

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
OCTOBER 23, 2018, 6:00 PM
Park Rapids City Hall Council Chambers
Park Rapids, Minnesota**

1. CALL TO ORDER: The October 23rd, 2018, Regular Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Mayor Pat Mikesh, and the Pledge of Allegiance was recited.

2. ROLL CALL: Present: Mayor Pat Mikesh, Councilmembers Tom Conway, Ryan Leckner, and Liz Stone. Erika Randall arrived at 6:05 p.m. Absent: None. Staff Present: Administrator John McKinney, Treasurer Angela Brumbaugh, 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: Sue Tomte, Nancy Newman, Tom Petschl, Gail Petschl, Scott Henry, Cynthia Jones, and Robin Fish from the Enterprise.

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

Item #6.7. Revised resolution was presented.

Item #6.8. Add to Consent Agenda: Approve Purchase and Installation in the Amount of \$2,644.00 from Warner Garage Door for Two (2) Garage Doors for the Police Bays at the Public Works/Safety Building.

Item #9.2. Delete from Agenda.

4. APPROVAL OF MINUTES:

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

5. FINANCE:

5.1. Payables & Prepays: A motion was made by Stone, seconded by Conway, and unanimously carried to approve the payables in the amount of \$99,317.20, and the prepaids in the amount of \$123,230.62, for a total of \$222,547.82.

6. CONSENT AGENDA: Mikesh removed Item #6.1. from the consent agenda. A motion was made by Conway, seconded by Leckner, and unanimously carried to approve the following consent agenda items:

- 6.1. *Removed from the consent agenda.*
- 6.2. **Resolution #2018-158 Setting Public Hearing on the Proposed 2019-2023 Capital Improvement Plan for the City of Park Rapids.**
- 6.3. **Approve Pay Request #1 in the Amount of \$87,275.79 and Pay Request #2 in the Amount of \$56,247.03 for Hough Inc for Construction Services Regarding the Main Lift Station Reconstruction Project.**
- 6.4. **Approve Pay Request in the Amount of \$18,006.45 for Apex Engineering Group for Professional Services Regarding the Main Lift Station Reconstruction and the TH 71 Frontage Road Projects.**
- 6.5. **Cancel the Last City Council Meeting of the Year in 2018, Scheduled for December 25th, 2018.**
- 6.6. **Resolution #2018-159 Awarding Engineering Contract to Toltz, King, Duvall, Anderson, & Associates for the City of Park Rapids Municipal Airport.**
- 6.7. *Revised resolution:* **Resolution #2018-160 Certify Delinquent Utility Bills to the Hubbard County Auditor Payable in the Year 2019.**
- 6.8. **Approve Purchase and Installation in the Amount of \$2,644.00 from Warner Garage Door for Two (2) Garage Doors for the Police Bays at the Public Works/Safety Building.**

END OF CONSENT AGENDA

Councilmember Erika Randall arrived at 6:05 p.m.

6.1. Resolution Acknowledging the Resignation of Volunteer Fire Chief Donn Hoffman for the City of Park Rapids: Mikesh stated I'd like to acknowledge Fire Chief Donn Hoffman's years of service to the fire department. He turned out to be a heck of a chief. We appreciate everything you have done for the community.

Cynthia Jones stated on behalf of the Downtown Business Association I'd like to thank Chief Hoffman. I have his cell phone number and anytime I call him he's always

there to help us out with the Christmas tree or for power on Main Avenue. I offer all of our thanks from the businesses in Park Rapids.

A motion was made by Leckner, seconded by Conway, and unanimously carried to approve Resolution #2018-161 Acknowledging the Resignation of Volunteer Fire Chief Donn Hoffman for the City of Park Rapids.

7. COMMENTS FROM CITIZENS: There were no comments.

8. PLANNING:

8.1. Resolution Approving the Sale and Transfer of City-Owned Real Property in Park Rapids to the State of Minnesota: Mathisrud stated this request is for the approval of the sale of city owned real estate to the Minnesota Department of Transportation (MN DOT) for right of way acquisition at the corner of CSAH 15 and Trunk Highway 71, for MN DOT's round-a-bout project in 2019. The city owned real estate is on the east side of Highway 71 that we acquired through the disposition of the Burlington Great Northern Railway property back in the 1970s. MN DOT has been very accommodating of the city's needs associated with this project. They have requested that we donate the real estate for this project in lieu of obtaining an appraisal and paying just compensation. Staff has been working with them and they have agreed to accept other costs associated with the project that aren't typically paid for by MN DOT, and that well exceeds the value of the real estate, at about \$80,000.00. Staff is recommending approval of the sale of the real estate via quick claim deed with no compensation. The Planning Commission did review this request on June 25th, 2018, and they are recommending approval as well. He requested comments or questions. There were none.

A motion was made by Conway, seconded by Stone, and unanimously carried to approve Resolution #2018-162 Approving the Sale and Transfer of City-Owned Real Property in Park Rapids to the State of Minnesota.

9. GENERAL BUSINESS:

9.1. H&H Properties Developer's Agreement: Scott Henry stated I've provided a letter to the Council. I appreciate what you passed for me at a previous meeting. The problem that we have run into is that there is no possibility to get a foundation started this year, as far as to accommodate the agreement that was approved. We could go and dig some dirt or get some permits if that would count. To keep this agreement working in our direction would be if we could start it in the spring of 2019. Right now, all of the contractors that I deal with are already booked up. There is no way we can get concrete down now. They are trying to finish up the jobs that they have right now before freeze up, which is coming up in two or three weeks. We're hoping we can bump this agreement up to the spring of 2019, and then there would be one house every year after that.

McKinney stated the Council approved several weeks ago a developer's agreement. Henry was scheduled to meet with you to ask for what he's asking for tonight and was not present when you voted on that. He's asking you to amend that agreement. His original request was to have the same deal as the other contractor, David Pritzlaff. The other contractor has not asked for an extension.

Henry stated with the late start time period, the end of September, when it was passed, it is difficult if not impossible to get people lined up to where we could actually start. McKinney stated they acquired the properties the same time as the other contractor did in April of 2018. Henry stated we acquired the property in April, right. But we didn't pursue, we didn't know the opportunities that were available to us to work on the special assessments part of it.

Mikesh questioned has the other contractor requested anything? McKinney stated he has not requested anything, but he hasn't built a house either. Conway questioned I thought his started next year too? McKinney answered no, it's this year. Brumbaugh stated the assessments start in 2019. Henry is asking for his assessments to start in 2020, so we'll miss a year of it. You would be giving him something that you did not give Pritzlaff. The special assessments would be pushed out farther, which they have already been pushed out because they were tax forfeited properties.

Randall questioned when did Mr. Pritzlaff come to us to ask for an extension? McKinney stated in August. Brumbaugh stated he's the one that actually started this process. McKinney stated Pritzlaff has six lots, and Henry has three.

Conway questioned so the assessments that he's asking to push out are \$57,577.29? Brumbaugh stated you've given him the opportunity to certify one lot per year as long as they build a house. Conway stated I'm trying to figure out the economic effect of pushing them out. McKinney stated if he builds a house in compliance with the agreement he gets a 10% discount on the assessment on that lot. Having not built anything in this year, he would lose the 10% discount on that assessment because he didn't build a house on one of the three lots. The original purpose of this first application, which was in August, was an incentive to get somebody to build a house on it, and not just to hold the land. That was the purpose. Obviously, that didn't work in either instance.

Henry stated when you go back in the timeline if we would have had the opportunity, which we didn't pursue, in August we could have easily had the utilities brought in to start. But when you start working towards the end of September all the guys are already booked up coming into fall. There's no way to get anything started. We are in the process of finishing up a project in town, so we are building and filling lots in town here. We're not buying lots to leave them vacant.

McKinney stated I would suggest that if you're going to grant this extension to this applicant you should consider offering it to the other one as well. That would keep them on the same playing field. Randall stated I don't know if our incentive is working. Stone stated I think it has the potential to work. I do understand what you are saying about this time of year. Had you known about it you would have started earlier, is that what you're saying? Henry answered absolutely.

Randall questioned when does this original agreement go back to? Conway stated we approved his original agreement two meetings ago. He was going to appear at that meeting to ask for the extension then. Henry stated that is correct, but I ran late getting to that meeting and you folks were walking out as I was walking in.

Brumbaugh stated this agreement isn't something that the city was going out to look for. Mr. Pritzlaff, who purchased the other six lots, and is a developer, he asked if we would consider it. This wasn't us pursuing anyone. He came to us and we talked about it and then brought it to you guys.

Conway questioned even if we approve these two extensions, I don't know that we would have an obligation to approve anything that applied after that date. McKinney stated you don't have any obligation either way. It was an incentive to get people to build something instead of just to sit on it. If they don't do it we still get the assessment. They're the ones that will lose the discount.

Conway stated I'm leaning towards approving it, but I'd want to make a stipulation that this is the first time that we are trying this incentive and if it doesn't work after this year, then that might be the end of this incentive. Randall stated I agree that if we do this we need to apply it to both of them so it's the same.

A motion was made by Conway, seconded by Randall, and unanimously carried to approve amending H&H Properties of Park Rapids LLC developer's agreement to change the starting date for the certification of special assessments from 2018-payable in 2019, to 2019-payable in 2020, with the stipulation that we offer the same criteria to the other contractor, David Pritzlaff's developer's agreement.

Discussion: Brumbaugh stated this money from the special assessment payments goes towards your bonds. If we don't have enough money to make the bond payments, the money will have to be applied to the levy. When we make special deals, the bonds still have to be paid no matter what. Leckner stated these lots were tax forfeited so we weren't getting any money from them. So, we're hoping that we'll get a house on them to start bringing in some income.

9.2. Proposed Minnesota Legislative Action to Allow Strong Beer, Wine, and Liquor in Grocery Stores: *Deleted from agenda.*

9.3. Assignment of Wastewater Treatment Facility Agreement: Conway stated he would be recusing himself from the vote on this agenda item.

McKinney stated this is at the request of the lender of an improvement project at the RDO plant. The wastewater treatment facility is a facility that the city owns, but they operate it. The lender wants a claim to the rights, as the company has, if they default on the loan. We are more than happy to agree to that. It's one of the things they do to secure their improvement loan. Randall questioned has this been reviewed by our attorney? McKinney answered yes.

A motion was made by Stone, seconded by Randall, and unanimously carried to authorize execution of the Assignment of Waste Water Treatment Facility Agreement, by and between the Lamb-Weston/RDO Frozen and the City of Park Rapids.

9.4. Canvass Board for Municipal Election: A motion was made by Conway, seconded by Leckner, and unanimously carried to schedule the Park Rapids City Canvass Board meeting for November 13th, 2018, at 5:45 p.m. to be held in the Park Rapids City Council Chambers.

10. CITY ADMINISTRATOR COMMENTS: McKinney stated I will be out of the office on Thursday and Friday of this week.

11. DEPARTMENT HEAD UPDATES: Scott Olson stated Chris Arnold, President of the Minnesota Municipal Beverage Association, had a scheduling conflict so he'll be here at the last meeting in November to discuss proposed legislation to allow strong beer, wine, and liquor in grocery stores.

Mathisrud stated this is my last week and I'm working very hard to wrap up all of the projects I've been working on. Thanks again to the Council for the opportunity to serve. It's been a great experience.

Donn Hoffman stated I'd like to thank the Mayor and the Council for being pro-active on fire issues. City staff has bent over backwards to offer help. It's been a great run and I guarantee I'm leaving the department in good hands. We are trying to get a grant for \$200,000.00 to purchase breathing gear. It's due on Thursday. We budgeted for that in the CIP. We are expecting to eventually get this grant. We're hoping it will be approved in this go around.

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

13. COMMENTS FROM COUNCIL: Stone stated I'd like to thank Mathisrud and Hoffman. Best of luck to them. Randall thanked Mathisrud, adding he will be missed. Conway reiterated the same gestures of good will.

14. ADJOURNMENT: A motion was made by Stone, seconded by Leckner, and unanimously carried to adjourn the meeting at 6:24 p.m.

[seal]

Mayor Pat Mikesch

ATTEST:

Margie M. Vik
City Clerk