

**THE CITY COUNCIL
GRAND FORKS, NORTH DAKOTA
2, 1997**

**PROCEEDINGS OF
OF THE CITY OF
Monday, June**

The city council of the city of Grand Forks, North Dakota met in its regular session in the council chambers in City Hall on Monday, June 2, 1997 at the hour of 5:30 o'clock p.m. with Mayor Owens presiding. Present at roll call were Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner, Hagness - 13; absent: none; 1 seat vacant.

Mayor Owens announced that anyone wishing to speak to any item may do so by being recognized prior to a vote being taken on the matter.

**ADOPT ORDINANCE NO. 3647, RELATING TO
ABATEMENT OF DANGEROUS BUILDINGS OR STRUCTURES
IN RESPONSE TO DECLARED DISASTER OR EMERGENCY**

An ordinance entitled "An ordinance adopting provisions of the Code relating to the abatement of dangerous buildings or structures in response to a declared disaster or emergency", which had been introduced and passed on its first reading on May 27, 1997, was presented and read for consideration on second reading and final passage.

Howard Swanson, city attorney, reported that this ordinance is virtually identical to an emergency order issued by the mayor last week, and stated that the ordinance only applies to those buildings that are considered to be dangerous and posing an imminent threat to life, health or public safety, that they define what a dangerous building is, the authorization for abatement lies with the city engineer following inspections, and those inspections can be completed by any member of the health department, the inspections department, the police or fire departments or their designated representatives, that once inspection completed a report is forwarded to the city engineer along with substantiating evidence of condition and the city engineer will make a determination as to whether it is in fact a dangerous building, that the City is provided right of entry for inspection purposes, and once a determination is made by the city engineer that the property does need to be summarily abated, the engineer issues an order, the order is served upon those people having a property interest, that there are a number of methods of service, including posting order copy on the property, personally serving owner, leaving copy at last known address of the owner, etc. He stated that anyone wishing to appeal the order has seven days to file the appeal with the city engineer or city auditor and the appeal would be heard by the city council or committee designated by the council to act. He stated that this is an accelerated process from the normal substandard structure ordinance; that at this point there are approximately 91 structures identified as dangerous and posing an imminent threat and of those 91, 37 are homes, others are garages or accessory buildings. He recommended final approval to the ordinance.

There was some discussion re. cost of the demolition. Mr. Swanson stated

that the ordinance doesn't have any involvement with the acquisition or relocation program, that later in the meeting he will be asking council to approve agreement with the Army Corps of Engineers for demolition of these structures. He stated that it would appear that those people who have through voluntary request for demolition of structures which council has already authorized to be paid for at the City's expense will receive priority consideration in a relocation or acquisition program and can be discussed at the time when program is being presented; and the fact that the structure might be demolished, either by order of the City or consent of the property owners, will not impact nor affect the value paid in any acquisition.

Upon call for the question and upon roll call vote, the following voted "aye":

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Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner, Hagness - 13; voting "nay": none. Mayor Owens declared the ordinance adopted.

APPROVE SNOW REMOVAL ASSESSMENTS FOR 1996-97

The city auditor presented and read the assessments as certified to him by the superintendent of streets on Snow Removal Project No. 4605, in the amount of \$3,800.00, and reported that the legal notice to the public that these assessments would be presented to the city council this evening had been published as required, and further that no protests or grievances had been filed with his office.

Mayor Owens asked if there was anyone in the audience who had comments to make on these assessments. There were none.

It was moved by Council Member Hagness and seconded by Council Member Beyer that we find an insufficiency of protest. Carried 13 votes affirmative.

It was moved by Council Member Hanson and seconded by Council Member Babinchak that these assessments be and are hereby accepted and confirmed and that they be levied against the property benefitted in one annual installment to be collected with other taxes by the proper authorities. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner, Hagness - 13; voting "nay": none. Mayor Owens declared the motion carried.

REPORTS OF OFFICERS

The city auditor's investment reports as of April 30, 1997 and as of May 31, 1997 were presented and read. It was moved by Council Members Hagness and Sande to receive and file the reports. Carried 13 votes affirmative.

The city auditor's report of cash balances as of March 31, 1997 and as of April 30, 1997 were presented and read. It was moved by Council Members Babinchak and Beyer to receive and file the reports. Carried 13 votes affirmative.

APPROVE BILL LISTING

Vendor Payment Listing No. 97-07, totaling \$1,035,782.01, all having been audited by the city auditor for payment in accordance with Regulation No. 2, was presented and read.

It was moved by Council Member Hanson and seconded by Council Member Polovitz that these bills be allowed and that the city auditor be authorized to issue warrants in payment of the same. Upon roll call the following voted "aye":

Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner, Hagness - 13; voting "nay": none.

Mayor Owens declared the motion carried and the bills ordered paid.

ESTABLISH POLICY RE. DAMAGES TO CITY R/W
DUE TO DEBRIS REMOVAL

Committee No. 3, Public Service, reported having considered the matter of policy for damages on City right of way due to debris removal, and recommended that the City establish policy to cover cost of repair of curb stops damaged during debris removal and to authorize engineering department to repair those sidewalks determined to be damaged through cleanup and where sidewalk poses imminent danger to the public.

It was moved by Council Member Hafner and seconded by Council Member Klave that

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this recommendation be and is hereby approved. Carried 13 votes affirmative.

REFER REQUEST FROM ASSOCIATED POTATO TO
POUR CONCRETE SLAB IN CITY R/W AT 2001 NORTH
6TH STREET TO PLANNING COMMISSION

Committee No. 3, Public Service, reported having considered the matter of request from Associated Potato, 2001 North 6th Street, re. pouring concrete slab in front of storage building (City right of way), and recommended to refer to Planning and Zoning Commission with recommendation that they give consideration to the vacation of dedicated right of way with public access easement.

It was moved by Council Member Hafner and seconded by Council Member Klave that this recommendation be and is hereby approved. Carried 13 votes affirmative.

DIRECT STAFF TO START PROCEDURE FOR NOTIFYING
PROPERTY OWNERS OF BURNED BUILDINGS TO CAP SEWERS
AFTER DEBRIS REMOVAL AND TO DETERMINE SCHEDULE
FOR CAPPING OF UTILITIES

Committee No. 3, Public Service, reported having considered the matter of

capping sewers being disconnected at sites of buildings burned during flood, and that staff start procedure to notify property owners to cap sewers after debris removal and to authorize engineering to determine schedule for capping of utilities.

It was moved by Council Member Hafner and seconded by Council Member Klave that this recommendation be and is hereby approved. Carried 13 votes affirmative.

AUTHORIZE FUNDING FOR TELEVISIONING SEWERS
IN AREA II

The Flood Response Committee reported having considered the matter of funding for televising of sewers, and recommended to authorize up to \$150,000 for televising of sewers in Area II.

It was moved by Council Member Bakken and seconded by Council Member Polovitz that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner, Hagness - 13; voting "nay": none. Mayor Owens declared the motion carried.

AUTHORIZE STAFF TO CONTACT CONGRESSIONAL
DELEGATION TO REQUEST APPROPRIATE FUNDING
FOR FY1998 FOR CORPS OF ENGINEERS TO PROCEED
WITH FEASIBILITY STUDY FOR FLOOD PROTECTION
PROJECT

The Flood Response Committee reported having considered the matter of funding for FY1998 feasibility study for flood protection, and recommended that we contact the Congressional delegation requesting appropriate funding for FY1998 for the Corps of Engineers to proceed with the feasibility study for the flood protection project for the city of Grand Forks.

It was moved by Council Members Bakken and Polovitz that this recommendation be and is hereby approved. Carried 13 votes affirmative.

MATTER OF GRANTING ADDITIONAL TEMPORARY
PURCHASING AUTHORITY TO TRI-CHAIRS AND FLOOD
RESPONSE COMMITTEE, AND APPROVE TEMPORARY RELAXATION
OF CERTAIN BIDDING REQUIREMENTS

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The Flood Response Committee reported having considered the matter of additional temporary authority for Tri-Chairs and Flood Response Committee, and matter of temporary relaxation of certain City bidding requirements, and recommended that we approve purchasing authority for flood recovery items only as follows: 1) Tri-chairs up to \$50,000; 2) Flood Response Committee up to \$250,000; and 3) City Council over \$250,000; and approve bidding requirements for flood recovery items only as follows: 1) bidding minimum timelines of 24 or 48 hours are allowed; and 2) competitive quotations are allowed; with a 3-month sunset requirement, that expenditures by the Chairs be reported at next available council meeting and that items re. bidding be contingent upon

the governor's continuing state of emergency declaration.

It was moved by Council Member Bakken and seconded by Council Member Polovitz that this recommendation be and is hereby approved.

There was discussion re. need to increase limit of expenditure for flood response committee when city council meeting every week; and it was noted that after July 1 the council will go back to its regular schedule of meeting the first and third Mondays of the month, and to allow greater flexibility and response to items. It was also reported that FEMA will be putting in mobile homes but that it's City's responsibility to provide lots and because of time frame and to respond on timely basis; however, there were concerns that dollar amounts too high. It was also noted that the Tri-chairs and flood response committee would not consider those items that could be handled through normal channels and that any funds expended would be reported at the next council meeting.

It was moved by Council Member Hamerlik and seconded by Council Member Hanson to amend the motion to authorize limits of \$25,000 for Tri-chairs and \$50,000 for Flood Response Committee. After further discussion Council Member Hanson with-drew his second, and Council Member Carpenter seconded the motion.

Upon call for the question and upon voice vote, the amendment was defeated.

It was then moved by Council Member Beach that the motion be accepted as stated except that this concept would sunset as of July 15; Council Member Hafner seconded the motion.

There were some questions re. bidding requirements and competitive quotes, and it was reported by the city auditor that the minimum timeline will not be on the majority of bids but can only be on those items considered on emergency basis, and emergency can only be done if expect FEMA reimbursement, and since emergency phase is over would have to go back to normal bidding requirements, however, would clear with FEMA and get quotes through central contract area where all those items will be available, that we will get listing of all local contractors who wish to bid and they will be contacted by that central contract point, so aware, especially if go to a short term bid.

After further discussion and upon call for the question on the amendment and upon voice vote, the motion carried.

Upon call for the question on the motion, as amended, and upon voice vote the motion carried 13 votes affirmative.

DEFEAT MOTION TO ELIMINATE ALL PROPERTY
TAX EXEMPTION FOR NEW CONSTRUCTION BEGINNING
AFTER JUNE 10, 1997

The Flood Response Committee reported having considered the matter of tax exemption for new construction, and recommended that we eliminate all property tax exemption for new construction beginning after June 10, 1997.

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It was moved by Council Member Bakken and seconded by Council Member Polovitz that this recommendation be and is hereby approved.

Council Member Klave spoke against the motion, that the tax exemption program would help some residents stay in the city, that for betterment of the city and for total tax, leave program as established on April 7, and urged defeat of the motion.

Upon call for the question and upon roll call vote the following voted "aye": Council Members Polovitz, Glassheim, Carpenter, Bakken, Hafner - 5; voting "nay": Council Members Beach, Hamerlik, Hanson, Sande, Klave, Beyer, Babinchak, Hagness - 8. Mayor Owens declared the motion defeated.

APPROVE CONCEPT OF BUYOUT PLAN FOR PHASE I,
CONTINGENT UPON REVIEW AND ISSUANCE OF OPINION
BY THE CITY ATTORNEY

The Flood Response Committee reported having considered the matter of Phase I of proposed buyout plan, and recommended to approve the plan (Mitigation Acquisition and Optimal Relocation Assistance Plan for Flood Disaster Relief [Areas A through J] and Optional Relocation-Acquisition Plan Benefits for Voluntary Acquisition Program): (Document No. 7310 - Plan).

John O'Leary, executive director of Urban Development, reported that the Tri-chairs, staff and Mitigation Committee have been working with the consultants and FEMA, CDBG on developing a mitigation plan for the acquisition of houses that were in the lowest part of Lincoln, Central and Riverside neighborhoods, that there are a total of 289 houses in those three neighborhoods, that of those 133 have indicated a willingness to sell their properties, 106 haven't responded and approx. 50 are historic properties that will take longer to process. He reported that the policy asks property owners to consider selling their properties to the City, will be using FEMA money to do that with the stipulation that the property would have to be in the 100-year floodplain, to be on the wet side of the dike, would be in one of the three neighborhoods and that condition of the house poses a health and safety concern. He reported that the proposal as amended just prior to this meeting would call for the city assessor's office to determine the fair market value of the property, which is different than the assessed value, and that value negotiable if the property owner brought in additional information indicating a higher value than the assessor's office was aware of; that the seller would get a 10% bonus under the present regulations if they reinvested in a house in Grand Forks, that under the Uniform Relocation Act the tenants would be provided assistance with relocation costs. He stated that they have a list of properties, that they are looking at 133 proposals sent to the City indicating a willingness to sell their properties. He stated that this is the first phase of the acquisition and relocation strategy, that there would be additional phases where properties on the wet side of the dike but didn't receive 50% damage, those in the way of the dike, and other scenarios and they will bring in strategies for consideration on how to deal with those. He stated that all monies coming from FEMA with exception of the 10% match and they are

negotiating with FEMA to have that forgiven or to ask CDBG to provide that match under a pre-agreement cost under the CDBG funding. He also reported that if the seller and City cannot agree on a price their recommendation is for the mayor to appoint a committee composed of council members, staff and individuals from private sector to review the situation. He also stated that this proposal allows the Tri-chairs to deal with extraordinary circumstances that might arise but not handled in routine process. He reported that he understands that FEMA has money available. He reported that the next phases would be dealt with either CDBG funds or a combination of CDBG and FEMA funds. He stated that if council concurs with the proposal they would need authorization to proceed with application to FEMA for funding.

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There were comments and questions from the audience.

Curtis Hunt, 1513 Baron Blvd., stated that proposal for relocation of affected areas seems to be premature in that it is prior to the Corps study. It was reported that any property in the 100-year floodplain which received more than 50% damage can be rebuilt only if they are floodproofed, that the area where these houses located very low and wouldn't seem feasible to floodproof or rebuild houses which were flooded to rafters.

Mr. Swanson reported that the request to waive the 15% has to be made to the State of North Dakota, that under the FEMA regulations they will pay 75% of the acquisition cost and the 25% balance is an obligation of the State and local government, and presently the State of North Dakota has adopted a formula of 15% and 10% so any change in that has to be made at the State level, and the State does have the authority to alter that request. He also reported that even though FEMA has the funds available and ready to be disbursed, those funds are disbursed to the State of North Dakota and City's allocation comes from the State of North Dakota.

There was some discussion re. additional phases, and whether areas outside the 100-year floodplain where properties received 50% damage or more, including properties on Chestnut, Walnut, Vail, Crescent, South 24th, and certain areas in north end, could be considered to be a phase. Mr. O'Leary stated that probably will be a phase and will be driven by how much CDBG funds available, and that Tri-chairs will be bringing back more detailed description of what those phases are and how prioritize.

Mr. Swanson stated that council needs to be aware that this is a voluntary buyout program, that property owner under no obligation to accept City's offer if he feels that figure not the pre-flood market value (based upon assessor's records), and if City's offer not accepted and can't negotiate between the two positions, the transaction stops. He stated that there are certain benefits if property owners accepts this, relocation, etc., that the property owner may obtain under this program that may not be available under other scenarios, but if property owner doesn't like the offer, he may submit other information (appraisal, info. re. improvements, etc.), but if not agreeable, he is under no obligation to accept.

Several individuals addressed council with comments/questions:

Vern Sander, 317 Euclid Avenue.
Monte Phillips, 820 North 25th Street.

There were some questions re. salvage by property owners. Mr. Swanson stated that would be matter of negotiation, market value would include all fixtures or structures, and the City could make determination later as whether structure sold for salvage, completely demolished, etc.; that under the program the City is acquiring the property.

Lon Kratochvil, 1508 Chestnut Street.

Mr. Swanson stated that the harsh realities are that the need of the community far exceeds funding that will be available, that there is no question that funds that will be allocated cannot acquire all of the property damaged by the flood, even those properties damaged more than 50%, that council will have difficult decisions in any type of prioritizing. He also noted that there are numerous misconceptions on the federal funding, that the \$500 million that has been dis-cussed is the total funding package for the disaster bill which includes more than 30 states, and no allocation within that amount has been specifically made to the City of Grand Forks, let alone to the State of North Dakota. He stated that the funding that will be used initially is called Section 404 funding (FEMA

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funding) and based upon a strict mathematical calculation of total damage within the disaster area, all counties in the State of North Dakota are included, communities including Wahpeton and Fargo have already indicated their desire to compete for the same funding that Grand Forks will be seeking for mitigation purposes, The 404 funding that will be made available very quickly to the State should be somewhere between \$12-15 million for state wide distribution, and on top of that CDBG funds will come in, and City will have needs for acquisition for mitigation purposes but other needs. He stated that those are some of the choices that will come before council, the only item of certainty that the community has is with respect to the payment of flood insurance policy limits; for those buildings the City owns and had insured before the flood, the City will receive its funding from the policy, for any homes that were insured under the flood insurance program, they will receive their funding upfront regardless of what 404 monies are available or CDBG funds are available. He stated that it will take some time before council has indication of what funds City has available to service city's various needs. He also stated that on acquisitions City is doing a real estate transaction and unfortunately one of the victims of the flood was the County of Grand Forks which included the Register of Deeds Office, which is where work is done to determine title for property, and as a result of that any acquisition will be hampered, that they will utilize where available title opinions and abstracts from property owners, or title insurance policies which were previously issued, and will complicate closing timeline; and assuming the council gives approval even to the initial phase of the program, staff is looking to start moving ahead.

Gayatri Devi, 1407 Lewis Blvd.
John Dickinson, 416 Walnut Place

Council Member Carpenter asked what consequence to City if changed our ordinance to allow building permits to be issued for properties with more than 50% damage, and if they could force City to buy them out under the 404 Program. Mr. Swanson stated that they could not force City to buy them out using 404 funding, the 404 funding can only be used for a voluntary acquisition such as program before council this evening. He stated that the immediate result if the City did not enforce its floodplain ordinance, would be an audit by FEMA or at their option or upon their knowledge of violations of floodplain ordinance, which could result in the removal of the city of Grand Forks from the National Flood Insurance Program, which in essence that no one could acquire flood insurance whether they were required to by their lender or wanted to by their own volition. He stated it impacts on what type of emergency funds either are or would be available in the future from FEMA or other federal agencies, so the effect could be quite extreme and drastic if the federal government chose to enforce that, we have annual compliance requirements submitted to FEMA for evaluation and audit and part of that is information regarding issuance of building permits to structures within the 100-year floodplain as well as within the floodway itself.

After further discussion Council Member Glassheim and Council Member Hanson called for the question. Motion defeated upon voice vote.

Leonard Deleski, 623 Plum Avenue

Doug Christensen asked if council passes this proposal, would it have to be approved by the State. Mr. Swanson reported that the State doesn't have to specifically approve the proposal, they have to concur that the use of the 404 funds are for mitigation purposes, which typically includes as an attachment the plan that's been approved. Mr. Christensen then asked if trying to operate as a City within the exception to the Uniform Relocation Act and the CFR's (Code of Federal Regulations) that implement it, and there's an exception if it's a total voluntary plan, and if that was what proceeding with. Mr. Swanson reported that the Uniform Relocation Act is addressed in the plan, there are other exceptions that may or may not apply, depending upon the circumstance. Mr. Christensen

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stated that he is concerned about several things and that his suggestion was to pass the resolution subject to confirmation that it is within the CFR's and that it is within the program; that council making decision that is going to govern how other people believe they're being treated going forward with this project, and suggested that they pass the resolution and recognize that there may be some things that will have to be adjusted in light of the federal regulations dealing with the National Flood Insurance Program, the CBDG money and the CFR's that deal with the National Relocation Act. He stated what's important is that they're clear that they're operating within the guidelines and parameters of the Uniform Relocation Act. He stated his point is that if not within voluntary provisions precisely so that we can't be challenged, then pass this subject to the city attorney writing an opinion saying that we're within the Act and not going to have any problems or that we submit this

and get FEMA to sign off on it because it's their money we're allocating. He stated that this proposal is going to set the precedent for how the rest of the people in the city who are on the wet side of the dike or in the dike's way feel they are going to be treated. He stated he understands that we have to move these people, but only suggested that they don't make a mistake and do something that maybe doesn't comply.

Mr. Swanson stated that he was not aware of any violation of the CFR, he stated that there is no doubt that this body can anticipate litigation and that his recommendation to council is to make decision in light of what believe may or may not be the law but do what believe is right, that lawyers will move forward and they can do post action review, that if not comfortable in making decision tonight, delay it; that he would like more time to do details, but if they want to approve in concept but don't need to worry at this stage that your decision should be impaired by discussions of what the CFR actually calls for.

Mr. Christensen stated he was only suggesting two things, that this plan written and reviewed this morning and council being asked to make decision that has major consequences as to how those you govern feel they're being treated. He suggested they approve in concept as Mr. Swanson suggested, and if some problem come back with modifications because if pass and have to come back would cause more dissention.

It was moved by Council Member Hafner and seconded by Council Member Hanson that we review and make approval contingent upon the city attorney's opinion.

There was some discussion relating to the 10% bonus on buyouts that the seller would get under the present regulations if they reinvested in a house in Grand Forks, and Mr. Swanson stated that the 10% issue is not one he has reviewed, that came up at committee and he is not in a position to give an opinion as to how that can be effectively applied, the balance of the program he has no particular concern, that it will require an agreement between the buyer and seller and require certain documentation with respect to the Uniform Relocation Act, that there are benefits in this program to pay for relocation expenses which may or may not be the full compliment that would be available if there would be a man-datory taking. He stated that his initial review and his comparison of this program to four other programs of other communities and other states leads him to the conclusion that they are applying this program relatively consistently to programs they have reviewed.

Council Member Beyer stated that this packet is dealing with homes that are sub-stantially damaged and are in extremely low lying areas, and that separates this buyout package from any subsequent buyout packages. Mr. Christensen stated that the only thing he is asking of council is to approve this in concept subject to approval by the city attorney that it complies with federal CFR's.

Kent Cox, 128 Lincoln Drive.
Judy Streifel-Reller, 616 Maple Avenue
Patty McIntyre, 1801 Riverside Drive
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After further discussion and upon call for the question by Council Members Hagness and Glassheim and upon voice vote, the motion carried 13 votes affirm-ative.

Upon call for the question on the amendment, and upon voice vote the motion carried 13 votes affirmative.

Upon call for the question on the motion, as amended, and upon roll call vote, the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner, Hagness - 13; voting "nay": none. Mayor Owens declared the motion carried.

Council Member Beyer asked that as soon as the city attorney has rendered an opinion that he draft letters that people are in a buyout zone so they can pro-ceed with their paperwork. Mr. Swanson stated that a motion wouldn't be neces-sary, that he has discussed this with Mr. O'Leary and that will occur. He also stated that his opinion will not vary the area that has now been approved as a priority buyout and those letters available fairly quickly; that his opinion will be fairly technical and fairly arcane.

A representative of FEMA stated that SBA is not requiring a letter from the City stating a property is in the buyout, don't have to wait for decision on buyout by the City to apply for a loan. Lisa Merker, SBA, stated they offer relocation assistance program and reviewed steps for assistance (incl. letter that property substantially damaged, etc.) Mr. Vein suggested that people call the general information line and include those people needing SBA loan on a prioritized list for inspection of their property.

Doug Hellerstedt, 617 Plum Avenue

APPROVE ESTIMATES, VARIOUS PROJECTS

Estimate Summary No. 298, dated May 31, 1997, totaling \$865,923.54, was pre-sented and read.

It was moved by Council Member Klave and seconded by Council Member Hanson that these estimates be and are hereby approved and that the city auditor be and is hereby authorized to issue warrants in payment of the same. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner, Hagness - 13; voting "nay": none. Mayor Owens declared the motion carried.

REFER VARIOUS ITEMS TO COMMITTEE

Various items were presented to the council for referral to committee and/or department for consideration.

1) Council Member Glassheim stated that they have received an opinion from Mr. Swanson re. vacancy on the council and that they should set an election time to replace Council Member Ellingson, who has resigned. Mr. Swanson reported that his office has provided memo to council members re. vacancy, that technically they could not have taken any action until today as residents of the ward could petition for a special election,

however, the council can set a special election on its own initiative, but first would need to set date by which petitions would have to be filed with the auditor's office and set an election date. Council Member Hagness suggested waiting until next election which would be in June of 1998, and suggested offering seat to Ludwig Kulas who spent 24 years on the council if he would consider until the next election. Council Member Hamerlik stated that he had talked to Mr. Kulas, who is not interested.

2) Council Member Hagness presented the matter of fees for water heaters, etc.

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in new development and City being criticized for requiring these permits, and should perhaps be discussed.

3) Council Member Hagness presented letter from civil engineer living in California, who is retired from Cal-Tram California Department of Transportation and who worked with the Corps of Engineers re. project protecting New Orleans, offering to come to Grand Forks to provide his flood control expertise and experiences in working with the Corps to the council, EERC or anyone interested. Information.

4) Council Member Hagness reported that Bill Stokes, Department of Natural Resources Conservation Service, St. Paul, is available to make presentations to governmental units concerning NRCS involvement in flood control, and will be in Warren on June 10, and that under Public Law 566 provides up to 100% federal funding for the construction portion of a diversion project. This matter was referred to the city engineer.

5) Council Member Hagness reported that Mary Ann Hastings, small business owner on south end of Grand Forks, would like to comment on the \$20,000 loan/grant. Ms. Hastings raised questions relating to the process for applying for the Grand Forks Growth Fund Business and Industry Disaster Assistance loan/grant, that there were discrepancies in the program and questioned whether everyone being treated the same. Mr. O'Leary reviewed some of the requirements of the program re. HUD and SBA monies. After further discussion Council Member Polovitz stated that this issue is controversial; and Council Member Hagness asked Mr. O'Leary to meet with the South Forks Business Assn. at their next meeting.

6) Council Member Klave raised some questions re. flood insurance and buyout and duplication of benefit deductions, that all National Flood Insurance Program pay-ments and Federal Emergency Management minimal repair payments must be deducted from the pre-flood acquisition payment. Mr. Swanson reported that the decisions with regard to the duplication of benefits will be made entirely by FEMA. Council Member Klave asked if they would get ruling from FEMA in print, and Mr. Swanson stated that he could send letter to FEMA requesting that they respond in writing.

7) Council Member Klave raised some questions re. debris removal, that some areas in the southend of the city have not yet received single pass while areas in the northend are on a second pass, and if there was some way to do single pass of entire city before going back and doing second pass. Mr. Swanson reported that the Army Corps of Engineers has let three separate contracts for debris removal for specific areas, and without the Corps issuing some modification to their contract, could not,

but can make that request. Mr. Swanson also reported that under federal law the Corps of Engineers has very limited ability to enter on private property, that both agreement signed with Corps as well as documentation they required debris to be placed upon public right of way, but that they could explore waiver. Mr. Vein reported that with the equipment they have, Corps would rip up private drives and Corps not responsible for repairing or replacing that, and that damages they suffer may be worse than to haul to berm themselves.

8) Council Member Klave presented matter of flood of 1998, what are City's plans for different elevations for flood protection. Mr. Vein reported they will be putting something together, still too early and will put something out, whether secondary line of defense, etc.

9) Mr. Swanson reviewed procedure to fill vacancy on city council, that require-ments of the State Code require that elections not be held sooner than 60 days for the submission of petitions; his recommendation, if they call for an elec-tion, would be August 19. Moved by Council Member Glassheim that we call for petitions for filling of the vacancy by June 19 at 4:00 p.m. and that the elec-tion be held August 19; Council Member Hamerlik seconded the motion. Council Member Hamerlik noted that he hasn't heard any comments about filling of the

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vacancy. Mr. Swanson also noted that anyone elected at special election would serve the balance of the term, and anyone appointed to fill the position would serve until the next municipal election, which is June, 1998. Mr. Swanson stated that there are two opportunities to petition for special election, first is within 15 days after effective date of resignation, which expires today, second opportunity would be within 15 days after vacancy not filled by appointment, or individuals could petition for a special election. After further discussion it was moved by Council Members Beyer and Glassheim to table for two weeks. Carried 13 votes affirmative.

APPROVE TRANSFER OF SANDERS LIQUOR LICENSE
TO 2500 SOUTH COLUMBIA ROAD

The matter of request from Sanders 1907 for authorization to relocate their alcoholic beverage license to the LaBrasa location at 2500 South Columbia Road and doing business at that location under the name of Sanders 1997, The Millen-nium Cafe, was presented and read.

It was moved by Council Member Beyer and seconded by Council Member Hafner to approve the transfer of the license from 312 Kittson Avenue to 2500 South Washington Street and to approve name change from Sanders 1907 to Sanders 1997, The Millennium Cafe. Carried 13 votes affirmative.

AUTHORIZE ENTERING INTO AGREEMENT WITH
ARMY CORPS OF ENGINEERS FOR DEMOLITION OF
DANGEROUS AND SUBSTANDARD BUILDINGS AND
STRUCTURES

Mr. Swanson reported that given the fact that they have given approval to the ordinance allowing the demolition of dangerous buildings, he would need authori-zation for proper City officials to sign an agreement with the Army Corps of Engineers for demolition of dangerous and substandard buildings and structures. It was so moved by Council Member Beyer and seconded by Council Member Sande. Carried 13 votes affirmative.

ADJOURN

It was moved by Council Member Hamerlik and seconded by Council Member Hanson that we do now adjourn until Monday, June 9, 1997 at 7:30 o'clock p.m. Carried 13 votes affirmative.

Respectfully submitted,

John M. Schmisek
City Auditor

Approved:

Patricia A. Owens, Mayor