



**City of Moorhead
City Council Meeting
Meeting Minutes
May 7, 2018 at 5:30 PM
City Hall Council Chambers**

Pursuant to due call and notice thereof, a regular meeting of the City Council Meeting was held in the City Hall Council Chambers, on May 7, 2018, at 5:30 PM.

Roll call of the members was made as follows:

1st Ward Council Member:	Mari Dailey	Absent
1st Ward Council Member:	Sara Watson Curry	Absent
2nd Ward Council Member:	Melissa Fabian	Present
2nd Ward Council Member:	Heidi Durand	Present
Mayor:	Del Rae Williams	Present
3rd Ward Council Member:	Joel Paulsen	Present
3rd Ward Council Member:	Brenda Elmer	Present
4th Ward Council Member:	Steve Gehrtz	Present
4th Ward Council Member:	Chuck Hendrickson	Present

City Council Meeting

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Agenda Amendments

Minutes: Chris Volkens, City Manager, requested the following agenda amendments:

- Item 9.B, "Resolution to Authorize Amendment #2 to the Engineering Services Agreement with SRF Consulting Group" be removed from the agenda
- Item 11, "Downtown Housing Goal: 500 in 5 years" be heard after "Citizens Addressing the Council"

4. Consent Agenda

All items listed with an asterisk (*) are enacted by one motion.

Motion to Approve made by Heidi Durand and seconded by Brenda Elmer
Motion to Approve the Consent Agenda

Motion Passed
For: 6; Absent: 2 – Mari Dailey, Sara Watson Curry

5. Approve Minutes

A. April 23, 2018 City Council Meeting

Motion to Approve made by Brenda Elmer and seconded by Melissa Fabian
Motion to Approve April 23, 2018 City Council Meeting Minutes

Motion Passed

For: 6; Absent: 2 – Mari Dailey, Sara Watson Curry

6. Citizens Addressing the Council (Time Reserved: 15 Minutes)

Minutes: No citizens addressed the City Council.

7. Mayor and Council Appointments

A. *Resolution to Approve Board/Commission Appointment
Resolution 2018-0507-A

Engineering Department

8. *Resolution to Approve Acquisition of Temporary Easement(s) for the SE Main Ave/20 St/21 St Railroad Grade Separation Project. Eng. No. 02-2-2F

Resolution 2018-0423-B

9. SE Main Ave/20 St/21 St Railroad Grade Separation Project Update & Related Actions. Eng. No. 02-02-02G

Minutes: Bob Zimmerman, City Engineer, reported that on April 25, 2018 the City of Moorhead received two bids for the SE Main Ave/20 St/21 St Railroad Grade Separation Project. The lowest received bid was \$8.3M over the Engineer's Estimate. As a result of the large difference between the apparent low bid and the Engineer's Estimate, staff have been working on the following:

- The City met with the lowest bidder to discuss potential design and staging changes to reduce cost. It was a productive meeting and the apparent low bidder is still very interested in doing the project.
- The City's design consultant, SRF Consulting Group has contacted other contractors to understand why they did not submit a bid.
- Staff has engaged the City's legislative consultants to determine the potential for additional State funding.
- BNSF provided a revised estimate for proposed railroad work which reduces cost by approximately \$900,000. Staff will conduct further discussions with BNSF as the City considers potential design changes to the project.
- Staff has analyzed several different scenarios for local sources of funding. Three examples were outlined, two of which include utilization of a General Obligation Improvement Bond and special assessments. Staff will continue to look a local cost share options.

Bob stated that the City is not proposing a scenario that would remove and

delay construction of the “wye” to attempt to lower the overall project cost as this would likely result in a reduced financial contribution from BNSF and a smaller benefiting area, thereby increasing special assessments and the property tax debt levy.

Over the next couple weeks, the City will engage in further discussions with the apparent low bidder and work with local legislators to advocate for additional State funding. The City will formulate a specific proposal and recommendation to the City Council at the May 29, 2018 meeting.

It was noted that scheduling the public hearing to May 29, 2018 is only expected to delay the project start by a few weeks. Re-bidding the project may result in significantly increased costs. City staff has had productive communications with the apparent low bidder and are hopeful that the City will not need to re-bid the project.

Chris Volkens, City Manager, stated that if the council approves the resolution for a May 29, 2018 public hearing, special assessment notices are required 10 days prior to the hearing. By May 19, 2018 the City will not know the results of the possibility of additional State funding or cost reductions due to design changes. The City would like to use proposed “Example 1: GO Improvement Bond” in Attachment 4 of the agenda as the basis of the public hearing notice. The hearing notice would include a cover letter explaining that there are a number of factors in play and the stated special assessment amount in the notice would be the maximum amount proposed. It was further noted that this project would not hit the tax roll for at least a couple years and the City Council would not need to make a decision on the timeframe from special assessment payment until the Special Assessment hearing in 2020.

Chris Volkens stated that Moorhead Public Service (MPS) was notified of the City’s funding examples. MPS has been asked to consider using reserves for funding watermain and power relocation. This would be a \$1.4M contribution to the project.

Bob Zimmerman stated that it is the City’s goal to minimize the amount in which the City will need to bond, thereby reducing the cost of special assessments. The City will also continue to review the special assessment area and other potential avenues to generate revenue for the project.

Chris stated that the City is actively working with State legislators and they are supportive of advocating for additional State funding for the project.

A. Resolution to Reschedule Public Hearing

Motion to Approve made by Chuck Hendrickson and seconded by Melissa Fabian as amended

Motion to Approve Resolution to Reschedule Public Hearing to May 29, 2018

Motion Passed: **Resolution 2018-0507-2**

For: 6; Absent: 2 – Mari Dailey, Sara Watson Curry

B. Resolution to Authorize Amendment #2 to the Engineering Services Agreement with SRF Consulting Group

Note: This item was removed from the agenda

10. *Resolution to Approve Task Order #1 with Apex Engineering Group for Phase 1 of a Wastewater Treatment Facility Plan. Eng. No. 18-06-02
Resolution 2018-0507-C

Planning and Neighborhood Services Department

11. Downtown Housing Goal: 500 in 5 years

Minutes: This agenda item was discussed after “Citizens Addressing the Council.”

Lisa Bode, Community Development Services Manager, announced a proposed policy statement to endorse a “500 in 5” goal for housing development in downtown Moorhead. The City of Moorhead recognizes downtown is in need of revitalization and is ready to be a partner in downtown development. More than 100 housing units are already under construction. This policy statement will send a positive signal to the development community that the City is ready to be an active development partner. City staff will discuss existing policies and identify ways to support this goal.

Derrick LaPoint, Downtown Moorhead Inc., stated that the “500 in 5” downtown housing goal is a fantastic move by the City. Housing adds a lot of value to a downtown area. Derrick added that Downtown Moorhead Inc. will continue to partner with the City on this goal.

Council members commented on their support for and excitement about the “500 in 5” goal.

Motion to Approve made by Brenda Elmer and seconded by Chuck Hendrickson
Motion to Approve Downtown Housing Goal: 500 in 5 years

Motion Passed: **Resolution 2018-0507-1**

For: 6; Absent: 2 – Mari Dailey, Sara Watson Curry

Administration

12. Approve Licenses - Permits
 - A. *Resolution to Approve Sound Amplification Permits
Resolution 2018-0507-D
 - B. *Resolution to Approve Off-Site Gambling Permit to Moorhead Youth Hockey Association on July 11, 2018
Resolution 2018-0507-E
13. Approve Actions Relating to Setting up a Purchasing Card (PCard) Program for the City

Minutes: Wanda Wagner, Finance Director, provided an overview of the proposed Purchasing Card (PCard) Program and partnership with City of Fargo.

The effective date of the new program would be sometime this summer. Once the relevant agreements are executed, the City would develop policies and procedures and conduct information meetings with employees on the purchase program. The Bank of Montreal PCard Program was chosen because it can support the spending level of a joint partnership with City of Moorhead and City of Fargo. The new program will have more automation and increase efficiencies. The program will also serve as an extra revenue source for operations.

Chris Volkens, City Manager, recognized Wanda Wager, Assistant City Manager Dan Mahli, and staff for their work on setting up the PCard Program. Chris also thanked the City of Fargo for its partnership and support.

Motion to Approve made by Brenda Elmer and seconded by Joel Paulsen
Motion to Approve Actions Relating to Setting up a Purchasing Card (PCard) Program for the City

Motion Passed: See below for resolution numbers
For: 6; Absent: 2 – Mari Dailey, Sara Watson Curry

- A. Resolution Authorizing the Mayor and City Manager to Enter into an Agreement with the Bank of Montreal for PCard Program
Resolution 2018-0507-3
- B. Resolution to Approve a Memorandum of Understanding with the City of Fargo for Joint Participation in the PCard Program for Purposes of Rebate Percentage Determination
Resolution 2018-0507-4

Other

14. Mayor and Council Reports

Minutes: Council Member Hendrickson provided a reminder that it is clean-up week in the City of Moorhead.

Council Member Fabian announced there will be a “Women Build” event at Habitat for Humanity.

Council Member Paulsen provided an update on recent work of the Diversion Authority.

Council Member Durand reported that Moorhead Public Service will be conducting hydrant testing.

Mayor Williams announced that Council Member Sara Watson Curry had a baby this week.

15. City Manager Reports - Updates

Minutes: Chris Volkens, City Manager, announced that the City is in the need of election judges for the August 14 Primary Election and November 6 General

Election. For more information, contact the City Clerk's office at 218-299-5304 or cityclerk@cityofmoorhead.com. The City will be distributing an eNoticiation this week as well.

16. Executive Session

- A. Executive Session to develop and receive offers for the sale of real estate identified as 700 1st Ave N, Clay County Parcel No. 58.980.1701, pursuant to Minn. Stat. § 13D.05, Subd. 3 c (1)
- B. Executive Session to develop and receive offers for the sale of real estate identified as 10 14th St N, Clay County Parcel No. 58.387.0020, pursuant to Minn. Stat. § 13D.05, Subd. 3 c (1)

Minutes: The City Council entered into Executive Session at 6:56 pm.

The City Council exited Executive Session at 7:37 pm.

17. New Business

18. Citizens Addressing the Council (continued, if necessary)

Meeting adjourned at 7:37 pm.

APPROVED BY:



Del Rae Williams
Mayor

ATTEST:



Jessica Kuznia
Deputy City Clerk

The proceedings of this meeting are digitally recorded and are available for public review.

Respectfully submitted by:
Jessica Kuznia, Deputy City Clerk