

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
AUGUST 15, 2018, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The August 15th, 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, Planner Ryan Mathisrud, Public Works Superintendent Scott Burlingame, Public Facilities Superintendent Chris Fieldsend, Liquor Store Manager Scott Olson, Public Works Employee Tim Little, Fire Chief Donn Hoffman, and Clerk Margie Vik. Others Present: Elizabeth Wefel, Hubbard County Commissioner Char Christiansen, Nancy Newman, Sue Tomte, Cindy Little, Cynthia Jones, Katie Larson, and Robin Fish from the Enterprise.

3. APPROVAL OF AGENDA: A motion was made by Randall, seconded by Leckner, and unanimously carried to approve the agenda with the following addition: A revised resolution for Item #9.1.

4. EMPLOYEE RECOGNITION:

4.1. Certificate of Achievement for Tim Little: Mayor Mikesh presented Tim Little with a Certificate of Achievement for thirty years of employment. Little was greeted with a round of applause.

5. APPROVAL OF MINUTES:

5.1. City Council Regular Meeting Minutes-July 24, 2018: A motion was made by Conway, seconded by Randall, and unanimously carried to approve the July 24th, 2018, City Council Regular Meeting minutes as presented.

6. FINANCE:

6.1. Payables & Prepaids: A motion was made by Randall, seconded by Conway, and unanimously carried to approve the payables in the amount of \$44,010.88, and the prepaids in the amount of \$472,952.39, for a total of \$516,963.27.

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

- 7.1. Approve Golf Cart/Class 2 ATV License to Operate in the City of Park Rapids for Shaun and Bruce Johnson-ATV.**
- 7.2. Approve Public Facilities Use Permit for Headwaters Intervention Center c/o Heather Martinez to Use Red Bridge Park for a Candlelight Vigil on Friday, October 19th, 2018, from 6:00 p.m. to 7:30 p.m.**
- 7.3. Resolution #2018-122 Approve Temporary On-Sale Liquor License for the Park Rapids Community Development Corporation in the City of Park Rapids.**
- 7.4. Approve Public Facility Use (PFU) Permit for Park Rapids Community Development Corporation c/o Cynthia Jones to Close Block Two (2) of Main Avenue South for the Second Street Stage Event on Thursday, August 23rd, 2018, from 5:00 p.m. to 8:00 p.m., and to transfer the fee from a previous PFU Permit for Pioneer Park (park was unavailable for use on July 26, 2018).**
- 7.5. Resolution #2018-123 Approve Minnesota Lawful Gambling LG220 Application for Exempt Permit for Hubbard First Response and Rescue.**
- 7.6. Resolution #2018-124 Authorizing the City of Park Rapids to Enter into Law Enforcement Mutual Aid Agreement.**
- 7.7. Approve the Purchase of a Forfeited 2015 Ram Truck for Official Police Department Squad Car Use in the Amount of the Lien Payoff Total of \$14,828.49.**
- 7.8. Resolution #2018-125 Authorizing Sale of Excess City Property from the City of Park Rapids.**
- 7.9. Approve Low Bid in the Amount of \$8,375.00 from Howard's Driveway for Repair of Storm Water Infrastructure at Fourth Street and Stevens Avenue for the Public Works Department.**
- 7.10. Resolution #2018-126 Approving Resignation of Full Time Public Works Street Maintenance Worker Mike Ridlon.**
- 7.11. Approve Advertisement and Interviews for the Vacate Public Works Street Maintenance Worker Position.**

- 7.12. Resolution #2018-127 Authorizing Proper City Officials to Execute the Paperwork to Certify Special Assessments for Tax Forfeited Parcels.**
- 7.13. Resolution #2018-128 Resolution Approving and Consenting to the Execution of an Assignment and Assumption of Rights and Obligations and Assignment of Tax Increment Revenue Note Agreement.**
- 7.14. UTILITY BILLING: Approve a Request for a Deduction in the Amount of \$545.94, for the Sewer Portion Only of the First and Second Quarter Billings for Larry Engel at 704 Washington Avenue, PID #32.70.01400, Account #02-00070402-00-3.**
- 7.15. Approve Purchase of Five (5) Minitor 6 Pagers in the Amount of \$450.00 each from Midstates Wireless for the Park Rapids Fire Department.**
- 7.16. Approve Emergency Repair of the Lift Cylinder for the Park Rapids Fire Department Truck #5776 by EAM.**
- 7.17. Approve Emergency Repair of the Combustion Chamber of the Engine for the Park Rapids Fire Department Truck #5771 by Walworks Truck Center.**
- 7.18. Resolution #2018-129 Appointing Joe Erickson to the Position of Volunteer Firefighter for the City of Park Rapids.**
- 7.19. Resolution #2018-130 Appointing Sean Evans to the Position of Volunteer Firefighter for the City of Park Rapids.**
- 7.20. Approve Pay Request in the Amount of \$1,465.11 for the Park Rapids Lakes Area Chamber of Commerce for the Second Quarter Expenses as per the Wayside Rest Agreement.**
- 7.21. Approve Pay Request in the Amount of \$125,777.02 for Haataja Contracting Inc. for Construction Services for the City Hall-Phase II Remodel Project.**
- 7.22. Resolution #2018-131 Approve Step Increase and Wage Adjustment for Full Time Accounting Clerk/Receptionist Janel Stewart.**

END OF CONSENT AGENDA

8. COMMENTS FROM CITIZENS: Katie Larson, from Coldwell Banker, stated the Downtown Business Association has a lot of people that park in the library parking lot. We have elderly clients that are parking in this lot because there is no parking on Main Avenue. We realize it's a city parking lot so you have the last say on what happens with this lot. We would recommend that you relook at who can and who can't park there. Would you be interested in relooking at those rules?

Mikesh stated we have had staff looking into it. Right now, there is no policy on it. If we decide to make a policy we'll have to get together and discuss what we want to do. We probably won't address just the library parking lot. We are going to have to address the whole city along with the downtown area. Right now, I don't think we want to tackle the issue of who can and who can't. We are looking into it.

Conway stated as the liaison to the Library Board the subject of the parking lot has come up. They are looking at what their policies are and what agreements and obligations might be in place. At this point we're not very well versed with it. If they determine that they need the City Council's assistance, I would expect them to request consideration for whatever they determine they need and then we can consider it at that point.

Larson questioned so it's on your radar? Do I just need to keep up on the agenda to see when you will be talking about this? McKinney stated any official action would be on the agenda. Larson questioned would there be any meetings that we could be a part of? McKinney stated if there are meetings you can be a part of them but there aren't any scheduled. Larson questioned how would I know about those meetings if they do get scheduled? Conway stated the Library Board has scheduled meetings every other month. Our last meeting was a week ago. Fieldsend stated the next meeting is in October, unless they want to meet earlier on this particular thing. Larson stated if we don't catch it, I'm sure you know someone at Coldwell, just shoot us an email of any scheduled meetings. McKinney stated even if they do want to change anything, it's a process that would require an ordinance change. It isn't going to happen tomorrow.

9. PLANNING:

9.1. Resolution to Approve a Conditional Use Permit to Allow an Additional 30 RV Camping Sites in the R-2 Zoning District at 501 Central Avenue South, PID #32.25.04000: Mathisrud stated this request is from Jay Echtenkamp for a conditional use permit to expand their RV campground located at 501 Central Avenue South in the R-2 District. They are currently operating an RV park that has forty sites. The request is to expand that to a seventy site RV park. They currently have a license from the Minnesota Department of Health for those seventy sites. Their current city permit is for forty sites.

Mathisrud stated the Planning Commission reviewed this on July 23rd, 2018, and is recommending approval of the conditional use permit subject to seven conditions:

1. All east RV sites shall maintain a 25-foot setback from the east property line.
2. The owner shall operate the business in accordance with all local, state, and federal regulations.
3. A lighting plan shall be provided by the owner to be approved by the city planner.

4. The owner shall demonstrate conformance with all MDH requirements for RV parks, and provide a copy of licensure for the file.
5. Owner shall provide an updated impervious surface calculation for the file.
6. The applicant shall obtain a new CUP if further expansion is desired.
7. The owner shall obtain a site survey and move any existing RV sites to a ten-foot minimum setback and establish all future sites at a ten-foot minimum setback from the west property line.

Mathisrud requested questions or comments. There were none.

A motion was made by Randall, seconded by Leckner, and unanimously carried to approve Resolution #2018-132 Approve a Conditional Use Permit to Allow an Additional 30 RV Camping Sites in the R-2 Zoning District at 501 Central Avenue South, PID #32.25.04000.

10. GENERAL BUSINESS:

10.1. Coalition of Greater Minnesota Cities Legislative Update:

Elizabeth Wefel stated I'm a lobbyist with the firm of Flaherty and Hood, and I'm here on behalf of the Coalition of Greater Minnesota Cities. Our organization represents ninety-seven different Minnesota cities. We've had a significant membership growth over the last two years. We work on issues that effect cities in greater Minnesota like property taxes, local government aid (LGA), environmental issues, economic development, transportation, and annexation and land use, and child care.

Wefel stated even years are called the short session. Usually the goal is to try and get a bonding bill and to work on policies, but this year with the changes to federal tax conformity there was also a big desire to get a tax bill and pension bill done for three years. We were hoping it would happen this year. It was a busy session. One of the challenges was that there is a lot of bad blood between the governor and the legislature dating back to the veto of the legislative funding last year. There were a couple of other factors. There was a one bill majority for the GOP and the senate, which meant that they had to watch their votes on everything. There was also the ongoing controversy over the lieutenant governor that really made it challenging as well.

Wefel stated we were trying to get more money in the bonding bill for water and waste water infrastructure and the Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI). We continued to educate and get legislators engaged on the high cost of complying with all of the new environmental regulations which continue to be a big burden for our cities. We continue to work on LGA. We're monitoring Corridors for Commerce, looking at city street funding, and highlighting the growing child care shortage that we are seeing throughout the state.

Wefel stated the biggest thing was the environmental and waste water issues. We've continued the push for more Public Facilities Authority (PFA) funding. That's where the grant funds for cities for sewer, waste water, and water comes from. In 2017, we helped make that boost to the largest amount we'd seen in a bonding bill, \$130 million. Yet that is a drop in the bucket in terms of needs across the state. This year we introduced along with several legislators a proposal to have \$167 million in different PFA Programs. That matched the governor's proposal. That was priority number one. The other priority

was something new. We're seeing even when cities can get all of the PFA grants and loan programs that they qualify for it's not enough money to make things affordable if they have to do significant upgrades on their facilities. Even if cities are getting a lot of grant money to pay for the investments they need to do on their waste water upgrades or drinking water facilities they're having to set their rates at such a high level that it completely exceeds the affordability level.

Wefel stated we came up with a supplemental grant program proposal. If you are faced with having to upgrade your waste water facility and looking at what you are going to receive from PFA, if that project is going to kick your rates to two times what the metro average is or more, or if the amount you're getting from the PFA is not up to the 50% level this grant program will kick you up there. It's really trying to address that added need that we are seeing cities experience as upgrading facilities becomes more and more expensive. We spent a lot of time on this. We had press conferences at the beginning and middle of the session, press columns throughout the state, and multiple hearings. It resulted in us being seen as the go to organization on this issue of infrastructure funding and ideas. In the bonding bill, \$123 million was included for water, waste water infrastructure.

Wefel stated the challenge we ran into with the bonding bill was that at the beginning of the session legislative leaders said that they wanted an \$825 million bonding bill and they stuck with that. When you're looking at a capped level its challenging to get a chunk. We're pleased that even with a bonding bill that wasn't as large as we would have liked to have seen we still got \$123 million there for the infrastructure program. The challenge that we ran into with the supplemental grant program, we really did start to get a lot of interest from legislators and it did make it into the initial bonding bill proposal coming out of the house and senate. However, the public facilities authority hit back on it hard and ultimately was put out of that final bill. We will continue to work on it. It is an idea that a lot of legislators are in favor of. It is trying to work with the PFA to get a model that they are going to go along with. Keeping the water clean is a growing need for our cities. Without more funding and a better way to fill that supplemental need we're going to run into challenges. That is a big priority for us next year.

Wefel stated we got some language put into the bonding bill that should be helpful to our cities long term, particularly the requirement that when the MPCA is redoing your permits they have to take a look at what your current debt load is on your other water projects when they are developing a compliance schedule that's taken into consideration. We want this discussion with MPCA to look at how can cities afford to be doing what is being required of them. We're glad to see that put in there and we'll continue to work on that issue.

Wefel stated we also worked on transportation, focusing on more funding for small cities' streets, Corridors for Commerce, and the proposed transportation amendment. On transportation, there was a constitutional amendment to dedicate a certain percentage of sales tax to roads and bridges. We were very concerned about this. We have a traditional, across the board policy of any constitutional dedication for funding, no matter how great that need might be. For those of you that have been around awhile to see how the state handles its budget, basically, when we see a budget downturn one of the first things they go after is LGA. Then they start looking at the other programs that really effect our cities. Our concern is that the more you constitutionally dedicate funds it makes it much harder to

balance the budget, they go after the programs that we care about. We were very opposed to it, but we had to draw a line there because it looked like it could pass. We negotiated that if it was going to pass it would include money for small cities' streets. It did pass the house but it stalled out in the senate tax committee. Some senators were completely opposed to the idea of dedicating through the constitution. I think this issue could pop up again next year.

Wefel stated Corridors for Commerce was something else we've been working on for a number of years. This is a program that is aimed at providing money across the state for those roads that connect our cities that are thoroughfares for commerce. I helped create this program. Through the years I've seen money go to the metro but also equally to Greater Minnesota. Last year the legislature decided to adopt some factors to ensure that the money is split 50% in Greater Minnesota and the metro. There might be some problems with the factors, and we were proven to be right. When they unveiled the awards for the 2018 money a significant amount of bonding money was put in there. The Greater Minnesota portion went to Freeway 94 up to Albertville and Elk River. Those cities aren't technically Greater Minnesota. That's not what the program was intended for. The media in Greater Minnesota was really helpful in highlighting this issue. In the bonding bill we developed a fix and additional money was put into the program that was specifically dedicated to go to what we traditionally think of as Greater Minnesota. That was a significant victory on transportation.

Wefel stated the other thing we worked on but ultimately fell to the veto pen was the city streets program. We helped create a program a couple of years ago to put money into it for cities under 5,000. We introduced a bill seeking more funding into that and money was included for city streets in this very large budget bill. The legislature put all of the budget issues into one large omnibus bill, at 1,000 pages. The governor said if you make something that large I'm probably going to veto it, and he did. There was money for city streets in there but when the bill gets vetoed the money doesn't go forward. We're hoping going forward we won't see those large bills because this keeps happening. We're hoping they rethink that strategy. It's not good for anyone if those things are going down.

Wefel stated we worked on local government aid. We tried to do two things. We introduced a bill for a \$30.5 million increase to get us back up to the 2002 level. The second thing we're doing is introducing a bill that would update the need factors to make it more dynamic. We are not completely redoing it. It would benefit most of our cities. Park Rapids would have seen an increase of about \$40,000.00 had we been able to get the bill through. This year the main focus of the tax bill was tax conformity, trying to match the federal and the state. This is an area that the governor and the legislators could not come to an agreement on so the tax bill went down. We will be reintroducing the bill next year. We will seek to increase LGA funding and try to adjust those factors. We did see more support for that because the benefit for redoing the factors would help a lot of our Minnesota members and others as well. Looking forward, hopefully something will happen.

Wefel stated the other issue we've been working on is child care. We've been hearing this is an issue across the state. We introduced a number of proposals including grant funding, trying to do some reform because there are regulatory challenges as well as trying to get some bonding money. There was funding for the child care grant program in the supplemental budget but it was vetoed. We are going to try to reintroduce that.

Wefel stated the BPI Program which several of our cities have used throughout the year which is a program that we helped to create. It puts money for business development into the bonding bill that cities can get grants for. We were able to get \$12 million for it in last year's bonding bill. By January over half of it was spoken for so we introduced another bill this year to put money into it and \$5 million was included in the bonding bill.

Wefel stated it was an active year. We got some of our goals accomplished. The upcoming year, 2019, is going to be a big year. Everyone is aware that we are going to have a new governor. That will affect a lot of issues. With the election we can also see potentially a flip in the house majority. It's too early to tell what will happen. The senate special election could flip the senate majority. That's much less likely to happen. It's a budget year. We're not clear right now if we are going to see a surplus or a deficit. That also has an impact on our cities and what will be happening. We are going to be very active this year. We've already sent out a candidate packet to everyone running for the legislature. We try to get our legislative candidates in both the rural and metro areas familiar with our issues from the get-go. We did a gubernatorial forum in July. It was very successful. We're working right now on doing five to eight legislative candidate forums with our member cities. We are going to continue to monitor what candidates say in the press. A lot of times we discover they don't really know what LGA is all about. We do stay engaged during the election season. When we start the next legislative session, they will know our issues and we can work with them right away.

Wefel stated we will be pushing for an LGA increase. We will continue to work on the child care shortage, water and waste water will be a top priority, and work on permanent additional funding for city streets. Some of the off-season stuff we're doing includes, I submitted comments on the ground water protection rule, which is to address some of the nitrate issues. We're submitting a brief on an annexation case to try to support the rights of cities for annexation by ordinance. We'll be submitting a brief on that by the end of the month.

Wefel stated our fall conference is in Alexandria. Our Legislative Action Day will be on January 30th, 2019. Our annual conference in 2019 will be in Bemidji. One of the things that makes our organization great is active participation by our members. We are always looking for members to get involved in our committees and boards particularly those from the north. If any of you are interested and want to be more active please let us know. We'd love to see more folks from Northern Minnesota engaged on our committees. That's really how we get our stuff done. A big thank you for your support of our organization. We are able to get things done because we have a wide diverse membership from across the state. Are there any questions? There were none. The Council thanked Wefel for her presentation.

10.2. Payment to Hubbard County Regional Economic Development

Commission: McKinney stated we have received a statement, which is consistent with our agreement with them, for the second half of our commitment for the year. We have a vacancy in the executive director position. They have needs for money to fund the replacement process. We need your direction for payment, unless you have some concerns about there not being an executive director now, but you should pay it. You have a contractual agreement to pay it.

A motion was made by Conway, seconded by Randall, to approve the pay request in the amount of \$20,000.00 to Hubbard County Regional Economic Development Commission for the second half of the annual investment.

Discussion: Randall questioned do they have a plan to move forward? McKinney stated the board has established a committee to seek proposals to fill that vacancy. The board meets on the 27th. Leckner stated it's going in a good direction. It's important to keep things moving. Randall questioned are they going to hire some sort of firm to do a search? Conway stated that discussion hasn't come up yet. There hasn't been a board meeting since the vacancy has occurred. McKinney stated there was a board meeting to select the three to start a search. Mikesch questioned do we pay the full amount for something that we don't have? Conway stated we still have the organization, we just don't have a director there. My mind would tell me that they are probably more in need of the funds now to get the selection process underway. McKinney stated we still have a secretary there. The office is open. They are returning mail. The chairman of the board is acting to respond to questions. They still have expenses. Conway stated I would think we still have the obligation since we've made the commitment until 2018. McKinney stated there will be changes in the future. The county has provided office space for that commission. They are going to have to have that space back by the first of the year. We need to take that into account. That's what this group is trying to deal with.

The vote was called.

The motion carried unanimously.

11. CITY ADMINISTRATOR COMMENTS: McKinney stated the remodel to the council chambers is going very well. It will be available soon. We're proposing that the first meeting in September be held in the new facility. If something happens that that won't work we will let you know. I will be out of town for the next couple of days.

12. DEPARTMENT HEAD UPDATES: Burlingame stated the main lift station project is under way and is going well.

Fieldsend stated the brick pathway is done in Pioneer Park. It has been seeded and the new grass is coming in. It won't be too long before we can open it up to the public.

Appel stated the Night to Night event went well. They had food there for six hundred people and they ran out. A lot of people came out. It was a great night with great weather.

Hoffman stated we just got the 571 engine back at about 3:00 p.m. The 576 ladder truck is schedule for repair on Monday. As soon as I get the report on those two I will forward it to you. The department's Fishing Frenzy went great. We had twenty-eight boats registered. Everyone had a good time. It went great.

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

14. COMMENTS FROM COUNCIL: Mikesh stated I received a message from some people visiting our city who got in an accident. They spoke very highly of our law enforcement officers, and the city businesses. They had good things to say about our city of Park Rapids. Even though their vacation was bad because they wrecked their car, everything else was good. They made the best out of a bad situation. Thank you to every one that helped them out.

15. ADJOURNMENT: A motion was made by Randall, seconded by Leckner, and unanimously carried to adjourn the meeting at 6:40 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk