

**APPROVED MINUTES  
OF THE WORK SESSION  
CITY OF EAST GRAND FORKS  
TUESDAY, APRIL 9, 2024 – 5:00 PM**

**CALL TO ORDER:**

*The Work Session of the East Grand Forks City Council for Tuesday, April 9, 2024 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; Ron Galstad, City Attorney; 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 A QUORUM:**

*The Council President Determined a Quorum was present.*

**1. Presentation from North Star Neighbors/Community Land Trust – Reid Huttunen**

Mr. Huttunen introduced Mr. Cory Boushee and Ms. Emily Contreas who were both a part of North Star Neighbors. He stated they had met with staff a couple of times and they had a presentation for the Council. Mr. Cory Boushee informed the Council he was the Executive Director of the land trust and the Director of Programs for the Northwest Minnesota Foundation. Ms. Emily Contreras stated she worked for the Grand Forks Community Land Trust. She added they had met with the Mayor and staff to try and find a way to serve the region. Mr. Boushee explained starting in 2018 the Northwest Minnesota Foundation made housing a priority, in 2022 there was a renewed effort to create housing units, in this process he had met Ms. Contreras, funding was requested, and the community land trust was started.

Mr. Boushee stated they were working on four homes in Thief River Falls and two homes in Red Lake Falls and they were planning additional projects because they had been awarded \$1.8 million for affordable housing. Ms. Contreras said there was no community land trust in northwest Minnesota so Minnesota Housing was very supportive of these efforts. She added that Minnesota was making a significant investment in this program and North Dakota was not at this time. She stated the Community Land Trust was to create affordable housing but kept the land. She added there were different ways to get homes or provide assist such as principal reduction of a mortgage. She reviewed how they could provide gap funding for a purchase of a home, if the property was put up for resale the person would receive 25% of the appreciated value if it increased, and the Community Land Trust would keep the price low for the next buyer while maintaining the ownership of the land. Discussion followed about how there were other factors that could change the value due to improvements, but approval would be needed before any capital

improvements were completed. More discussion followed about how the properties would remain in the community land trust.

Ms. Contreras explained how the homeowners would still pay the property tax and special assessments, they would have a traditional mortgage because the program would not be financing homes, and there were already banks in the area that had handled Community Land Trust loans. Council member Helms asked what a homeowner would receive after living in one of the homes after 10 or 20 years. Ms. Contreras said they would receive 25% of the appreciated value or appraised value along with the amount they put into the purchase of the home and capital improvements made. Mr. Boushee reminded the Council they use a formula price to try and keep costs down to maintain affordability on community land trust properties. He stated they had been working on workforce housing, the focus changed, funding was received for this, and now they were looking at where to build.

Council President Olstad said the other two communities had donated land and asked if they were asking for land or equity. Mr. Boushee said it was a part of the ask from the State and Minnesota Housing wanted to see the community had skin in the game. Discussion followed about how there was not a set plan, they would like to meet with a contractor to help in the process and help tailor any built homes to the community. Council President Olstad commented how there were a variety of homes throughout the city and asked how they would make it work. Mr. Boushee said they would work with a contractor to build homes that would be valued at \$400,000 and would request gap funding for \$240,000 or \$250,000 to make the homes affordable. He added there were areas in the metro where land trusts request \$600,000 for gap funding which had been granted by Minnesota Housing.

Council President Olstad asked why type of agreements the Community Land Trust would have with homeowners. Ms. Contreras said it would be the homeowner's home, it could be inspected if needed, but they would be expected to care for the home. She added there would be a \$30 per month ground lease fee and the Community Land Trust would be contacted if the loan became delinquent. She commented that most community land trust loans perform better than other home loans. Council member Helms asked if the City needed to approve a plan. Mr. Boushee said they haven't done that before, but they could agree to parameters because most homes they built were 1800 to 2200 square feet with four bedrooms and two bathrooms with an attached garage. Council member Pokrzywinski asked if the homes would be single units. Mr. Boushee said they were, but they could also build duplex models or keep the home all one story. Discussion followed about lot location and how they were interested in meeting the market, no membership was required for the North Star Neighbors, the key was lot donation, and these homes would be used as stepping stones. Mr. Contreras said the only time people would know they were Community Land Trust homes is when the properties were advertised for sale.

Mr. Huttunen asked about property taxes. Ms. Contreras told the Council they would be the responsibility of the homeowner as well as special assessments. Mr. Boushee told the Council there could be a change in legislation that would reduce the property taxes on these homes by 75% or drop it to the purchase price instead of the valuation of the home. Council member Pokrzywinski asked if this would be a one-time donation or a request every year. Mr. Boushee said it depended on how things went, they were serving 12 counties, they would be visiting with other communities, and there were many ways to partner. Discussion followed about how the model they use would constrain the value of the home and builders would help meet the budgeted amount. Ms. Contreras stated the homes would have mid-grade level finishes so they would last over time. More discussion followed about how the internal governance was the Board of Directors of the Northwest Minnesota Foundation, if a home was trashed it would be fixed and resold, the target market would be people wanting homeownership who qualified for the program,

and the question was asked to see if funding was available for infrastructure to develop an area. Mr. Boushee said they could make a request. Mr. Galstad requested to have the lease agreement and bylaws of the Community Land Trust shared so it could be reviewed. Mr. Boushee said it could all be provided. Council President Olstad asked what the next steps were. Mr. Huttunen said they would meet at a staff level to review items and bring back a proposal. Mr. Boushee told the Council the application to the State was due in July.

This item will be brought back to a future meeting.

## **2. Commercial Use of City Brand – Paul Gorte**

Mr. Gorte said there were two parts to this item and asked if guidelines were needed for the use of the City brand and if they wanted to accept the proposal from Mr. Reinhart. He asked what items should be available and if the brand should be used commercially. Council Vice-President Riopelle said there should be a fee set and a license to use the brand. Council President Olstad asked what that would look like. Mr. Gorte said it would have to be researched. Discussion followed about how things were currently handled, how there was no current policy, how city departments should not have to pay the licensing fee for use of the city brand, an outside entity should pay a licensing fee and the City could receive 15% of the sales of the product. Council President Olstad said a procedure needed to be in place first. Mayor Gander said there should be regulation and asked who would be working on this. Mr. Gorte said he would work on it and bring back items about the commercial use of the city brand.

Mr. Reinhart stated there was nothing that said the City of East Grand Forks for sale in the city and there were many things that brought people to town. Mr. Hilde showed the Council some examples of items that could be sold. Mr. Reinhart said they wanted to work with the City and local businesses on using the brand and understood they needed to decide how to move forward. Discussion followed about how they need to determine how the brand should be used and the suggestion was made to have one person approve the artwork to help streamline the process.

This item will be brought back to a future meeting.

## **3. Accounting Technician Position – Karla Anderson**

Ms. Anderson stated this position had been open for almost a year, it was wearing on staff, and asked to fill the position. Mayor Gander asked when it was budgeted for. Mr. Huttunen said starting July 1<sup>st</sup>. Council member Larson asked how they would fund the ongoing operation and it was good to look at everything. Discussion followed about how all the positions were budgeted each year, the Council would need to look at where to cut from, the same items were not brought up for the Park Specialist position, and the budget process has not been started. Mr. Huttunen said they did know the salary information going forward but did not know about the insurance information for 2025. Council member Vetter suggested waiting to fill any position until the budget had been determined. Mayor Gander suggested keeping the conversation going. Council member Pokrzywinski said it would take time to fill the positions so they could start the process. He asked how much overtime was being paid and how waiting could burn out staff. Council member Peterson said they would not finalize the budget until December. Council President Olstad asked to have the information about the position and overtime information shared with the Council at the next meeting.

**OTHER:**

Council member Helms invited everyone to attend the Heritage Foundation fundraiser night that would be on Saturday, April 13<sup>th</sup> at the VFW.

**ADJOURN:**

**A MOTION WAS MADE BY COUNCIL MEMBER HELMS, SECONDED BY COUNCIL MEMBER POKRZYWINSKI, TO ADJOURN THE APRIL 9, 2024 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:34 P.M.**

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

*Voting Nay: None.*

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Megan Nelson, City Clerk