with Holms Properties, LLC, dba Jay Holms Valley Auto Inc.. but not claw back benefits already conferred because of the benefit the City has received because of the improvements to the property.

Recommendation: That the City Council terminate the Agreement with Holms Properties, LLC, dba Jay Holms Valley Auto Inc.. but not claw back benefits already conferred because of the benefit the City has received because of the improvements to the property.
RESOLUTION NO. 20 – 03 - 17

RESOLUTION TERMINATING BORDER CITY DEVELOPMENT ZONE TAX CREDITS FOR HOLMS PROPERTIES, LLP

Council Member ______, supported by Council Member ______, introduced the following resolution and moved its adoption:

WHEREAS, Holms Properties, LLP, a Minnesota limited liability company, doing business as Jay Holms Valley Auto Inc., a North Dakota corporation, or an affiliate thereof (the “Developer”) acquired certain property containing an approximately 9,832 square foot existing building located at 1301 Central Avenue NW (Parcel Number 83.01997.00) in the City of East Grand Forks, Minnesota (the “City”) and renovated the building for use by the Developer as an automobile repair and sales facility and related office space as part of the Developer’s expansion into the City (collectively, the “Minimum Improvements”); and

WHEREAS, in 2018, the City approved the use of Border City Development Zone (“BCDZ”) tax credits pursuant to Minnesota Statutes, Sections 469.1731 through 469.1735, as amended (the “BCDZ Act”) to grant a partial or complete exemption from property taxation used in or necessary to a qualifying business within or outside the BCDZ; and

WHEREAS, the Developer operated a business on said property and improved the building and site in accordance with the terms of the Business Subsidy Agreement (the “Agreement”) between the City and the Developer; and

WHEREAS, the Agreement provided certain tax credits to the Developer over a period of 5 years in accordance with the BCDZ Act (the “Tax Incentives”) upon the satisfaction of certain conditions including but not limited to improving the property, creating 2 jobs on the property and operating in the City for a period of 5 years; and

WHEREAS, the Developer no longer operates a business at the site and has sold the property to another user in violation of the terms of the Agreement; and

WHEREAS, terminating the Tax Incentives is in the best interest of the City because the applicant no longer complies with the terms of the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of East Grand Forks, that:

1. Based on actions of the Developer, the Council finds that terminating the business subsidy agreement authorizing the use of Border City Tax Incentives to the Developer is necessary and appropriate and in the best interests of the City for the reasons set forth above.

2. The City hereby terminates the business subsidy agreement including the Border City Tax Incentives to be provided to the Developer.

3. The Mayor and the City Administrator are authorized and directed to execute any documents or certificates necessary to carry out the actions described in above.
Voting Aye:
Voting Nay:
Absent:

The President declared the resolution passed.

Attest:

____________________________________
City Administrator/Clerk-Treasurer

____________________________________
President of the Council

I hereby approve the foregoing resolution this 3rd day of March, 2020.

____________________________________
Mayor

Passed: March 3, 2020
BUSINESS SUBSIDY AGREEMENT

between

THE CITY OF EAST GRAND FORKS

and

HOLMS PROPERTIES, LLP

Approved: August 7, 2018
BUSINESS SUBSIDY AGREEMENT

THIS AGREEMENT made this 28th day of August, 2018, by and between the City of East Grand Forks, Minnesota, a home rule city existing under its Charter and the Constitution of the State of Minnesota ("City" or "Grantor") and Holms Properties, LLP, a Minnesota limited liability company, doing business as Jay Holms Valley Auto Inc., a North Dakota corporation ("Developer").

RECITALS

WHEREAS, the City, pursuant to Minnesota Statutes 469.166 to 469.1735, as amended the Border City Development Zone Act (the "BCDZ Act"), is authorized to grant certain tax incentives to qualifying businesses located within the City;

WHEREAS, the Developer has requested that the City exercise its authority and grant said tax incentives to the Developer;

WHEREAS, the Developer proposed to acquire and renovate an existing building and expand its operations into the City with an estimated investment in excess of $120,000;

WHEREAS, the acquisition and renovations would not occur "but for" incentives used to locate the business into the City; and

WHEREAS, the City has received a completed application for tax incentives under the City’s Border City Tax Credit Policy from the Developer; and

WHEREAS, the Developer is requesting a property tax credit (the “Business Subsidy”) under the BCDZ Act; and

WHEREAS, the Developer’s application was filed and evaluated by the City in accordance with applicable statutory requirements and City procedures, policy and guidelines, including the City’s Border City Tax Credit Policy; and

WHEREAS, granting the Developer’s application for tax incentives is within the best interest of the City because the Project is expected to create additional jobs, help attract a new business to the City and increase the City’s tax base; and

WHEREAS the City, when providing financial assistance to projects that provide a public benefit to the City and to the State, is subject to the requirements of Minnesota Statutes, Sections 116J.993 to 116J.995, inclusive, as amended (the “Business Subsidy Act”) and is defined therein as a Grantor; and

WHEREAS, the Grantor is required by the Business Subsidy Act, to enter into this subsidy agreement to set forth the terms and conditions of the business subsidy (the "Business Subsidy Agreement"); and

1

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42
WHEREAS, the City and the Developer agree that the Developer will receive a Business Subsidy in accordance with the terms and conditions of this Agreement; and

WHEREAS, the Developer is required by the Business Subsidy Act to set forth in the Subsidy Agreement its goals, including job goals, that will result from receipt of the business subsidy; and

WHEREAS, the Council finds the Project will: (i) create 2 full-time equivalent jobs in the City and the State; (ii) increase the tax base in the City; (iii) promote development of the Project; (iv) increase living wage employment opportunities; (v) attract a new business into the City, and (vi) provide secondary economic development benefits.

NOW, THEREFORE, in consideration of the premises and mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

(Remainder of this page intentionally left blank.)
Section 1. Definitions.

“Agreement” or “Business Subsidy Agreement” means this Business Subsidy Agreement.

“BCDZ Act” means the Border City Enterprise Zone (BCDZ) Act, Minnesota Statutes, Sections 469.166 to 469.1735, inclusive, as hereinafter amended.

“Benefit Date” means, pursuant to Section 116J.993, Subd. 2, the date the Developer receives a business subsidy. For the acquisition of and improvements to property, the benefit date refers to the earliest date of either (i) when the improvements are finished for the entire project, or (ii) when the business occupies the property.

“Business Subsidy Act” means Minnesota Statutes, Sections 116J.993 to 116J.995, inclusive, as hereinafter amended.

“Business Subsidy” has the meaning set forth in Section 3(b).

“City” means the City of East Grand Forks, Minnesota.

“DEED” means the Minnesota Department of Employment and Economic Development.

“Developer” means Holms Properties, LLP, doing business as Jay Holms Valley Auto Inc., a North Dakota corporation.

“Development Property” means the property described in Exhibit A attached hereto.

“Existing Building” means the approximately 9,832 square foot building located on the Development Property.

“Full Time Equivalent Jobs” means the total number of full-time jobs, plus the full-time equivalent of the part-time jobs created at the Project.

“Project” means the acquisition and renovation of the Development Property and the Existing Building to convert it for use by the Developer as an automobile repair and sales facility and related office space as part of the Developer’s expansion into the City.

Section 2. Subsidy Agreement Requirements.

(a) The City and the Developer recognize and agree that the estimated financial benefit of the potential tax exemptions from the BCDZ Act to be received by the Developer pursuant to this Agreement are deemed to be a Business Subsidy under the Business Subsidy Act, and are subject to the provisions thereof.

(b) The public purposes of the Business Subsidy are to facilitate the Project by assisting an business with relocating to the City which will result in job creation, increasing living wage employment opportunities, providing secondary economic development benefits, and increasing the city’s tax base.
(c) The goals for the Business Subsidy are: (i) to secure the acquisition and improvement of an existing building in the City to help a business relocate to the City; (ii) to create the jobs and wage levels described in Section 3 for the duration of the Business Subsidy, and (iii) to expand a business that would otherwise locate out of state but for the subsidy.

(d) The Business Subsidy is needed because the Developer has stated but for the public assistance it would not be able to finance the costs associated with the Project considering the costs to renovate the building to accommodate the Developer's business. Public assistance in the form of a Business Subsidy allows for the acquisition and renovation of a building to meet the needs of the business, allowing it to add additional Full-Time Equivalent Jobs.

(e) The Developer does not have a parent corporation.

(f) The Developer has not received, and does not expect to receive, financial assistance from any other "grantor" as defined in the Business Subsidy Act, in connection with financing the Project.

(g) The Developer warrants and represents to the City that, as of the date of this Agreement, it has not failed to meet the terms of any business subsidy agreement as defined in the Business Subsidy Act.

(h) This Agreement fully meets the statutory requirements of the Business Subsidy Act and in the event that any provision of this Agreement is inconsistent or in conflict with any provision of the Business Subsidy Act, and in the event that any provision of the Business Subsidy Act provides additional requirements, the provisions of the Business Subsidy Act shall apply and govern.

(i) The Developer represents that it could have invested the money outside the State of Minnesota and that the Project could have been constructed outside the State of Minnesota, but it chose to invest in the City as a result of the Business Subsidy.

(j) The execution and delivery of this Agreement constitutes a lawful and binding obligation, legally enforceable against the Developer.

(k) The Developer is a limited liability company duly organized and in good standing under the laws of the State of Minnesota, is not in violation of any provisions of its operating agreement or bylaws or, to the best of its knowledge, the laws of the State, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its governing body.

Section 3. Tax Incentives.

(a) The City shall provide a property tax exemption to the Developer in the form of a property tax credit (the "Tax Incentives") in accordance with the BCDZ Act. The City will provide the Tax Incentives each year commencing with tax year 2018, payable in calendar year.
2019, for a period of up to five (5) years or until the tax year when the Tax Incentives provided to the Developer totals $25,000, whichever occurs earlier. The Tax Incentives shall be provided to the Developer only upon the satisfaction of the following conditions:

(i) The Developer has paid to the City a $100 application fee.

(ii) The Developer has provided a tax clearance letter from the Minnesota Department of Revenue which affirmatively established that, as of the date the Developer applied for the Business Subsidy, the business owner does not owe delinquent income or sales tax pursuant to Minnesota Statutes, Chapters 290, 296A, 297A, 297B, 197For 297G. In addition, qualifying businesses and their owners and principals shall not owe property taxes to the City or to Polk County.

(iii) The Developer has completed the construction of the Project in accordance with Section 6 hereof.

(iv) The Developer has provided evidence satisfactory to the City that it has incurred at least $25,000 in costs towards completing the Project.

(v) The provision of the Tax Incentives has been approved by DEED and Polk County.

(b) The estimated value of the Tax Incentives approved by the City Council to be provided to the Developer is $5,000 per year using a projected value of $249,600 and a current tax rate of 1.600%. The amount actually paid to the Developer shall constitute the “Business Subsidy.” The City makes no warranties or representations to the Developer regarding the total amount of the Tax Incentives to be provided to the Developer.

(c) Subject to the terms and conditions contained in this Agreement and applicable state law, City procedures, policy and guidelines including the Border City Tax Credit Policy in effect on the date of execution of this agreement and which are incorporated herein by reference, the City and Developer agree that the tax incentives granted pursuant to this Agreement are contingent upon the Developer continuing to meet the eligibility and reporting requirements of the Border City Tax Credit Policy, the BCDZ Act and the Business Subsidy Act, which include but are not limited to the following:

(i) Achievement of Job and Wage Goal. The Developer agrees to create 2 Full-Time Equivalent Jobs with an average hourly wage of not less than $11.00 per hour, cash wages, or $12.85 per hour, total compensation, including benefits. The Developer agrees that the job and wage goal must be fully achieved no later than 2 years following the Benefit Date.

(ii) Annual Reporting. Pursuant to Minnesota Statutes § 116J.994, Subd. 7(b), the Developer must submit to the City a written report regarding business subsidy goals and results, by March 1 of each year, commencing March 1, 2019 and continuing until the later of (i) the date the goals stated Section 3(c)(i) are met; (ii) 30 days after expiration of the duration of the period described in Section 3(c)(iii) below; or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 5. The City will provide information to the Developer
regarding the required forms. If the Developer fails to timely file any report required under this Section, the City will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay to the City a penalty of $100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is $1,000.

(iii) **Continuation of Operations.** The Developer agrees to continue operations, in substantially the same manner and scale, in the City for at least five (5) years after the Benefit Date.

**Section 4. Tax Incentive Schedule.**

City and Developer acknowledge and agree that the Tax Incentive Schedule attached to this Agreement is a true and correct representation of the Project as provided to the City by the Developer.

**Section 5. Remedies.**

If the Developer fails to meet the goals described in Section 3(c)(i) and 3(c)(iii), within the time frames set forth herein, then upon thirty (30) days of written notice delivered by the City to the Developer, the Developer must pay to the City: (a) a “pro rata share” of the amounts of any Business Subsidy provided to the Developer as the date of such failure; plus (b) interest on such principal amount of the Business Subsidy at the implicit price deflator as defined in Minnesota Statutes, Section 275.50, subd. 2, accrued from the Benefit Date to the date of payment. The term “pro rata share” means percentages calculated as follows:

(i) if the failure relates to the number of jobs, the jobs required less the jobs created, divided by the jobs required;

(ii) if the failure relates to wages, the number of jobs required less the number of jobs that meet the required wages, divided by the number of jobs required;

(iii) if more than one of clauses (i) through (ii) apply, the sum of the applicable percentages, not to exceed 100%.

(iv) if the failure relates to maintenance of its business in the City for five (5) years in accordance goals delineated in Section 3(c)(iii), the Developer shall repay to the City the full amount of Tax Incentives it has received as of the date the business ceases to operate in the City.

In addition to the remedy described in this Section and any other remedy available to the City for failure to meet the goals stated in Section 3(c), the Developer agrees and understands that it may not receive a business subsidy from the City or any grantor (as defined in the Business Subsidy Act) for a period of five years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.
Section 6. Deadline to Complete Project.

The Developer shall complete the Project by or before December 31, 2018. Completion of the Project shall mean that the Project has been issued a Certificate of Occupancy by the City. Developer agrees and acknowledges that its failure to complete the Project by the completion deadline shall cause this Agreement to terminate, and the City shall immediately terminate its obligation to make any future payments of Tax Incentives under Section 3(a) or Section 3(b).

Section 7. Attorney Fees and Fees of the City

If the City employs attorneys or financial advisors or incurs other expenses for the collection of payments due or for the enforcement or observance of any obligation or agreement on the part of the Developer under this Agreement, or any other agreement between the Developer and the City, the Developer agrees that it will, within ten (10) days of written demand by the City, pay to the City the reasonable fees of such attorneys and any other expenses so incurred by the City.

Section 8. Indemnification.

(a) Developer shall and does hereby agree to protect, defend, indemnify and hold the City, and its officers, agents, and employees, harmless of and from any and all liability, loss, or damage that the City may incur under or by reason of this Agreement, and of and from any and all claims and demands whatsoever that may be asserted against the City by reason of any alleged obligations or undertakings on the part of the City to perform or discharge any of the terms, covenants, or agreements contained herein, except to the extent such liability, loss, or damage is determined to be as a result of the actions of the City, its officers, agents, or employees.

(b) Should the City, or its officers, agents, or employees incur any such liability or be required to defend against any claims or demands pursuant to this Section 8, or should a judgment be entered against the City, the amount thereof, including costs, expenses, and reasonable attorneys fees, shall be immediately payable by Developer to the City upon written demand to Developer.

(c) This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement. Developer waives notice of the acceptance of this Agreement by the City.

(d) Nothing in this Agreement shall constitute a waiver of or limitation on any immunity from or limitation on liability to which the City is entitled under law.

Section 9. Project Compliance Information.

The Developer shall provide to the City any information requested or needed by the City to administer this Agreement and to monitor project implementation for compliance with the BCDZ Act, the Business Subsidy Act, or other State of Minnesota guidelines, excluding any
information regarding the sales or profitability of Developer or Developer’s parent company or any information that would be considered trade secrets.

Section 10. Business with the State of Minnesota/State Tax Laws. The Developer is required by Minnesota law to provide its Minnesota tax identification number if it does business with the state of Minnesota. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in an action to require the Developer to file state tax returns and pay delinquent state tax liabilities. This Agreement will not be approved unless these numbers are provided. These numbers will be available to federal and state tax authorities and state personnel involved in the payment of state obligations.

(a) Minnesota Tax ID: 5554047  
(b) Federal Employer ID: 81-4849708

Section 11. Miscellaneous.

(a) Choice of Law and Venue. This Agreement is made and shall be governed in all respects by the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

(b) Severability. Wherever possible, each provision of this Agreement and each related document shall be interpreted so that it is valid under applicable law. If any provision of this Agreement or any related document is to any extent found invalid by a court or other governmental entity of competent jurisdiction, that provision shall be ineffective only to the extent of such invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other related document.

(c) Notice. All notices required hereunder shall be given by depositing in the U.S. mail, postage prepaid, certified mail, return receipt requested, or delivered personally to the following addresses (or such other addresses as either party may notify the other):

To City:               City of East Grand Forks  
                       600 DeMers Ave,  
                       East Grand Forks, MN 56721  
                       Attn: City Administrator

To Developer:          Jay Holms Valley Auto, Inc.  
                       1301 Central Avenue NW  
                       East Grand Forks, MN 56721

(d) Entire Agreement. This Agreement, together with the exhibits hereto, which are incorporated by reference, constitutes the complete and exclusive statement of all mutual
understandings between the parties with respect to this Agreement, superseding all prior or contemporaneous proposals, communications, and understandings, whether oral or written, pertaining to the subject matter of this Agreement.

(e) **Headings.** The headings appearing at the beginning of the several sections contained in this Agreement have been inserted for identification and reference purposes only and shall not be used in the construction and interpretation of this Agreement.

(f) **Conflict of Interests; Representatives Not Individually Liable.** No officer, employee or contractor of the City may acquire any financial interest, direct or indirect, in this Agreement, or in any contract related to the Property. No officer, agent, or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount that may become due to the Developer or on any obligation or term of this Agreement.

(g) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

(h) **Effective Date of Agreement.** This Agreement shall take effect immediately.

(i) **Assignment.** The Developer shall neither assign nor attempt to transfer any rights or obligations under this Agreement. This activity requires the City’s prior written approval and includes a reapplication process to verify that the terms and conditions of this Agreement will be met.

(remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed (in one or more counterparts) by their duly authorized representatives as of the date first above written.

CITY OF EAST GRAND FORKS

By: _____________________________
   Its: Mayor

By: _____________________________
   Its: City Administrator

STATE OF MINNESOTA )
     ) ss.
COUNTY OF POLK )

The foregoing instrument was acknowledged before me this 21st day of August, 2018, by Steve Gouder and David Murphy, the Mayor and City Administrator, respectively, of the City of East Grand Forks, Minnesota, on behalf of said City.

MEGAN J NELSON
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2022

Notary Public
HOLMS PROPERTIES, LLP

By: [Signature]
Its: [Signature]

STATE OF MINNESOTA )
 ) ss.
COUNTY OF POLK )

The foregoing instrument was acknowledged before me this 21st day of Aug, 2018, by [Signature], the owner, respectively of the Holms Properties LLP.

[Signature]
Notary Public
EXHIBIT A

LEGAL DESCRIPTION

Block 3, Lot 4, except for the easterly 5 feet and except for a triangular tract in the northeast corner for highway-right-of-way, and Block 3, Lot 5, Martins Addition

Parcel Number: 83.01997.00 and 83.01996.00
EXHIBIT B
TAX INCENTIVE SCHEDULE

<table>
<thead>
<tr>
<th>AQUISITION</th>
<th>TAX ASSESSMENT&lt;sup&gt;1&lt;/sup&gt;</th>
<th>EXEMPTION&lt;sup&gt;2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month/Year of Incentive Agreement</td>
<td>Anticipated Project Start Date</td>
<td>Anticipated Project End Date</td>
</tr>
<tr>
<td>August 2018</td>
<td>By September 1, 2018</td>
<td>December 31, 2018</td>
</tr>
</tbody>
</table>

<sup>1</sup> Pursuant to Minnesota Statutes 273.01, existing property value, along with any value attributed to the construction of the Project, whether partial or complete, whether a Certificate of Occupancy has been issued or not, shall be valued as of January 2 for property tax payable the following year.

<sup>2</sup> The Project shall have been completed prior to the commencement of the benefit.

*It is the sole responsibility of the Developer to monitor the acquisition, assessment, and exemption schedule.*
CITY OF EAST GRAND FORKS

RESOLUTION NO. 18 – 08 - 50

RESOLUTION GRANTING BORDER CITY DEVELOPMENT ZONE
TAX CREDITS AND APPROVING A BUSINESS SUBSIDY
AGREEMENT BETWEEN THE CITY AND HOLMS PROPERTIES,
LLC

WHEREAS, Holms Properties, LLC, a Minnesota limited liability company, doing business as Jay Holms Valley Auto Inc., a North Dakota corporation, or an affiliate thereof (the “Developer”) desires to acquire certain property containing an approximately 9,832 square foot existing building located at 1301 Central Avenue NW (Parcel Number 83.01997.00) in the City of East Grand Forks, Minnesota (the “City”) and renovate the building for use by the Developer as an automobile repair and sales facility and related office space as part of the Developer’s expansion into the City (collectively, the “Minimum Improvements”); and

WHEREAS, the City has designated a Border City Development Zone (“BCDZ”) and has the authority pursuant to Minnesota Statutes, Sections 469.1731 through 469.1735, as amended (the “BCDZ Act”) to grant a partial or complete exemption from property taxation used in or necessary to a qualifying business within or outside the BCDZ; and

WHEREAS, the City has received a completed application filed in accordance with applicable City procedures, policy, and guidelines from the Developer requesting a property tax exemption (the “Tax Incentives”) in order to make the Minimum Improvements economically feasible; and

WHEREAS, the application form filed with the City and all associated documentation have been reviewed and evaluated by City staff; and

WHEREAS, granting the Tax Incentives is in the best interest of the City because it will (i) assist a business with relocating to the City which will result in job creation, (ii) increase living wage employment opportunities in the City, (iii) provide secondary economic development benefits, and (iv) increase the City’s tax base; and

WHEREAS, the Developer has represented that but for the public assistance it would not be able to finance the costs associated with the Minimum Improvements considering the costs to renovate the building to accommodate the Developer’s business. In addition, The Developer represents that it could have invested the money outside the State of Minnesota and that the Minimum Improvements could have been constructed outside the State of Minnesota, but it chose to invest in the City as a result of the Tax Incentives; and

WHEREAS, the Tax Incentives requested by the Developer are a business subsidy under Minnesota Statutes, Sections 116J.993 through 116J.995, as amended; and

WHEREAS, the City Council has received and reviewed a Business Subsidy Agreement, between the City and Developer (the “Business Subsidy Agreement”) providing for the granting of the Tax Incentives to the Developer and the Developer’s duties and responsibilities related to the business subsidy.
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of East Grand Forks, that:

1. Based on representations of the Developer, the Council finds that granting the Tax Incentives to the Developer is necessary to attract the Developer to the City and is in the best interests of the City for the reasons set forth above.

2. The City hereby approves the application and grants to the Developer Tax Incentives each year for a period of five (5) years or until the tax year when the Tax Incentives provided to the Developer total $25,000, whichever occurs earlier. The provision of the Tax Incentives is subject to the terms and conditions in this resolution, the Business Subsidy Agreement, the BCDZ Act and approval of the Tax Incentives by the Minnesota Department of Employment and Economic Development ("DEED").

3. City staff is hereby directed and authorized to work with DEED, the City Assessor and County Assessor to effectuate the Tax Incentives, contingent upon the Developer and the City executing the Business Subsidy Agreement.

4. The Business Subsidy Agreement, together with any related documents in connection therewith (collectively, the "Development Documents") is approved in substantially the forms on file in City Hall, subject to modifications that do not alter the substance of the transaction and are approved by the Mayor and the City Administrator; provided that execution of the documents will be conclusive evidence of their approval.

5. The Mayor and the City Administrator are authorized and directed to execute the Development Documents and any other documents or certificates necessary to carry out the transactions described in the Development Documents.

Voting Aye: Grassel, DeMers, Vetter, Riopelle, Tweten, and Olstad.
Voting Nay: None.
Absent: Pokrzywinski.

The President declared the resolution passed.

Attest:

City Administrator/Clerk-Treasurer

President of Council

I hereby approve the foregoing resolution this 7th day of August, 2018.

Mayor
MINNESOTA LAWFUL GAMBLING
LG220 Application for Exempt Permit

Application Fee (non-refundable)
Applications are processed in the order received. If the application is postmarked or received 30 days or more before the event, the application fee is $100; otherwise the fee is $150.
Due to the high volume of exempt applications, payment of additional fees prior to 30 days before your event will not expedite service, nor are telephone requests for expedited service accepted.

ORGANIZATION INFORMATION

<table>
<thead>
<tr>
<th>Organization Name: Sacred Heart Church &amp; School</th>
<th>Previous Gambling Permit Number: X-60010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota Tax ID: 41-0773774</td>
<td>Federal Employer ID Number (FEIN), if any:</td>
</tr>
<tr>
<td>Mailing Address: 200 3rd St NW</td>
<td></td>
</tr>
<tr>
<td>City: East Grand Forks</td>
<td>State: MN</td>
</tr>
<tr>
<td>Zip: 56721</td>
<td>County: Polk</td>
</tr>
<tr>
<td>Name of Chief Executive Officer (CEO): Msgr. Michael Foltz</td>
<td></td>
</tr>
<tr>
<td>CEO Daytime Phone: 218-773-0877</td>
<td>CEO Email: <a href="mailto:mfoltz@sacredheartgf.net">mfoltz@sacredheartgf.net</a></td>
</tr>
<tr>
<td>Email permit to (if other than the CEO): <a href="mailto:cscheving@sacredheartgf.net">cscheving@sacredheartgf.net</a></td>
<td></td>
</tr>
</tbody>
</table>

NONPROFIT STATUS

Type of Nonprofit Organization (check one):
- Fraternal
- Religious
- Veterans
- Other Nonprofit Organization

Attach a copy of one of the following showing proof of nonprofit status:

- A current calendar year Certificate of Good Standing
- IRS income tax exemption (501(c)) letter in your organization's name
- IRS - Affiliate of national, statewide, or international parent nonprofit organization (charter)

GAMBLING PREMISES INFORMATION

Name of premises where the gambling event will be conducted
(for raffles, list the site where the drawing will take place): Sacred Heart School

Physical Address (do not use P.O. box): 200 3rd St NW

Check one:
- City: East Grand Forks
- Township: |

Zip: 56721 | County: Polk |

Date(s) of activity (for raffles, indicate the date of the drawing): 4/6/2020

Check each type of gambling activity that your organization will conduct:
- Bingo
- Paddlewheels
- Pull-Tabs
- Tipboards
- Raffle

Gambling equipment for bingo paper, bingo boards, raffle boards, paddlewheels, pull-tabs, and tipboards must be obtained from a distributor licensed by the Minnesota Gambling Control Board. EXCEPTION: Bingo hard cards and bingo ball selection devices may be borrowed from another organization authorized to conduct bingo. To find a licensed distributor, go to www.mn.gov/gcb and click on Distributors under the List of Licensees tab, or call 651-539-1900.

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LG220 Application for Exempt Permit

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

CITY APPROVAL for a gambling premises located within city limits

☐ The application is acknowledged with no waiting period.
☐ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days (60 days for a 1st class city).
☐ The application is denied.

Print City Name: ____________________________
Signature of City Personnel: ____________________________
Title: ____________________________ Date: ____________________________

COUNTY APPROVAL for a gambling premises located in a township

☐ The application is acknowledged with no waiting period.
☐ The application is acknowledged with a 30-day waiting period, and allows the Board to issue a permit after 30 days.
☐ The application is denied.

Print County Name: ____________________________
Signature of County Personnel: ____________________________
Title: ____________________________ Date: ____________________________

TOWNSHIP (if required by the county)
On behalf of the township, I acknowledge that the organization is applying for exempted gambling activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minn. Statutes, section 349.213.)

Print Township Name: ____________________________
Signature of Township Officer: ____________________________
Title: ____________________________ Date: ____________________________

CHIEF EXECUTIVE OFFICER’S SIGNATURE (required)
The information provided in this application is complete and accurate to the best of my knowledge. I acknowledge that the financial report will be completed and returned to the Board within 30 days of the event date.

Chief Executive Officer’s Signature: ____________________________ Date: ____________________________
(Signature must be CEO’s signature or designee may not sign)

Print Name: Msgr Michael Foltz

REQUIREMENTS
Complete a separate application for:
• all gambling conducted on two or more consecutive days; or
• all gambling conducted on one day.
Only one application is required if one or more raffle drawings are conducted on the same day.

Financial report to be completed within 30 days after the gambling activity is done:
A financial report form will be mailed with your permit. Complete and return the financial report form to the Gambling Control Board.

Your organization must keep all exempt records and reports for 3-1/2 years (Minn. Statutes, section 349.166, subd. 2(f)).

MAIL APPLICATION AND ATTACHMENTS
Mail application with:
☐ a copy of your proof of nonprofit status; and
☐ application fee (non-refundable). If the application is postmarked or received 30 days or more before the event, the application fee is $100; otherwise the fee is $150. Make check payable to State of Minnesota.

To: Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113

Questions? Call the Licensing Section of the Gambling Control Board at 651-539-1900.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization’s qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization’s qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board will be able to process the application. Your organization’s name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization’s name and address which will remain public. Private data about your organization are available to Board members, Board staff whose work requires access to the information; Minnesota’s Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

This form will be made available in alternative format (i.e. large print, braille) upon request.

An equal opportunity employer

58
Minutes of the regular meeting of the Water, Light, Power and Building Commission of the City of East Grand Forks, Minnesota held February 5, 2020 at 8:00 a.m at the City Council Chambers.
Present: Quirk, Grinde, Beauchamp, DeMers
Absent: None

Also present: Keith Mykleseth, Ron Galstad, Brian Johnson, Jeff Olson, Steve Emery, Todd Forster, Brianna Feil, Kevin Hatcher, and Corey Thompson.

It was moved by Commissioner DeMers seconded by Commissioner Grinde that the minutes of the previous regular meeting of January 15, 2020 be approved as read.
Voting Aye: Quirk, Grinde, Beauchamp, DeMers
Voting Nay: None

It was moved by Commissioner Beauchamp seconded by Commissioner DeMers to authorize the Secretary to issue payment of the recommended bills and payroll in the amount of $524,119.24.
Voting Aye: Quirk, Grinde, Beauchamp, DeMers
Voting Nay: None

It was moved by Commissioner Beauchamp seconded by Commissioner Grinde to award the 2020 Watermain Replacement Project bid to Taggert Contracting in the amount of $268,290.
Voting Aye: Quirk, Grinde, Beauchamp, DeMers
Voting Nay: None

It was moved by Commissioner Grinde seconded by Commissioner Beauchamp to award the 2020 North Water Tower Rehabilitation bid to Viking Industrial Painting in the amount of $376,500.
Voting Aye: Quirk, Grinde, Beauchamp, DeMers
Voting Nay: None

It was moved by Commissioner Grinde seconded by Commissioner Beauchamp to approve the preparation of plans and specs by WSN; advertise for bids; bid opening on 3-10-20 at 2pm for the 2020 Miscellaneous Electrical Construction Projects.
Voting Aye: Quirk, Grinde, Beauchamp, DeMers
Voting Nay: None

It was moved by Commissioner Grinde seconded by Commissioner Beauchamp to approve the preparation of plans and specs by WSN; advertise for bids; bid opening on 3-10-20 at 2:30pm for the 2020 Electrical Equipment and Materials.
Voting Aye: Quirk, Grinde, Beauchamp, DeMers
Voting Nay: None

It was moved by Commissioner Grinde seconded by Commissioner Beauchamp to approve the bid from Hawkins Treatment Group for ACT PS900F carbon product at $1.14/lb after conducting testing of the product after the 11-19-19 Chemical bid opening.
Voting Aye: Quirk, Grinde, Beauchamp, DeMers
Voting Nay: None

It was moved by Commissioner Beauchamp seconded by Commissioner Grinde to adjourn at 9:00 a.m. to the next regular meeting on February 19, 2020 at 8:00 am in the City Council Chambers.
Voting Aye: Quirk, Grinde, Beauchamp, DeMers
Voting Nay: None

Lori Maloney
Secretary
Request for Council Action

Date: March 3, 2020

To: East Grand Forks City Council Mayor Steve Gander, Council President Mark Olstad, Vice-President Chad Grassel; Council members Clarence Vetter, Dale Helms, Tim Riopelle, Tim Johnson, and Marc DeMers.

Cc: File

From: Reid Huttunen, Parks & Recreation

RE: Request to purchase 120 Niche Columbarium for Resurrection Cemetery

Background:
The 2020 budget includes $40,000 for a new Columbarium at Resurrection Cemetery. At the fall cemetery commission meeting, the commission selected their preference for a 120 Niche Columbarium from Coldspring. This niche columbarium is larger than the two previous purchases from Coldspring, but will match the same design and operation.

Pricing from Coldspring includes the cost of the building plus management of all delivery and install:
- Building including freight: $24,926.00
- Install of Foundation: $6,980
- Setting, including crane service: $7,220.00
  Total installed price: $39,136.00
- Install will be 12-14 weeks from order date.

A 2nd price was sought from Eickhof Columbaria. The most similar product they have in size is columbarium with space for 128 urns. Its price begins at $34,300 for its base model, not including foundation or setting. Install is also up to a year out from date of order.

Budget Impact:
$40,000 is budgeted in 2020 for purchase and install of the columbarium.

Recommendation:
Recommend purchase of the 120 Niche columbarium from Coldspring in total delivered and installed amount of $39,126.00

Enclosure
Price Quote and artwork/design from Coldspring
Price quote from Eickhof Columbaria
Reid Huttunen

From: Gary Gertken <GGertken@coldspringusa.com>
Sent: Friday, January 17, 2020 8:55 AM
To: Reid Huttunen
Subject: Resurrection Cemetery East Grand Forks MN. Columbarium pricing
Attachments: 120 niche - REND-DESIGN.pdf

Good morning Reid,

Attached is the pricing and image for the 120 niche columbarium, 8 niches wide x 5 niches high, loading both sides, ½ singles and ½ doubles, pre-drilled for bronze memorialization. This building will match your current building in color and finish.

Building with freight: $24,926.00
Setting (including crane service) $7,220.00
Foundation: $6,980.00
Total: $39,126.00

Polished full range Moonlight Gray granite trim, with polished narrow range Carnelian granite fronts,
Includes pre-drill.
Excludes carving/lettering.
Price is valid for 60 days.
Allow 12-14 weeks for production and installation from signed contract.
No winter construction.
Price assumes crane access is within 15-20 feet of foundation location.

Please let me know that you received this and how you would like to proceed.

Thanks,

Gary.

GARY GERTKEN CM | Regional Sales Manager - Midwest Region

Coldspring
17482 Granite West Road | Cold Spring, MN 56320-4578
www.coldspringusa.com | ggertken@coldspringusa.com

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120 Niche Pre-Assembled Columbarium

COMMUNITY MAUSOLEUMS | COLUMBARIUMS | FEATURES

COLUMBARIUM HEIGHT = 6'-7"

Carnelian, Polish

Moonlight Gray, Polish

Dwg 5252-X  Scale  1-800-328-5040

This design is property of Coldspring and protected by applicable copyright laws. Unauthorized use or duplication is prohibited.
Reid,

This is Anders Macy, Eickhof Columbaria (www.eickhofcolumbaria.com) at Crookston, MN.

I have one question, do you want polished granite fronts with a standard rock pitch edge and a polished top capstone, like the image on the left?

If so, I can tell you the price will be $34,300.00, same as on page 16 in the Pre-assembled Catalog.

Also, if you would be able to order the Winchester Columbarium by the end of March, I can provide a 3% discount and have the unit delivered to East Grand Forks when you have the foundation ready.

Let me know your thoughts.

In your service,

Anders Macy | Sales Professional

Newsletter: 2018 | Newsletter: 2019

1200 Bruce St. | Crookston, MN 56716
p. 800.253.0457 ext. 111 | f. 866.903.6244 | c. 218 766 8654
anders@eickhofcolumbaria.com | www.eickhofcolumbaria.com
Facebook | YouTube

Hello Anders,

Thanks for sending over the sales catalog last week. We are interested in receiving a price quote for a 64 Niche Winchester Family pre-assembled columbaria. We’re looking for something in a polished mahogany color.

Let me know if you require any additional information to provide a price quote.
Thanks for your help,

Reid Huttunen
Parks & Recreation Superintendent
City of East Grand Forks

Office: 218-773-8000
Email: RHuttunen@egf.mn
64 NICHE WINCHESTER COLUMBARIUM - Pictured with standard 3" rock pitched copstone, finished in polished Mahogany granite.

Winchester Family

64 | 80 | 96 COMPANION NICHES
128 | 160 | 192 URN SPACES

5'-4" DIAMETER
STARTING AT $34,300 ($536 PER NICHE)
WINCHESTER OPTIONS

COLUMBARIUM
CAPACITY & HEIGHT

64 NICHE COLUMBARIUM
$34,300 ($536 Per Niche)
128 Urn Spaces ($268 Per Urm Space)

80 NICHE COLUMBARIUM
$38,750 ($484 Per Niche)
160 Urn Spaces ($242 Per Urm Space)

96 NICHE COLUMBARIUM
$43,200 ($450 Per Niche)
192 Urn Spaces ($225 Per Urm Space)

OSSUARIUM
CAPACITY & HEIGHT

64 NICHE OSSUARIUM
$39,000 ($600 Per Niche)
80 Estimated Ossuary Spaces
208 Total Urn Spaces
($168 Per Urm Space)

80 NICHE OSSUARIUM
$43,550 ($544 Per Niche)
100 Estimated Ossuary Spaces
260 Total Urn Spaces
($168 Per Urm Space)

96 NICHE OSSUARIUM
$47,950 ($499 Per Niche)
125 Estimated Ossuary Spaces
317 Total Urn Spaces
($1.51 Per Urm Space)

HEAVY BASE & THICK CAPSTONE

ADD-ON STARTING AT $8,700
6" Thick Rock Pitched Capstone and 9" Rock Pitched Heavy Base
(Priced for Mahogany granite. Other colors available at an additional cost.)

PLAN VIEW

HEAVY BASE & THICK CAPSTONE

PLAN VIEW FOR ALL HEIGHTS
Circular Shape
16 Niches Per Row
Request for Council Action

Date: 02/28/2020

To: East Grand Forks City Council Mayor Steve Gander, Council members Clarence Vetter, Dale Helms, Tim Riopelle, Tim Johnson, Mark Olstad, Chad Grassel, and Marc DeMers.

Cc: File

From: Michael S. Hedlund – Chief of Police

RE: Request to Hire New Police Officer

Background: Effective February 27, 2020 the EGFPD has an open position for “Police Officer”. We have completed the hiring process and request to hire Justin Roue at a date to be determined. (Roue and his wife are expecting their second child in late March and he would like to wait until after that event before changing positions – tentatively starting in mid-April) Mr. Roue has successfully completed the background phase of our process including his medical and psychological exams. Roue is a Fosston native who has worked for the Crookston Police Department for over nine years. Roue currently serves as a Field Training Officer and Taser Instructor with the CPD and brings extensive experience to our Department. This experience, including the use of our current Records Management System during his time with the CPD, should make his transition to our department quite easy.

Based upon his previous training and experience we expect Roue’s Field Training Experience Program to be completed approx. 5-6 weeks earlier than someone who would come in with no experience. For the past several years we have brought in experienced officers at Step 3 of the pay scale. Roue comes to our Department with more experience than any of those hires and is currently making a salary that falls between steps 4 and 5 of our Police Officer Pay Grade (Grade 15). With that in mind I am requesting that we be allowed to start Officer Roue at Grade 15 Step 4 which equates to a rate of $29.89 per hour. I have discussed this proposed starting wage with LELS union officials and with City Administrator David Murphy and they support this request.

Recommendation: That the East Grand Forks City Council authorize the hiring of Justin Roue as a Police Officer at Grade 15 Step 4 of the 2020 Wage Scale at a date to be determined.

Enclosures: Resolution 20-03-18
RESOLUTION NO. 20 – 03 - 18

Council Member ______, supported by Council Member ______, introduced the following resolution and moved its adoption:

WHEREAS, the City of East Grand Forks has an opening for position of “Police Officer”, and

WHEREAS, a hiring process was completed in 2019 when candidates were interviewed by the Civil Service Commission and by City Staff, and

WHEREAS, there was a listing of approved candidates that remained from that hiring process; and

WHEREAS, City Staff has recommended the hiring of Justin Roue as Police Officer, and

WHEREAS, due to his experience Mr. Roue would be placed on the current Grade 15 Step 4 which is $29.89 per hour; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF EAST GRAND FORKS, MINNESOTA:

1. Justin Roue be hired as a Police Officer at a salary of $29.89 per hour.

Voting Aye: 
Voting Nay: 
Absent: 

The President declared the resolution passed. 

Passed: March 3, 2020

Attest:

___________________________________
City Administrator/Clerk-Treasurer

___________________________________
President of Council

I hereby approve the foregoing resolution this 3rd day of March, 2020.

___________________________________
Mayor
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33667 03/03/2020 USB005 US Bank Corporate Payment System 24,212.94 0
33668 03/03/2020 VAL005 Valley Door 23,910.00 0
33669 03/03/2020 VAL002 Valley Track 215.89 0
33670 03/03/2020 VIL001 Vilandre Heating & A/C 1,450.48 0
33671 03/03/2020 WAT001 Water & Light Department 105,705.65 0
33672 03/03/2020 BUL001 Kent Wavra 775.00 0
33673 03/03/2020 WID001 Widseth Smith Nolting & Associates 10,543.50 0
33674 03/03/2020 XCE001 Xcel Energy 13,796.11 0
33675 03/03/2020 USB005 US Bank Corporate Payment System 1,157.99 0

Check Total: 468,072.29