

**CITY OF PARK RAPIDS  
CITY COUNCIL MEETING  
JULY 23, 2019, 6:00 PM  
Park Rapids City Hall Council Chambers  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The July 23<sup>rd</sup>, 2019, Regular Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Acting Mayor Erika Randall, and the Pledge of Allegiance was recited.

**2. ROLL CALL:** Present: Acting Mayor Erika Randall, Councilmembers Tom Conway, Liz Stone, and Robert Wills. Absent: Mayor Ryan Leckner. Staff Present: Administrator John McKinney, Treasurer Angela Brumbaugh, Liquor Store Manager Scott Olson, Public Works Superintendent Scott Burlingame, Planner Andrew Mack, Public Facilities Superintendent Chris Fieldsend, Fire Chief Terry Long, and Clerk Margie Vik. Others Present: Nancy Newman, Jessica Green, Sue Tomte, Cynthia Jones, and Robin Fish from the Enterprise.

**3. APPROVAL OF AGENDA:** A motion was made by Conway, seconded by Wills, and unanimously carried to approve the agenda with the following addition to the Consent Agenda: Item #6.18. Approve Replacement of Transmission for Unit 79, the 2011 F150 Pickup Truck, for the Public Works Department, in the Amount of \$4,319.46, by Park Rapids Ford.

**4. APPROVAL OF MINUTES:**

**4.1. City Council Regular Meeting Minutes-July 9, 2019:** A motion was made by Wills, seconded by Conway, and unanimously carried to approve the July 9<sup>th</sup>, 2019, 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 prepaids in the amount of \$164,619.34, for a total of \$164.619.34

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

- 6.1. **Resolution #2019-145 Approving Ordinance No. 593 Rezoning Land to R-3 in the City of Park Rapids, PID #32.52.01900, 32.52.02100, 32.52.02200.**
- 6.2. **Ordinance No. 593 Rezoning Land to R-3 in the City of Park Rapids, PID #32.52.01900, 32.52.02100, 32.52.02200.**
- 6.3. **Resolution #2019-146 Approving Ordinance No. 594 Amending the City of Park Rapids Code of Ordinances, Chapter 36 Fee Schedule, Section 36.07 Dog, Cat and Other Animal Fees, and Chapter 90 Animals, Section 90.040 General Prohibitions.**
- 6.4. **Ordinance No. 594 Amending the City of Park Rapids Code of Ordinances, Chapter 36 Fee Schedule, Section 36.07 Dog, Cat and Other Animal Fees, and Chapter 90 Animals, Section 90.040 General Prohibitions.**
- 6.5. **Resolution #2019-147 Approving Ordinance No. 595 Amending the City of Park Rapids Code of Ordinances, Chapter 151 Zoning, Section 151.065 (B-1) Highway Business District, Section 151.066 (B-2) General Business District, Section 151.067 (I-1) Light Industry District, and Section 151.068 (I-2) Heavy Industry District.**
- 6.6. **Ordinance No. 595 Amending the City of Park Rapids Code of Ordinances, Chapter 151 Zoning, Section 151.065 (B-1) Highway Business District, Section 151.066 (B-2) General Business District, Section 151.067 (I-1) Light Industry District, and Section 151.068 (I-2) Heavy Industry District.**
- 6.7. **Approve Backhoe Operator's License to Work in the City of Park Rapids in 2019 for L&B Excavating.**
- 6.8. **Approve Outdoor Dance Permit for Jerry Benham d.b.a. American Legion Post 212 at 900 First Street East on Friday, August 9<sup>th</sup>, 2019, from 8:00 p.m. to 1:00 a.m.**
- 6.9. **Approve Purchase in the Amount of \$1,900.00 from Ferguson Waterworks for Ten (10) E-coder V-4 Meter Registers for the Public Works Water Department.**
- 6.10. **Resolution #2019-148 Approve a New On-Sale Wine/Strong Beer License for Pizza Hut.**
- 6.11. **Approve License to Operate Golf Cart/ATV on City Streets in Park Rapids in 2019 for Jeff & Blake Johnson-ATV.**

- 6.12. Approve Pay Request in the Amount of \$3,850.00 to Benson, Leitheiser & Soberg for the 2018 Park Rapids Fire Relief Association Audit.
- 6.13. Approve Pay Request in the Amount of \$94,597.91 to Minnesota Public Facilities Authority for the Water Treatment Facility and the Water Tower Loan Payments.
- 6.14. Approve Pay Request in the Amount of \$15,345.06 to Apex Engineering Group for Professional Service for Various Projects in the City of Park Rapids.
- 6.15. Approve Pay Request in the Amount of \$13,384.99 to the Minnesota Department of Commerce Regarding Reimbursement for Energy Efficiency Loans.
- 6.16. Approve the Purchase and Installation in the Amount of \$7,318.87 to Hoffman Electric for the Emergency Repairs of the Bar Screen Heater.
- 6.17. Approve Using Pacific Life as a Deferred Compensation Company with Wenzel & Associates as the Financial Advisors and Authorize Staff to Execute the Appropriate Paperwork.
- 6.18. Approve Replacement of Transmission for the 2011 F150 Pickup Truck (Unit 79), for the Public Works Department, in the Amount of \$4,319.46, by Park Rapids Ford.

**END OF CONSENT AGENDA**

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

**8. GENERAL BUSINESS:**

**8.1. Resolution Awarding the Sale of General Obligation Improvement Bonds, Series 2019A, in the Original Aggregate Principal Amount; Fixing Their Form and Specifications; Directing Their Execution and Delivery; and Providing for Their Payment:** Jessica Green, from Northland Securities, stated I have for your consideration tonight a resolution to award the sale of \$1,110,000.00 in General Obligation Improvement Bonds for the City of Park Rapids. The sales summary provides information related to the sale of bonds. We did hold the sale this morning and we had a very successful sale. The purpose of the bond is to finance the 2019 street improvement project here within the city, and to pay the cost of issuance associated with the bonds. We did go over the finance plan

last month. The bonds are going to be structured over a twenty-year period. There are assessments that go along with the bonds as well. Those are also structured over a twenty-year term. The bonds were underwritten by Northland Securities. They were rated AA- by Standards & Poore. We do have within the sales study a full copy of the rating report. There was some local participation in the sale today, two of the local banks. It's good to see some of that money staying local.

Green stated the bonds had an original par amount of \$1,150,000.00. Because of some of the premium received on the bonds we were able to reduce them down to \$1,110,000.00. Premium is when investors are willing to provide you with some cash up front in return for a higher interest rate on the bonds. The average interest rate was projected at 2.86%, and is actually at 2.90%. However, when we look at the yield, we're actually in a better position than when we reviewed the finance plan last month. The all-inclusive cost was 3.23% at the time of the finance plan. That's now down to 2.91%, a difference of 32 basis points. On a true interest cost which takes into account all of the cost of issuance, etc., we're down by 27 basis points from when we went through the finance plan. It went down from 2.99% to 2.72%.

Green stated the par amount of the bonds is \$1,110,000.00 with a reoffering premium of just over \$35,278.00, which leaves you with a project construction fund, which will be used to reimburse the city for costs you have already incurred related to the street improvement project of \$1,104,900.00. We've got your cost of issuance of \$20,550.00, the underwriters discount is \$16,650.00, and a rounding amount of \$3,178.00. The bonds are issued in \$5,000.00 denominations. The rounding is to round up to the nearest \$5,000.00. The city gets the rounding back. You can put it in your debt service fund and use that to make the first bond payment.

Green stated the pricing summary shows the coupons associated with the bonds and the corresponding yield. The overall debt service schedule will give you your total interest and principle for the year. You do have revenues coming from assessments to be used to offset those payments.

Green stated there is a detailed rating report. The city shows strong management, adequate budgetary performance, very strong budgetary flexibility, very strong liquidity, and a strong institutional framework score. They did comment on the weak debt profile of the city, however that is a comment we see in most cities that carry any sort of debt, and certainly not uncommon for a city the size of Park Rapids and the infrastructure that you need to maintain. We're overall happy to see that rating affirmed for the city. Congratulations to the Council and a thanks to Brumbaugh for all of the hard work that she put into preparing for that call. It went very well.

Green stated I'm happy to take any questions. You do have a resolution before you for the sale of General Obligation Improvement bonds in the amount of \$1,110,000.00. Randall requested questions. There were none.

**A motion was made by Conway, seconded by Stone, and unanimously carried to approve Resolution #2019-149 A Resolution Awarding the Sale of General Obligation Improvement Bonds, Series 2019A, in the Original Aggregate Principal Amount of \$1,110,000.00; Fixing Their Form and Specifications; Directing Their Execution and Delivery; and Providing for Their Payment.**

**9. CITY ADMINISTRATOR COMMENTS:** McKinney stated we have an Airport Commission meeting tomorrow at 10:00 a.m. There's been quite a bit of activity going on. We'll have a report of those actions taken by the commission tomorrow at your next meeting.

**10. DEPARTMENT HEAD UPDATES:** Mack stated I intend to attend the Coalition of Greater Minnesota Cities Annual Conference in Bemidji, Wednesday through Friday of this week.

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

**12. COMMENTS FROM COUNCIL:** Stone stated we had an Arts and Culture Commission meeting yesterday that was interesting. There was a lot of discussion about repurposing the trestle bridge. It will be interesting to see how that unfolds.

**13. ADJOURNMENT:** A motion was made by Conway, seconded by Wills, and unanimously carried to adjourn the meeting at 6:10 p.m.

[seal]

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Acting Mayor Erika Randall

ATTEST:

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Margie M. Vik  
City Clerk