

**APPROVED MINUTES  
OF THE SPECIAL MEETING  
CITY OF EAST GRAND FORKS  
TUESDAY, DECEMBER 5, 2023 – 5:00 PM**

**CALL TO ORDER:**

*The Special Meeting of the East Grand Forks City Council for Tuesday, December 5, 2023 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, Ben Pokrzywinski, Dale Helms, Brian Larson, and Karen Peterson.*

*Staff Present: Karla Anderson, Finance Director; Jeff Boushee, Fire Chief; Nancy Ellis, City Planner;; Paul Gorte, Economic Development Director; Michael Hedlund, Police Chief, Charlotte Helgeson, Library Director; Reid Huttunen, City Administrator; Jeremy King, Parks and Recreation Superintendent; Keith Mykleseth, Water and Light General Manager; Megan Nelson, City Clerk; and Jason Stordahl, Public Works Director.*

**DETERMINATION OF QUORUM:**

*The Council President Determined a Quorum was present.*

**1. Discussion on the 2024 Budget.**

Mr. Huttunen said there were some open-ended items that needed to be discussed, he would start with the Senior Center, and see what time they would have left because of the council meeting starting at 6pm. He explained the Senior Center building was brought up at a finance committee meeting, everything was reviewed to determine where revenues could be increased, if upcoming expenditures could be reduced, and how one of those expenditures was for the HVAC system that could handle the commercial kitchen because of the meals prepared by Lutheran Social Services. He said if there was not a commercial kitchen in the building the HVAC system needed would cost closer to \$65,000 to \$70,000 instead of \$120,000. He stated that was one point of the discussion regarding the future of the Senior Center, they should know what the long-term plan was for the building, and if the building was sold where the senior programming would continue. He added there had been a lot of discussion with the Senior Center Board about where the programming might go if the building was sold which included considering the library because it provided opportunities for expansion. He told the Council the space at the library could not be dedicated strictly to the seniors because the room would be used for other programming which was a concern of the board because they currently have their own space.

Mr. Huttunen said the Board also looked at the warming house at Nash Park because it was only used a few months out of the year, it was a large space which was similar in size, and if it was going to be pursued, they would need to determine how the space would be used as a warming house and senior center. He added that the building would need renovations if it were going to be used. He stated the Board had

concerns about the space, the parking, and what renovations would be enough to make it a Senior Center. He said a third option was looking at the Sunshine Terrace facility which had a community room, the room could not be dedicated from 8am-4:30pm for activities but a lot of the same activities were taking place in the community room that were taking place at the Senior Center. He said the last option was to continue to operate the Senior Center which was the Board's choice. He stated the Senior Center could be better utilized, try for more rentals, and currently every room had a separate purpose or use so if that activity was not happening, the room was not being used so there was an opportunity to utilize the rooms in other ways. Mr. Huttunen asked for direction from the Council on which way they would like to proceed.

Council President Olstad said it was not a short-term process, he would like to see how staff could be utilized, end the director position at the Senior Center, try to enhance the programming at the Senior Center, and see if another location would work better because he would like the Senior Center to be a resilient place for the citizens to go to. Mayor Gander stated a lot of brainstorming had been done about what could be done, the City was in a difficult financial time, they needed to determine what employees and services were essential or non-essential, and determine how services could still be provided utilizing other staff. He commented on how they were doing this to try and keep taxes down which was the driving force behind the discussions on the budget. He said he talked to many senior citizens, they like the center, and the services provided. He added if there was a way to keep the facility, they could review operations.

Council member Larson asked if they could defer the HVAC replacement longer until it was determined how they would move forward with the Senior Center. Mr. Huttunen said they could defer the replacement, there was always a potential the system would fail, the system was at the end of its lifespan, and the issue was raised because the building did not cool properly. Council member Larson said they could look at staffing levels and defer the HVAC system project. Mr. Huttunen asked if staff should consider programming, services, and hours of operation if they were to utilize other staff. Discussion followed about what staff could cover hours, what programming might look like, and to work with the Senior Citizen Board in the process. Mr. Huttunen commented on how the finance committee looked at revenues for all departments and during this process they could try to tie revenues to services and hours of operation. Mayor Gander said that the population paid taxes and were on fixed incomes.

Mr. Huttunen moved on to charges for services, there had been discussion on commercial refuse charges, the fees had not been changed for many years, but would be brought forward at a future meeting for discussion. He said there had been discussions on staffing levels, if anyone was eligible for early retirement or early separations, but there might not be any cost savings. He stated there were open positions in Public Works and the Administration Office, Public Works was looking at reorganizing job duties and it would be discussed at a future meeting, and the Accounting Technician position was still open and in the long term it would need to be filled. He said staff had looked at the sharing of job duties for the short term. Mayor Gander reminded the Council that the city employees were not interchangeable, not everyone had the same skill set, and they might need to look at filling the position. Council member Larson asked if there would still be time to discuss the Public Works positions. Mr. Huttunen said they would, the job descriptions had to be approved by the Civil Service, but the Council could still discuss the organization of the department.

Mr. Huttunen said to continue the discussion from the previous week, there was a shortfall of \$150,000, other items he was looking for feedback on were the yearend fund balance and reserves. He stated the fund balance at 5% would have a 44% reserve balance, there were a few items that had not accounted for that would not be spent this year and there was savings with the changing of positions totaling

approximately \$75,000 from 2023 that would go into reserves. He said the school district paid the arena lease in September so that was an additional \$110,000 more than anticipated, moving forward the payment will be received in the fall, and the fund balance would be at 48% instead of the 44%. He asked the Council if they would use any fund balance to be applied to the deficit or if the levy could be at 6% instead of 5% which would give direction to staff. Discussion followed about how the deficit would be reduced to around \$150,000 if they were able to collect revenue for the SRO, leave a position open in Public Works, and use the \$73,000 from the fund transfer, it did not include any changes to the Senior Center, and the HVAC system would be paid for from the Building Maintenance Fund.

Council President Olstad said an additional 2.5% to the 5% tax levy would put things close to even. He stated there were guidelines for the reserves, using the reserves was not a long-term solution, and something else they can look at was staffing. He said they might want to reorganize the Economic Development, consider what to do with the Accounting Technician, and how things could look differently. He commented again using the reserves was not a long-term fix, he suggested having a meeting with the EDA Board so they were included in the conversation, and how this would not be done by January 1<sup>st</sup> but to make sure things were done correctly.

Council member Larson asked about the staffing changes at the Senior Center and if that would save around \$100,000. Mr. Huttunen said that was correct, it was not an immediate savings, but there would be savings over time. Council member Larson said other staff would also be covering and \$100,000 was a big portion of the \$150,000. Council President Olstad said he did not want to use reserves, they worked hard to build them up, and only wanted to use reserves for emergencies. Mayor Gander said there would be savings when there were structural changes. Discussion followed about how some would be supportive of a higher levy than using the reserves and how deferring hiring the Accounting Technician until June would be an additional savings. Mayor Gander said how there are some areas the Council did not have much say like with Local Government Aid (LGA), so when there is an increase to wages, there is a greater increase to the levy because of the other revenue sources that had not been increased so they need to make sure that other sources of revenue track with inflation in the future.

Council member Vetter said several positions were discussed and if the Council was not willing to increase up to the 7.5% or spend reserves, staff could give the Council options to eliminate positions to help balance the budget. Mayor Gander stated that could create a ripple effect and they would need to keep an eye on morale. Mr. Huttunen said he had a concern about having staff make those recommendations to the Council, it would pit departments against each other, everyone had worked well with each other, so instead of having departments work against each other he would provide a lot of information on all of the jobs allowing the Council make the decision on positions.

Council member Helms asked what would happen if they were able to sell the Infill building. Mayor Gander said he would utilize those funds on a one-time occurrence and not for on-going operations of the City. Council member Helms said the City was hurting that bad then other projects such as LaFave Park and the baseball fields should not be done and take care of infrastructure instead. Mayor Gander said there were funds set up for infrastructure, so things were not being neglected. Ms. Anderson said the street was being done in LaFave Park, it would be paid for by the City, and since it was part of the project the grant would help pay for the repairs so that match was coming from the street reconstruction fund. She continued saying a portion would be paid for from the sanitary or storm water funds and they were looking at using the remaining sales tax dollars. Mayor Gander said none of it was coming out of the general fund. Ms. Anderson said it was also an investment to the community which would bring in a lot of people, it would clean up the area, and be a showcase like the greenway system. She added the City

was fortunate having the additional accounts so not everything came out of the general fund and staff looked for additional funds instead of putting the full burden on the tax payers.

Council member Larson asked what the impact would be if a truck driver position was eliminated. Mr. Stordahl told the Council there would be slower snow cleanup, they use all staff in building the flood wall, which were two of the biggest things, but it would also slow down day-to-day items as well. He said they are already in a shortage because they lost a truck driver position years ago, they tried to fill it with a temporary position, there were union issues, so they lost the full time and temporary position. He said when that position was not hauling snow, they might be in another piece of equipment moving snow, and currently if a staff member was out due to sickness it slowed everything down. He added there were things during the summer months as well such as the special refuse pickups, mowing, filling in at a parade, and during spring or fall clean up because they help pick up and haul the material. He stated they could do anything but cutting a position could create more overtime. Council member Larson asked if there was currently an open truck driver position included in the budget. Mr. Stordahl said it was removed years ago or did not see it being refilled. Council member Pokrzywinski stated it would increase idle time in between loading trucks. Mr. Huttunen said he had direction and thanked the Council for the discussion.

**ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADJOURN THE DECEMBER 5, 2023 SPECIAL MEETING OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:52 P.M.**

*Voting Aye: Riopelle, Helms, Olstad, Larson, Peterson, Vetter, and Pokrzywinski.*

*Voting Nay: None.*

---

Megan Nelson, City Clerk