

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
JUNE 14, 2016, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The June 14th, 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 Ryan Leckner, Rod Nordberg, Erika Randall, and Paul Utke. Absent: None. Staff Present: Administrator John McKinney, Public Works Superintendent Scott Burlingame, Planner Ryan Mathisrud, Liquor Store Manager Scott Olson, Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, and Clerk Margie Vik. Others Present: Ruth Ann Campton, Joshua Hawn, Sue Tomte, Mark Harmon, Barb Thomason, Cynthia Jones, Tom Hass, and Kevin Cederstrom from the Enterprise.

3. APPROVAL OF AGENDA: A motion was made by Nordberg, seconded by Leckner, and unanimously carried to approve the agenda with the following additions:

- 6.25. Resolution Appointing Jeff Olesen as Part Time Rapids Spirits Liquor Store Clerk for the City of Park Rapids.
- 6.26. Authorize the Advertisement and Interviewing for Two (2) Part Time Liquor Store Clerks.

4. APPROVAL OF MINUTES:

4.1. City Council Regular Meeting Minutes-May 24, 2016: A motion was made by Randall, seconded by Nordberg, and unanimously carried to approve the May 24th, 2016, City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve the payables in the amount of \$68,089.97, and the prepaids in the amount of \$310,661.10, for a total of \$378,751.07.

6. CONSENT AGENDA: Utke removed Item #6.7 and referred it to staff. Mikesh removed Item #6.18. **A motion was made by Utke, seconded by Randall, and unanimously carried to approve the following consent agenda items:**

- 6.1. Approve Purchase of Runway Lighting Parts from Genesis Lamp in the Amount of \$2,416.59 plus shipping.**
- 6.2. Approve Emergency Purchase and Installation of the Boiler Main Circulation Pump at the Park Rapids Library in the Amount of \$1,862.12 from Leading Edge Mechanical.**
- 6.3. Resolution #2016-96 Consenting to the Issuance of Revenue Obligations to Refund Revenue Obligations Issued by the City of Park Rapids.**
- 6.4. Approve a Transient Merchant Multi-Vendor Seasonal License for Patricia Crandall d.b.a. Angelic Enterprises Inc. in the Parking Lot of Angelic Enterprises at 1107 First Street East, for May 28th to September 28th, 2016.**
- 6.5. Approve Transient Merchant License for Al Kurth d.b.a. Park Rapids Assemblies of God to Sell Fireworks in the Parking Lot across from Thielen Motors at 908 First Street East, for June 24th to July 5th, 2016.**
- 6.6. Resolution #2016-97 Accepting the Resignation of Park Rapids Library Board Member Jeff Mosner.**
- 6.7. Item removed from consent agenda and referred to staff.*
- 6.8. Resolution #2016-98 Approving Application for Minnesota Lawful Gambling LG220 Application for Exempt Permit for Antique Tractor and Engine Club Inc. on October 21, 2016.**
- 6.9. Resolution #2016-99 Approving Application for Minnesota Lawful Gambling LG220 Application for Exempt Permit for Antique Tractor and Engine Club Inc. on August 6, 2017.**
- 6.10. Resolution #2016-100 Approve Temporary Liquor License for the Shell Prairie Agricultural Association in the City of Park Rapids.**
- 6.11. Approve Pay Request in the Amount of \$25,348.50 to Kitchigami Regional Library for the 2016 First Half of the Library Levy and the Repair and Replacement Fund.**

