

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
OCTOBER 22, 2019, 6:00 PM
Park Rapids City Hall Council Chambers
Park Rapids, Minnesota**

1. CALL TO ORDER: The October 22, 2019, Regular Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Mayor Ryan Leckner, and the Pledge of Allegiance was recited.

2. ROLL CALL: Present: Mayor Ryan Leckner, Councilmembers Tom Conway, Erika Randall, Liz Stone, and Robert Wills. Absent: None. Staff Present: Administrator Ryan Mathisrud, Public Facilities Superintendent Chris Fieldsend, Fire Chief Terry Long, Liquor Store Manager Scott Olson, Planner Andrew Mack, Treasurer Angela Brumbaugh, Police Officer Rittgers, and Clerk Margie Vik. Others Present: Nancy Newman, Jessica Mjelde, Sue Tomte, residents from the Timbers Addition, and Robin Fish from the Enterprise.

3. APPROVAL OF AGENDA: A motion was made by Wills, seconded by Conway, and unanimously carried to approve the agenda with the following addition to the Consent Agenda: #6.20. Approve Public Facilities Use Permit for Cynthia Jones d.b.a. Park Rapids Rotary to Use Pioneer Park, on October 31st, 2019, from 4:00 p.m. to 6:00 p.m. for Trick or Treat for the Food Shelf.

4. APPROVAL OF MINUTES:

4.1. City Council Workshop Minutes-October 8, 2019: A motion was made by Conway, seconded by Wills, and unanimously carried to approve the October 8th, 2019, City Council Workshop minutes as presented.

4.2. City Council Regular Meeting Minutes-October 8, 2019: A motion was made by Stone, seconded by Conway, and unanimously carried to approve the October 8th, 2019, City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Randall, seconded by Conway, to approve the payables in the amount of \$31,937.87, and the prepaids in the amount of \$190,098.21, for a total of \$222,036.08.

The vote was called.

The following Councilmembers vote in favor: Conway, Leckner, Randall, Stone.

The following Councilmembers voted nay: None.

The following Councilmember abstained: Wills.

The vote carried 4-0, with 1 abstention.

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

- 6.1. Resolution #2019-182 Approving Ordinance No. 597 Rezoning Land to R-B in the City of Park Rapids, PID #32.37.03600.**
- 6.2. Ordinance No. 597 Rezoning Land to R-B in the City of Park Rapids, PID #32.37.03600.**
- 6.3. Approve Plumber's Permits to Work in the City of Park Rapids in 2019 for Park Rapids Plumbing & Heating, and Mid State Refrigeration, Heating, Plumbing, & A/C.**
- 6.4. Cancel the Second City Council Meeting in December, scheduled for Tuesday, December 24th, 2019.**
- 6.5. Approve Golf Cart/ATV License to Operate on City Streets in 2019 for Nathan Tschopp-ATV.**
- 6.6. Resolution #2019-183 Authorizing Proper City Officials to Execute the Joint Powers Agreement-Minnesota Anti-Heroin Task Force Program by and between the Minnesota Department of Public Safety-Bureau of Criminal Apprehension and the City of Park Rapids.**
- 6.7. Approve Low Quote in the Amount of \$5,350.00 from Gull Lake Glass for the Replacement of the North Door and the Opener on the South Door of the Library.**
- 6.8. Approve Pay Request in the Amount of \$2,100.00 for Mobile Ready Mix for Repair of the Sidewalks at Rapids Spirits Municipal Liquor Store.**
- 6.9. Approve Pay Request in the Amount of \$2,518.40 for Josh's Collision Center for Repairs to Unit 80, the Public Works Tandem Plow Truck.**

- 6.10. **Approve Low Quote in the Amount of \$4,646.19 from Sanitation Products Inc. for the Replacement of the Conveyor Belt on Unit 88, the Public Works Elgin Pelican Street Sweeper.**
- 6.11. **Resolution #2019-184 Appointing Jeffery Olesen as a Temporary Part Time Rapids Spirits Liquor Store Clerk for the City of Park Rapids.**
- 6.12. **Resolution #2019-185 Appointing Tricia Miller as a Temporary Part Time Rapids Spirits Liquor Store Clerk for the City of Park Rapids.**
- 6.13. **Approve Pay Request in the Amount of \$2,000.00 to TKDA for Professional Services for the 2018 Pavement Repairs and Apron Lighting Upgrades at the Park Rapids Municipal Airport.**
- 6.14. **Approve Pay Request in the Amount of \$25,436.50 to Kitchigami Regional Library for the Second Half of the 2019 Levy and the Repair and Replacement Fund.**
- 6.15. **Resolution #2019-186 Approving Wage Adjustment and Step Increase for Full Time Park Rapids Police Officer Josh Gabriel.**
- 6.16. **Resolution #2019-187 Approving Wage Adjustment and Step Increase for Public Works Street Maintenance Worker Justin Leritz.**
- 6.17. **Approve Final Pay Request in the Amount of \$3,600.00 to Fahrner Asphalt Sealers for Work on the 2018 Pavement Repair Project for the Park Rapids Municipal Airport.**
- 6.18. **Approve Pay Request in the Amount of \$54,986.99 to Apex Engineering Group for Professional Services Regarding Various Projects in the City of Park Rapids.**
- 6.19. **Resolution #2019-188 Certifying Delinquent Utility Bills to the Hubbard County Auditor Payable in the Year 2020.**
- 6.20. **Approve Public Facilities Use Permit for Cynthia Jones d.b.a. Park Rapids Rotary to Use Pioneer Park, on October 31st, 2019, from 4:00 p.m. to 6:00 p.m. for Trick or Treat for the Food Shelf.**

END OF CONSENT AGENDA

7. COMMENTS FROM CITIZENS: There were no comments.

8. PLANNING:

8.1. TABLED October 8, 2019: Variance Request by Eric and Jessica Mjelde at 1120 Timbers Drive, PID #32.93.02400: Andrew Mack stated this is for a request for the approval of a variance for Eric and Jessica Mjelde. The city engineer was unable to be here in person. In lieu of that he has prepared a follow up letter affirming his earlier position after further research as requested by Council for the onsite retention of storm water in an equal amount to the amount of new impervious surface that is created as part of this request. The amount of the impervious surface in relation to the amount of storage has been recalculated. The original design by the contractor afforded 100 cubic feet more than was necessary. There's a new plan in your packet from the landscaping firm reducing the scope of the project and also the cost.

Mack stated you have a ten-foot variance request before you for the house that would extend up to the northern parcel boundary within less than a foot. The city's storm water parcel is to the north. There is no plan for constructing a storm water retention plan on the property now or in the future. There's no anticipated impact of this variance on the land to the north given the fact that there will never be a structure for a home located there. The proposal is at the northwest corner of the property, but there would be a surface depression dug at a shallow depth here. This is the low point of the site and water does naturally drain to this area. It doesn't drain out to the street and further back around to the south on Timbers Drive. The condition that the applicant is still in full agreement with is the addition of gutters and downspouts to help further direct storm water on site away from the city's storm water parcel. There are some special construction practices that could help to assure that that will occur.

Mack stated I will reiterate that staff and the Planning Commission has agreed with the recommended findings and support of this variance. Some of the important factors that create a practical difficulty is the fact that the site is impacted by the storm water parcel and that the structure is extremely close to the north boundary line. The second factor is that when the house was originally constructed, we have substantial mature conifer trees on the south end of the property, thereby necessitating the placement of the house to the north in favor of preserving, to the extent possible, of those mature trees. Thirdly, the lot is the smallest lot in the subdivision. The storm water parcel goes up to the north, and the neighbor's property to the west notches up and around by 30 feet to the north, and the rest of the lots are aligned with a boundary that is further north. This lot is impacted by the storm water parcel. The storm water parcel was here prior to the time the subdivision was approved. It was not of the doing or plight of the landowner as the statute would call for.

Mack stated Jessica Mjelde is here and would like to address the Council. Mjelde stated for the last two weeks I've been working with Flying W, and others, trying to find out if our addition really has that much of an effect on any further water issues. I have been informed that the city engineer has changed his number of cubic feet that we are responsible for to reflect the size of our addition. Jon Olson has to base his numbers off of the one-hundred-year rain event. Before we moved here there was a heavy rain and the house next to us was surrounded by water. The previous neighbors that purchased that house were very upset because it was never disclosed to them at purchase. After raising questions, the city has dug out the area next to us for a storm swell. We have a basement in our house and we've never had any water issues.

Mjelde stated before the meeting two weeks ago I was ignoring 90% of the people that were telling me that the plan was ridiculous. Those people are my neighbors, and the professionals that I have worked with. I was told that the only way we were going to get this addition was with a drainage plan. I didn't know any better. When one of these nice ladies mentioned it two weeks ago, I wanted to jump up and cheer. Now I can actually say how I'm feeling about the project.

Mjelde stated we have been hearing that some of the water from Discovery Circle has been directed towards the Timbers Addition. I asked the city if there was any truth to this, and the answer I received from the public works supervisor was no. No water has been redirected from Discovery Circle. Discovery Circle and its associated ditches and culverts were in place before the Timbers Addition was developed. My surveyor looked into this for me. Looking at the culverts on the other side of Henrietta Avenue, and the topography of the land, and the direction of the culverts, they do suspiciously look like they are coming towards the Timbers area, specifically the lot right next to us dug for a storm swell. Since the city has dug it out, we have not had any water issues. If we ever do have water issues in the future, my question is, my small 9x28 foot garage addition, is it even a drop in the bucket compared to the possible 22 acres of runoff that's maybe coming into the storm swell from the other side?

Mjelde stated the city engineer has asked us to add a drainage area that could hold somewhere between 180 cubic feet of water. There is a natural depression on the corner of our lot that's already holding water. We asked Richard Ohm to come and laser that area to find out what volume of water it's holding right now. That number is anywhere from 50 to 60 cubic feet. We thought we could make everyone happy by digging this depression a little deeper to come up to that 180 cubic feet. The number that Jon Olson wanted was in addition to what our property already holds. He would like us to hold a total of 230 to 240 cubic feet of water, that brings us back almost to our original number before we had lessened our addition.

Mjelde stated a lot of the people I talked to and myself included think this is an absurd amount of water of us to be responsible for. If we were to attach this garage on the other side of our property after taking down some trees, which we could with only just a building permit, it would add the same amount of impervious and water retention wouldn't even be a question. Richard Ohm has come up with a cheaper plan for us to appease the drainage request. It would leave us with a torn-up lawn and a mess but we'll do it if we need to. Our neighbors are the most important reason for us trying to stay where we are. We would never want our addition to result in any water issues for them. We simply don't think that we would be the sole reason for that water problem, therefore we don't want to be the only ones standing to correct the possible problem.

Randall questioned is it accurate that if the garage was on the other side none of this would be required? Mack stated based on the current living condition of the house it would not be feasible to put the garage on the south side and meet the required setback. It wouldn't work there, that's why it's proposed where it is. Plus, the garage is currently where it is.

Randall stated the homeowner said something about removing trees and putting it there with just a building permit. Mack stated it wouldn't meet the exterior side yard setback, which is 17.5 feet. Conway questioned would that be any different getting a

variance for that? Mack stated to put a usable garage space there would make no sense from the floorplan of the house. It would still require a variance.

Randall stated if we didn't have this lot line issue and that lot was just a little bigger on the same spot and we didn't have a need for a variance this could get granted even with this rain issue that happened several years ago. They could come in for a building permit and build a garage. Mack stated that's correct, but it wasn't a rain issue, it was a rapid snow melt issue during the spring. Randall stated the city engineer made it clear that he was not only concerned about a thaw but a 100-year rain. I'm aware of what the issue was but he's pointing out that it's also rain. Mack stated it is both.

Wills questioned presently is there guttering on that house? Mjelde stated there is a very small amount of it. With the addition we are planning on putting gutters all around. Wills questioned where are the gutters going to take the water? Will you redirect it back to this low spot? Mjelde stated it can be depending on which plan we use. Mack stated I also believe that the east portion of the house could all be directed away to the south, and downspouts could then direct over land flows to the large green space area in the trees. There's a slight invert back toward the house for about 10 feet. There are ways to direct the water beyond that from the gutters. That could surface drain onto the lawn in the back side and then direct to the pond.

Randall questioned if there was a rapid thaw again or a heavy rain, other properties would be affected and not just that one neighbor, correct? Isn't that the concern? Mack stated they weren't living there at the time. They have a finished lower level basement, the house to the west that had the severe flooding issues has a crawl space. The water was up and created a permanent discoloration on the siding of the house. Randall questioned just the neighbors? Mack stated the house to the west. I checked with the neighbor who is due south from the water parcel. That house is up on higher ground. Some of their rear yard was inundated with water as well and came out and circled his house, but did not affect the house to the west or the southwest. That was prior to corrections by the public works department.

Leckner stated my biggest concern is the liability that we might have as far as getting a recommendation from the city engineer, it's on the record and if something happens there. I'm thinking about the decision we make here. I drove by there today and looked at it. To my eye it looks like it would never be a problem, but that's why we hire engineers.

Randall stated they could do all of this work and there could be something that occurs that still causes flooding. There's no guarantees. Given the time and work that city staff have put into this, I appreciate that our engineer wrote an updated letter. I still feel that it's excessive. It's a family that wants to stay in this neighborhood, wants to improve their home in city limits. I don't want to make it so cost prohibitive that the alternative is to move out of city limits. I've read through everything. It's preparing for the worst when there is no concrete evidence that this is going to be a problem.

Conway stated we keep referring to a previous flood where the house next door was surrounded by water and that's why we put that water swell in. Why is that pertinent to this garage? Mack stated it's only pertinent directly because the applicant has applied for an exception to the standard. Our ordinance as cited in the staff report states that when development occurs, they're responsible for providing for that storm water on the property without discharging it off site. Granted, this is at the post stage of development, but it's still

an exception in the variance and that is why the city engineer has made the recommendation that he has based on the fact that we have had a water problem in the past in this area.

Randall stated when people apply for variances that's the time you can add conditions, but they should be reasonable and tied to the project and the property.

Mathisrud questioned is it true that this is required under the ordinance already, the laws of the city? Mack stated that is correct. I would also note that the resolution has been updated to include the date of the second letter from the city engineer.

Leckner stated the resolution, if approved, has all of the stipulations recommended by the city staff, engineer, and the Planning Commission. Conway questioned what if you wanted to change it? Randall stated we can make a motion and the resolution can be updated. Conway stated I have no knowledge of how this is going to affect the properties there. The engineer has looked at it twice and came back with the same advice. I don't have enough knowledge to say that the advice isn't good. If I was to make a motion it would be to accept the advice of city staff. Stone stated that's what I would do. Leckner stated I would agree with that. It would be a wise decision to follow our own ordinances and staff's advice.

A. Resolution Approve a Variance from the Ten Foot Side Yard Setback in the R-1 Zoning District at 1120 Timbers Drive, PID #32.93.02400: A motion was made by Stone, seconded by Wills, to approve Resolution #2019-189 Approve a Variance from the Ten Foot Side Yard Setback in the R-1 Zoning District at 1120 Timbers Drive, PID #32.93.02400.

Discussion: Randall stated I want to say that I don't think that I have more knowledge than Conway on this. I'm glad that it was looked at again and I trust that our engineer did take into consideration the concerns they see in our ordinance but also the landowner. I'm going to trust that that occurred. I'm grateful that it was looked at and the time that was spent on it. If it was just me making the decision, I would have a property owner that would be pretty happy, but I do respect the opinion of our engineer as well.

The vote was called.

The motion carried unanimously.

B. Resolution Vacating a Public Utility Easement in the Timbers Addition in the City of Park Rapids: Mack stated we conducted a public hearing for this at the last Council meeting. There was no one to speak to the vacation request other than the applicant. I did receive one call from a landowner who is located to the northwest of the property in question. They just questioned what it was about. They had no concerns. The vacation request is for only the north twelve feet of the landowner's property. We have no public or utility mains in this area, as reviewed by the public works director, and the city engineer. They are all comfortable with the vacation of that easement for utility purposes since they are all in the street. The motion would be to approve the resolution as drafted. **A motion was made by Randall, seconded by Conway, and unanimously carried to approve Resolution #2019-190 Vacating a Public Utility Easement in the Timbers Addition in the City of Park Rapids.**

8.2. Resolution to Authorize City Officials to Submit a Grant

Application to Rethos for the Artists on Mainstreet Project for the City of Park

Rapids: Mack stated this is a request to submit an application to Rethos for an Artists on Mainstreet Project for the Park Rapids downtown area. This particular grant opportunity is a pilot project that's undertaken by Minnesota Mainstreet Program. It was housed under the Preservation Alliance for Minnesota and has been renamed Rethos. They have taken this pilot project and granted seven cities throughout Minnesota, participating Main Street communities a \$30,000.00 grant. This is a non-local match requirement for the grant, but there is some time and commitment that is required on the part of the community. In case, we have the Arts and Culture Advisory Commission for the city, and the city is the right applicant. This topic was presented in a general sense to the Downtown Business Association. When they heard there was money to be had for grant improvements to further implement some improvement plans for the downtown, they gave a thumbs up for it. We're here with the application. We have specifically identified three names as requested by the grant guidelines to attend the cohort and participate. The last round of this project of a three-year commitment, and this is the third round in the third year. It does provide \$5,000.00 upfront for administration including various expenses for travel and attendance at the training that will be provided. The first meeting, if the city were approved, would be on January 16th. The training would help our local leaders to help to put the program together. It's intended to encourage local artists to produce either permanent or temporary art expressions or art exhibits in the public realm or on private property in the area. We would not go into the training already knowing how to do everything, that's the purpose of the training. In year two there's \$25,000.00 for up to sixteen projects that could be done in the downtown area to enhance the look and feel of the downtown and to add vibrancy to the downtown shopping experience. We are asking the Council to approve a resolution for submission of the grant application to Rethos. Should we be approved for a grant there would be a program brought back and it would be overseen by the Arts and Culture Commission and anything that would require further approval by the Council like additional placement of sculptures in the public right of way, that we would bring back to you for further review.

Conway questioned do you have a commitment from the Arts Commission that they are going to take this on? Mack stated they did meet and have forwarded a recommendation to the City Council to recommend approval of submission of the grant application. Conway stated I'm not sure that city staff have the resources to do this. So, having a commitment from volunteers that they want to provide the resources would make sense. Mack stated I spoke with the executive director for the Nemeth Art Center and she's on board with this idea. She wants to provide support from her board and volunteers, and wants to help with the coordination of the artists because they have a very specific mission for artists and art function even beyond what our Arts & Culture Commission could do. She has some expertise in the arts area.

Conway stated to clarify, this does not require matching funds. Mack stated that is correct. The three individuals who would be taking the training are Liz Stone, Paul Albright, and Laura Grisamore.

A motion was made by Randall, seconded by Wills, and unanimously carried to approve Resolution #2019-191 Authorize City Officials to Submit a Grant Application to Rethos for the Artists on Mainstreet Project for the City of Park Rapids.

9. GENERAL BUSINESS:

9.1. Trunk Highway 71 South, Frontage Roads, and Eleventh Street, Utility and Street Reconstruction Project: Mathisrud stated this request is to approve a resolution to declare the assessment roll for the Trunk Highway 71 South, Frontage Roads and Eleventh Street Project. We're proposing an assessment roll of \$411,109.94. The total project cost is \$1,577,860.91. We're also asking for approval of a resolution to set the public hearing to present the assessment roll. It is scheduled for November 12th, at 5:00 p.m. Our city engineer will be present to answer any questions associated with the assessments and the basic format of the project.

A. Resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment for the Trunk Highway 71 South, Frontage Roads, and Eleventh Street Reconstruction Project in the City of Park Rapids: A motion was made by Randall, seconded by Conway, and unanimously carried to approve Resolution #2019-192 Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessment for the Trunk Highway 71 South, Frontage Roads, and Eleventh Street Reconstruction Project in the City of Park Rapids.

B. Resolution Setting Public Hearing on the Proposed Assessment for the Trunk Highway 71 South, Frontage Roads, and Eleventh Street Utility and Street Reconstruction Project in the City of Park Rapids: A motion was made by Randall, seconded by Stone, and unanimously carried to approve Resolution #2019-193 Setting Public Hearing on the Proposed Assessment for the Trunk Highway 71 South, Frontage Roads, and Eleventh Street Utility and Street Reconstruction Project in the City of Park Rapids.

9.2. Resolution Authorizing Proper City Officials to Execute the Labor Agreement by and between the Minnesota Teamsters Public and Law Enforcement Employees' Union, Local 320, Representing the Public Works Employees, and the City of Park Rapids: Mathisrud stated this item is a resolution authorizing officials to execute the labor agreement between the city and the Minnesota Teamsters-Law Enforcement Employees' Union, Local 320, who represents the public works employees. Conway, Leckner, myself, and Brumbaugh had negotiations with the Teamsters back on September 18th and the 25th to negotiate the terms for the next three-year agreement. We were able to reach a general consensus on what the proposal would be. Essentially, we're looking at a 2.5% increase in wages for 2020 plus a \$25.00 per month increase for single and \$50.00 for family contributions for health insurance. For 2021, a 2.5% increase in pay, and instead of increasing health insurance contributions we'd add 22 cents to the base wage in lieu of that. We'd do the same thing in 2022, adding 22 cents to the base wage

and a 3% increase in pay. The intent of this was to bring our health insurance premiums more in line with what the reality is in terms of increases to the health insurance premiums and it would also allow for a more competitive wages in the labor market. Most people make their decisions to apply for a job based on wages. We felt that was a good place to end that. This currently fits in with our 2020 preliminary budget. The second item within that agreement was a change to the severance pay provision where we are essentially changing severance pay eligibility from ten years to twenty years, but at the same time we're increasing the days paid out from 150 to 185 days. Right now, all the union agreements have this type of provisions in them with respect to severance pay, but this change is in respect to the Teamsters agreement. There are some other minor changes within the agreement mostly related to language regarding federal law changes over the past few years. They are mostly boiler plate and do not add additional cost to the city.

Randall stated I want to point out that union negotiations are one of the things that we can have a closed meeting on. I don't know if there is time to defer this issue so that we can have a closed meeting but I would like to see that utilized in the future because we can take the proposal from the union and have a closed meeting and all discuss it. This can get sensitive talking about it. That is one option. If there is anything that the committee members think we should kick it down and have a closed meeting on it I want to throw that out there.

Conway stated it was my understanding that a closed meeting was only allowed for the preparation work. Randall stated it's to discuss the proposal from the unions. Mathisrud stated you can have a closed session to discuss labor negotiation strategy on their initial proposal and bring that to closed session with the Council to discuss strategy. You can't have a closed session for an actual negotiation. The negotiation would have to be in a public setting like this. There's pros and cons to that as well. The Council needs to decide in terms of strategy as they go forward with future negotiations. Conway stated it's to our advantage to have as much input as we possible can. I would be aligned with any closed meeting if we can do it. Leckner stated I agree with that too. Conway stated it's not an easy task at the negotiating table to have to pass the proposals across the table.

Randall stated I didn't suggest it before you started all of your work meeting with the union. That's when we need the closed session so we can all be on the same page about when you go into those negotiations about what we are going to do. I don't want to throw this into a tailspin. I certainly think it's something that we need to be doing in the future. Conway stated a closed meeting is prep work prior to entering into negotiations.

Randall stated I appreciate the time that the Personnel Committee spent on the negotiations. They are time consuming and they are not always the most comfortable situation to be in. I do have an issue with the severance pay. I think that our severance pay needs to be revamped entirely. It's out of whack with what other governmental cities and counties surrounding us do. I think the amount of money that we are potentially responsible to pay out at the end is a huge unknown and can throw our budgets way out of whack when you have retirements. I raise this, and unfortunately it didn't get brought up at these union negotiations, I want to see that entire thing revamped. I have a real problem with it when sick time can be used as a retirement plan.

Conway stated I know how we do it in private industry, but that statement, it shouldn't be an unknown if someone is retiring and knowing what they have sitting out there. Brumbaugh stated anyone that works in the enterprise funds, it is part of GSAB, it's

part of our audit and is included in our books. The government funds are not included. We don't increase our levy for it, but the enterprise funds are always included. Randall stated I get that we have an idea but if you all of a sudden have two or three retirements, and they get a huge payout it's still is going to be a hit to that year's budget. The way that the severance policy is written even before the change going from ten to twenty years is a start in the right direction but then adding another thirty-five days on there. The way it's written is this is a retirement account. I worry about telling people that you should accrue all your sick time that you possibly can so you have this big payout at the end because that encourages people to not stay home when they are sick. If people are sick, that's what it's for. It's sick time. It's not a retirement account. I think that's why government entities are going to a PTO system so that they get away from this and that's what I'd like to eventually see, and unfortunately, we are entering into a three year contract, so it's going to be another 2 ½ years before we talk about it again.

Conway stated I do understand the PTO system. I think that might be for a different conversation. It's my understanding going from the ten to twenty years we severely eliminated the number of people that are eligible. Brumbaugh stated you did. Conway stated and I feel that we severely limited it for the next three years. Is that a fair statement? Brumbaugh answered yes. Randall stated this was obviously a benefit to them to go up 35 days. Taking stuff away later gets very difficult. In the next several years we need to look at revamping our whole sick and vacation policy, PTO, and what's paid out into something that is more manageable for the city to plan for. The way it's written this is a savings account, not sick time.

Conway stated with that being said the committee does have an obligation to recommend it. The recommendation is on the table.

Randall questioned do you have an amount of what the increase would be for the 22 cents? What's the difference of paying the \$25.00 or the \$50.00 or the 22 cents increase? What is cheaper for the city? Brumbaugh stated the \$25.00 per month for health insurance is a little cheaper than the 22 cents. It's a couple of \$1,000.00 all total. Conway stated the number of 18 cents would be the number in the first year. If you calculated out per head with the number of singles and families together it would be 18 cents because you have a group of people that don't take the insurance that it wouldn't affect. If you were measuring it only against people that were on the insurance then the amount would be 30 cents. Leckner stated we did have to go by what we had budgeted for in 2020. They asked for a lot more, but we stayed within the budget.

Conway stated you have to understand that we have been in, since 2011, and it's getting worse, a tight labor market. You have to make sure that through the course of this that we are keeping our wages competitive without causing the city more expense that we have to. Randall stated I don't disagree. If I could increase everybody's wages that would be phenomenal, but we have a budget and taxpayers to think about. Our taxes are steadily increasing. Leckner stated with their decreased premiums, they are making money in the insurance contributions. We were discouraging an increase to insurance contributions. We'd rather have the wages go up than the insurance. Conway stated employees are taking home money on their insurance.

Randall stated in looking at our insurance and saying is it the best insurance for the city and employees. I have yet to see any information about our insurance, like what is it we're paying compared to other cities and counties. We have people making money off of

our insurance. That tells me that we are being too generous with our insurance. Mine at the county, it gets worse and worse every year for me. Every single year, and this one I've never heard anybody complain that it's gotten worse. Conway stated it's because we are extremely rich on the insurance and that's why we were trying to take a tactic of taking money out of the insurance benefits and putting it into the wages. I think our wages are competitive, but they're not exuberant. I think our insurance is rich, and so I think we had to make a move to lessen the insurance package and increase the wage package.

Brumbaugh stated regarding insurance, we are a small group, and they age based us. Before we switched over to Minnesota PEIP there were people that were paying approximately \$600.00 a month out of pocket. Then it wasn't a good deal. It was aged based so once you reached 55 years old and up, you paid a huge amount whether you were single or family. If you were family it went by aged based per person. They paid a lot. That's why now you think the insurance side is rich, because the insurance premiums were a lot more. The police switched over to PEIP without the rest of us. At the time that we asked to switch everybody over it was because we were seeing 12-18% increases on our side of it. That's when everything changed and everyone's premiums went down. We look at our insurance every year. Our representative looks and gives us price quotes on what all of the companies are doing out there so we know what is out there for insurance. If we go off of PEIP, because we're small, we have to go back to age-based insurance premiums. If you have a family, you pay to cover yourself, your spouse, and each child, unless you have more than three. That's when it got expensive to the employees.

Conway stated when you get into a smaller population that's when the experience rating of that population comes in. They are a lot higher risk. It takes one person to have cancer and it blows the whole thing out of proportion. Brumbaugh stated we were at an experience rating of 280% before we switched to PEIP. Our experience was high. We were on our own. Now, with PEIP, we're in a huge group, which is why our insurance stays lower because we're not on our own.

Randall stated I get that it's really good insurance. That's not the draw when looking for a job. They want to see the starting wage. But once you get working and you are paying for your insurance on your own it becomes important really, really fast. If you have someone that has been in the labor market, and had insurance on their own then it's something that people look for, especially if they have a family.

Brumbaugh stated we have three different plans, whether you have family or single. The people that are getting more money back are on the HSA. Since you can choose a plan, you are kind of on your own. There are employees on the advantage plan. They get less back, but they have a heck of a good deal on their co-pays and deductibles. You have an in-between plan, and then there's the HSA plan. The people getting more money back are the ones that have chosen the HSA plan as opposed to the advantage plan. There's quite a difference. If you're on the family advantage plan, those people are paying about \$500.00 a month out of pocket. If you're on the HSA you are fully covered. There is a difference as to what the plans cost.

Randall stated this is late in the game, but part of me wants to agree to a one-year term and start looking at these things hard in the next year about all of this stuff. I don't know that we have enough information. It's all stuff that I've had questions on for lots of years. Conway stated in the previous contract you've had reopeners on the insurance and you've had to renegotiation that every year. That can be a high risk move from a

negotiation standpoint. Because you don't know what that insurance is going to do from year to year. This way we have locked in no increases for years 2021 and 2022. You don't have that reopener in this contract. Our option is if you vote this contract down as a Council then we have to go back to the table and renegotiate. They have already ratified it. If we accept it, we have a contract. Randall stated that's the part of me that leaning towards just agreeing to it because of the time and effort that's been put into it. I think over the next three years there needs to be some looking at how we are doing things because I don't know that any of this stuff has ever been reviewed for many, many years.

Leckner stated I agree that in the future we can have a closed meeting to talk strategy as a group before we go in. That would be helpful. We didn't know that was an option. I think after what we have gone through there that we are in a good place. Conway stated I think we did put more effort this year into looking at it and trying to come up with strategy as to how to change it as opposed to just walking in and doing what we have done in the past. It's my understanding that historically, we walked in and said okay here's your insurance increase and there's your wage increase based on what we believe the increases are going to be. Instead of walking in and saying let's take a look at where we are. We read the contract and came up with language changes. It wasn't a walk in and do what we always do. We needed a strategy that would fit in our current labor market. I feel we have to set this for a vote as to whether or not we're going to accept this contract.

A motion was made by Conway, seconded by Wills, and unanimously carried to approve Resolution #2019-194 Authorizing Proper City Officials to Execute the Labor Agreement by and between the Minnesota Teamsters Public and Law Enforcement Employees' Union, Local 320, Representing the Public Works Employees, and the City of Park Rapids.

10. CITY ADMINISTRATOR COMMENTS: Mathisrud stated curb and gutter has been installed for the roundabout project. The project should be completed in about two weeks. City hall closure for the electrical work was moved to this Friday at noon. We're going to have a city employee recognition event on October 30th at city hall at 4:00 p.m. to recognize those employees who have five-year increment anniversaries. I'd like to have a work session on January 14th at 5:00 p.m. The purpose of it would be to do some goal and prioritization for administrative staff for a two-year work plan. My intent is to try and get the Council on the same page on various priorities for our administrative staff to pursue. We're trying to finish up the last steps on the armory. We have a punch list. We have issued a certificate of occupancy for 676 people, which is what was required for the grant. Now that that is done, we can start the final process of closing out the documents. That is continuing to move forward and we should be ready for closing in the next month or so.

11. DEPARTMENT HEAD UPDATES: Mack stated I brought before the Council a resolution approving a limited use permit request for MN DOT for a snowmobile crossing at Eleventh Street as part of the new street project on Highway 71. That's been reviewed by MN DOT and they rejected that location. The snowmobile club came up with a different location further south by Rossman's propane company. The route will go north of the airport. That will be coming back to the Council in the future for a revised approval to

satisfy MN DOT requirement. The snowmobile club will be a party to the agreement with the city because they have to install a culvert.

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

13. COMMENTS FROM COUNCIL: There were no comments.

14. ADJOURNMENT: A motion was made by Conway, seconded by Wills, and unanimously carried to adjourn the meeting at 7:02 p.m.

[seal]

Mayor Ryan Leckner

ATTEST:

Margie M. Vik
City Clerk