

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
SEPTEMBER 11, 2018, 6:00 PM
Park Rapids City Hall Council Chambers
Park Rapids, Minnesota**

1. CALL TO ORDER: The September 11th, 2018, Regular Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Acting Mayor Erika Randall, and everyone present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Acting Mayor Erika Randall, Councilmembers Tom Conway, Ryan Leckner, and Liz Stone. Absent: Mayor Pat Mikesh. Staff Present: Administrator John McKinney, Police Chief Jeff Appel, Planner Ryan Mathisrud, Treasurer Angela Brumbaugh, Liquor Store Manager Scott Olson, Public Works Superintendent Scott Burlingame, Public Facilities Superintendent Chris Fieldsend, and Clerk Margie Vik. Others Present: Nancy Newman, Hubbard County Commissioner Char Christianson, Cynthia Jones, Ellis Jones, and Robin Fish from the Enterprise.

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

4. APPROVAL OF MINUTES:

4.1. City Council Regular Meeting Minutes-August 28, 2018: A motion was made by Leckner, seconded by Stone, and unanimously carried to approve the August 28th, 2018, City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Stone, seconded by Conway, and unanimously carried to approve the payables in the amount of \$28,311.87, and the prepaids in the amount of \$183,398.15, for a total of \$211,710.02.

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

6.1. Approve Pay Request in the Amount of \$2,266.15 to Leading Edge Mechanical for Emergency Repairs to the Park Rapids Library HVAC System.

6.2. Resolution #2018-138 Approve Minnesota Lawful Gambling LG220 Application for Exempt Permit for FNRA – North Country.

- 6.3. **Authorize City Staff to Solicit for Requests for Proposals for the Building Official's Services.**
- 6.4. **Approve Purchase in the Amount of \$3,787.72 from Amazon for Audio Equipment for the City Council Chambers.**
- 6.5. **Approve Purchase and Replacement in the Amount of \$3,503.00 from Girtz Tires, for Rear Tires on the John Deere 6420 Tractor Mower Using State Bid Price.**
- 6.6. **Approve Purchase in the Amount of \$2,337.12 from Girtz Implement for Sixteen (16) Firestone Replacement Tires for the Four Police Squad Cars.**
- 6.7. **Approve Pay Request in the Amount of \$54,100.57 to Haataja Contracting for Construction Services for the City Hall-Phase II Remodel Project.**
- 6.8. **Approve Pay Request in the Amount of \$87,275.79 to Hough Inc. for Construction Services for the Main Lift Station Reconstruction Project.**
- 6.9. **Approve Pay Request in the Amount of \$363.33 to BHH Partners for Architectural Services for the City Hall-Phase II Remodel Project.**
- 6.10. **Approve Low Quote in the Amount of \$11,250.00 to Johnson Jet Line for Televising 15,000 Feet of Clay Sanitary Sewer Lines.**

END OF CONSENT AGENDA

7. COMMENTS FROM CITIZENS: There were no comments.

8. GENERAL BUSINESS:

8.1. 2019 Tax Levy: Brumbaugh stated all of the information for the preliminary budget is in the Council packets. What you approve tonight for your levy can be reduced, but cannot be increased. The Finance Committee met and made some recommendations for changes, which are reflected in this preliminary budget.

Brumbaugh stated there aren't a lot of changes for the 2019 revenues. The local government aid (LGA) amount for 2019 is projected to be increased by \$1,173.00, for a total of \$496,388.00. In 2018, the city budgeted \$495,215.00. The state tells us how much they are going to give us. It didn't change very much. The proposed general fund levy after the Finance Committee meeting is \$3,309,233.00. They reduced the levy by \$56,073.00. That makes an increase from 2018 of \$39,920.00 for a 1.2% increase for the general fund.

Brumbaugh stated when we go through the budget we look at different areas. Some of them affect more than one department, like insurance. I used the League of Minnesota Cities website to find what they are looking at for their budget so we can determine what they will be charging us. They forecast a 5-8% increase in worker's compensation (WC). I used 6.5% to increase every department's WC budget based on the League's recommendation. The insurance I increased 3%. Auto insurance is relatively stable, but I increased it by 2%. I increased the liability insurance budget by 4%. The general fund increased by \$6,600.00, which is 5%.

Brumbaugh stated a new part time facility maintenance position has been added, so total salaries for this budget is \$1,974,851.00, which is an increase of \$90,815.00 over 2018. That is a 4.8% increase. We have a 2% increase on the step increases based on the union contracts, but there are certain people that still have wage steps, and that is why the increase is more than the 2%. Every city employee that works the mandatory hours does receive PERA at 7.5%. That is mandated by the state. Police PERA increased to 17.2% instead of 16.2%.

Brumbaugh stated the street maintenance budget went down because the State of Minnesota did not fund their street maintenance program they had previously funded for small cities under 5,000 population. Since we lost funding, Burlingame did not budget for that. Capital outlay for the parks department, based on the CIP, \$36,250.00 was to go towards Deane Park in 2018. After the Finance Committee reviewed it, they agreed to leave \$25,000.00 in their fund, lowering it by \$11,250.00. For the Hubbard County Regional Economic Development Commission (HCREDC) budget, it was requested that we increase that by 20%, because the county is also increasing their contribution. It went from \$40,000.00 to \$48,000.00. It looks like Planning/Zoning took a large increase. Some of it's based on salaries and how it's allocated. Different people work in more than one department. Every year I look at salaries for a three-year average, then I take a percentage of that to determine the increase.

Randall requested Brumbaugh discuss the levy percentages. Brumbaugh stated the department heads go through this and put down what they want, and then staff hashes it out. Then the Finance Committee reviews it and makes their changes. Our certified levy for 2018 was \$2,537,033.00. The levy proposed by staff for 2019 was \$2,728,971.00. After the Finance Committee reviewed the proposed total levy, and they reduced it to \$2,672,898.00. Those numbers include the scheduled bond payments. The bond payments for 2019 increased a lot. Overall the total increase is going to be 5.36%, for an increase over the 2018 levy of \$135,865.00. The Finance Committee cut out 2.2% from the levy proposed by staff.

Brumbaugh stated all the outstanding bond payments have been listed separately, and those are what we are levying for. In 2019, the 2010a and b bonds are finally up. We did crossover refunding bonds in 2016. We will start paying them in 2019. That increased our bond payment in 2019 by \$78,000.00, which is high. By doing that crossover refunding bond the city will save \$600,000.00 in the end.

Brumbaugh stated the Council will have to approve the general fund budget and the levy with the adoption of two resolutions. The total increase to the levy is 5.36%.

Char Christianson stated I want the Council to understand that on the county side, we are still in discussion about the increase for the HCREDC. We have not made a firm decision yet. Randall thanked Christianson for her comment, and added the Finance Committee identified a few things that we do anticipate that are pretty vulnerable in this budget that we anticipate coming out. The Finance Committee just met last week and this

is our starting point. Leckner stated we're still in discussion too, but we can't put it in there later. Randall stated we'll make the final decision on several things at a later point.

A. Resolution Adopting Preliminary General Fund Budget for the Year 2019 for the City of Park Rapids: A motion was made by Leckner, seconded by Conway, and unanimously carried to approve Resolution #2018-139 Adopting Preliminary General Fund Budget for the Year 2019 for the City of Park Rapids.

B. Resolution Adopting the Preliminary 2019 Tax Levy for the City of Park Rapids: A motion was made by Leckner, seconded by Stone, and unanimously carried to approve Resolution #2018-140 Adopting the Preliminary 2019 Tax Levy for the City of Park Rapids.

C. Set the Truth in Taxation Hearing for Tuesday December 11th, 2018, at 6:00 p.m. to be Held in the City Council Chambers: Acting Mayor Randall read the following motion into the record. A motion was made by Stone, seconded by Conway, and unanimously carried to set the Truth in Taxation Hearing for Tuesday, December 11th, 2018, at 6:00 p.m. to be held in the City Council Chambers, at 212 Second Street West, in the City of Park Rapids.

9. CITY ADMINISTRATOR COMMENTS: McKinney had no comments.

10. DEPARTMENT HEAD UPDATES: Burlingame stated work on the airport project started today.

Mathisrud stated on the August 2018 building permit report there are \$8.5 million in building permits for the year so far. We anticipate there will be \$10 million by the end of the year. It will be another up year.

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

12. COMMENTS FROM COUNCIL: There were no comments.

13. ADJOURNMENT: A motion was made by Stone, seconded by Randall, and unanimously carried to adjourn the meeting at 6:17 p.m.

[seal]

Acting Mayor Erika Randall

ATTEST:

Margie M. Vik
City Clerk