

**APPROVED MINUTES
OF THE CITY
COUNCIL WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, JANUARY 11, 2022 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for January 11, 2022 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 Tim Riopelle, Council Members Clarence Vetter, Dale Helms, Tim Johnson, Marc DeMers, and Brian Larson.

Staff Present: Jeff Boushee, Fire Chief; Nancy Ellis, City Planner; Steve Emery, City Engineer; Ron Galstad, City Attorney; Paul Gorte, Economic Development Director; Michael Hedlund, Police Chief, Charlotte Helgeson, Library Director; Reid Huttunen, Parks and Recreation Superintendent; David Murphy, City Administrator/Clerk-Treasurer; Keith Mykleseth, Water and Light General Manager; Megan Nelson, City Clerk; and Jason Stordahl, Public Works Director.

DETERMINATION OF A QUORUM:

The Council President Determined a Quorum was present.

1. Review of Bid Results for 2021 Assessment Job. No 1 Street Improvements – Steve Emery

Mr. Emery told the Council that five bids were received on January 6th. He stated his estimate was \$133,605, bid prices ranged from \$116,981 up to \$171,788, and there was around a \$25,000 between the first and second bid. He recommended awarding the project to Opp Construction and added he had updated the assessment roll with the bid price and he kept 5% included as a contingency. He reviewed how the removal of aggregate, some concrete repairs, and some of the curb and gutter repairs would be pulled from the assessed amount. He stated the amount to be assessed was \$127,882 and compared to the estimated amounts the residents could see a reduction from \$2,700 on the smaller lots up to \$5,800 on the bigger lots.

Mr. Emery stated there were two options by either awarding the project, completing the project, and then hold the final assessment hearing or holding the final assessment hearing first before awarding the project. Council President Olstad suggested holding the final hearing first in the case someone wanted to object. Mr. Emery said there was time to hold the hearing first. Discussion followed about how end benefits were not typically assessed for a cul-de-sac but the one property owner was receiving an end benefit with this project. Council President Olstad asked if there were any objections to holding the final hearing first. There were none.

This item will be brought forward at a future meeting.

2. Request to Accept Donated Snowmobile Trailer – Jeff Boushee

Chief Boushee explained an order had been placed for a basic snowmobile trailer costing \$2,000 because the current 1996 trailer was too small for the current snowmobile. He explained Mr. Scheving saw the order and asked to take it to the Red River Snowmobile Club. He said they did come through with a trailer with additional accessories to make it more efficient for use. He added they only asked that the City cover \$1,200 and trade in the other trailer. He recommended accepting the donation. There were no questions.

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

3. Request to Hire Positions in the Police Department – Michael Hedlund

Chief Hedlund said there was currently one police officer position open and one administrative assistant position. He said the administrative assistant position had been included in the budget at three quarters of full time instead of a full time position but they were looking to hire someone at half time. He explained that due to a change in requirements and how things were processed, they thought they would be able to get by with someone working part time in this position. There were no questions.

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

Suspension of Rules

A MOTION WAS MADE BY COUNCIL MEMBER OLSTAD, SECONDED BY COUNCIL MEMBER DEMERS, TO SUSPEND RULES TO DISCUSS THE SALES TAX AND POSSIBLE VETO.

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

Voting Nay: None.

Council President Olstad said he wanted to suspend the rules to discuss the sales tax and possible veto because of the time constraints and allow time for information to be prepared. He added how there would only be discussion and no action would be taken. He said how Mayor Gander stated his idea of keeping this closer to 1% for 20 years. He asked the Mayor for comments.

Mayor Gander read his letter vetoing Resolution 22-01-09D approving the 1.25% tax rate over 30 years. He expressed his support for the project, his appreciation for everyone that had worked on the project, but it was a part of his role as mayor to overlook the finances of the city in the present and into the future. He said 30 years was too long to commit the City for, too much of the funds would be going to interest, and the tax rate would be a detriment to the business climate in the City. He asked that they quickly reconsider getting as close to 1% for 20 years as possible. He commented this started the conversation again.

Council President Olstad said Mr. Huttunen has been asked for information on different scenarios and asked him to review that information. Mr. Huttunen explained different scenarios had been looked into and he was going to review what a proposed sales tax, length of term, and how much would be available in project funds. He said 1% for 20 years collected \$16.18 million for project funds, 1.1% for 20 years collected \$17.75 million for project funds, and 1.125% for 20 years collected \$18.175 million for project funds. He added it was asked how long it would take to collect approximately \$20 at those different rates. He said a 1.1% it would take 24 years to collect approximately \$20.2 million and at 1.125%, it would take

23 years to collect approximately \$20.1 million. He told the Council all of the numbers given accounted for inflation. He said he would give input or answer any questions they had and asked for direction.

Council President Olstad said he had emailed the information Mr. Huttunen had just reviewed so they were able to review that information. He stated if they were at 1.25% for 20 years they would collect \$21.5 million available for project funds and it would be three year less than at a lower percent. He added he thought they should move forward with the 1.25% for 20 years and they would be looking at other ways to pay for the project. He said they needed to have a project that people would want to put their names on so they can collect for naming rights, plan on working with \$21.5 million, so as much as possible could be done at the Civic Center location, do what they could at the VFW Arena, and work hard to collect donations. He commented this could be a compromise and allow the Park and Recreation to plan for the future. He asked to have the building committee determine what could actually be done and prepare the information, and allow time for the Council to vote on it so it could be sent down to the State by the end of the month.

Council member DeMers said there was going to have to be two questions on the ballot and what could change if both projects were not approved. Discussion followed about how a question is required for each location, the question included the same tax rate but listed the amount for that specific part of the project, so the tax rate would not change but the amount raised would change if both projects were not approved. Council member DeMers suggested not including a term but just the amount. More discussion followed about how the tax rate would not be split to cover costs of the different projects, how the information from the Chamber's survey should be available soon, and if the sales tax collection goes much quicker than expected they might want to consider a second phase of the project. Council member Vetter said a term should be included so the residents know when the tax would sunset. More discussion followed about how downsizing the project could result in less donations, how there was a greater need to fundraise, how the City might be able to bond for part of the cost, and it was a good move to spend less on interest.

Council President Olstad asked if Mr. Huttunen if he had his direction. He stated he did. Council member Larson asked for a clarification on bonding. Mayor Gander said they were referring to bonding dollars from the State that did not have to be paid back. Council member DeMers suggested getting the State representatives to a meeting to discuss the project.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER JOHNSON, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADJOURN THE JANUARY 11, 2022 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:50 P.M.

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

Voting Nay: None.

David Murphy, City Administrator/Clerk-Treasurer