

**MINUTES/FINANCE COMMITTEE**

**Tuesday, July 29, 1997 - 3:30 p.m.**

Members present: Carpenter, Babinchak, Bakken, Hamerlik.

1. Matter of MIDA bonds for Valley Memorial Homes.

Mr. Schmisek reported that this is informational at this point, that they had discussed the possibility of MIDA bonds for Valley Memorial Homes and felt it was appropriate for them to come in and make committee aware of what they are doing and will come back when they have dollar amount established.

Pastor Wayne Stark, Valley Memorial Homes, stated they are concerned that they start process as soon as possible to get back in business, that they have lost one facility. He stated they are expecting to be seeking MIDA bond funding for new construction which will take place at 24th Avenue South and South 42nd Street; that they will be initially beginning with two facilities, first is skilled facility to replace 118-skilled beds lost when deemed Almonte facility would not be reopened, and in addition a 60-bed assisted living facility attached to it and concourse to connect the two facilities at that site. He also stated they don't know dollar amounts they will be requesting, and also contingent upon that request is what appears to be needed to re-finance the Valley Eldercare Center which was financed with MIDA bonds. He stated that because of damage to the Almonte facility they are permitted to request the re-finance of those bonds because of the natural disaster clause in bonding contract which allows and would be very beneficial because it would lower their interest rates by approx. two points, would be great benefit to them and to community because that will create lower rates to members of the community who use that facility and to taxpayers who support medicare and medicade programs who pay for care in those facilities. He stated speed of the process very important to be back in business in early July or August 1 of next summer. He stated that Grand Forks and East Grand Forks are operating at about 40% of number of skilled beds that this community is used to using at a capacity rate at all three facilities. In addition 90% of their people in Valley Eldercare come directly from United Hospital and at this point not able to accommodate that need, those people have to be placed in facilities outside community which creates hardship for them, their family, physicians, etc. and makes it difficult to operate as a health-care system that is geared to certain numbers and beds, and that Hospital back to past capacity previous to the flood and are not able to serve them

adequately. He stated their goal to have entire package complete and in place by November 1 and that fits with construction schedule.

Mr. Schmisek reported that he has visited with Mr. McNelis of the Piper Jaffray firm and he is familiar with those timelines; only thing required of the council is to hold a public hearing and give permission to issue the bonds, public notice published for two consecutive weeks with first notice at least 14 days prior to the public hearing, and then move on with issuance of the bonds.

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Mr. Schmisek asked that as they determine information to come back to finance and they could set date for public hearing. It was noted that this won't affect City's bond rating, no standing in City's liability.

#### **2. Matter of job description for chief of police.**

It was noted this item will go to public safety committee for review of job description and then come back to finance committee for final approval. Dan Gordon, Human Resources, stated he will be proposing some alterations with basic education and experience.

Held until next meeting.

#### **3. Matter of request from Region IV Children's Services Coordinating Committee (Families First) for free office space in City Center Mall (space behind Community Violence Intervention Center).**

It was noted that this matter had been discussed at the last meeting and was tabled indefinitely; however, it had been requested to be brought back to committee.

Barb Kitko, Regional Director of Region IV Children's Services, stated they were requesting use of space behind Community Violence Intervention Center, space they are not utilizing but which is within their agreement with the City, and that CVIC had sent letter supporting the request. She stated that part of the reason they are requesting free space is that they are looking at ways to meet administrative limitations placed on them by the State Legislature.

Dick Jackson, manager of City Center Mall, reported that this is additional space behind CVIC and not included in their

lease. He also stated that they are running into some problems in these buildings, don't have boiler in the building for heating, elevator stripped but operating, one air conditioner running, and have been holding off because of availability of funds and because property in the floodplain.

Mr. Schmisek reported that another concern, City has 8 properties in the Mall which are significantly damaged and question whether repair those or not, and all other Mall properties listed at more than 50% damaged; concern is maybe look at mall as separate issue.

He stated that if tenants there, have to find them rental space at

comparable rate they are now paying, would subsidize these people to significant extent for five-year period, and concern with putting people in there; and question how much money want to put into these buildings.

Bakken stated even if allowed to go in, would be short-term, and doesn't see that want to spend money on these properties, and if have way to dispose of should do that. Hamerlik stated that space

is less than desirable, and has had two council members express concern about how many freebies can City afford at this time.

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Mr. Schmisek reported that the Authority Board passed a resolution/ recommendation this morning not to rent any more space at this time until decision made on the Mall as it will take fair amount of money to get up and running.

Babinchak asked whether this group had asked to use any space CVIC has under lease; Mr. Schmisek stated he thought this would put City in same position re. relocation.

Bakken stated that he may be able to find something in private sector for short-term and questioned how much space they would need. Ms. Kitko stated that would need two small offices for year.

Hamerlik questioned reduction in staff from 12 to 2, and that he thought "Families First" out. Ms. Kitko stated that the Region IV Children's Coordinating Committee also does business as Families First, that they no longer do direct services to families, but do coordinate delivery of services to children

and families through their community plan and will continue to grant out funds so other organizations can do programming.

No action by committee.

3. Matter of bids for youth yellow pages and other printing.

Ms. Halvorson reviewed bids received, that only one bid received by deadline, but has since received other bids, and asking to continue youth yellow pages program and finish by their deadline of September 1. It was noted that the funding for this project not given by the City but raised outside the City; that bid is for \$15,500 and funding raised is \$9,000; and also included bid for stationery and brochures (\$1100). Ms. Halvorson noted that bids that came in later are considerably lower.

It was noted that this was bid as normal City bid. After some discussion it was moved by Babinchak and Bakken to reject the bids (because in excess of funds available) and authorize rebidding of the items. Motion carried. Comm. only. It was noted that bids could be back by Monday. Committee will meet at 6:45 p.m. on Monday, August 4.

Moved by Hamerlik and Babinchak to adjourn; meeting adjourned at 4:10 p.m.

Alice Fontaine  
City Clerk

Dated: 7/29/97.