- 6.12. **Approve Pay Request in the Amount of \$20,000.00 to KDV for the Interim Billing for the 2015 Audit.**
- 6.13. **Approve First Reading of the Ordinance Granting to Minnesota Energy Resources, a Subsidiary of WEC Energy Group, a Wisconsin Corporation, Its Successors and Assigns, Permission to Erect a Gas Distribution System for the Purposes of Construction, Operating, Repairing and Maintaining in the City of Park Rapids, Minnesota, the Necessary Gas Pipes, Mains and Appurtenances for the Transmission or Distribution of Gas to the City and its Inhabitants, and Others and Transmitting Gas into and through the City and to Use the Public Grounds and Public Ways of the City for Such Purposes.**
- 6.14. **Approve First Reading of the Summary Publication of the Ordinance Granting to Minnesota Energy Resources, a Subsidiary of WEC Energy Group, a Wisconsin Corporation, Its Successors and Assigns, Permission to Erect a Gas Distribution System for the Purposes of Construction, Operating, Repairing and Maintaining in the City of Park Rapids, Minnesota, the Necessary Gas Pipes, Mains and Appurtenances for the Transmission or Distribution of Gas to the City and its Inhabitants, and Others and Transmitting Gas into and through the City and to Use the Public Grounds and Public Ways of the City for Such Purposes.**
- 6.15. **Approve First Reading of Ordinance Implementing a Gas Service Franchise Fee on Minnesota Energy Resources, a Subsidiary of WEC Energy Group, a Wisconsin Corporation, Its Successors and Assigns, for Providing Gas Service within the City of Park Rapids.**
- 6.16. **Approve Pay Request in the Amount of \$4,676.00 to Kutak Rock for Professional Legal Services for the Armory Square Project.**
- 6.17. **Approve Pay Request in the Amount of \$21,114.70 to Bob Bristlin & Son Construction for the Fire Hall Expansion.**
- 6.18. *Removed from consent agenda.*
- 6.19. **Resolution #2016-101 Acknowledge Low Bid from Anderson Brothers Construction Company LLC for the 2016 Apron and Taxiway A Rehabilitation Project at the Park Rapids Municipal Airport.**

- 6.20. **Resolution #2016-102 Authorizing Proper City Officials to Execute the Application for Federal and State Grant Funding for the 2016 Apron and Taxiway A Rehabilitation Project at the Park Rapids Municipal Airport.**
- 6.21. **Approve Pay Request in the Amount of \$16,896.16 to Upper Midwest Community Policing Institute for the Police Organizational Study.**
- 6.22. **Approve Pay Request in the Amount of \$2,581.33 to David Drown & Associates for Consulting Services Associated with TIF #11-Phase II of the Kuepers Housing Development.**
- 6.23. **Approve Pay Request in the Amount of \$47,557.52 to Apex Engineering Group for Professional Service for Various Projects within the City.**
- 6.24. **Approve Pay Request in the Amount of \$3,896.00 to League of Minnesota Cities Insurance Trust for Additional Worker's Compensation Premium.**
- 6.25. **Resolution #2016-103 Appointing Jeff Olesen as Part Time Rapids Spirits Liquor Store Clerk for the City of Park Rapids.**
- 6.26. **Authorize the Advertisement and Interviewing for Two (2) Part Time Liquor Store Clerks.**

END OF CONSENT AGENDA

6.18. Resolution Approving Return to Duty to the Park Rapids Fire Department for Park Rapids Volunteer Firefighter Pat Mikesh: A motion was made by Utke, seconded by Randall, to approve Resolution #2016-104 Approving Return to Duty to the Park Rapids Fire Department for Park Rapids Volunteer Firefighter Pat Mikesh.

**The following Councilmembers voted in favor: Leckner, Nordberg, Randall, Utke.
The following Councilmembers voted nay: None.
The following Councilmember abstained: Mikesh.
The motion carried 4-0, with 1 abstention.**

7. COMMENTS FROM CITIZENS: Joshua Hawn stated I'm a resident of Discovery Circle. I'd like some clarification of the proposed project. I'd like to thank the Council for referring to staff to do this survey so that you can better attain what the needs are on Discovery Circle. It would have been very easy to just say yes or no. I'm hoping that the

survey results would help you make a better decision. The survey sent out says we the undersigned owners of less than 35% of real property abutting on Discovery Circle. That part that say less than 35%, do you feel as a Council that 35% would be enough to go ahead with the project. If you got 10% or 25%, where is the tipping point of yes we should go ahead, or no we're not?

Utke stated I've never seen the letter. Ryan Mathisrud stated we used a template petition. There is some statutory language that says if you have 35% then there are provisions for implementing the project. It wasn't a survey. It was a petition requesting property owners to sign whether or not they would support the project. We did not state there was a number that needed to be met or a percentage of people that respond to it, but simply that we are gathering the number of people that do support the project based on the petition. At this point staff doesn't know what number the Council is looking to see as far as support. We're just gathering those numbers.

McKinney stated this is a staff exercise at this point the Council hasn't been involved in that process. They don't know about the question, much less the answer. Hawn stated it was my understanding that the findings would be presented to you. McKinney stated you'll be informed also. Hawn stated the letter says the results would be considered in making the decision. My question was what other things will be considered. This petition is for people who like the project. There is no spot on the petition for people who do not want the project.

Randall questioned this is the survey that was sent out? Mathisrud stated it's not a survey, it's a petition. The property owner would be able to sign the petition requesting the project. Randall questioned this is what we decided to go with after the meeting asking people if they wanted it or not? Mathisrud stated yes, and there was a letter stating how much the project would potentially cost and some other items in there.

Randall stated I'm glad that you brought this to our attention. I apologize, first in my opinion, I think this is terrible. I appreciate the time staff but into this, but I am an attorney, and I have to read things all the time that take a couple of seconds to understand. I had to read this first sentence three times to try to figure out what this is saying. I'm going to ask for staff to put out a different letter to everybody that's more clear about whether you want the project or you don't want the project. This reads like a ballot that nobody can understand. You don't know if you're supposed to answer yes or no. That's my opinion.

McKinney stated the purpose of it was to give those who were in favor of it an opportunity to petition for it. Randall stated I did not take away from our last meeting that was going to be the purpose. Maybe it was my misunderstanding. I took away it was literally going to be something that says yes I want this to go through or no I do not want it to go through. That's how I interpreted it. Maybe that was my misunderstanding.

Utke stated I would like a response from everyone, whether it's for or against, so when we get done we have a count of the whole neighborhood. We need that to base on the percentages. I don't want to force this on someone if they don't want it and if they want it we want to support it. Randall stated that was the concern that was brought to us from the residents. They wanted to know that everybody had been contacted and that there was a response from everybody, with this, if your answer is no we're not going to get that back from them. That was the concern that I heard from the residents at the meeting.

Hawn stated I just want to verify that if I was against it what route did I have to make my opposition known. That's your decision. I appreciate the feedback that you've allowed

into your decision. There is some confusion as to the way the letter is written it makes it sounds like if you vote no that you're not going to bring in city sewer and water into Discovery Circle. That it is not being kicked down the road ten or fifteen years. That it's actually not going to happen. Is that the correct understanding? If the City Council says no we're not going to go ahead with this project, does that mean no, or does that mean until ten years from now? The idea is if they're going to do it eventually it's just a matter of when.

McKinney stated this Council cannot bind future Council to do whatever they decide is the proper action. If they did as your question suggests they're not going to do it now. Utke stated I understood it as no, we're not going to put it on the shelf. Things can change in five to ten years and other people have different ideas. Randall stated it would start from scratch in the future. Hawn questioned you'd start with a petition from the residents? Utke stated we had heard there was twenty-six failing septic there. Those people need to know which direction to go and if they're going to replace a septic this isn't going on a shelf to come back in five years.

Hawn stated the residents I've talked to have expressed this is going to happen eventually and I'd rather pay \$19,000.00 now then \$26,000.00 later. It's very hard to try to explain to them, and it's my understanding that there wasn't going to be a later unless there was a petition from concerned citizens in the Circle. McKinney stated that might be a little strong. Ten years from now the Council might say let's take another crack at it. It isn't it would only happen if we get a petition from the property owners, but if it's decided we're not going to do it now, then we're not going to do it now. Ten years from now, it could arise again.

Leckner stated I've told the residents no one can guarantee that it's not going to happen in two, five, or ten years. If we could write up some legal document so you can guarantee it that would help. McKinney stated it would not be binding. Leckner stated that's exactly what I thought, and I've forwarded that to residents. I can't promise them that we're not doing it ever.

Hawn questioned if you voted no and someone called the city six months later would they tell them there's a pending project or would they say there is no assessment. McKinney stated if this Council really says no, we're not going to do this project that means we're not going to do the project unless something initiates it. Randall stated we're taking it off the CIP and just calling it a day. Mikesh stated it can come back. This is the third time I've seen it. Randall stated this was part of the annexation from an ongoing agreement. When Mikesh said he's seen it three times it's all part of the agreement. But this would be done, and they'd have to start a whole new agreement. City hall would have to say we're going to provide sewer and water and here's why. Hawn stated I understand there can't be any guarantees because things change. McKinney stated the staff is not anxious to have to bring it back.

Nordberg stated one consideration is I don't think the city should be bound by a 51% majority one way or the other. I think there are other considerations for the city than only the property owners. I think this is a part of the city. The property owners have a big stake in it, but I don't think it's the only stake.

Randall stated if 75% of the property owners come back with the surveys saying no we don't want this project, the City Council could still go forward with it. We want to hear

from you, but ultimately at no time will we be bound by which side won out in the survey. I want to make that clear.

Mathisrud questioned we sent these surveys out by certified mail. So everyone has to sign that they received it. Then we'll receive responses back from everyone that wants the project so we would know that everybody received it and we'd get responses back from those that want it. What I'm getting now is that is not exactly what you are looking for. We'll send out a new letter stating yes or no for each person. Randall stated I would like to see that. I think the people that want to say no desire something so there's a yes and a no stack and then we can say we got them all back. I appreciate the time that went into this.

Leckner stated I think his thought was if they didn't send it back that's basically a no. I guess you can send out another one. I don't think anyone that read that letter and was against it would send it back if they were a no. We've already spent a lot of money. Randall stated the people that have been to the meetings have already said they are against it and asked for this chance and they don't get the chance to say no. I have concerns about calling it a petition. I think it gives them a false sense of security about their role in all of this. Really we are just trying to hear from everybody if they wanted yes or no. I don't look at it as a petition. We already have something that is moving forward. We said we're going forward with this. We put the brakes on it to give everybody the chance to say yes or no. I'd like to see something more clear.

Utke questioned when did the letter go out? Mathisrud stated we sent this out on June 2nd, with the deadline to return by June 21st. Utke questioned how many have you gotten back so far? Mathisrud stated we have five responses. Forty-one people received the letter. Leckner stated now we'll have both to calculate. I think people when they see a petition they take it very seriously. If they want it they're really going to think about it before they sign it. If they're a yes, no, maybe, my fear is their indecision. Randall stated I didn't think at all it was going to be entitled a petition. It wasn't what I was expecting. If everybody else thinks that will work? Leckner stated I think it would be good to have that second option. We can send that out too. We're still going to get all of these back, plus the yes and nos.

Mathisrud questioned does that go out by certified mail so we insure that everybody receives it again? Utke stated we're not dealing with huge numbers. Is it just as easy to pick up the phone and call? Nordberg stated it would be good to have it on paper. Are some people speaking for two properties? Do they get two votes? Utke stated this was for property owners not parcels. Mathisrud stated we sent them to the property owners of each parcel. Some received duplicates, or one letter that combined all their parcels. Nordberg stated in many surveys you don't get 100% participation. Mathisrud stated we sent it out certified so we would know that everybody received it. Leckner stated we probably wouldn't want to do that again. Randall questioned do we want to wait for the time to come and see how many we get back?

Leckner stated there's a timing issue with our project, whether to go on with this project this year or not? McKinney stated we're not going to be building anything this year. We have time yet for next year.

McKinney stated this project has come up like a phoenix in the desert. It gets feedback or abandoned and killed, and then it comes back again. This time it came back because there was some indication that there was a need and a change of position by the people that live there that they might want this to be dealt with. So we're bringing it up

again, and staff has been trying to figure out is that really true. Is there support out there? We asked, and they say, well, if it doesn't cost too much. It's a very difficult project to put together. It's not the simply put it right down the middle of the street. It's very expensive. But it's not going to get any cheaper. Some of the people didn't necessarily want water and sewer, but they wanted their house to be sellable so the buyer could get a mortgage. That seems to be an issue. That's what we're trying to figure out, where are we on others issues. It's not ever a good idea of the Council to go by a show of hands as to do we want to do a \$10 million project. I think what this was supposed to do was if you're really for it, do you want to petition for this thing and ask us to do it, or do you want to sit back on the sidelines and criticize whichever way we go. We know there are people out there that prefer it not be done. There are some that are kind of in a crack if we don't do it. If you are just going to sit on the sidelines does that mean you're for or against because these are significant assessments.

McKinney questioned how many times have we already paid for engineering for this project that hasn't been done? Brumbaugh stated \$81,000.00 for just this time. This has been on the city's books before my tenure. Burlingame stated I worked with Dave Grinaker on this in the late 1990's. McKinney stated we need somehow to come to some decision with the understanding that this is it. Remembering that this was brought about not because you wanted it, but it was part of the deal with the township when we annexed it was that we promised we'd extend utilities. When we got to the point that we were going to do it the property owners apparently convinced the Council that they didn't want it. They delayed it again. It keeps coming back. If we don't do it now, I'm sure at some time it will come back. The costs are difficult for the property owners to handle. I understand that. If you really say I don't care if you do it, that doesn't get the job done. We have to have some assurance there's support out there and we're not going to have to fight you to get the money to pay for it. That's what staff is trying to do.

8. GENERAL BUSINESS:

8.1. Restrooms for Deane Park: Fieldsend stated we put together the numbers for this project. We went with the model of the bathroom we have at Depot Park because it's held up really well. I had a company write up the specs and have received two bids from local contractors. One was for \$119,000.00 from Vercon, and the other was for \$92,416.00 from Hammers Construction. We'd like to move ahead on this.

McKinney stated this project has been on the CIP since 2007 and it's in the park budget. Nordberg questioned are you familiar with Hammers Construction? Fieldsend stated they repaired our public works building. Vercon is also a local company. Utke questioned wasn't a fair amount of this bid for the utility hookups? Fieldsend answered yes. The bid is for a turnkey building. The utility stubs are there. They have to be run to the building.

A motion was made by Nordberg, seconded by Utke, and unanimously carried to approve the construction of a restroom facility at Deane Park, and to award the contract to Hammers Construction in the amount of \$92,416.00.

8.2. Park Rapids Avionics Building Permit Request: McKinney stated Tom Hass is the developer of one of the new buildings at the airport. He is in the process of starting construction, and this letter explains that he is asking for consideration on the building permit fees. You received the calculations of what the fees are and how they are arrived at. 75% of the fees go to the building inspector as payment for doing the inspection. The 25% is all the city gets. If we go below the 25% we'd have to use our budget to pay for that. This is a building, unlike others that are permitted and inspected, we get ownership of it. Hass builds the building and then deeds it to us and we lease it back to him. It isn't like a regular building. We get the title to it.

Randall stated it would be unlikely that the city would run a business out of it. McKinney stated no. If we got it back, we'd lease it out.

Tom Hass stated from my perspective it's your building. I'm leasing it for fifty years at a reduced rate. Had the fees not been so exorbitant I'd probably not complained and just paid the bill. They were a lot more than I was expecting. That's me not doing my due diligence. McKinney stated we're very happy with Hass' agreement. This project is a big asset at the airport, and there will be another building constructed by Jeff Voigt. Randall stated I can appreciate the request, but I'm not going to support anything that's going to cost the city a penny.

A motion was made by Utke, seconded by Nordberg, to reduce the building permit fees to the fixed cost of \$2,290.70.

The vote was called.

The following Councilmembers voted in favor: Leckner, Mikesh, Nordberg, Utke.

The following Councilmembers voted nay: Randall.

The motion carried 4-1.

9. CITY ADMINISTRATOR COMMENTS: McKinney had no comments.

10. DEPARTMENT HEAD UPDATES: Burlingame thanked the Council for approving all the new upgrades to the irrigator but it's been keeping them busy these last couple of weeks trying to fix it. I've been gone for three weeks and I'd like to thank the department for doing all the work.

Fieldsend stated my third seasonal person is now working. He's been painting at the liquor store and will be doing other city buildings later on.

Mathisrud stated the State of Minnesota passed a law for family health care dwellings. It allows for recreational vehicles to be used as dwelling units in cities. There is a provision to opt out of that that will be studied at the Planning Commission. The provision is meant for the elderly to live with their children in a dwelling unit next to their house so the child can take care of their family member who has trouble with their activities and daily life. It's a way of dealing with Minnesota's aging population. The law creates a way of permitting this in all Minnesota cities. If cities already manage this under their ordinance then they can opt out of the state rules and do their own thing.

Nordberg stated the state legislation does have some term limits on it. That would be fine except that we have a problem with enforcement. Once you get something

established as a residence it's hard to kick people out. I'd like the Planning Commission to consider how to deal with enforcement if we do not opt out.

Randall questioned are they talking about things with wheels on it? Nordberg stated it's smaller than what our code permits. Most cities like us have a limit on the size of a new building. Randall stated there's also total lot coverage regulations and setbacks. Utke stated this is for RVs.

Mathisrud stated it's basically an RV. They have to meet certain requirements. They have to be portable, pulled by a one ton or smaller pickup truck, handicap accessible, meet normal setback requirements, and less than 300 square feet. If they meet all of those then they can be classified as a temporary family health care dwelling and can be allowed for a period of up to a year with a permit from the city. Staff will have to review an application, check to see if they meet all of the requirements, and then they are approved without a public hearing process. If we don't like that, we can opt out and do our own thing.

Randall questioned isn't there something that says if I pull by fish house off the lake and throw it up on the shore, but if I want a little storage shed, same size as my fish house, that doesn't have wheels, I have to come to you for a permit? Mathisrud stated regarding the fish houses, you can't live in them for a period greater than fourteen days. Randall stated I'm talking about them being there on your property and how we're managing structures. Mathisrud stated there are provisions for fish houses, and I don't know off hand what they are, and we have provisions to manage those. But any structures that are built have to meet setback requirements. Randall stated my concern is if a permanent structure is a Rubbermaid shed and you can move it with a one ton truck, like a fish house, so you can have one setting there and one that you can't. I'm trying to understand where all this is coming from. I'd like to see everything handled the same based on things taking up people's property. Mathisrud stated we'll study that.

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

12. COMMENTS FROM COUNCIL: Nordberg stated Mathisrud and I attended a meeting in Bemidji on public art. It relates to the work of the Arts and Culture Advisory Commission and some long term planning that Mathisrud is working on for upgrades in Park Rapids.

13. CLOSED SESSION:

A motion was made by Utke, seconded by Randall, and unanimously carried to recess the regular meeting and to open a closed session at 6:46 p.m.

13.1. City of Park Rapids Employee Evaluation Pursuant to Minn. Stat. § 13D.05, subd. 3(a): The City Council discussed the evaluation of Police Chief Terry Eilers.

A motion was made by Utke, seconded by Randall, and unanimously carried to close the closed session and to reconvene the regular meeting at 6:42 p.m.

14. ADJOURNMENT: A motion was made by Randall, seconded by Leckner, and unanimously carried to adjourn the meeting at 7:01 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk