

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
JANUARY 23, 2018, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The January 23rd, 2018, 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, Police Chief Jeff Appel, Treasurer Angela Brumbaugh, Public Facilities Maintenance Superintendent Chris Fieldsend, and Clerk Margie Vik. Others Present: David Konshok, Cynthia Jones, Mike Monsrud, Nancy Newman, Sue Tomte, Rod Nordberg, David Collins, Matt Zitzow from TKDA, and Robin Fish from the Enterprise.

3. APPROVAL OF AGENDA: A motion was made by Conway, seconded by Leckner, and unanimously carried to approve the agenda as presented.

4. APPROVAL OF MINUTES:

4.1. City Council Regular Meeting Minutes-January 9, 2018: A motion was made by Randall, seconded by Conway, and unanimously carried to approve the January 9th, 2018, City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepays: A motion was made by Randall, seconded by Conway, and unanimously carried to approve the payables in the amount of \$13,870.59, and the prepaids in the amount of \$12,821.55, for a total of \$26,692.14.

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

- 6.1. Approve Plumber's Permits to Work in the City of Park Rapids in 2018 for Northern Pines Plumbing & Heating.

- 6.2. **Approve Backhoe Operator's Licenses to Work in the City of Park Rapids in 2018 for Backhoe Pete LLC, Minnesota Energy Resources Corporation-*restricted*, T-Ray Construction Company Inc., R&R Petroleum Equipment Sales Inc.-*restricted*.**
- 6.3. **Resolution #2018-17 Approving the Renewal of On-Sale/Sunday Liquor License for Royal Bar in the City of Park Rapids.**
- 6.4. **Resolution #2018-18 Accepting the Resignation of Police Officer Dannon Yliniemi for the City of Park Rapids.**
- 6.5. **Resolution #2018-19 Approving the Full Time Employment Status and Acknowledging the Declaration of Park Rapids Police Officer Tylor Farden.**
- 6.6. **Approve the Purchase in the Amount of \$1,216.82 from Kris Engineering Inc., for Under Body Carbide and Wing Carbide Cutting Edges for Public Works Unit 17.**
- 6.7. **Approve the Purchase and Installation in the Amount of \$3,282.00 from Davis Electric for Ten (10) 400-Watt LED Public Works Shop Lights.**
- 6.8. **Approve Pay Request in the Amount of \$10,489.32 to Minnesota Public Facilities Authority for the Water Tower and Water Treatment Facility Bond Payment.**
- 6.9. **Resolution #2018-20 Accepting Contracting Work by Bob Bristlin and Son Construction for the Fire Hall Expansion Project.**
- 6.10. **Approve Final Pay Request in the Amount of \$43,815.72 to Bob Bristlin and Son Construction for Work on the Fire Hall Expansion Project.**
- 6.11. **Approve Pay Request in the Amount of \$6,808.00 to the Coalition of Greater Minnesota Cities for the City's 2018 Membership Dues.**
- 6.12. **Approve Pay Request in the Amount of \$76,730.00 to the League of Minnesota Cities for the 2018 Worker's Compensation Insurance Premium.**
- 6.13. **Resolution #2018-21 Authorizing Proper City Officials to Execute the Letter of Engagement by and between the Auditing Firm of BerganKDV and the City of Park Rapids.**

- 6.14. **Resolution #2018-22 Permitting the Destruction of Aged Documents as Determined by Adopted Minnesota General Records Retention Schedule.**
- 6.15. **Approve Pay Request in the Amount of \$4,000.00 to David Drown Associates for 2016 Tax Increment Financing Reports.**
- 6.16. **Approve Pay Request in the Amount of \$9,076.26 to the Minnesota Department of Commerce Regarding Energy Efficiency Loans.**
- 6.17. **Approve Pay Request in the Amount of \$2,150.00 to Northland Securities for the Continuing Disclosure Report.**
- 6.18. **Approve Pay Request in the Amount of \$2,750.00 to Briggs and Morgan for Legal Work on TIF District #02-12.**
- 6.19. **Resolution #2018-23 Accepting Donations for the City of Park Rapids.**
- 6.20. **Deny Request to Donate Funds to the All Veteran's Memorial.**
- 6.21. **Approve Pay Request in the Amount of \$14,356.79 to TKDA for Professional Services Regarding the Municipal Airport Master Plan.**
- 6.22. **Approve Pay Request in the Amount of \$1,395.00 to TKDA for Professional Services Regarding the 2016 Apron and Taxiway A Rehabilitation Project for the Municipal Airport.**
- 6.23. **Approve Pay Request in the Amount of \$220.01 to BHH Partners for Professional Services Regarding the Pioneer Park Restroom Project.**
- 6.24. **Approve Pay Request in the Amount of \$3,500.00 to the Paul Bunyan Task Force for the 2018 Membership Fee.**
- 6.25. **Resolution #2018-24 Authorizing Proper City Officials to Accept the Letter of Engagement by and between the Public Finance Firm of David Drown Associates Inc. and the City of Park Rapids.**

END OF CONSENT AGENDA

7. COMMENTS FROM CITIZENS: There were no comments.

8. GENERAL BUSINESS:

8.1. Airport Master Plan Update by TKDA: Matthew Zitzow, from TKDA, stated he would provide an update on the Airport Master Plan process and the schedule for the process. There will be no request for action tonight. I will be returning in about one month at another Council meeting to provide a more detailed discussion, description of the Airport Master Plan findings and recommendations. At that time, we would be seeking the Council to take action to approve the master plan before forwarding to MN DOT- Aeronautics and the FAA for agency review.

Zitzow stated an Airport Master Plan is a comprehensive airport study, which describes short, medium, and long-term airport development. The product consists of several hundred pages of narrative text, as well as graphics. They all address a variety of topics, such as existing conditions. What is the airport as it exists today? As well as identification of the users of the airport and the trends surrounding those users. An analysis and a description of the facilities requirements for your airport, both from a regulatory and safety compliance standpoint, and an exploration of the development that it would take to maintain regulatory and safety compliance for the airport moving forward for the users into the future. These last points are key, a master plan also includes analysis of the airport finances and timing of phased development. This is to make sure that development happens in a well-timed, coordinated, strategic manner, and the funding viability of those improvements are analyzed to provide the city flexibility on how to proceed into the future with the airport.

Zitzow stated those that have participated in the Airport Master Plan to date include city staff and Councilmembers, FAA and MN DOT representatives, consultants, and the Technical Advisory Committee, otherwise known as the TAC. The TAC itself includes numerous members of city staff, several Council liaisons, both Randall and Leckner have participated, agency representatives from both FAA and MN DOT, airport tenants and businesses. You have thriving businesses at the airport and some corporate users in addition to general aviation users have had a seat at the table. A host of representatives from the community and region at large, such as, the superintendent of schools, the Chamber of Commerce, Hubbard County Economic Development Commission, and the Hubbard County Works Department.

Zitzow stated these folks on the Technical Advisory Committee (TAC) have met numerous times starting with an exploration of the airport as it exists today, and then culminating with an exploration of the future of the airport as a continued resource for the City of Park Rapids. Most recently in December of 2017 the TAC culminated with recommended facility improvements. Those recommended facility improvements, the findings of the Master Plan, will be taken to the Airport Commission, the advisory board to this Council, at their February 7th meeting. At that meeting the Airport Commission will consider the Master Plan, the findings and recommendations, and then forward those to the City Council. In approximately a month, I will come before this Council again and provide a detailed summary of exactly, technically what those recommendations and findings include. At that time, we would seek the Council to take action to consider forwarding the Master Plan for review by FAA and MN DOT. That agency review process can take several months. Any review or revisions that would be requested by the agencies

would be incorporated and then we'd come before you again late in 2018 with the final Master Plan for your consideration for adoption.

Zitzow stated that is a snapshot of where we are in the process at this time. Are there any questions about the process and schedule for moving forward? There were none. The Council thanked Zitzow for his presentation.

8.2. City Council Chambers Update: Fieldsend stated I have a request to approve the preparation of the new plans from BHH for \$16,160.00. We have discussed the budget of \$350,000.00. The architect thinks he can do the job for under \$350,000.00. We would have to limit the capacity of the meeting room. There are some structural issues that need to be addressed regardless. You have all been contacted by Dr. Helm about the purchase of his building, which is next to city hall. We looked at the building. It doesn't have enough bathrooms either. It would need modifications if we decided to purchase it. The only plus about purchasing that building is that we would have the whole block. But for dollars and cents, I think we should stick with our building and move forward. I'm looking for recommendations.

Randall questioned does the \$16,000.00 for the plan come out of the \$350,000.00? Fieldsend stated no. The CIP budget for this is \$400,000.00. But we're going to need chairs and other things that aren't included in this.

McKinney stated we also found some structural corrections that need to be made. Fieldsend stated the corrections would bring the building up to code. The capacity would be up to fifty-two people. We would just modify the restrooms that we currently have.

McKinney stated we're asking for authority to engage the engineer to do the revised plans to scale down the project. Then we'll go to bids to see the real numbers. Fieldsend stated the architect seems to think we can go to bids rather quickly.

Randall questioned what is the number that we paid for the first round of this? Fieldsend stated the first contract was \$45,000.00, and then we added some things on, the roof, and the entryway, which we have pulled back off. Brumbaugh stated that's why we asked for more assurance because we are quite aware of what has been spent and what we asked for. We didn't give him any more room than \$350,000.00 because we realize at this point we are at \$400,000.00. Randall stated between this and what we have already paid, we're there. Brumbaugh stated we haven't figured in the chairs, etc. Fieldsend stated some of the engineering will be reused. Conway questioned does the original \$45,000.00 come out of the \$400,000.00 budgeted? Brumbaugh stated that came out of the 2017 budget. You would see that in 2018. Conway questioned we have \$400,000.00 budgeted in 2018? Brumbaugh stated on the CIP side, yes. But when you figure in everything it will still be \$400,000.00 in 2018. We're just guesstimating at this point.

Randall stated that is so much money to spend to be so far off the mark. McKinney stated the original plan that we used for bidding purposes, there was a different entryway and it was recommended to grade the parking lot. We've cut all of that out. The most expensive part of the plan was the restrooms. That is a factor driven by capacity. We've scaled that back too. We also didn't know about the roof problem. It is not code compliant based on snow load.

Mikesh stated I'd like to see it go lower if we could. But I can't see buying a different building and starting all over again. We can fix the building that is already ours. Leckner stated it would be one thing if you could buy a building that was turnkey. But we'd have to

improvement that building too. McKinney stated the cubicles inside are for examining rooms not offices. They are pretty small. The advantage of a remodel is that we'd be done. If we bought that building we'd still have to deal with the city hall building.

Randall questioned would there not be a new entrance at the corner? Fieldsend stated not in the corner, but it would be where the planner's old office was. The one conference room would stay there. The hall way would be straight. Most of the other walls will stay where they're at. There's no sense of putting up walls inches from where they are now. Conway questioned is there any part of the plan that is optional, so if you start reaching the top of the numbers you can back off from certain parts of it? Fieldsend stated there are things that we can cut out. McKinney stated we need to get bidders reactions. Conway stated it sounds like the plans need to be done.

A motion was made by Conway, seconded by Mikesh, and unanimously carried to approve the contract with BHH to modify the plans and supervise the City Hall Remodel-Phase Two Project, in the amount of \$16,160.00.

8.3. Reinstatement of the K-9 Program: Appel stated I'm here to request the reinstatement of the K-9 Program for the police department. The Leadership Council here in town invited me to a meeting where they asked how they could assist the city in combating controlled substances, and assist in officer safety at the school. I completed a presentation of the K-9 Program for them. As a group they decided to get behind the program and formally requested to raise \$70,000.00 with your approval at the previous Council meeting. I also presented on the benefits of the K-9 Program within the community. They have met that \$70,000.00 goal that will cover the startup costs for the K-9 Program within the police department. I'm formally here to request reinstatement of the program and use of those funds to obtain equipment to make the program functional.

Randall questioned the amount that they have raised will cover everything for 2018? Appel answered yes. Randall questioned what's the plan going forward for 2019? What are we budgeting for each year. Appel stated typically the K-9 program ongoing costs are estimated at \$2,000.00. You can offset a lot of those costs through the community, such as dog food and veterinarian fees. There are unforeseen things that could spike that number, but the \$70,000.00 will cover all of the startup costs for the program.

A motion was made by Randall, seconded by Conway, and unanimously carried to approve Resolution #2018-25 Approve the Reinstatement of the K-9 Program for the Park Rapids Police Department of the City of Park Rapids.

8.4. Armory Square Update: Mike Monsrud stated I'd like to commend the City Council for scrutinizing the armory board and for looking out for the citizens of Park Rapids. Taking care of the citizens is our first and foremost duty. We are excited to be working with the Midwest Minnesota Community Development Corporation (MMCDC) as a layer between Park Rapids Community Development Corporation (PRCDC), and the city. Limiting some of the liabilities that the city would have and also helping the PRCDC by paying some of the costs. This is an exciting adventure. As we know, MMCDC has quite a bit of money that they have invested into Park Rapids itself as well as the armory. They have agreed that they would provide some of the financing that we asked the EDA for before. They'll take care of the insurances, utilities and the payments of the building. That should eliminate any of the concerns that the City Council should have of anything falling

back unto the citizens of Park Rapids. We have not written a contract with them but we need to know if EDA, when they meet again, will work with the MMCDC, and at that point we'll write a contract with them and your contract will be with MMCDC. We're excited to work with them. They have some expertise that we can gain and use as well as other avenues of support with either grants or loans. I wanted to give you an update, and go from there.

McKinney stated the PRCDC group has been before the Council for a couple of status reports. They were granted time after their presentation to do some exploring of other options including partnerships and continue to review their pro forma/business plan. They came to me about the time that it was scheduled to come here and we met with MMCDC and representatives of PRCDC. Seems like they have found a partner. That is the direction that you implied they'd have to go. You were wearing your EDA hat when you did that. I received a letter from Kevin Shipley and I've talked to him. They are very interested in pursuing this. They are working on a budget. One problem in the original concept was that PRCDC would take over the building that was operational that had scheduled events. That proved not to be the case. So, they have a shortfall at the very beginning to overcome. They still do not have a formal operational plan but that should be forthcoming. Monsrud stated we should have that by next week.

McKinney stated this is a status report. A lot has happened since we last met. Monsrud stated I do appreciate the patience of the City Council. We have dragged this out for a long time.

Randall stated I don't love the idea of having another person involved. I agree to disagree with McKinney that this was not the direction I wanted to see this go, at all. I did not want to see another person involved. I wanted to see the city on board with this from the beginning. I'm going to go back to my previous statements that it started out wrong. I don't know if this is going to be able to correct it. Having another person involved potentially makes the city too far removed from a building that we are agreeing to own. I don't know how that makes any sense. We still need to make sure we have an agreement with the developer as to the type of building that we are going to purchase. There's a whole bunch of unanswered questions there. Our deadline is June 2018. I appreciate that somebody else has stepped in, but I'm far from hopeful about this situation. I appreciate all of the work by the PRCDC, but I think that the PRCDC needs to take a hard look at their makeup right now and make sure they have the right people on that board and shake up things there. They have been spinning the wheels for a long time. The things that have come out of it have not been great.

Randall stated an EDA meeting could be scheduled for the first meeting in March, on the 13th. Conway questioned do we know how much it would take to get from that meeting in March if there was a decision to try to do something to be able to meet the deadline in June? McKinney stated the deadline isn't really June now. Randall stated we as EDA indicated that the deadline was June. McKinney stated originally there was discussion because when did the grant have to be expended in order to go away. Conway stated I just wanted to make sure we had time, from the time to make a final decision and the processing that might need to be done. Randall stated I think if we have something to MMB by June, our first proposal, I'd be okay with that even if the whole thing wasn't done by June. That's what I'd like to see. Because if we don't give anything to MMB until we have an agreement with the developer, then we've approved this plan. McKinney stated

we have given them draft documents, but they have not approved them. We need to get the grant agreement from them for you to approve as well. All of that is going to have to be redrafted. Randall stated if by June we have an agreement with the developer about the purchase of the building, the price, and what condition it's in when we buy it, and we have an agreement with MMCDC. Then if it's just passing paperwork back and forth I'm okay with that. That's the decision that I'd like to see by June. McKinney stated I think that's reasonable. We'll expect a report to the EDA by the first meeting in March.

9. CITY ADMINISTRATOR COMMENTS: McKinney had no comments.

10. DEPARTMENT HEAD UPDATES: Brumbaugh stated the city issued building permits for nine new single-family homes last year. Each home on average is about \$163,000.00. That's a positive for the city regarding helping out with the tax levy.

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

12. COMMENTS FROM COUNCIL: There were no comments.

13. ADJOURNMENT: A motion was made by Conway, seconded by Randall, and unanimously carried to adjourn the meeting at 6:32 p.m.

[seal]

Mayor Pat Mikesch

ATTEST:

Margie M. Vik
City Clerk