

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
DECEMBER 12, 2017, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The December 12th, 2017, 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 Tom Conway, Ryan Leckner, and Erika Randall. Absent: Councilmember Liz Stone. Staff Present: Administrator John McKinney, Treasurer Angela Brumbaugh, Police Chief Jeff Appel, Planner Ryan Mathisrud, Public Facilities Superintendent Chris Fieldsend, Public Works Superintendent Scott Burlingame, Liquor Store Manager Scott Olson, Police Officers Austin Rittgers and Tylor Farden, and Clerk Margie Vik. Others Present: Nancy Newman, Cynthia Jones, many family and friends of Officers Austin Rittgers and Tylor Farden, and Shannon Geisen from the Enterprise.

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

- 8.10. Approve Contract with Lexipol for Police Policy Manual Services in the Amount of \$5,708.00.**
- 8.11. Approve to NOT Waive the Tort Limits for Liability Insurance with the League of Minnesota Cities Insurance Trust.**

4. PUBLIC HEARING at 6:00 PM:

4.1. Truth in Taxation Public Meeting: A motion was made by Leckner, seconded by Conway, and unanimously carried to open the public hearing at 6:01 p.m.

A. Presentation of Budget and Property Tax Levies: Treasurer Angela Brumbaugh stated this is the Truth and Taxation Hearing for 2018. This is about the levy and the general fund. It is not to discuss the taxable market value of property.

Brumbaugh stated the general fund expenditures are approximately \$10 million. We'll concentrate on the general fund tonight and the debt service funds, which effects the property tax levy. I don't list the judiciary funds, like the library. That doesn't affect the city. The library has their own funds where they get donations for their projects and programs. The city takes care of the library building.

Brumbaugh stated general fund revenues are made up of property tax, levy, and local government aid (LGA), and other revenues consisting of franchise fees, licenses and permit fees, and fines. 59% of the general fund revenue is from the property tax levy, LGA is 15%, and other revenues are 26%.

Brumbaugh stated first staff meets to put together a budget. Then the Finance Committee meets to review it. In September the budget is presented to the Council, at which point they approve the preliminary budget and tax levy. In September, the approved preliminary levy included a 5.3% increase. The Finance Committee met again and made some cuts, and now the levy increase is only 3.29%, which equals a \$61,000.00 increase. The bonds and debt service amount for 2018 increased by 3.34%. Those are based off of amortization schedules which are created at the time of the bond sale for our projects. We have an agreement with Echopoint for a ten-year tax abatement which will end in 2019.

Brumbaugh stated I'm presenting a chart with the LGA amount starting in 1985 up to 2018. The projected amount for 2018 is \$495,215.00, which is the same amount from 2000. In 2003 the state made huge cuts to LGA. The city was supposed to get \$730,000.00, but they cut \$149,000.00 from that amount leaving the city with \$581,000.00. The LGA contributions have been all over the board. LGA is based on a formula which the legislators are constantly arguing about. The Coalition of Greater Minnesota Cities continues to lobby for us, but LGA continues to be underfunded. In 2000 LGA made up about 29% of our budget. Now, LGA is 15% of our budget. LGA has not kept up with our budgeting needs.

Brumbaugh stated we have five different categories of expenditures, public safety, public works, culture, community development, and general government. Public safety is 46% of the budget, public works is 20%, culture is 7%, community development is 2%, and general government is 25%. We have twenty-three departments within these categories.

Brumbaugh stated when we go through the budget we look at past history to figure out what we will do with the current year. Public safety is 1.5% of our budget. Police make up the largest part at 76%, which is common. Fire is 18%, and building, rental, and plumbing inspections are 6%. The police budget includes funds which are set aside in a reserve fund for the purchase of squad cars and capital equipment. The increase in the fire budget is for maintenance, operations and equipment, at about \$9,000.00. Also, their contribution was increased, which is a pass through.

Brumbaugh stated the public works expenditures, which is 20% of your budget, at \$649,740.00, include four different departments, which are streets and highways, street lighting, ice/snow, and sidewalks and crosswalks. The public works department employees work in a lot of different departments so some budgets will fluctuate from year to year depending on where they work. So, we take an average to budget for salaries. There's a larger increase for streets and highways in 2018 because of a \$35,000.00 state street grant. It's implemented in here and it's also included on the revenue side. Some legislators are fighting to keep this grant, but currently there is a \$188 million deficit. So, we will not spend these funds until we get a reimbursement from the state. If we don't get it, the money will not be spent.

Brumbaugh stated culture expenditures has two departments, parks and library. These don't really change much from year to year. Our portion of library expenditures include paying Kitchigami \$49,000.00 to help run the library. Our portion pays the salaries. If we decrease our portion, the library would cut hours. The other expense is for the

building. By contract the city owns and maintains the building. We also have a repair and replacement fund with them. The Council has to approve any equipment purchases made out of that fund. There are no changes to the parks fund.

Brumbaugh stated community development is made up of two different departments, economic development at 63%, or \$40,000.00, and natural resources at 37%, or \$23,761.00. The money in the economic development fund goes to the Hubbard County Regional Economic Development Commission for the work that they do to help the city. Natural resources is used for Tree City USA. We have to spend \$2.00 per capita on planting or replacing trees, in order to maintain the Tree City USA status. Randall questioned what is the huge jump from 2016 to 2017? Brumbaugh stated we normally budget \$22,000.00 for planting. They did not plant as many trees in 2016 because they had planted so much in 2015, so there was less time and money spent there. Since 2017 is still an active budget I would have to look and see what they actually did spend. If they continue at the \$7,000.00 to \$10,000.00 we would change our budget.

Brumbaugh stated general government expenditures, which makes up 25% of the budget, includes anything that doesn't fit anywhere else. General government building is about \$10,000.00 less because we eliminated the line item for door locks. Administration is for staffing, which includes the administrator, clerk, and treasurer. 2018 is an election year. We pay for election judges training and salaries. Contractual services includes the audit expenses. That went down because the audit is based off of the funds that we have and the expenses get allocated between the different funds, and our portion on the general side has gone down. Unallocated expenses includes lodging tax. Whatever this fund is there is a match for it on the revenue side. Transit includes the Heartland Express. The city contributes \$1,800.00 a month, and we set aside \$3,000.00 per year for the purchase of a new bus when warranted. They do try to get grants, but we have \$35,000.00 set aside for that purpose.

Brumbaugh stated that is the general fund in a nutshell. Are there any questions from the Council? There were none.

B. Public Comments: Mayor Mikesh requested comments or questions from the public. There were none.

A motion was made by Randall, seconded by Leckner, and unanimously carried to close the public hearing at 6:19 p.m.

4.2. Final Levy and Final General Fund Budget:

A. Resolution Adopting Final General Fund Budget for the Year 2018 for the City of Park Rapids: A motion was made by Randall, seconded by Conway, and unanimously carried to approve Resolution #2017-177 Adopting Final General Fund Budget for the Year 2018 for the City of Park Rapids.

B. Resolution Adopting the Final Property Tax Levy for Tax Year 2018: A motion was made by Randall, seconded by Conway, and unanimously carried to approve Resolution #2017-178 Adopting the Final Property Tax Levy for Tax Year 2018.

5. EMPLOYEE RECOGNITION:

5.1. Oath of Honor for Park Rapids Police Officers: Police Chief Jeff Appel stated Honorable Mayor, Members of Council, Mr. McKinney, community members and my fellow colleagues. I'm happy to come before you tonight to introduce our latest officer hires. Both officers have completed the field training program, which is a sensitive training period with various field training officers. These officers have earned the respect from both their coworkers and superiors throughout that process. They have been promoted to solo patrol. With that step I have the opportunity to formally introduce them to the Council and have them read the Oath of Honor.

Appel stated the Oath of Honor represents a trust between a community and the law enforcement officer. The Oath of Honor for Police Officers is the binding representation of this trust; a trust that is a dedication to our policing profession, our fellow officers, the police department, the City of Park Rapids and citizens we serve. The oath is an affirmation of our commitment to our country, state, jurisdiction, community, and an acknowledgment that we are part of a cause that is greater than ourselves. Officers will take the Oath of Honor upon being hired and upon promotion.

A. Patrol Officer Austin Rittgers: Appel stated Officer Austin Rittgers was hired by the Park Rapids Police Department on August 3rd, 2017. Officer Rittgers grew up in the Nevis area where he graduated from high school in 2012. He went on to Alexandria Technical College where he graduated in 2014 with a AAS Degree in Law Enforcement. Officer Rittgers began his law enforcement career with the Hubbard County Sheriff's Office in the fall of 2014 where he served as a jailer, boat and water deputy, and a part-time Deputy Sheriff on road patrol. Officer Rittgers owns and operates his own lawn care business. In his time away from work Austin enjoys fishing, hunting and riding snowmobiles.

B. Patrol Officer Tylor Farden: Appel stated Officer Tylor Farden was hired by the Park Rapids Police Department on May 24th 2017. Officer Farden grew up in the Nevis area where he graduated from high school in 2014. He went on to Hibbing Community College where he graduated in 2016 with a AAS Degree in Law Enforcement. Officer Farden's employment with the Park Rapids Police Department is his first law enforcement position. Officer Farden also owns and operates his own lawn care business. In his time away from work Tylor enjoys fishing, riding snowmobiles and spending time with his family.

Appel stated I ask that Officer Austin Rittgers and Officer Tylor Farden come forward and face the Council for the Oath of Honor.

Rittgers and Farden together stated, I swear on my honor, I will never betray my badge, my integrity, my character, or the public trust. I will always have the courage to hold myself and others accountable for our actions. I will always uphold the laws of my country, my community, and the agency I serve.

Appel requested the badge pinners to come forward and pin on the Park Rapids City Police Department badges onto Rittgers and Farden. They shook hands with and received congratulations from the Council and were then greeted by a round of applause from the gathered audience.

6. APPROVAL OF MINUTES:

6.1. City Council Regular Meeting Minutes-November 28, 2017: A motion was made by Randall, seconded by Conway, and unanimously carried to approve the November 28th, 2017, City Council Regular Meeting minutes as presented.

7. FINANCE:

7.1. Payables & Prepaids: A motion was made by Randall, seconded by Conway, and unanimously carried to approve the payables in the amount of \$35,270.35, and the prepaids in the amount of \$601,988.17, for a total of \$637,258.52.

8. CONSENT AGENDA: Randall questioned regarding Item #8.10. what is the annual fee? Appel stated it is \$5,708.00. Randall questioned where is this budgeted from? Appel stated we have room in the current budget right now for this year which will cover 2018. I will be writing a new budget for the following year. Randall stated so it's covered for 2018. **A motion was made by Conway, seconded by Leckner, and unanimously carried to approve the following consent agenda items:**

- 8.1. Authorize Staff to Cancel the Second City Council Meeting in December, Scheduled for December 26th, 2017.**
- 8.2. Approve a Golf Cart/Class 2 ATV License to Operate on Park Rapids City Street in 2017 for Horace Gates.**
- 8.3. Resolution #2017-179 Accepting Donations for the City of Park Rapids.**
- 8.4. Resolution #2017-180 Amending Personnel Policy #59-Grooming and Uniform Policy for the City of Park Rapids.**
- 8.5. Resolution #2017-181 Re-Appointing Scott Johnson to Serve on the Airport Commission for the City of Park Rapids.**
- 8.6. Authorize Staff to Contract with Cummins NPower for the Annual Maintenance/Service of City Owned Generators for the Amount of \$2,503.87.**

- 8.7. **Resolution #2017-182 Authorizing Proper City Officials to Execute the Paperwork Associated with the Farm Leases for the City of Park Rapids.**
- 8.8. **Approve Advertisement for the Current Open Committee Positions.**
- 8.9. **Approve the Use of City Equipment to Plow Parking Area for the USXC Snowmobile Race Held on January 20th through the 21st, 2018. USXC will Reimburse City for Fuel Usage. Staff will volunteer their time.**
- 8.10. **Approve Contract with Lexipol for Police Policy Manual Services in the Amount of \$5,708.00.**
- 8.11. **Approve to NOT Waive the Tort Limits for Liability Insurance with the League of Minnesota Cities Insurance Trust.**

END OF CONSENT AGENDA

9. COMMENTS FROM CITIZENS: There were no comments.

10. GENERAL BUSINESS:

10.1. Park Rapids Housing and Redevelopment Authority Appointment:

Conway stated this was tabled because I needed some more time to look into this. At the HRA Board meeting there was discussion about whether or not the bylaws or Minnesota Statutes limited the number of residents that can be appointed to the board. So, I wanted time to look at both the bylaws and the statutes. I did not find anything in either one of those documents that referred to any limitations as far as board members are concerned. I did however find a clause in the Minnesota Statutes that states that board members are to be appointed by the Mayor and approved by the Council. At this point we have a letter from Scott Wilson which lists that we have two openings, one a partial term and one that just expired on December 31st, 2017. There are four candidates. The board member whose term is expiring has requested a renewal, and then Helen Sheeran, Nancy Newman, and Tom LaFleur. I'm going to lean to the Mayor to make the appointments.

A. Resolution Appointing HRA Member to a Full Five-Year Term:

Mikesh stated I appreciate everyone that put their name in. It's nice to have people to select from. **A motion was made by Mikesh, seconded by Conway, and unanimously carried to approve Resolution #2017-183 Appointing Helen Sheeran to Serve on the Housing & Redevelopment Authority of the City of Park Rapids.**

B. Resolution Appointing HRA Member to the Remainder of a Five-Year Term: A motion was made by Mikesh, seconded by Randall, and unanimously carried to approve Resolution #2017-184 Appointing Nancy Newman to Serve on the Housing & Redevelopment Authority of the City of Park Rapids.

10.2. Right of Way Ordinance: Mathisrud stated in the packet is the League of Minnesota Cities template right of way ordinance. We currently have a previous version of that that we are operating under. We are bringing this to you because there were some legislative changes this year during the session this summer which affected the city's ability to manage the right of way. Small cell wireless structures are required to be allowed to be placed within the right of way. Small cell structures are basically small antennas that are used to enhance cellphone reception for daily use. They tie into existing cellphone towers. We are required to allow these types of things in our right of ways. This ordinance spells out those requirements. We did consult with the city's attorney on this. He recommended adopting this template adapted to the city's format. He requested questions.

Mikesh questioned what does small structures really mean? Mathisrud stated I didn't provide you with an image. Small structures are defined as less than forty-five feet tall. They are like antennas, cylindrical shaped, and are mounted to existing street light and power poles up to forty-five feet tall, including the pole. They are used to aid reception. The city previously received a request for this type of installation, but the applicant pulled back on the process. This is something that will come up in the future due to the fact that everyone is using more and more data on their cellphones. Typically, the organization that wants to mount them on the pole is going to want to replace the pole or provide a study showing that the pole can support the apparatus they are installing.

Mikesh questioned they must have to get approval from the power company. Mathisrud stated there are still some questions regarding that. This ordinance would apply to city owned equipment. There have been questions coming up. The state may have missed a few details on how the process will work, but this is the recommended format for this. We don't own all of the poles within our right of way, but this ordinance would apply to our own equipment.

A. First Reading of Ordinance to Enact a New Chapter of the Code of Ordinances to Administrator and Regulate the Public Rights of Way in the Public Interest, and to Provide for the Issuance and Regulation of Right of Way Permits: A motion was made by Leckner, seconded by Conway, and unanimously carried to approve the First Reading of the Ordinance to Enact a New Chapter of the Code of Ordinances to Administrator and Regulate the Public Rights of Way in the Public Interest, and to Provide for the Issuance and Regulation of Right of Way Permits.

B. First Reading of Summary Publication of Ordinance to Enact a New Chapter of the Code of Ordinances to Administrator and Regulate the Public Rights of Way in the Public Interest, and to Provide for the Issuance and Regulation of Right of Way Permits: A motion was made by Leckner, seconded by Conway, and unanimously carried to approve the First Reading of the Summary Publication of the

Ordinance to Enact a New Chapter of the Code of Ordinances to Administrator and Regulate the Public Rights of Way in the Public Interest, and to Provide for the Issuance and Regulation of Right of Way Permits.

10.3. Approval of Enterprise Funds: Brumbaugh stated the airport fund went down this year. Last year we did the taxiway project which was \$1.3 million. The things in the airport fund that were in our CIP, does mean that you have to do them. On the CIP for 2018 was pavement crack and joint repair for \$60,000.00. Our portion of that is \$3,000.00. We used to do this work in the regular budget under maintenance and operations (M&O). We get \$49,000.00 from the state for M&O items. We can get separate funding for this which is why we switched the way it was budgeted. We still get our \$49,000.00 for M&O, but then we'll try for funding for the crack and joint repair. The other one is the building remodel concept for the arrival and departure building. It's in the first stages. \$50,000.00 is budgeted and the city's portion is \$12,500.00. Lighting and security upgrades is \$50,000.00, the city's portion is \$12,500.00. The crack and joint repair has some federal funding, but the other two have only state funding.

Brumbaugh stated the only thing in the water fund that is larger is for the heated storage building to be used for both water and sewer departments. The heated storage building was put in the CIP for water/sewer equipment. They have large equipment. The vector jetter needs to be somewhere that is heated. The depreciation on the water department is \$495,000.00, which shows as a loss. We're only covering a portion of our depreciation. If you take out the capital and the depreciation the net is \$139,000.00.

Brumbaugh stated the sewer fund has a couple of large expenditures. The heated storage building, which is in the CIP and the main lift rehabilitation which is \$550,000.00. Burlingame stated we have recently had an issue with the main lift station with backups and power outages. The lift station was put in in 1987 so its thirty years old now and its time for a rehab. Back in 1997 we had a major issue with the sewer plant. It that time we fixed things on a temporary basis to get by. One of the things we added was a new electric panel. It's time to do something on a permanent basis. It has two 40 horse wells with pumps in them. They are beyond their lifespan. One of those pumps is kicking out on a regular basis. Anytime, day or night, or on weekends we have to go in and reset the pump. The dry pit that is next to that is no longer OSAH safe. The lighting doesn't work properly. The floor is rusted out and beyond its useful life. All the sewage in town goes through that main lift station, and then it travels 3.3 miles to the city's three ponds. Brumbaugh stated the funds to pay for these upgrades would come out of the sewer fund's cash reserves. So, it would not affect the levy. With that, our expenses increase a lot, by almost \$2 million. The depreciation expense on this is over \$1 million. \$640,000.00 of that is the waste water plant at RDO. If we take out the capital and depreciation, it's about \$100,000.00.

Brumbaugh stated everything in these enterprise funds is very similar to the general fund. Salaries are done the same way. Increases and health insurance are based off of negotiations.

Brumbaugh stated the liquor fund has an increase for a point of sale update. That is needed because of the new guidelines that have come out. A pallet jack and some new shelving has been included. There are a couple of liquor transfers, one for Deane Park at \$36,250.00. It was in the CIP for double the amount, but since nothing has been done with the CIP yet, I kept this in the liquor fund. It's been pulled from the general fund, but this is

the other half of it. The transfer to the airport fund is \$23,880.00. That is our portion of the scheduled projects. The net income, if you take out the transfers, is \$121,856.00.

Brumbaugh stated storm water is really basic. The net on that is \$9,433.00. Depreciation is \$25,000.00. We transfer out of the storm water fund every year for the Main Street Project and the Southwest Area Project, which are two of our bonds. They were set up that way so each of those bonds gets \$25,000.00. That is always calculated into the bond amortization already. At the end of the year I transfer it over into the bond fund so it's here to pay for the bond. They have included televising over by Affinity. They are having issues with storm water.

Brumbaugh stated the internal service fund and the public/safety building is the same thing. The different departments that use the building put money into this fund so it's here for repairs to the building. The building was paid off last year and that's why this fund is showing a net income of \$36,626.00, which was the yearly payment. That fund was pretty much depleted when we had to do a lot of work to the building. Now there is just the normal expenses out of there, electricity, natural gas, and repairs.

McKinney stated the Council may recall that you have not officially adopted a CIP. That will be done in January 2018. There are some expenses for projects in the budget that will be included in the CIP once it's completed. Brumbaugh stated we realize our CIP is going to change. We don't know what's going on with the Council Chambers until we get better numbers, so it's hard to guess what's going to happen in 2018. You have a five-year CIP. It's not like we're sitting here with nothing. We're going to gather information for all our projects, and then do the CIP.

Mikesh thanked staff for all the work they've done. Everyone has their wants and their needs, but when LGA gets cut, we have to do the same.

A motion was made by Randall, seconded by Conway, and unanimously carried to approve the 2018 enterprise fund budgets as presented.

11. CITY ADMINISTRATOR COMMENTS: McKinney stated there will be only this one meeting in December. The Park Rapids Community Development Corporation will be presenting a proposal on their pro forma for the armory in January of 2018. We had a meeting of the Airport TAC Committee. They received a preliminary proposal for the final draft of the Airport's Long-Range Plan. That will be reviewed by the Airport Commission and then brought to you, at which time the process involved will be discussed, and then in February you will be asked to authorize its submission to the FAA.

12. DEPARTMENT HEAD UPDATES: Fieldsend stated I received an email from the architect regarding city hall. If we cap the capacity at fifty-two occupants in the Council Chamber we can get by with only one stall per each bathroom.

Burlingame stated we had a leak in well #9 which we fixed yesterday. We had enough water stored in the towers to prevent a complete loss of water. There was a hole in a pipe. We're guessing that a rock got in there and when the pump runs it vibrates and over time the rock wore a hole in the pipe. McKinney stated the fact that we didn't run out of water is a tribute to Burlingame and his staff. Burlingame stated it was a situation that you have X number of hours to get it done so you don't run out of water.

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

14. COMMENTS FROM COUNCIL: Mikesh thanked staff for all the work they have done through the year.

15. ADJOURNMENT: A motion was made by Randall, seconded by Leckner, and unanimously carried to adjourn the meeting at 6:55 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk