

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
APRIL 26, 2016, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The April 26th, 2016, Regular Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Mayor Pat Mikesh, and everyone present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Mayor Pat Mikesh, Councilmembers Rod Nordberg, Erika Randall, and Paul Utke. Absent: Councilmember Ryan Leckner. Staff Present: Administrator John McKinney, Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, Planner Ryan Mathisrud, Public Works Superintendent Scott Burlingame, Fire Fighter Zach Deshayes, Fire Chief Donn Hoffman, Liquor Store Manager Scott Olson, and Clerk Margie Vik. Others Present: Dick Rutherford, LuAnn Hurd Lof, Ruth Ann Campton, Tom Petschl, Apex Engineer Jon Olson, Barb Thomason, Lowell Wolff, Dodi Egge, Nels Peterson, Jeff Voigt, and Kevin Cederstrom from the Enterprise.

3. APPROVAL OF AGENDA: A motion was made by Nordberg, seconded by Randall, and unanimously carried to approve the agenda with the following addition: Additional Information was presented for Item #9.3.

4. APPROVAL OF MINUTES:

4.1. City Council Regular Meeting Minutes-April 12, 2016: A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve the April 12th, 2016, City Council Regular Meeting minutes as presented.

4.2. Park Rapids City Local Board of Appeal and Equalization Meeting Minutes-April 14, 2016: A motion was made by Nordberg, seconded by Utke, and unanimously carried to approve the April 14th, 2016, Park Rapids City Local Board of Appeal and Equalization Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepays: A motion was made by Utke, seconded by Randall, and unanimously carried to approve the payables in the amount of \$63,929.23, and the prepaids in the amount of \$128,912.62, for a total of \$192,841.85.

6. CONSENT AGENDA: A motion was made by Randall, seconded by Nordberg, and unanimously carried to approve the following consent agenda items:

- 6.1. Resolution #2016-75 Supporting Arts Grant Applications for the City of Park Rapids.**
- 6.2. Resolution #2016-76 Accepting Donations for the City of Park Rapids.**
- 6.3. Resolution #2016-77 Authorizing the Disposal of Excess City Property from the City of Park Rapids.**
- 6.4. Resolution #2016-78 Authorizing Proper City Officials to Execute the Paperwork to Abate the Special Assessment for PID #32.25.02001 and #32.44.06001.**
- 6.5. Resolution #2016-79 Authorizing Proper City Officials to Execute a Shared Road Maintenance Agreement By and Between Todd Township and the City of Park Rapids.**
- 6.6. Approve Public Facilities Use Permit for Jodi Schultz d.b.a. Park Rapids Area Library to Use Pioneer Park for the Paul Bunyan: Loggin', Legends, and Lore Event, on Friday, June 17th, 2016, from 10:30 a.m. to 12:00 noon, and to waive the fee.**
- 6.7. Approve Public Facilities Use Permit for Jodi Schultz d.b.a. Park Rapids Area Library and LuAnn Hurd Lof d.b.a. PRDBA to Use Pioneer Park for Crazy Days Events on Thursday, July 28th, 2016, from 10:00 a.m. to 2:00 p.m., and to waive the fee.**
- 6.8. Approve Purchase in the Amount of \$4,725.60 from MidStates Wireless for a Booster Antenna for the Radio and Wi-Fi System, and the Installation, for the Park Rapids Police Department. \$2,362.80 of the Purchase will be Paid with Grant Funds.**
- 6.9. Approve Pay Request in the Amount of \$24,000.56 to Hubbard County Auditor/Treasurer for the 2016 Property Taxes.**
- 6.10. Approve Pay Request in the Amount of \$9,076.26 to Minnesota Department of Commerce for the Repayment of the Energy Efficiency Loan Program.**
- 6.11. Approve Pay Request in the Amount of \$15,534.66 to TKDA for Professional Services Pertaining to the Airport Master Plan.**

