

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, FEBRUARY 25, 2020 – 5:00 PM**

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