

**APPROVED MINUTES
OF THE WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, MAY 14, 2024 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for Tuesday, May 14, 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; Steve Emery, City Engineer; 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. Consider Township Fire & Rescue Extension Contract – Jeff Boushee

Chief Boushee stated Mr. Greg Stocker and Mr. John Jeffrey were representing the townships at the meeting. He explained the contract between the City and the townships had started back in 2005, seven townships were a part of the contract, and the current contract was set to expire the following year. He stated the townships offered a 2% increase each year over the next five years for the next contract. Mayor Gander said it was a good offer, the townships also helped with the purchase of equipment, and some of them also were paid on-call fire fighters. Mr. Jeffrey stated the City received fire aid and that calculation included the townships as a part of the service area which added to the overall population number. Discussion followed about how they helped with 40% of the cost of the last fire truck and how there was a great working relationship between all the entities. Council member Pokrzywinski said he appreciated the timeliness of getting this addressed before it expired and hoped the trend would continue. Mr. Jeffrey commented there was an incentive for the townships to keep this in place.

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

2. Discussion to Raise Awareness of School Bus Stop Arm Violations – Reid Huttunen and Cody Hlavka

Mr. Huttunen explained school staff had reached out regarding this issue because they had seen a big increase in violations and asked if the City could help publicize the issue. He said the Police Department had posted reminders on their Facebook page, but people needed to remember to stop when the flashing

arms were out. He added the Council did not need to take action because this was to raise awareness of the issue. Council Vice-President Riopelle asked people to share the post from the Police Department so more people would see it. Mr. Galstad said he asked the calls for service for this violation, in the last year there were almost 30 calls, and they were getting close to another 30 calls this year. Council member Peterson asked how to get the message to drivers from 16 to 25 because they did not use Facebook. Discussion followed about using other social media, how a video was not needed but if the complaint came from a bus driver, they were an eyewitness to the event, and most people did not fight it when they were caught on camera from the bus. Council member Pokrzywinski asked what the minimum fine was for this violation. Mr. Galstad said the fine was \$500 plus an additional \$85 for every violation. More discussion followed about how this had been an issue in other cities and the City could continue to work with the school to get information out to the public.

3. Discussion on Building Official Position – Jeff Boushee & Nancy Ellis

Ms. Ellis told the Council the City had received a notice for the termination of the building official services. She reviewed the history of the position, how there have been some struggles over the years, and they had to drop rental inspections. She explained staff started looking at options once the notice was received, the independent contractor they thought might be available was not available, the State was not inclined to provide service, the inspector for Thief River Falls was going to be assisting Warroad and Roseau, none of the inspectors in Grand Forks were certified in Minnesota, so if they could not find a contractor the other option would be to find a full time person. She said if they wanted to add back the rental inspections they would need a full-time person. She added they would need to find someone to complete inspections that was Minnesota certified, she had talked to someone that handled inspections for 26 North Dakota cities, but they would not complete rental inspections. She commented they had made great improvements with building inspections and did not want to take a step backward, but direction was needed from the Council.

Chief Boushee said they were trying to problem solve and fill some voids if they could with this position. Council Vice-President Riopelle said Option 4 seemed like the only option and asked to see the costs of hiring a full-time position. Ms. Ellis said it would depend on the job description and how it was pointed. She reminded the Council Widseth received half the permit fees and 100% of the plan reviews so the total amount paid out did change from year to year. She added a portion of the building permits did cover the building permit technician's salary, but they should be able to cover most of the salary of the position but maybe not the benefits.

Council member Helms asked how long it would take to get licensed. Ms. Ellis said a limited license could be received by the end of the summer, but it could take up to 2 years to be a fully certified building inspector. Discussion followed about how rental inspections could bring in revenue, fire safety inspections were different than rental inspections, and there could be funding available to help get an inspector trained. Council member Helms said he would like to look at the City as a whole and was not ready to approve because of all the things they had gone through with the budget. Ms. Ellis stated there was no one currently certified in the City that could take on this role. More discussion followed about how some businesses might want to expand, certain items are reviewed by the State, and permits were not taken out for the street or infrastructure projects, so the building official did not inspect those projects.

Mr. Huttunen said based on other cities he expected the grade for the position to be around 16 or 17 so including benefits the position could be around \$100,000 up to \$120,000. Mayor Gander said they needed to look at the needs and then how to fund it. He stated rental inspections would be beneficial to everyone,

he could see the benefit as a landlord, and he would support something happening sooner rather than later. Council President Olstad said it would need to be reviewed, they needed to move forward wisely, and keep doing what was necessary. Council Vice-President Riopelle said there could be a correlation in pay to what was brought in. Ms. Ellis stated she did think they would bring in enough, in the past the landlords wanted all the units inspected, and they would need to review building permit fees every couple of years. Council member Vetter said not all the fees were going to Widseth and they would need about \$125,000 to cover the position. Council President Olstad asked to have this item brought back to another meeting. Ms. Ellis said again a portion of the fees did go towards the building permit technician's salary so they might need to find another way to pay for the salary or pay the remainder from the general fund. Chief Boushee said they would bring back a proposed interim solution and a job description.

This item will be brought back to a future meeting.

4. Request to Set Pool Prices for 2024 Season – Jeremy King

Mr. King stated the pool was getting ready to reopen, the Parks and Recreation Commission reviewed the rates, revenues, and expenditures, and it was requested to increase each of the daily rates by \$1. He told the Council the increase in revenue was to help offset repair and maintenance costs while staying in line with rates of other area pools. He informed the Council \$194,564 has been budgeted to run the pool in 2024, there was some leaking, maintenance costs were increasing, and chemical costs had not come back down. He recommended approving the proposed rates. There were no questions.

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

5. Request to Purchase Motor Grader – Jason Stordahl

Mr. Stordahl told the Council \$400,000 had been budgeted to replace the oldest motor grader, they had received information from the State Bid source, and both places gave information for trading in the 2004 motor grader. He recommended making the purchase from Ziegler and the cost included warranty. He added they would need to declare the 2004 motor grader as surplus. Council member Helms asked if the bids were apples to apples. Mr. Stordahl said they were very comparable. Council member Helms asked about the transmission repair. Mr. Stordahl stated the transmission repair on the other motor grader was completed and it was back in service. There were no other questions.

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

6 – 9 Discussion on 2023 General Fund/280 Housing Fund/705 Benefit Accrual Fund/ 210 Transit Fund – Karla Anderson

- **Additional information will be provided at the meeting for this item.**

Ms. Anderson stated a draft had been put together for the end of 2023, there was an update to it, and it included explanations. She started by reviewing revenue, how most areas received more in revenue than what had been budgeted, and reviewed the information. She explained the school had paid for the use of the areas in April and in September, this was a one-time occurrence, and they would pay in September only going forward. She said 2022 was the first year investments could be shown at par, no interest had been budgeted because of the volatility of the market, they budgeted conservatively, and there was an insurance dividend of \$53,000 but the City was told not to expect that every year. She commented on how that made up \$307,000 in additional revenue.

Ms. Anderson continued with expenses, there was a savings of approximately \$800,000, personnel services had a savings of \$427,000, some of that which was savings due to changes in staffing and when people were hired, there was a savings of \$64,000 for workers compensation, there were a variety of accounts in the Public Works that had savings, some of the savings was because of weather, and there was a few areas that had savings under culture and recreation. She added there were savings in supplies, an invoice had not been received for election equipment for \$10,000, the police department saved in the fuel budget, and there was savings under services including in utilities. She stated they had prepared for an increase in utilities, due to the nicer winter months there was a savings, but information was received that Xcel rates were going to be increasing so they would look at the history of usage to help with budgeting for utilities.

Ms. Anderson stated \$65,000 was budgeted for tax rebates but only spent \$26,204, the costs were over for the police vehicle that was purchased, but it had taken over a year to receive so prices changed for the additional items. She reminded the Council they had ordered a truck for the Parks Department in 2023, it was not going to be received until 2024, so the \$50,000 was moved into the 2024 budget. She added a street light project had not been completed but was listed in the expenses and how they would be working on Highway 2 in 2025. Mr. Mykleseth told the Council the project would be 100% funded and originally it was only going to be 50% funded other than for plans and specifications. Ms. Anderson asked if there were any questions.

Ms. Anderson moved on to transit, as of January 2022 the transit fund was negative \$172,000, at the end of year a transfer was completed which brought the total to a negative \$120,000 because of a receivable from the federal government, another transfer of \$127,742.90 was scheduled to make the fund at zero for year end of 2023. She added a transfer was scheduled for the budget in 2024. She commented on how funding changed because of COVID but now things should be back on track. She asked for questions on transit or on expenses or revenues. Mayor Gander said at the end of the year they would be adding more funds to the reserve, which was more than what they thought and asked if Ms. Anderson could say what that number was. Ms. Anderson said \$1,063,433 but this was still a draft, the auditors were still reviewing information, and there were some entries that were still needed. Mayor Gander said some of the items were a one-time revenue such as when they got paid twice from the school or the dividend from insurance so that was not something they could count on in future years. He stated it was also because staff did not spend everything that was allocated to them and he thanked them. He added this was much better than being a million dollars in the hole. Ms. Anderson reminded everyone a big part of it was from personnel.

Ms. Anderson continued with the 705 fund and explained the previous year they transferred funds to get the balance closer to what the liability was. She said the liability had been at \$770,693, the cash balance was now \$572,594, resulting in a liability of \$198,099. She stated \$100,000 was scheduled to be transferred in 2024 so the remaining gap was 98,000 and asked if the Council wanted to transfer \$98,000 with the 2023 transfers or include that in the 2025 budget. Council President Olstad asked what was paid the previous year. Ms. Anderson said it was \$471,534 and told the Council the liability had been going down because of the changes to the sick leave policy. Council member Vetter asked if the \$770,000 balance included the sick and safe time that would need to be paid out. Ms. Anderson said sick and safe time was for part-time employees. Council member Vetter asked if there was a liability for part time employees. Ms. Anderson said it was not paid out. Mr. Huttunen said there was no liability for sick and safe time based on the option the City chose with front loading 80 hours. Ms. Anderson asked for questions and there were no other questions.

Ms. Anderson stated the 280 fund showed the fund activity that was requested, the tax rebates were coming from this fund, and attachment A showed the lots that were still available for sale. She reviewed the lots, the special assessments, and how when all the lots were sold there would be a remaining \$188,000. She explained the tax abatement information was estimated for the future years using the current rates and inflation. She said based on the estimates once all the city lots were sold, accounting for all the tax abatements, and landscaping incentives there would be a remaining balance of \$68,000. She asked for questions. Council member Vetter asked how many years a property owner received a tax rebate. Ms. Anderson said for two years when the home was at full value. Council member Vetter asked if the estimates were for one or both years. Ms. Anderson said both years and the estimates did include an increase in the value of the homes.

Mayor Gander said doing exercises like this resulted in fewer surprises and thanked staff for working through this. Ms. Anderson said when the 280 fund was depleted the Council would have to decide if they wanted to continue tax abatements, both the school and county take funds from their general fund, so the Council would need to decide if they wanted to do the same thing. Council President Olstad asked if there were any other questions. Mayor Gander asked to poll residents about the tax rebate, if it really was an incentive, or if it was not worth the expense. Mr. Gorte said the \$5,000 forgivable loan program was not an incentive, the tax abatement program was, and there were other programs or variations of programs that could be put in place. He added the program was not just for city-owned lots but all lots within the community. Council Vice-President Riopelle asked to have the State help because of losing people to other areas due to the State tax structure.

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER VETTER, SECONDED BY COUNCIL MEMBER RIOPELLE, TO ADJOURN THE MAY 14, 2024 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 6:24 P.M.

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

Voting Nay: None.

Megan Nelson, City Clerk