- 6.12. **Approve Pay Request in the Amount of \$2,000.00 to Northland Securities for Preparation of the Continuing Disclosure Report for the City's Bonds.**
- 6.13. **Resolution #2016-80 Approve a Temporary On Sale Liquor License for Northern Light Opera Company in the City of Park Rapids.**

END OF CONSENT AGENDA

7. COMMENTS FROM CITIZENS: Dick Rutherford stated at the last meeting it was brought up about putting in a bathroom at Deane Park for \$100,000.00, and they were going to put a porta potty on Main Avenue. Why not put a porta potty at Deane Park also, and then see which one gets the most use before we spend \$100,000.00 on a bathroom? Maybe we need the bathroom on Main Avenue more than in Deane Park. Think about it before you spend the money.

8. PLANNING:

8.1. Sale of Right of Way Easements to Hubbard County for CSAH 28

Project: Mathisrud stated this item refers to the CSAH 28 truck route, which is near the airport. Staff received a request from Hubbard County for approval of the development of the new road, which will be routed around the airport. This used to be a township road. It connects to Highway 71 near RDO, and to Highway 34 on the west side of town. This road is identified as a truck route and will be identified as CSAH 28. The city owns four parcels along this route. The county is developing an eighty foot wide paved road. They need to expand the existing right of way in order to do that. The city does have infrastructure in this location. Any impacts to them have been mitigated. The county is offering a total of \$17,835.00 for 4.3 acres of easement. Public works, planning, the city attorney, have all reviewed these documents and hold them to be acceptable. Staff recommends approval of the sale of these easements to Hubbard County for the development of CSAH 28.

Nordberg questioned this is just for an easement, it's not for the actual property? Mikesh answered yes, it's just easement. McKinney stated these are pieces of property that we do have for other purposes.

A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve Resolution #2016-81 Authorizing Proper City Officials to Execute the Highway Easements for PID #32.35.10001, 32.27.04000, 25.03.02001, and 27.33.03000 by and between Hubbard County and the City of Park Rapids.

8.2. Land Use Permit for CSAH 28 Truck Route: Mathisrud stated this relates to the CSAH 28 Project as well. It's for a land use permit for a road routed in the airport overlay district. The south section of the road that connects to Highway 71 is located very near to our existing runway protection zones. We have our main runway and our crosswind. Hubbard County worked with city staff, our airport consultant, the FAA, and

MN DOT to route this in a way so it does not impact our airport in the future. It dips down outside of the approach surfaces. We've reviewed this and identified this will not impact the airport, therefore we're recommending approval of a land use permit to develop the road within the airport overlay district. We do not have a specific permit application form for this type of project because this type of project comes up infrequently, therefore we're bringing this to the Council for their approval.

Utke stated the map shows the road going through a farm site. Is that correct? Mathisrud stated it is. There is an existing township road in that location. They have removed that section, and rerouted it through the field that is owned by RDO. So they have rerouted it and purchased a new easement. If they had routed it through the existing township road, because they're changing the volume of traffic, that would have impacted our airport.

Mikesh questioned the Airport Commission had no problem with this? Mathisrud stated they had a significant weigh in on this and the route. They approved this alignment and made sure that it was acceptable to them. That is important to maintain our status and funding from the FAA.

Nordberg questioned at this point it looks like a T section on Highway 71. Was there any discussion about continuing it across east from Highway 71 to link up with any other roads? Mathisrud stated I haven't heard any discussion to that end. McKinney stated RDO is planning on changing the access to their property to come straight across. They own the property on the east side of Highway 71, once this is approved. They will do that on their own.

A motion was made by Randall, seconded by Nordberg, and unanimously carried to approve the Land Use Permit for Hubbard County to develop CSAH 28 in the Airport Overlay Zoning District.

9. GENERAL BUSINESS:

9.1. Fire Hall Addition/Remodeling Project: Jon Olson stated we opened bids on April 7th, 2016, at 10:00 a.m. at city hall. We received seven bids. Bob Bristlin and Son from Detroit Lakes was the low bidder, in the amount of \$773,135.00, for the base bid plus the four add alternates. That is substantially lower than we anticipated. We were very pleased with the results. The entire bid results are included in the packet. The next low bidder was roughly \$95,000.00 higher.

Olson stated the project was bid with several add alternates to provide some flexibility in case the bids came in higher than we anticipated. The base bid was for the desired building size, which the fire department thought was needed. That came in at \$708,000.00. If we look at the soft costs, the land, building permits, inspection fees, architectural and engineering fees, hazmat and construction testing, that total comes to \$882,000.00. So the base bid was \$708,000.00, and with the soft costs, the total would be \$882,000.00. Regardless of what we award the soft costs have been incurred and would apply to the base bid. The alternate A-1 was the deduct in the event the prices came in too high. That was a deduct to reduce the building size by approximately one-third. That came in at \$39,720.00. The other four add alternates, A-2 was to reroof the existing building that came in at \$38,720.00. Alternate A-3 came in at \$4,500.00 for the remediation of the

existing brick. That came in well below what we were projecting. The electrical items came in at \$7,600.00 and \$14,315.00. With the total lowest minimum cost we'd be looking at is \$842,000.00, the base bid, minus the deduct, for a total project cost for all of the improvement, that would be the base bid with four add ons, at just under \$950,000.00.

Olson stated Bob Bristlin and Son Construction Company have completed several projects very similar in nature. We conferred with them on their bid. They are confident and comfortable with the numbers they presented. Given the bid prices that we did receive we are recommending that we go forth with the entire project, the base bid plus the four add alternates, for a total project cost of \$947,358.00.

Nordberg questioned why was there such a big variance on Alternate 3A? There's almost fifteen times difference. Olson stated any time we get variation of bids that's always an item of concern for us. We verified with Bristlin and Son and they were confident with their bid of \$4,500.00 for the work. You just don't know where they put their profits. It was probably elsewhere. They did look through the project well.

Nordberg questioned is there anything involved in here with scheduling? Olson stated the completion date for the project was within seven months. Bob Bristlin and Son indicated they would be complete by November 15th, 2016. The work will start rather quickly here and continue through most of the fall.

A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve Resolution #2016-82 Awarding Bid for the Fire Hall Addition/Remodel Project in the City of Park Rapids.

9.2. Park Rapids Airport Apron & Taxiway A Rehabilitation Project:

McKinney stated this is a resolution authorizing the advertisement for bids for improvements at the airport using a 95/5 funding source. The city pays 5% of this project, and it's probably the last grant there will be on that basis. Funding is starting to dry up.

McKinney stated we would be authorizing TKDA to go out for bids. The bids will be received and then held. We'll then apply for a grant. If we receive the grant funds, then we'll authorize and execute the contract, assuming the numbers are good. It's a short timeframe to work it in this year. Tonight you're just starting that process by authorizing advertising.

A motion was made by Randall, seconded by Nordberg, to approve Resolution #2016-83 Ordering Advertisement for Bids for the 2016 Apron and Taxiway A Rehabilitation Project for the Park Rapids Municipal Airport.

Discussion: Nordberg questioned is there a likelihood of the grant being awarded? McKinney stated the state is the question mark. TKDA is indicating the state still has funds for this year. So it's better to do this now. There is also federal money involved. Nordberg stated this seems like a rush at this point. McKinney stated we had this project in mind. The potential construction will still be in 2016.

The vote was called.

The following Councilmembers voted in favor: Mikesch, Nordberg, Randall, Utke.

The following Councilmembers voted nay: None.

The motion carried unanimously.

9.3. Amendment to Airport Leases: McKinney stated these three leases all relate to the same transaction. At the last meeting the Council approved the amendment to the lease for Tom Hass, and a new arrangement for a lease and construction of another building on lot four at the airport. This is the other part of that same deal. This is Jeff Voigt's part. You'll be amending this lease, and the tenant will tear down the existing building and construct a new one, which he will pay for. It will be a new paint booth operation for him. The second part of it, is the new lease for lot one. There is an option for three years at \$500.00 to hold the property and then two years additional if he needs it. He has plans to as soon as he gets his paint booth done he will build a second building and that will be under the same terms and conditions we had with Hass.

McKinney stated it's a very favorable development tool for the airport. It has the same tools as far as rent, etc. We will get the building after it's built, and he'll maintain it. We get it after the term of the lease is up, which is a long time. This is key to getting development in that portion of the airport. We highly recommend that you accept it

A motion was made by Randall, seconded by Utke, to authorize the execution of the following three leases for Jeff Voigt: Ground Lease for Park Rapids Aviation, Amendment 1 for Building Lease for Park Rapids Aviation, and Ground Lease for Northwoods Aircraft Painting Inc.

Discussion: Nordberg questioned is this a fifty year lease also? McKinney stated yes. The last ten years of the lease are subject to FAA approval. They only let you go out forty years.

The vote was called.

The following Councilmembers voted in favor: Mikesch, Nordberg, Randall, Utke.

The following Councilmembers voted nay: None.

The motion carried unanimously.

9.4. Park Rapids Area Library Space and Facilities Needs Assessment

Recommendation: Fieldsend stated the library feasibility study laid out several options. The Library Board came up with several more options. Their recommendation at this time is to use the existing building at this location. That is the cheapest option of these four. They would also like permission to look at funding options. The company that did the study also does capital fundraising drives. We're going to talk to them about funding options. There are several state funding options available. The Board is asking if the Council will allow staff to look into property adjacent to this building. We feel there may not be enough parking.

Tom Petschl, Library Board member, stated looking at adjacent property is important. They may be incorporated into an addition, as an option. In an article talking about libraries in the future explains that libraries are not failing. They have much more going on today than in the past. The state is providing \$2 million for Library Renovation Grants. \$570,000.00 went to Jackson City to expand their library. Perham received \$257,000.00 for an environmental upgrade in 2014. The funds are out now for 2016, and again in 2018.

Fieldsend stated the Board is asking for permission to look into funding and possibly other adjacent properties. Randall stated the Library Board can look into funding sources

without our permission. Regarding city staff looking for property, I don't think that's necessary right now. But as a Board they can look at funding options. Nordberg stated the idea is to allow Fieldsend to spend some time on it. Randall stated if that's the request, I'm not supportive of it at this time. We have enough on our plate right now.

Randall stated there two separate requests, one for Fieldsend to look around for other buildings, and separately for the Library Board to look into available grants. Mikesh stated let them try to find some funding before we spend time on it. If they can't find the funding there's no sense in staff spending time on it.

Nordberg stated we're not expecting a library next year, but this is long term planning for buildings. Fieldsend is already doing that for other buildings. It's trying to coordinate something for five to ten years down the road. Randall stated I agree if that comes up in our space assessment in general, but I don't feel at this time that we should spend any time specifically looking for different buildings for library parking. Mikesh stated the Library Board can look into funding sources.

9.5. Acquisition of Property Adjacent to Depot Park: Fieldsend stated I talked to Mr. Town again. His sale price came down to \$18,000.00. The Park Board is recommending that the city buy it.

McKinney stated there is an assessment against the property for around \$13,000.00, and demolition costs would be \$6,000.00. Utke stated the total price was \$43,000.00 and now it's \$37,000.00 with assessments and demolition. Rutherford stated that's taking no bite out of him at all. Why not make him an offer of \$30,000.00, and let him take some of the bite? The place is only worth \$24,000.00 on assessment. Nordberg stated this gets you a clean lot, including the demolition. Utke stated we'd be paying for it, he won't be doing it. Rutherford stated he's still not giving you anything.

Randall stated I don't think this is something that the city needs to take on right now. I don't see a dire need for this space. Rutherford stated the three lots to the west of this are valued at \$19,000.00. Mikesh directed the audience to remain quiet while the Council discussed the issue before opening it up for general discussion.

Mikesh stated the price still gets me. The Park Board wants it. They're willing to give up their bathroom in Deane Park, but you'll be back next year asking for a bathroom again. This money is all in a big pot. Just because something is on the CIP doesn't mean the money is guaranteed. That's the problem I have with it. The Park Board doesn't have anything in their checkbook to contribute. You're asking us to cover it. It's way too much money, and do you need it? No. We'd still have to take care of the mess there and in the future. It's a lot of work.

Nordberg stated the alternative is we might get a house built on it which means the park can never expand to Fifth Street. This was intended by the Park Board for expansion. Once if gets something solid on it, it's not likely to be an option. Randall stated it would be nice to have a new house there. Mikesh stated we'd expand the tax base from that, yet they've already tried that and it didn't work because of the assessments and everything else that goes with it. It would be a different story if he deeded it to the city and we paid for the assessments and the demo at \$17,000.00. That's all that the land is worth. I'm not in favor of it.

McKinney stated you have an offer on the table to accept or reject. **A motion was made by Randall, seconded by Mikesh, and unanimously carried to reject the offer of \$18,000.00 to purchase the Town property on Fifth Street East.**

The vote was called.

The following Councilmembers voted in favor: Mikesh, Randall, Utke.

The following Councilmembers voted nay: Nordberg,

The motion carried 3-1.

10. CITY ADMINISTRATOR COMMENTS: McKinney stated we will be receiving a report on the police department study in a few days. The armory project paperwork has been submitted. The interim loan was approved for the developer and he has commenced work on the armory.

11. DEPARTMENT HEAD UPDATES: Hoffman thanked the Council for their support of this project on behalf of the fire department. Our committee, consisting of Scott Burlingame, Zach Deshayes, Virg Eskola, and Bob Meier have been working on this project for three years. At this time, I'll give Deshayes the floor to give you some additional information that we received. He did the work on this.

Zach Deshayes stated this is going to be a good project for us. Thank you for your approval. We have been seeking additional funding in the form of grants or donations. We were able to acquire a large guaranteed donation from the Offutt Family Foundation in the amount of \$35,000.00, with an additional \$15,000.00 matching grant against money that we raise, dollar for dollar, to be used towards the expansion of the Park Rapids Fire Department. We have ninety days to raise the additional \$15,000.00 match.

McKinney questioned is it all or nothing on the \$15,000.00? Deshayes stated its dollar for dollar on whatever we raise. Tomte questioned has a go-fund-me page been started? Nordberg questioned is this dedicated to the construction project? Deshayes answered yes. It is earmarked specifically for the expansion of the fire hall.

Burlingame stated we're continuing with our spring cleanup projects. We'll be graveling next week.

Fieldsend stated our tenants in the back should be out next Monday. I've worked on the gas project for these new lots at the airport. We've come up with a plan that the city will not have to pay anything to get the main line down that road. It will be just the hookups for each lot.

Scott Olson stated last weekend we've finished stripping and waxing the floors. We've finished installing the new camera system and it's working well.

12. MINUTES/REPORTS/INFORMATION: There were no comments.

13. COMMENTS FROM COUNCIL: Utke stated after the last Planning Commission meeting we had a conversation about a crosswalk. Nels Peterson stated I'm

hoping that the Council can pass a resolution and we could form a committee to seek, investigate and make it happen for a pedestrian crosswalk between the library and Coborns. There used to be a pedestrian crosswalk there. It's a dangerous crossing. There are people always scurrying across there. It's something that we need to move on with the intent of accomplishing it to have a pedestrian crosswalk placement there.

Utke stated that conversation has come up in the past. It's a MN DOT project. Would a resolution or something by the Council help to put pressure on them? McKinney stated we'll look into it.

Nordberg stated last Saturday evening there was a Firefighter's Appreciation Dinner and I do appreciate all of the firefighters. One of our own Scott Burlingame was named Firefighter of the Year. Congratulations. Thank you for nineteen years of service on the department.

14. ADJOURNMENT: A motion was made by Utke, seconded by Randall, and unanimously carried to adjourn the meeting at 6:45 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk