

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
August 10, 2016, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The August 10th, 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, Planner Ryan Mathisrud, Public Safety Director Harlan Johnson, Liquor Store Manager Scott Olson, Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, and Clerk Margie Vik. Others Present: Lowell Wolff, Nancy Newman, Cynthia Jones, Dick Rutherford, and Kevin Cederstrom from the Enterprise.

3. APPROVAL OF AGENDA: A motion was made by Mikesh, seconded by Utke, and unanimously carried to approve the agenda with the following additions: Added to the Consent Agenda, Item #6.12. Resolution Appointing Sandra Parker as Part Time Rapids Spirits Liquor Store Clerk for the City of Park Rapids, and an Amended Resolution was presented for Item #9.1.

4. APPROVAL OF MINUTES:

4.1. City Council Workshop Minutes-July 26, 2016: A motion was made by Nordberg, seconded by Leckner, and unanimously carried to approve the July 26th, 2016, City Council Workshop minutes as presented.

4.2. City Council Regular Meeting Minutes-July 26, 2016: A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve the July 26th, 2016, City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Utke, seconded by Randall, and unanimously carried to approve the payables in the amount of \$30,062.15, and the prepaids in the amount of \$576,086.48, for a total of \$606,148.63.

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

- 6.1. Resolution #2016-134 Approving Ordinance No. 564 Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 36 Fee Schedule, Section 36.06 Employee/Contracted Services Compensation.**
- 6.2. Ordinance No. 564 Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 36 Fee Schedule, Section 36.06 Employee/Contracted Services Compensation.**
- 6.3. Approve the Creation of Fund 496 for Administration Capital Projects.**
- 6.4. Approve the Purchase in the Amount of \$2,314.02 from Heiman Fire Equipment for a Firefighter Uniform for the Fire Department.**
- 6.5. Approve Purchase in the Amount of \$8,524.80 from MAC's for Pallet Racking for the Public Safety Building.**
- 6.6. Approve Pay Request in the Amount of \$35,000.00 to Dermco-LaVine Construction Company for Depot Park Tennis Court Resurfacing.**
- 6.7. Resolution #2016-135 Accepting the Resignation of Police Officer Dion Pederson for the City of Park Rapids.**
- 6.8. Approve Public Facilities Use Permit for Park Rapids Community Development Corporation c/o Cynthia Jones to Close Second Street West, from Main Avenue S. to Park Avenue S. on August 25th, 2016, 5:00 p.m. to 7:00 p.m., for the Second Street Stage Event.**
- 6.9. Resolution #2016-136 Approve Temporary On Sale Liquor License for Park Rapids Community Development Corporation in the City of Park Rapids.**
- 6.10. Approve Pay Request in the Amount of \$91,205.70 to Bob Bristlin & Son Construction Company for Work on the Fire Hall Expansion Project.**
- 6.11. Resolution #2016-137 Authorizing Proper City Officials to Execute the Amended Independent Contractor Agreement by and between Harlan Johnson and the City of Park Rapids.**

6.12. Resolution #2016-138 Appointing Sandra Parker as Part Time Rapids Spirits Liquor Store Clerk for the City of Park Rapids

END OF CONSENT AGENDA

7. COMMENTS FROM CITIZENS: Cynthia Jones stated, on behalf of the Downtown Business Association, I'd like to thank the Council for your thoughtful look at law enforcement, and for progressing forward with your plan and strategy for community policing. It's really working fabulously downtown. The numbers of shoplifters are down. When people see the same people on the street it's easy to identify for business owners. I've heard visitors say this is a nice town. It's not over kill, it's just people walking down the street and in the alleys. If you've ever spent any time downtown, there's a lot that goes on in the alleys. This is our fifth year for Second Street Stage and when they see an officer on Thursday nights they know someone is watching them from a law enforcement prospective. It's working very well. I'd like to thank the Council because it is working.

8. PLANNING:

8.1. First Reading of Ordinance Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 151 Zoning, Section 151.151

Screening and/or Fencing: Mathisrud stated this item is to amend chapter 151 for screening and fencing. This refers to materials and placement of fences, and water drainage. The Planning Commission is recommending a couple of minor changes to the fence ordinance. The most significant change is to material standards to prohibit unconventional fencing materials like tires and pallets when being used as perimeter fencing material. We're also recommending clarifying that fencing within utility easements be easily removable and would be the responsibility of the property owner to pay cost to remove. This is just language clarifying what we already do. The Planning Commission unanimously recommended the Council approve these amendments to the zoning code.

Utke stated the Planning Commission looked at a number of different pictures with different types of fencing and decided that it wasn't for us. Nordberg stated I'd like to thank the Planning Commission for doing this review. It's good to get these details cleared up.

A motion was made by Nordberg, seconded by Utke, and unanimously carried to approve the first reading of the Ordinance Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 151 Zoning, Section 151.151 Screening and/or Fencing.

8.2. First Reading of Ordinance Amending the City Code of Ordinances of the City of Park Rapids, Chapter 151 Zoning, Section 151.250 Opting Out of the Requirements of Minnesota Statutes, Section 462.3593:

Mathisrud stated this is an ordinance opting out of Minnesota statutes, section 462.3593, regarding temporary family health care dwellings. Governor Dayton recently signed a bill into law that allows temporary family health care dwellings to be placed on a property as a temporary conditional use. The intent of the law is to allow people who are in need of temporary

housing for health care purposes to stay with a relative on their lot but in a separate temporary dwelling. This is intended to be geared toward places where there is a shortage of housing, or to allow an elderly person to stay with a relative. This bill establishes a permitting system that applies to all cities, and within that bill it allowed an exception for cities to opt out of that legislation if they felt they already had options for seniors or people who are in need of this type of housing.

Mathisrud stated the Planning Commission discussed this at length. These mobile residential units are basically intended to be temporary housing, are ADA accessible, and are very similar in design to an RV. The Planning Commission identified that we already have housing available for the senior citizen community, or they can stay in the home of a relative as another option. There are many concerns about this type of housing, such as neighborhood impact, as well as by permitting this how do you enforce it if someone wants to stay beyond the permitted timeframe. We are already accommodating senior housing under our existing zoning. This law takes effect on September 1st. The Planning Commission voted unanimously to opt out of this legislation.

A motion was made by Utke, seconded by Leckner, and unanimously carried to approve the first reading of the Ordinance Amending the City Code of Ordinances of the City of Park Rapids, Chapter 151 Zoning, Section 151.250 Opting Out of the Requirements of Minnesota Statutes, Section 462.3593.

Discussion: McKinney questioned do we have time to give the appropriate readings for this before the September 1st date? Mathisrud stated there is time. The second reading will be on August 23rd. It's not a requirement to opt out before September 1st, but once September 1st hits then the state law takes effect. If you want to do something it's best to do it before that date.

9. GENERAL BUSINESS:

9.1. Resolution Authorizing Proper City Officials to Execute the Tentative Agreement by and between the City of Park Rapids and the Minnesota Teamsters Public and Law Enforcement Employee's Union Local No. 320: McKinney stated the Personnel Committee met with the representatives from the Teamsters Union, who represent the public works employees. They have negotiated to proposed agreement that has a three year term. The synopsis of it is in the packet. They submitted the proposal to their membership and they approved it. This is not a tentative agreement. If you adopt it as submitted, then the deal is done. The recommendation from the Personnel Committee is to adopt the resolution approving the agreement.

A motion was made by Leckner, seconded by Nordberg, and unanimously carried to approve Resolution #2016-139 Authorizing Proper City Officials to Execute the Tentative Agreement by and between the City of Park Rapids and the Minnesota Teamsters Public and Law Enforcement Employee's Union Local No. 320.

Discussion: Randall stated I question the clothing allowance. How is it working right now with the uniforms and why the need for the increase? McKinney stated it's working very well. Randall questioned how much of the \$225.00 is going to uniforms, or is the city

paying for uniforms? Brumbaugh stated the city pays for the uniforms separately. Randall questioned why are we increasing a clothing allowance when we took on the cost of the uniforms? McKinney stated it's for items not included, like safety shoes. Randall stated we took something away so why would we increase the clothing allowance? McKinney stated we aren't increasing the allowance for the clothing that we give them in the way of uniforms. There are other items that are included in the definition of clothing allowance such as safety shoes. Randall questioned is there some expense that came up that showed there is a reason for increasing this for safety shoes? Was there a big jump in the cost? Mikesch stated everything is going up. Randall stated \$25.00 is a lot of money. Utke questioned what was the old amount? Brumbaugh stated \$200.00 and it's going up to \$225.00. Randall stated at some point we have to think about the balance between our city employees and the city taxpayers. I don't know where the city keeps getting all this money to keep giving and giving.

Randall questioned regarding severance I'm wondering what is the reasoning to go up to allow another twenty-five days, from one-hundred and twenty-five to one-hundred and fifty? I'd like to see the city go to PTO where there's not sick and vacation, there is only PTO. You get half of it when you leave, or if it's PTO you get the full amount into a MSRS. This is just going to lead to more costs for the city by allowing this accumulation. If we have several people leaving at the same time and they have this time built up it's a big check for the city to write. Utke stated it's basically another form of retirement and that's not what it's intended to be. McKinney stated only if they don't use the sick leave. Utke stated sick leave isn't to be used like vacation. It's only for if you're sick. You use it if you need it. This is moving more towards the retirement.

Utke questioned is the maternity leave all new or a change from an older policy? Leckner stated that is all new. Brumbaugh stated that is the law that they have been pushing at the state level to get paid maternity leave. Randall stated it has not passed. Utke stated we should be waiting until it does. Randall stated I'm all for paid maternity leave, but again, the amount that we are giving here is pretty staggering.

Randall questioned with this mechanic tool allowance, what does the mechanic need that the city doesn't provide? Mikesch stated all of his tools. Randall questioned why doesn't the city just provide him with tools and they become city owned? Leckner stated a lot of businesses do that with mechanics. Randall stated we're not a business, we're the city.

Nordberg stated its listed here on what the annual cost changes would be from 2016 to 2017, 2018, and 2019 for the base salary. Could you give us an estimate of the cost of the other things. Brumbaugh stated those are based off of hours worked. We talked about the base salary schedule during negotiations. What's shown there is the approximate cost based on a three year average, which also includes overtime. Nordberg stated but that's the salary itself. I'm wondering on the other things, the clothing, tools, sick leave, and severance. There would be \$400.00 more for the year for the clothing allowance.

Nordberg questioned when we come up with a budget item for 2015 versus 2016, and 2017, how much is this changing as a percentage? I can see the \$40,500.00, but that's only salary, so when we get the listing it has all these different items besides the salaries. What's the change? Brumbaugh stated for sure it's going to be the salary and the \$400.00 for the clothing allowance. We haven't negotiated insurance yet so we don't know.

The amounts I have are an estimate based on three to five years of hours worked in the past. The severance depends on how much a person has when they quit. One of the employees that is looking to retire doesn't have 125 days at this point so it's not going to cost us the full amount. In the past we've had people quit with ten years of service and they've used all of their sick time so there was no severance at all. Every employee is different.

Nordberg stated but what about on an annual basis for the whole department? Brumbaugh stated this is for everybody. Nordberg stated the \$40,500.00 is just one increase, but these other things have a cost too. The \$25.00 increase for ten employees is \$250.00. That's minimal. But some of the other things on an annual basis we must have been paying severance when people leave. Brumbaugh stated I can give you history on it, but it just depends on if you have people that leave or not. Nordberg stated is the increase going to be another \$60,000.00 so that would be a 10% budget increase for us?

Utke stated this \$40,500.00 is just for public works. Brumbaugh stated no. That's for everybody. When we go into negotiations we look at the whole picture because we know we'll treat everybody the same. I didn't list it by department for that reason because in the end you're going to look at everybody's salaries. So if you gave every employee the same raise, the \$40,500.00 is for everyone in the general fund, and \$14,500.00 in the enterprise fund. This is not just for public works even though that's all you're dealing with on this. This is the increase for the entire budget for salaries. McKinney stated that's assuming that the other two union contracts and the non-union employees go the same route. Brumbaugh stated that's correct.

Randall questioned what was the cost of living increase for 2016? Brumbaugh stated I believe it was 2%. McKinney stated we went with 2%, 2.5%, and 3%, and this contract is 3%, 2%, and 2%. The last contract was also for three years.

Randall stated I'd like to see this rejected and renegotiated. I think the city is incurring far too much cost here and setting a precedent with the other unions. I'm not understanding the raise in the clothing allowance, the severance increase, the cost of living increase. I don't necessarily oppose that. I certainly support the paid maternity leave, but I'd like to see that effective, that's obviously not for everybody, and I trust that everything will be across the board. I think the COLA is very generous. I think it should just be 2, 2, and 2. I'd love to see our employees get that, but I'm wondering about our cash situation for the city if we can afford to do that. We have a lot of big expenses coming up for the city that we agreed to take on. We have to waive our taxpayer money and our employees. I want to treat our employees well, and I think that we do, but I'm not seeing the basis for these increases.

Leckner questioned have you ever done negotiations for the union? Randall answered yes. Leckner stated we go into it to look at the big picture. Giving the little things gives you better leverage for less wages, yet you still come up with the same number at the end. We can go back in and look at it some more. Randall stated I'm having a hard time understanding why we have to give little things. I'm not hearing a reason for an increase in the clothing allowance. Leckner stated they come in with averages of what the employees are paid. If we are underpaying them compared to an average for other cities, then they're getting more benefits. Randall stated if we are underpaying them, that's a study that I'd like to see, and that's totally separate than this. I don't want to be compensating if we are underpaying our employees, then we need to address that

separately and not try to make it up with a clothing allowance that keeps increasing year after year. I understand this is a three year contract, but it never goes away for this clothing allowance. I have heartburn over it because the last time we negotiated this and what we observed when we went to uniforms. I'm not hearing a reason for the increase, and I'm certainly not hearing a reason for the severance.

The vote was called.

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

The following Councilmembers voted nay: Randall, Utke.

The motion carried 3-2.

10. CITY ADMINISTRATOR COMMENTS: McKinney stated we have received seventeen applications for the chief of police. Those are on the agenda for a Personnel Committee meeting on August 16th. Senator Skoe is going to be in town for some other business, but he will be looking at the armory project as well. The deadline for filing for city offices is August 16th if anyone is planning on filing.

11. DEPARTMENT HEAD UPDATES: Mathisrud stated so far year to date the building permits are a little over \$7 million, which is twice as much activity as we had last year at this time. It looks like we'll finish 2016 real strong.

Scott Olson stated June and July's combined sales were up almost 2%.

Harlan Johnson stated we received seventeen applications for the chief of police and four applications for the sergeant position. We've been working on the report from the Upper Midwest Community Policing on each of the fifty-two points that he brought up, and I'm issuing updates to McKinney as we're progressing.

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

13. COMMENTS FROM COUNCIL: There were no comments.

14. ADJOURNMENT: A motion was made by Utke, seconded by Nordberg, and unanimously carried to adjourn the meeting at 6:35 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

City Clerk Margie M. Vik