

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
OCTOBER 9, 2018, 6:00 PM
Park Rapids City Hall Council Chambers
Park Rapids, Minnesota**

1. CALL TO ORDER: The October 9th, 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, Erika Randall, and Liz Stone. Absent: None. Staff Present: Administrator John McKinney, Planner Ryan Mathisrud, Police Chief Jeff Appel, Public Facilities Superintendent Chris Fieldsend, Treasurer Angela Brumbaugh, Liquor Store Manager Scott Olson, Public Works Employee Tim Little, Fire Chief Donn Hoffman, and Clerk Margie Vik. Others Present: Florence Hedeem, Colin Perry, Hubbard County Attorney Jonathan Frieden, Sue Tomte, Mary Thompson, Cynthia 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 with the following additions to the Consent Agenda:

- #6.11. Authorize City Staff to Advertise and Interview for Public Works Utility Maintenance Worker.**
- #6.12. Authorize City Staff to Advertise and Interview for City Planner.**
- #6.13. Resolution for Authorization to Execute Minnesota Department of Transportation Grant Agreement for Airport Improvement Excluding Land Acquisition.**

4. APPROVAL OF MINUTES:

4.1. City Council Regular Meeting Minutes-September 25, 2018: A motion was made by Conway, seconded by Randall, and unanimously carried to approve the September 25th, 2018, City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Stone, seconded by Randall, and unanimously carried to approve the payables in the amount of \$125,163.79, and the prepaids in the amount of \$90,695.92, for a total of \$215,859.71.

6. CONSENT AGENDA: Mikesh removed Item #6.6 from the 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 Permit to Work in the City of Park Rapids in 2018 for Lakes Area Plumbing.**
- 6.2. **Resolution #2018-148 Approving Resignation of Full Time Public Works Utility Maintenance Worker Tim Little.**
- 6.3. **Resolution #2018-149 Accepting the Resignation of Full Time Planner Ryan Mathisrud.**
- 6.4. **Approve Public Facilities Use Permit for Julie Ann Nicklason d.b.a. St. Joseph's Area Health Services to Use Lindquist Park on Monday, October 15th, 2018, for an Infant Loss Ceremony.**
- 6.5. **Resolution #2018-150 Accepting Donations for the City of Park Rapids.**
- 6.6. *Removed from the consent agenda.*
- 6.7. **Resolution #2018-151 Appointment of Election Judges for the General Election for the City of Park Rapids for the Year 2018.**
- 6.8. **Resolution #2018-152 Approving the Full Time Employment Status and Acknowledging the Declaration of Park Rapids Police Officer Joshua Gabriel.**
- 6.9. **Resolution #2018-153 Approving Wage Adjustment and Step Increase for Facility Maintenance/IT Superintendent Chris Fieldsend.**
- 6.10. **Resolution #2018-154 Authorizing the Proper City Officials to Execute of Operation and Maintenance Agreement for the Park Rapids Hockey Arena by and between the Park Rapids Hockey Association and the City of Park Rapids.**

- 6.11. **Authorize City Staff to Advertise and Interview for Public Works Utility Maintenance Worker.**
- 6.12. **Authorize City Staff to Advertise and Interview for City Planner.**
- 6.13. **Resolution #2018-155 Authorization to Execute Minnesota Department of Transportation Grant Agreement for Airport Improvement Excluding Land Acquisition.**

END OF CONSENT AGENDA

6.6. Approve Purchase in the Amount of \$3,504.85 (plus tax and freight) from Heiman Fire Equipment for a Sensit Gold G2 4 Gas Monitor for the Park Rapids Fire Department: Fire Chief Donn Hoffman stated we've had a less than quality gas meter for quite some years. We cannot trust this meter, and we have been called by mutual aid to use this so we're looking to replace it. We want a new remote one with a calibration kit that can go with the firefighter onto a fire scene. The new one has been around for thirty plus years, and it will be supported for another thirty years. It's what our local utilities use. We felt this was a good choice for us. We won't have to spend that kind of money again for ten years. It's used to test for CO. If a CO alarm goes off we would take this unit out there and verify that CO is a problem. At that point, we would ask them to leave the premises until they can get a contractor in there to fix the problem. It's very common on a fire scene. Every fire department in the state does this because the contractors aren't willing to do it. It's a somebody's got to do it job.

Randall questioned is this in your budget this year? Hoffman stated there is budgetary money there for it. Brumbaugh stated they have funds in their small equipment fund, and some money designated for the fire department. They have funds to cover it.

A motion was made by Stone, seconded by Conway, and unanimously carried to approve the purchase in the amount of \$3,504.85 (plus tax and freight), from Heiman Fire Equipment, for a Sensit Gold G2 4 Gas Monitor, for the Park Rapids Fire Department.

7. COMMENTS FROM CITIZENS: Florence Hedeem thanked Mayor Mikesh for the time he has served. I'm sorry that you weren't able to remove your name from the ballot before it was printed. I appreciated your visit to my house several years ago when I had an issue. I appreciate the service of all of you, and I'm shocked to see on the agenda that Ryan Mathisrud has resigned. I really appreciate the work that you have done with us. Thank you very much.

Colin Perry stated I thank you for your service Mayor Mikesh.

8. PLANNING:

8.1. Resolution Approving the Grant Application Submittal to Minnesota Workforce Housing Development Program for Funds from Minnesota Housing Finance Agency for the City of Park Rapids:

Ryan Mathisrud stated staff has been working with the Bemidji Headwaters Regional Development Commission (HRDC) partnered with the Hubbard County Housing and Redevelopment Authority (HCHRA) for the construction of a twenty-eight-unit building which would be adjacent to WalMart. This apartment building would target employees that would work at the rate of \$10.00 to \$12.00 per hour. The building itself has a construction cost of \$2.6 million and would be partially funded with a grant from the state's Workforce Housing Program. It would also be packaged with a private donation of land, private financing, and at this time there is no request for tax increment financing. It should all be self-supported. They would pay local property taxes. The HRDC would be the project lead and work as the developer. Once it's constructed the HCHRA would manage the building.

Mathisrud stated they are requesting that the city adopt a resolution of support for the project. Once the grant is awarded, then acceptance of the grant. The city would act as a pass through for the grant. Mary Thompson from HRDC will talk about the details of the project.

Mary Thompson stated the HRA has been keenly aware of the struggle of folks that are at that \$10.00 to \$12.00 an hour range and the affordability of rental units that are available. The standard is that individuals should pay no more than 30% of their income for rental facilities. We've been exploring options for creating a building that would not have income restrictions or rental subsidies so that anyone can afford to live there. Many of the income restricted apartment buildings that are available statewide those income limits exclude folks who would make \$12.00 an hour. While most of the market rate buildings are too expensive, the ones that have income restrictions they can't get into. There's a knish of folks that struggle when it comes to finding affordable rentals. We've been working with some organizations to try to figure out a way if we could make this work. We have a general contractor who has worked with us that has done some good quality buildings, so we are able to get very close to being able to make this construction with this grant.

Thompson stated Minnesota Housing has this program that is targeted for workforce housing. There are some caveats to this program. The applicant has to be a city in rural Minnesota and has a population exceeding 500 people. The priority is given to any cities that have populations less than 30. It's really meant to be in smaller cities in Greater Minnesota. It can be either a market rate program or some mixed income. Ours is targeting for market rate. It's new construction and it requires the support of businesses in the community that employ in aggregate twenty employees or more. We've already received letters of support from business that would meet that qualification. There's also a requirement for matching dollars, to provide \$1.00 of match for every \$2.00 of grant resources. We've been able to identify the resources so we are not asking for any cash from the city. We're just asking for your support of this resolution. And we are not looking for TIF. We expect that HRA will be the owner as a market rate so it will be a taxable property once it's developed. The other qualification that is required for the application is that there is a vacancy rate below 5% for two years in the community. Based on the assessment here in this community the rental would qualify with a little explanation.

Thompson stated we are going to ask for a grant of \$550,000.00 with the Council's approval because it would be your application. It would be used to help with the construction. The developer is the HRA. Because they don't have staff of their own they contract with the HRDC. The HRA would be the owner and the manager of the property long term. The grant doesn't come with very many strings. It's really a pass-through responsibility for the city.

Conway stated the resolution states that grant loan will be matched by the City of Park Rapids and Hubbard County 1-2, which if it's the \$550,000.00 would be \$183,000.00. Thompson stated we have identified \$305,000.00 worth of match. The vast majority of that is the valuation of the donation of the land. The other part is the parcel that is actually available is tax-forfeit. We have requested that the county allow for that part of the taxes to be forgiven so that can count as in-kind matches as well. Those will add up to be the matches required. There will be no cash out of pocket for the city to meet the match requirement.

A motion was made by Conway, seconded by Leckner, to approve Resolution #2018-156 Approving the Grant Application Submittal to Minnesota Workforce Housing Development Program for Funds from Minnesota Housing Finance Agency for the City of Park Rapids.

Discussion: Randall questioned when will the city have to make a decision about when we would agree to the 30% reduction in the building permit fees and the other concessions. There's a reference to a handful of concessions to include, but only a couple of them are listed. Mathisrud stated that would have to come later. They would have to make a separate request for that after the grant is received. In order to move this project, forward we also have to develop an extension of some paving in order to serve it. We'd have to do a subdivision and rezone the parcel. Those are all items that are forthcoming and we'd have to review them on a separate basis at that time.

Randall questioned by approving this we're not agreeing to this, the reduction of building permits or any of those other things? Mathisrud stated that is correct. We're not agreeing to make those concessions at this time. Randall questioned the extension of Charles Street is budgeted for in the project? You're not asking the city to do that? Thompson stated that is correct. We have budgeted what we believe to be sufficient resources to make that happen. The grant application is due on Thursday by 4:30 p.m. We'll submit it and we should hear in January whether or not we were successful in funding, and then we'll have a final project budget that will be put together. That's when we'll have the final bituminous and construction numbers. There is a potential that we will ask for that but we'll need the final numbers first. There is a potential that we may ask the city for some concessions.

Randall questioned is this one of those projects that if someone makes over the \$12.00 an hour that this would exclude them from this housing? Thompson stated no it would not. It's market rate so there are no income restrictions. We're targeting a specific knish but that doesn't preclude anyone else from living there.

Mikesh stated all we are approving today is the grant application. Thompson stated yes, the submission of the application. If we are funded then you would have the ability to accept the grant. That would be the time to stop the process if you feel uncomfortable with it.

The vote was called.

The following Councilmembers voted in favor: Conway, Leckner, Mikesh, Randall, and Stone.

The motion carried unanimously.

9. GENERAL BUSINESS:

9.1. Hubbard County Attorney Contract: Hubbard County Attorney Jonathan Frieden stated the contract with the city to prosecute city cases will expire at the end of 2018. Dearstyne, my predecessor, was here a couple of years ago asking for that two-year contract. I am asking to renew that contract. The service that we provide and the availability of our staff to the city provides you with a really good service. I believe the amount of money for the contract matches the service that we are providing. I think it's a good match for both the city and the county. I think it's a good contract. I'm not asking for an increase in 2019. I'm asking for a 3% increase in the contract for 2020. My budget in the county attorney's office goes up about 2.5% per year. I'm looking to absorb that increase in 2019 through some other contracts that I have with other providers. I think a 3% increase in the second year of the contract is very fair.

McKinney stated the police chief and I met with the county attorney and we went through the contract. Considering our experience with the work that is done, we highly recommend that you accept this offer.

A motion was made by Conway, seconded by Stone, to approve Resolution #2018-157 Authorizing Proper City Officials to Execute a Contract for Criminal Services by and between County Attorney Jonathan Frieden and the City of Park Rapids.

The vote was called.

The following Councilmembers voted in favor: Conway, Leckner, Mikesh, Stone.

The following Councilmembers voted nay: None.

The following Councilmember abstained: Randall.

The motion carried 4-0.

10. CITY ADMINISTRATOR COMMENTS: McKinney stated I'd like to add to the previous comments about Mathisrud. I appreciate the work that we have gotten from him and I wish him well on his new venture.

11. DEPARTMENT HEAD UPDATES: Mathisrud stated I'm still here with the city until October 26th, so I'll attend one more Council meeting. I'd like to thank all of the Councilmembers for the opportunity to serve this community. I've been here for four years and have formed so many connections with the people here and this place. It has been an amazing experience. I've been able to participate in the exponential growth that you have been seeing over the last few years. I've worked on such a wide variety of projects and

that has been a great opportunity. I'd like to thank all of you and all the rest of the members of the community that I may not get to see before I leave.

Donn Hoffman stated we had some more than minor repairs on both of our primary engine and our ladder truck. The primary engine numbers came in around \$9,000.00. You don't have numbers for the ladder truck yet. We won't have the number until they get the truck and can look at it and then give us an estimate. They are both in service now so we're back to full force. I'd like to say from my standpoint Mathisrud was really good to work with.

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

13. COMMENTS FROM COUNCIL: Leckner stated I'd like to thank Mathisrud too for doing such a good job. Mikesh stated I think the same thing. It's been nice working with you, and the same goes for Mr. Little. Thank you for all the work you have done for the past thirty years. I appreciate it.

Sue Tomte stated there is a candidate forum for the mayor's race on Thursday at 6:00 p.m. here in this room. I will be moderating. Please attend.

14. ADJOURNMENT: A motion was made by Conway, seconded by Leckner, and unanimously carried to adjourn the meeting at 6:28 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk