

**APPROVED MINUTES
OF THE WORK SESSION
CITY OF EAST GRAND FORKS
TUESDAY, SEPTEMBER 10, 2024 – 5:00 PM**

CALL TO ORDER:

The Work Session of the East Grand Forks City Council for Tuesday, September 10, 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. Review of Bid Results for 2024 City Project No. 1 for SCADA System Improvements – Steve Emery

Mr. Emery informed the Council the bids had been opened that morning, two bids were received, and the project costs were about 10% higher than expected. He stated the Sun Electric was the low bidder, IPS had experience working with them, and if awarded there was also a good subcontractor and supplier. He said most of the funding would come from the Stormwater fund and recommended awarding the project to Sun Electric for a total of \$336,450.00. Council member Helms asked where H&S Electrical was based out of. Mr. Emery said Grand Forks. Council member Larson asked what the funding source would be for the overage. Mr. Emery said enterprise funds. Mr. Stordahl told the Council the costs would be split between the Stormwater and Wastewater funds and there was enough in reserves to cover the additional costs. Mr. Emery told the Council IPS had estimated costs between \$350,000 and \$400,000 so they were still within the costs of the project. Mr. Stordahl added they were only upgrading what was needed and not all the features that were originally to help cut costs. There were no other questions.

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

2. Consider Contract Project Closeout for 2022 City Project No 6 HAWK System – Reid Huttunen

Mr. Huttunen stated the HAWK System project was scheduled to be completed in August of 2023 but there was a significant delay in the completion of the project by 157 days. He explained the Council

received updates throughout the project, the agreement did allow the City to collect for liquidated damages totaling \$141,300 or \$900 per day that project was not completed, but after review of the situation it was determined the significant delay was due to the manufacturer. He added they received proof and the timeline of when the supplies were ordered which was done in a timely manner, so the recommendation was to close out the project and payout the retainage. He asked for feedback. Mayor Gander said the City should send a message of fairness, there were unforeseen circumstances, and the project should be closed out. There were no other comments.

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

3. Consider Remodel of Community Development/Economic Development Office – Nancy Ellis

Ms. Ellis stated there was an opportunity to remodel the Community Development/Economic Development Office to utilize the space better. She explained the Metropolitan Planning Organization (MPO) was asking for more office space to rent so the remodel would open more office space for the MPO while utilizing the office space in a more efficient way. She added it would take approximately 9 years for the payback from the rent to pay for the proposed changes and there was funding available in the building maintenance fund that would cover the costs. Council member Helms asked if there was enough space because if there was not, they should not move forward with the remodel. Ms. Ellis told the Council they were not currently using the space well, this would allow for better use of the space, and if the MPO eventually does not want to use the space they could absorb it back into the Community Development/Economic Development Office. Discussion followed about how it would be a full office space with a door to allow for confidential conversations, it allowed for storage space, and was a good idea.

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

4. Request to Host 50th Anniversary Celebration at the Civic Center – Jeremy King

Mr. King told the Council it was going to be the 50th anniversary of the Civic Center. He stated they would like to host a celebration and help educate residents on the proposed local sales tax for the recreation facilities. He explained it would be a free event on Friday, October 11th, they would like to have the Downtown Horns play during the event, funds had already been set aside to be used to inform the public on the proposed sales tax, so he would like to request \$4,000 for the celebration. He added he would be asking for sponsorships so the costs could come down. He recommended approving the request to host the celebration event that would have a family atmosphere and asked if they could also serve alcohol. Council member Pokrzywinski asked if this would be indoors. Mr. King said it would and this would be the last event held before the glass was reinstalled and they started making ice for the season. There were no more questions.

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

5. Review of Absentee/Early Voting Process for General Election – Megan Nelson

Ms. Nelson informed the Council she had received questions about absentee voting and wanted to share information, so others were aware. She explained all early voting was absentee voting, it required the absentee application to be completed, all voted ballots would be sealed in the envelopes, signatures were required, voted ballots would be transferred to Polk County, and be processed there. She added that those

who wanted to feed their ballot into the machine should vote on election day, all polling locations would be open, and anyone with questions could either call the Administration Office at 218-773-2483 or email her at mnelson@egf.mn. There were no questions.

6. Discussion on 2025 Preliminary Budget – Karla Anderson & Reid Huttunen

Ms. Anderson told the Council the Minnesota minimum wage was going up on January 1st so that adjustment had been made. She stated staff was recommending setting the preliminary budget at 10% because they were still waiting on insurance information and they were not sure how the sales tax vote was going to turn out. Mr. Huttunen reminded the Council they have been trying to budget for projects and if the sales tax was not approved, they would have to determine how to pay for updates. He added the fund balance was at 54%, 4% of that totaled \$568,000, and discussions included the renovations at the Fire Station 2. He stated the State recommended to have the reserves at 35% to 50% and asked if they would like to use the 4%.

Mr. Huttunen informed the Council they were still waiting on additional information about the ICHRA insurance, a meeting was going to be held the following day, so they should have answers soon and know what would be recommended for insurance so there were a few reasons why that was the recommendation. Council President Olstad stated he would like to leave the reserves at 50%. Council member Larson asked about the Fire Station 2 project and where the funds were coming from. Ms. Anderson said the project would be completed in phases and it was estimated to cost about \$1.1 million. Mr. Huttunen said they were looking at starting the project in 2025 and using the building maintenance funds for the project. Discussion followed about how the fund received \$400,000 per year, the project would deplete the fund, but within a couple years it would be replenished. Council member Larson asked to wait until 2026 so more of the funds were already available. He added he would like to be more aggressive than the 10%. Mayor Gander gave the reminder that the preliminary levy would be worked down, 10% was higher than he was comfortable with, but the final levy would end up quite a bit less. Ms. Anderson told the Council if the building maintenance fund was negative at the end of the year it would be covered by the fund balance until the fund was replenished. There were no more comments.

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

ADJOURN:

A MOTION WAS MADE BY COUNCIL MEMBER RIOPELLE, SECONDED BY COUNCIL MEMBER LARSON, TO ADJOURN THE SEPTEMBER 10, 2024 WORK SESSION OF THE EAST GRAND FORKS, MINNESOTA CITY COUNCIL AT 5:30 P.M.

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

Voting Nay: None.

Megan Nelson, City Clerk