

**CITY OF PARK RAPIDS  
CITY COUNCIL MEETING  
APRIL 24, 2018, 6:00 PM  
Park Rapids Public Library-Lower Level  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The April 24<sup>th</sup>, 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, Erika Randall, and Liz Stone. Absent: Councilmember Ryan Leckner. Staff Present: Administrator John McKinney, Treasurer Angela Brumbaugh, Planner Ryan Mathisrud, Public Facilities Superintendent Chris Fieldsend, Public Works Superintendent Scott Burlingame, Fire Chief Donn Hoffman, Firefighters Zack Deshayes and Bob Meier, Liquor Store Manager Scott Olson, and Clerk Margie Vik. Others Present: John DeCoster, Nancy Newman, Jon Olson, and Robin Fish from the Enterprise.

**3. APPROVAL OF AGENDA:** A motion was made by Randall, seconded by Conway, and unanimously carried to approve the agenda with the following additions: Additional Information was presented for Item #9.1., an Amended Resolution for Item #9.2., and Addition Information for Item #10.2.

**4. EMPLOYEE APPRECIATION:**

**4.1. Certificates of Achievement for Ellen Albee and Mark Peterson:** Mayor Mikesh presented Certificates of Achievement for Ten Years of Employment for Ellen Albee, and Five Years of Employment for Mark Peterson, both Rapids Spirits Municipal Liquor Store employees. The certificates were accepted by Liquor Store Manager Scott Olson.

**5. APPROVAL OF MINUTES:**

**5.1. City Council Regular Meeting Minutes-April 10, 2018:** A motion was made by Stone, seconded by Randall, and unanimously carried to approve the April 10<sup>th</sup>, 2018, City Council Regular Meeting minutes as presented.

**6. FINANCE:**

**6.1. Payables & Prepaids:** A motion was made by Stone, seconded by Conway, and unanimously carried to approve the payables in the amount of \$37,412.62, and the prepaids in the amount of \$120,536.67, for a total of \$157,949.29.

**7. CONSENT AGENDA:** Randall stated, regarding Item #7.19., the resignation of Sergeant Garner is a big loss for the city, and we'll be sad to see him go. **A motion was made by Stone, seconded by Conway, and unanimously carried to approve the following consent agenda items:**

- 7.1. **Approve Golf Cart/Class 2 ATV Licenses to Operate in the City of Park Rapids for 2018 for Curtis Morgan-ATV.**
- 7.2. **Approve Plumbers Permit to Work in the City of Park Rapids in 2018 for Park Rapids Plumbing and Heating.**
- 7.3. **Approve Pay Request in the Amount of \$186,107.00 for the League of Minnesota Cities for Liability Insurance.**
- 7.4. **Approve Pay Request in the Amount of \$200.00 for Funding for the DWI Student Education Presentation.**
- 7.5. **Resolution #2018-66 Authorizing Proper City Officials to Execute the Master Subscriber Agreement for Minnesota Court Data Services for Governmental Agencies by and between the State of Minnesota and the City of Park Rapids.**
- 7.6. **Approve Pay Request in the Amount of \$17,214.47 for BHH Partners for Architectural Services Pertaining to the Pioneer Park Restroom Project.**
- 7.7. **Approve Pay Request in the Amount of \$1,707.57 for BHH Partners for Architectural Services Pertaining to the Pioneer Park Restroom Project.**
- 7.8. **Resolution #2018-67 Approving the Part Time Employment Status and Acknowledging the Declaration of Park Rapids Police Officer Jeffrey Hulse.**
- 7.9. **Resolution #2018-68 Appointing Charles Barbin as Temporary Seasonal Part Time Public Works Employee for the City of Park Rapids.**

- 7.10. Resolution #2018-69 Appointing Isaiah Guida as Temporary Seasonal Part Time Public Works Employee for the City of Park Rapids.**
- 7.11. Resolution #2018-70 Appointing Irvin Francis as Temporary Seasonal Part Time Public Works Employee for the City of Park Rapids.**
- 7.12. Resolution #2018-71 Authorizing Proper City Officials to Execute the Third-Party Development and Ground Lease by and between Park Rapids Aviation Inc. and the City of Park Rapids.**
- 7.13. Approve Pay Request in the Amount of \$10,146.74 for Apex Engineering Group for Professional Services Pertaining to the Main Lift Station Reconstruction and the TH71 Frontage Roads Reconstruction Projects.**
- 7.14. Approve Agreement Regarding Health Care Benefits with the MN Teamsters Local 320 (Public Works Union) of a \$25.00 increase (total of \$725.00 per month) for Single Coverage and a \$25.00 increase (total of \$1,119.00 per month) for Family Coverage with an Effective Date of January 1<sup>st</sup>, 2018.**
- 7.15. Approve Health Care Benefit Amendment for Non-Union Employees of a \$25.00 increase (total of \$725.00 per month) for Single Coverage and a \$25.00 increase (total of \$1,119.00 per month) for Family Coverage with an Effective Date of January 1<sup>st</sup>, 2018.**
- 7.16. Approve Installation of a High-Volume Water Fill Outlet in the New Apparatus Bay at the Park Rapids Fire Hall for an Approximate Cost of Materials in the Amount of \$1,800.00. Installation will be done by an Active Fire Department Member.**
- 7.17. Approve Pay Request #2 in the Amount of \$25,180.28 to Gopher State Contractors for Construction Work on the Pioneer Park Restroom Project.**
- 7.18. Resolution #2018-72 Approve the Renewal of an On-Sale 3.2 Beer License for Headwaters Softball League Inc. in the City of Park Rapids.**
- 7.19. Resolution #2018-73 Accepting the Resignation of Police Officer Daniel Garner for the City of Park Rapids.**

**7.20. Resolution #2018-74 Approving the Part Time Employment Status and Acknowledging the Declaration of Park Rapids Police Officer Daniel Garner.**

**END OF CONSENT AGENDA**

**8. COMMENTS FROM CITIZENS:** There were no comments.

**9. PLANNING:**

**9.1. Resolution by the Mayor and City Council of the City of Park Rapids, Minnesota, Approving the Sale of City-Owned Real Property in Park Rapids, Minnesota, and Dispensing with Review of the Sale by the Park Rapids Planning Commission:**

Mathisrud stated this item is for the sale of Lot Seven, Block One, of the Shield and Fitch Addition. We received a request from Bemidji Management Company to purchase this lot. They are looking to complete the assembly of a lot to complete a gas station and a convenience store on that block. They have acquired all of the real estate associated with that, with the exception of this particular piece.

Mathisrud stated it's an unusual situation in that the city actually owns a lot, in fee title, and we have an alley that goes across it. In order to complete the assembly of their site, file for a plat, and move forward with their project they need to own the real estate underneath it. We are recommending that the city sell this lot to the developer. Then they will request a vacation of the alley and will file for a plat after the completion of this purchase agreement.

Mathisrud stated the terms of the purchase agreement are the developer will pay \$1,000.00 for the lot. It's currently assessed at \$100.00 and it's encumbered by utilities that are not able to be relocated. But we do feel this is reflective of the fair market value of that lot. Within the purchase agreement there is a claw back provision which allows us to obtain it back if they do not complete the project as agreed to.

Mathisrud stated the Planning Commission reviewed this and determined it does has no bearing on the comprehensive plan. Therefore, a simple majority vote of the Council can make the decision on this. Staff recommends approving the sale of the lot. He requested comments from the Council.

Mikesh questioned are the utilities going to stay? Mathisrud stated we've agree that the utilities will stay in place. An easement would be dedicated on the future plat which would allow for those to remain in place. Mikesh questioned will a building go over that spot? Mathisrud stated the developer submitted a site plan which shows the proposed location of buildings. They cannot locate over the top of the utilities. There is a gas main under there which you just cannot locate a building on top of. We don't anticipate any permits issued for on top of the utilities.

McKinney questioned has the site plan been approved. Mathisrud stated no, not at this time. During the subsequent platting process, that's when you'll see a preliminary plat showing the utilities and the future easement that will be granted for the utilities within that

future plat. There will still be an alley there, but it won't be real estate entitled, owned by the city. I anticipate all the utility companies will be accommodated through the process.

**A motion was made by Stone, seconded by Randall, and unanimously carried to approve Resolution #2018-75 A Resolution by the Mayor and City Council of the City of Park Rapids, Minnesota, Approving the Sale of City-Owned Real Property in Park Rapids, Minnesota, and Dispensing with Review of the Sale by the Park Rapids Planning Commission.**

**9.2. First Reading of Ordinance Naming Streets at the Park Rapids**

**Municipal Airport Within the City of Park Rapids:** Mathisrud stated this is for the assigning of taxiway lanes, physical addresses on the airport property. Staff has worked with the various tenants at the airport and the Airport Commission to identify an addressing system for the buildings on the airport property. The buildings don't currently have an address. They are all assigned the same address, which is 301 Airport Road. Over the years we have developed a lot of buildings out there. As we are getting more requests to put up new buildings and it's creating confusion with the post office and gopher one calls. They've identified the need for assigning addresses out there for current and future buildings. The Airport Commission reviewed this request and they recommend that the Council approve it. He requested comments or questions. There were none.

**A motion was made by Randall, seconded by Conway, and unanimously carried to approve the first reading of the Ordinance Naming Streets at the Park Rapids Municipal Airport Within the City of Park Rapids.**

**10. GENERAL BUSINESS:**

**10.1. Park Rapids Airport T-Hanger Leasing:**

**A. Summary of T-Hanger Management Options and**

**Recommendations:** John DeCoster stated at the start of the year we received a request from Park Rapids Aviation about a concept that has been done at a number of smaller general aviation airports where the FBO would actually master lease the t-hangers and manage the leasing of those. When that request was made city staff and I put our heads together and reviewed the program of how it's evolved over the years. A lot of the practices, pricing, and procedures have evolved over the last two decades. We looked at what the merits were of a master lease situation versus the city maintaining the leasing and management of the t-hangers. I outlined the options that are available to you for general aviation airports, whereby there is the master leasing concept where the master lessor would pay a flat fee to the city every year. They take the risk of lease vacancy and the maintenance. The second option is keeping the program as is. The third would be to have the city maintain it and clean up the program to contemporary standards, our recommendation after we went through that process with staff was to go with the option of the city maintaining it and adopting a number of clean up procedures to administer this more appropriately and also to enforce some of the FAA guidelines as to the uses of the facilities.

DeCoster stated as part of our due diligence staff did an inventory of our leases. We compared that with who was on the record as to the lease holder, the airplane tail numbers, and we found a lot of discrepancies. We found discrepancies as to allowable uses within the FAA guidelines. We came together with this program which we are presenting tonight. We have presented it to the Airport Commission and received their endorsement to take it forth to the City Council. We're asking for four different actions with regard to the program, which is for the city to manage, maintain, and administer the program at the airport.

**A motion was made by Randall, seconded by Stone, and unanimously carried to authorize City Staff to continue to manage, maintain, and administer the leasing program at the municipal airport.**

**B. Resolution Adopting the T-Hanger Leasing Policy for the Park Rapids Municipal Airport in the City of Park Rapids:** DeCoster stated as a result of the due diligence we found that we need to adopt a leasing policy. We didn't want to come in and say you're out and you're in. We want to make sure we're serving the general aviation population as best we can. We wrote the policy to be fair and equitable with City Administrator McKinney serving as the arbitrator of any discrepancies if there is something that doesn't fit perfectly with the policy. We'd like to have guidance from the City Council with the adoption of the policy to give us an efficient and more effective way to administer it uniformly and not base it on just one person's experience. We are recommending that you adopt the policy so that the airport management team has this guideline by which they administer the leasing of the t-hangers at the airport.

Randall questioned can you talk about the issue of the subletting? DeCoster stated through the years we have a number of situations where previous owners of airplanes have sold them to somebody else and they informally "sold" the rights to the hanger. We've also had a waiting list during that time. One of the frustrations we received from the general aviation community was the waiting list never seems to get any shorter. We tried to write into the policy a balance to make sure we didn't have people not properly following the practices, but still leaving enough room so that the people that played the game legitimately have the ability, if someone is not playing properly, that we can get them to the waiting list quicker and try to satisfy those people. I tried to address it as best as I could from the conversation in the prioritization of that. But its going to be touchy at some times. There have been some people who legitimately worked through the process and we want to make sure they get taken care of properly. The abuses are what we are trying to eliminate in order for the people who have been playing the game correctly on the waiting list process can have access to a hanger.

Randall stated I wanted to give everyone a little background on that. I did see the order of preference and I think they addressed it the best we could given that there's going to be several different scenarios and some that don't fit into anything that we come up with. DeCoster stated Mr. McKinney will deal with that. McKinney stated once we get through the initial process this is going to be a much better system. Randall stated I would note that the lease agreement does offer a primary lessee and an alternate lessee because one of the conditions of the lease is that you cannot sublet. That's why the alternative is there. I do want to share that with anyone that goes south for the winter and lets someone else store their plane there. DeCoster stated we had a couple of situations where two people

owned the plane or shared the plane. We wanted to make sure that they didn't get swept up in the alleged abuse of the single tenant. Randall stated this came out of a couple of situations so to accommodate people, but also to not let people sublet so that we are not forgetting about those people on the waiting list. DeCoster stated we eliminated the provision that they can be subleased at all. If someone sells their plane, then their lease will terminate. The next person on the wait list will be allowed to lease. McKinney stated one of our problems was if you had two individuals that owned a plane and the lease is in one of their names and he decides to not be in the plane anymore his partner would be out because his name wasn't on the lease. We're trying to handle that situation too.

DeCoster stated my next request is that you approve a leasing policy so we have a guideline to administer the program. **A motion was made by Randall, seconded by Conway, and unanimously carried to approve Resolution #2018-76 Adopting the T-Hanger Leasing Policy for the Park Rapids Municipal Airport in the City of Park Rapids.**

**C. Approve Lease Template:** DeCoster stated we took the lease that had been in place and updated it to try and dovetail it with the policy we proposed. The approach we took, from an administrative standpoint, is the easiest I've seen. We'll have a master lease for each tenant with all of the terms and conditions. The leases will be for one-year periods, payable in advance, so we don't have to go chasing people for monthly rent, which will take an administrative burden off. What we will do for each year, or if there's new information that comes about for the tenants, is there is an appendix A, that's what we will process each year when there is a new lease or new rates, instead of processing a multiple page document. We're trying to streamline this a little bit. One of the key things we ended up doing was have the rent payable and due before the first of the year so we know going in if somebody's going to pay their rent or not. If they don't then we x out their name. From an administrative billing and receiving standpoint it will be streamlined.

DeCoster stated we'd like the Council to approve the template for the master lease, and then delegate to the city administrator the ability to execute those. As people change we'll have to re-execute Appendix A, and the administrator will have to be able to execute those documents on behalf of the city. **A motion was made by Conway, seconded by Stone, and unanimously carried to approve the Park Rapids Municipal Airport – Konshok Field T-Hanger Master Lease Agreement, and to authorize the City Administrator to execute them on behalf of the city with the Lessor.**

**D. First Reading of Ordinance Amending the Park Rapids City Code of Ordinances of the City of Park Rapids, Chapter 36 Fee Schedule, Section 36.12 Airport Fees:** DeCoster stated as part of our due diligence we found there is some inconsistency in the t-hanger rental rates. They have not been reviewed in quite some time. There's maintenance costs involved that the city has responsibility for. I took a survey of some comparable airports with similar conditions to what Park Rapids has and put together a recommended rent schedule. We changed the rent schedule to reflect the value of the square footage. We effectively have two rates. North facing hangers are bad. South facing hangers are good. Because in the winter when you get snow it freezes up in front of the door with the north facing hangers. They typically have a lower value in a northern

climate. We developed a consistent rate differential between north and south facing hangers. Then we also established a rate schedule based on the age and condition of the hangers, with the east side hangers closest to Highway 71 being the older and probably poorer condition, and the newer ones on the west being the higher value. Instead of just paying a flat fee we took our cost per square foot per year, multiplied by square footage of each hanger bays. Some are bigger and some are smaller. So that would assign a value commiserate to the size of the hanger that the person has.

DeCoster stated our last recommendation would be to adopt the new rate schedule. We did run this through the Airport Commission and we have their agreement. Some of those folks are rent paying tenants, so it passed the first test with them. The schedule will be in place for June 1<sup>st</sup> of 2018 through May 31<sup>st</sup>, 2019. Each year we'd come back to the City Council with a recommendation on rates.

Randall questioned we're adopting a first reading of that ordinance? McKinney stated all of your fees are in a single ordinance. At the moment you have to amend the ordinance with the recommended changes.

**A motion was made by Randall, seconded by Conway, 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 36 Fee Schedule, Section 36.12 Airport Fees.**

**10.2. Request to Raise the Fire Relief Association's Benefit Level:** Bob Meier stated I'm requesting to raise the Fire Relief Association's per year benefit level to \$4,750.00. I need approval from the Council for that amount. This fund is supplied from the state. We also make contributions to it from our firemen dues. The state gives us money per year as long as we fill out the reports they ask for. This was started many years ago and our retirement comes out of here. Right now, we're at a level of 140%. Our active, current firemen, and the deferred liabilities, retirees that aren't old enough to receive their money (if they're less than fifty years old), whatever year they retired that money stays at the same amount so that liability is fixed. The state calculates what the active liabilities are. If you retire at fifteen years, you take 15 x \$4,750.00, and subtract out a percentage of that for not being twenty years vested. If someone leaves early, before they are vested at ten years, you just don't get any money and you come off our active liabilities. That money just dumps into the fund.

Meier stated if someone were to retire and we had to pay them they would come off our liabilities and our total fund. Retirees don't hurt our fund, when they leave it comes off of both, the fund and the liabilities.

Conway stated I understand the percentages of the 110% and 140%. Can you explain how we ended up with such a big gap in one shot. Meier stated a few years ago we came here and requested an increase. The Council was tentative about giving us a raise, which would have been reflective on the 2008 years. We waited for a while until everything stabled up, then we came back and asked for some, and now we're back for a little more. The market has done well enough where we can ask for where the number is now. The state wants you to be at 110% so there's a little cushion there. The actual idea behind that is if you're at 140% and something catastrophic happened and we all perished, there would be money left in the fund that none of our significant others would get. That's the downfall of being overfunded. That money is put there by the state to go to us. If

something happened, our significant others wouldn't get it. It would basically be lost in the system. We're just looking for the next step.

McKinney stated this fund is overseen by a committee. Ryan Leckner and I are participants. Meier stated there are five of us on that board, Donn Hoffman, and two others elected, plus Leckner, and McKinney. We have an investment broker that takes care of the money. We handle the decisions and the paperwork. The state mandates how the money is invested so we're not overly aggressive. 50% of it can be in bonds, and a certain percentage in cash and high and low risk. So, if the market crashes we won't bomb out on all of our investments.

Randall stated so there is risk if there is a swing in the market then this money will go down. Meier stated yes there is some there. It's very conservatively invested. The only time you can run into a real issue is if what happened in 2008 happens again. In 2008 the market took a huge dump. We had a few under informed gentlemen that thought they could lose this money so they all retired at the same time. We had to sell all of our stock for a low rate, so we came up with a short fall at the end of the year. One fireman had been with the department for forty-five years, two were at twenty-five years, and one was at twenty years. Four guys at a real high rate all bailed at the same time. If you give me a letter today that you want your money and you're eligible I have to pay you in six months. That's how long we can wait. We waited as long as we could, then we sold the investments and paid them. If they would have waited a year there wouldn't have been an issue at all.

McKinney stated the process for increasing the amount per year you have explained. Is it possible to reverse that number? Meier stated technically I guess it could be. If we came back and asked to have it reduced. Conway questioned if the market took a swing backwards and the fund became underfunded the city steps in and subsidizes it. Randall stated that's what happened in 2010. It was \$27,000.00. Conway questioned could the Council at that point make a motion to...? Meier stated I would have to come back and ask. McKinney stated they would be vested in the rate that they had. Randall stated I don't think that we could switch it that easily.

Conway questioned you're budgeting a 4% return? Meier stated correct. Our growth rate is at 4% and we are averaging 6.6% over five years. Last year we were at 7.5%. We've done well over the time frame. We were conservative on our growth rate since the last time we came and asked. We also started putting our own money in, \$7,500.00 total through the department just to help to try and increase that fund. We've been doing that for two years. The state aid number doesn't really change. That's calculated off of the taxable value of all of the property that you cover in your fire coverage area.

McKinney stated you're requesting approval of the recommendation of your committee to increase the amount per year to \$4,750.00. Randall stated currently the benefit at the end of twenty years is \$70,000.00. With this, if approved, it goes up to \$95,000.00. Meier stated yes. If you retired after twenty years. After twenty years you can draw 100%. If you leave in less than twenty years, you'll leave some of the money on the table.

Randall questioned does it make any sense instead of being at 100% or 110%, be at 120%? Was that discussed? Meier stated we ran the numbers out for \$4,500.00 up to \$5,000.00. The state recommends to the fire department where they want us to be. We

figured it would make more sense to go with the state recommendation. It wasn't that long ago they recommended that you ran on the edge of a deficit at 100% or slightly under.

Stone stated it's 140% over, if you were to get this increase you would bring it back to 110%, and then it would stay at 110%? Meier stated in 2018, at the end of this year, the way the numbers work out we'd be at 110%. If everything stayed the same next year, and we had the same 4% growth, next year we'd be at 111%, as the surplus grows every year. If next year it gets to 115%, then I may be back here asking for another increase. I really would like to stay at 110% level. It was a long process to get back to raising it. A lot of cities have adopted resolutions to make raises automatic to keep the fund at a certain level.

Stone questioned then you wouldn't have to come back here? Meier stated yes, but it's nice to come here and talk about it. It is better to make sure everyone understands where the money comes from and how we disburse it.

Conway stated it seems relatively safe when you look at the fact that all of the current liability is already calculated in. They could have a number of retirements without moving south. The only thing is if two things happen at the same time, which is what happened last time. A 4% growth is invested pretty conservatively.

**A motion was made by Conway, seconded by Randall, to approve an increase to the benefit level for the Park Rapids Fire Relief Association Fund to \$4,750.00 annually per year of service.**

**Discussion:** Randall stated my hesitation in this is not that this isn't well deserved for the members who have been on the department for many years. There are some other concerns that really aren't appropriate for this discussion. I think that we can address it down the road. If this comes back and it gets increased again because we have a surplus, there's different things that I'd like to see that aren't being keep track of that should be, but it's not directly tied to this.

Stone stated my only hesitation is that I'd like to see you come back every year and give us an update. I'd prefer that. Meier stated we had Leckner up to speed on what this was. He could have been more informative on what we were hoping for. Stone stated I'm fully appreciative of a good department. It's a lot of money to ask for at one time. Meier stated every year we can come and discuss it. Leckner and McKinney will come to our quarterly meetings and they can inform you of them. McKinney stated we've improved the method of communication between us and the members. It's a good idea for them to give an annual report.

**The vote was called.**

**The following Councilmembers voted in favor: Conway, Randall, Stone.**

**The following Councilmember was absent: Leckner.**

**The following Councilmember abstained: Mikesh.**

**The motion carried 3-0.**

**10.3. Resolution Approving Plans and Specifications and Ordering the Advertisement for Bids for the Sanitary Sewer Main Pump Station Improvement Project for the City of Park Rapids:** Jon Olson stated I'm here to talk about the city's

main pump station. It was constructed in 1987 along with the main city ponds, southwest of

the airport. There is almost a four-mile forcemain from the lift station to the ponds. The station receives 100% of the city's sanitary sewer flow. All of the flow from the city passes through this station and then goes directly to the pond.

Olson stated the existing station is a below grade, dry/wet well station. It's an old Smith & Loveless, which was very common in the day. It has an access tube which you crawl in and climb down a narrow ladder approximately twenty feet to a confined space. These lift stations are a bit antiquated by today's standards and are considered a confined space and are quite dangerous to maintain. It's thirty years old and in our opinion, it's well served its lifespan on a sanitary sewer lift station. The design life is twenty years, but you hope for thirty, which you got. This station has served its life very well. It's starting to show signs of increased maintenance and wear.

Olson stated with the increase in maintenance we placed this on the capital improvement plan (CIP) for replacement in 2018. We started looking at it in great detail last August and have been working on the construction plans ever since. Now we're at the point that we are nearly complete. There are a few fine details that we need to iron out yet. We're at a point to seek your approval and request authorization to bid.

Olson stated during the project we anticipate the existing lift station on CSAH 15 to remain in service 100%. This lift station would be constructed to the south. We are recommending full reconstruction. Instead of a below grade structure we're recommending an above grade structure. Everything will be accessible and maintainable. It's a much safer set up for city staff. We're also recommending some asphalt improvements and complete electrical replacement. We have identified that the existing forcemain wasn't performing as it should. We're getting much higher pressures on the pumps. We found that is likely the existing air release valves. There are seven existing air release valves on this forcemain. They're a critical component in the pumping system. As the pump turns on these valves let air out of the main so there are no restrictions and it proves the pump's deficiencies. We saw these conditions were much higher than we were thinking and the likely culprit is these valves. We inspected them. They are original to the 1987 construction. At thirty years old, they're well beyond anything that we would anticipate for a valve of this type. We do assume those to be a critical component that should be replaced with the pumps at this time. We did include those as part of the project.

Olson stated we originally estimated the project cost at \$550,000.00. We are just over that right now at an estimated \$600,000.00. It is our opinion that these improvements are necessary to continue to provide service from that station. I do recommend approval of the plans as presented and request authorization to receive bids on May 17<sup>th</sup>, 2018 at 10:00 a.m.

McKinney stated this is a relatively short construction period. Olson stated yes. The construction from start to finish would likely take place later this summer once all of the equipment has been ordered and is on site. Construction is probably within a month from start to finish.

Conway questioned is the \$550,000.00 what we budgeted for this? Brumbaugh stated it's in our CIP. We didn't actually budget for it because we didn't know we were going to do it this year. The money for the project will come out of the sewer enterprise reserve funds.

**A motion was made by Randall, seconded by Conway, and unanimously carried to approve Resolution #2018-77 Approving Plans and Specifications and Ordering the Advertisement for Bids for the Sanitary Sewer Main Pump Station Improvement Project for the City of Park Rapids.**

**11. CITY ADMINISTRATOR COMMENTS:** McKinney stated I will be gone Thursday and Friday of this week.

**12. DEPARTMENT HEAD UPDATES:** Fieldsend stated the construction of the restroom in Pioneer Park is a little bit behind schedule. It's supposed to be done by May 2<sup>nd</sup>. The site work will be done after that, but the restroom will be useable with access by the sidewalk that is already there. The demolition has started for the City Hall Project. All of the walls, except for the ones that are staying, are gone, and much of the plumbing is gone. They are well on their way.

Randall questioned wasn't there a financial penalty for not finishing the restroom on time? Fieldsend stated yes. The penalty can be assessed for each day they are over. They are aware of that.

Brumbaugh stated the Coalition of Greater Minnesota Cities is asking all Councilmembers to contact their State Senators regarding local government aid. They are trying to get LGA back to the 2002 levels. For us that would be about \$700,00.00, which would be a huge increase.

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

**14. COMMENTS FROM COUNCIL:** There were no comments.

**15. ADJOURNMENT:** A motion was made by Stone, seconded by Randall, and unanimously carried to adjourn the meeting at 6:50 p.m.

[seal]

\_\_\_\_\_  
Mayor Pat Mikesch

ATTEST:

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Margie M. Vik  
City Clerk