

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
DECEMBER 10, 2019, 6:00 PM
Park Rapids City Hall Council Chambers
Park Rapids, Minnesota**

1. CALL TO ORDER: The December 10th, 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, Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, Liquor Store Manager Scott Olson, Public Works Superintendent Scott Burlingame, Planner Andrew Mack, Police Chief Jeff Appel, Fire Chief Terry Long, Utility Billing Clerk Janel Stewart, and Clerk Margie Vik. Others Present: Sue Tomte, Roger Stewart, Randy McFarren, 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 addition: Additional Information was presented for Item #10.2.

4. TRUTH IN TAXATION PUBLIC HEARING AT 6:00 PM:

A motion was made by Conway, seconded by Wills, and unanimously carried to open the public hearing at 6:05 p.m.

4.1. Truth in Taxation Public Meeting:

A. Presentation of Budget and Property Tax Levies: Angela Brumbaugh stated this hearing is for the 2020 Truth in Taxation public hearing. It's for the public to have a better understanding of how the budget process has been progressing over the past few months. There is a hand out for those interested in following along. The process starts with the finance department putting in the numbers of how things have been in the last year, as well as the last couple of years to show the actuals. The department heads all look at their particular departments and add or subtract what they feel is going to happen in the coming year for their departments. All of those numbers are compiled together then we have a discussion regarding the changes. Then the Finance Committee meets with the department heads for a discussion. The Finance Committee makes recommendations, which the Council reviewed at a workshop. More changes were made at that point. The Finance Committee met again and made further recommendations. We looked at some areas that they had questions about. It went to the full Council in

November for approve of this final draft that is being presented tonight. After this public hearing the Council will adopt the budget. The budget is then reported to the State of Minnesota, which has to be done every year.

Brumbaugh stated some of the areas that we look at include insurance and workers compensation. Worker's comp went up 3%. The insurance is based off of what the League of Minnesota Cities (LMC) gives us for numbers. The property insurance increased 3%, vehicle insurance increased 2%. The general fund salaries for this budget increased 2.5%. Our salaries portion is about 45%. The levy summary shows our levy for 2019, which was \$1,956,893.00, with bonds/debt service of \$711,505.00, and a \$4,500.00 tax abatement, for a total levy of \$2,672,898.00. For 2020, after making the adjustments, the general fund levy is \$2,063,286.00, with the bonds/debt service at \$722,327.00, for a total levy of \$2,785,613.00. This is a 4.22% increase over 2019.

Brumbaugh stated the bond summary gives you an idea of the different projects that have been done through the years. Every time a bond is issued to the city, we get an amortization schedule which dictates our bond levies every year. You can see what's coming up, what you're looking at if you do another bond, when something is going to come off. We have a 2010c which is not included in 2020 because it was paid off in 2019. The Council has a running goal of what's going on with the bonds and how it affects the levy.

Brumbaugh stated the value and classification of your property is used to determine your share of the levy. Loren Tolkkinen is our licensed assessor who we contract with. He looks at every piece of property once every five years. He assigns a property tax classification, homestead, apartments, commercial. The county enters that information into a database so they can calculate values based on the rates and factors applied by the assessor. Each of those classifications is taxed at a different percentage. That is not something that the City Council or Hubbard County sets. It's based off of Minnesota State statutes. If you want more information on this, you can check the Hubbard County or the Minnesota State websites. The City Council does not have any control over how your property is classified.

Brumbaugh stated for the general fund our full revenue budget is \$3,492,327.00. The revenues are made from property taxes, 60%, local government aid (LGA) at 16%, and other revenues like franchise fees, licenses and permits, and fees and fines, at 24%. We get about \$172,000.00 for franchise fees from cable, natural gas, etc. We've tracked our LGA through the years for the past 26 years. 2020 LGA at \$553,279.00 is most comparable to what we received in 2001 at \$513,374.00. 2002 was our highest year at \$688,836.00. In 2003 we were supposed to get \$733,375.00. But that was the year the state cut everybody back. They cut \$180,000.00 out of our LGA. We ended up with \$581,407.00. In 2002, LGA covered 31% of our budget right before they cut it. It now covers about 16% of our revenue budget. The difference comes from the levy or other areas that we have come up with.

Brumbaugh stated on our expenditure side we have five different categories with 23 different departments that we look at. Public safety is our largest budget at 49%. General government is 24%, and public works is 18% of the total expenditure budget. For the categories, public safety includes the police, which is your largest department, the fire department, building/rental/plumbing inspections. The police budget increased \$143,054.00. We did add a student resource officer. We did increase our revenues

\$21,000.00, plus the school was already paying for a portion of it. We also had an officer quit and we brought in another officer with more experience at a higher rate. The state mandates what our PERA is and the police and fire departments are on a different PERA plan which went up .75%. The fire budget increased \$10,418.00 which was for gas, utilities, and testing fees. Building inspections are all based on how many permits are issued, and then we have revenue on the other side because we pay for an inspector.

Brumbaugh stated public works makes up four different departments, streets/highways are 72% of the budget, street lighting is 15%, ice/snow is 11%, and sidewalks/crosswalks are 2%. Public works makes up 18% of your entire budget. Streets/highways increased \$8,569.00 or 2%. The majority of that is we will be setting aside \$7,000.00 for the county's fueling facility for when they do some upgrades on that. Street lighting decreased because we switched over to LED lights and are experiencing some savings. Ice and snow have increased by 10% for fuel and repairs.

Brumbaugh stated culture is comprised of two departments, the library at 43% and parks at 57%. On the library side, it increased \$6,000.00 because of the Kitchigami payment and gas and utilities. For the library, according to Minnesota State Statute 134, we are mandated to spend \$63,446.00 in 2020. That is 90% of our 2011 state certified amount. Every year we have to report to the state regarding how much we have spent. The library levy increased from \$50,873.00 to \$52,908.00, which is the reason for the increase. The parks budget increased from 2019 to 2020 by \$8,000.00. That's for wages and Agri lime. The reason for the large increase in 2018 for the actual is because that is the year, we did the Pioneer Park Restroom Project. The money came out of the general fund for that.

Brumbaugh stated community development has two departments, economic development at 69%, and natural resources at 31%. In order for our natural resources to get Tree City USA distinction we have to spend \$2.00 per capita. Our 2018 population was at 4,214 people, which equals \$8,500.00. Last year the Council increased the economic development budget by \$8,000.00, which is forwarded to Heartland Lakes Development Commission. In the 2017 budget there is a pass through for the city. Residents raised funds for flagpoles and the city purchased them.

Brumbaugh stated there are ten different departments under the general fund umbrella. It makes up 24% of the full budget. They include administration at 42%, planning/zoning at 18%, attorney at 10%, unallocated expenses at 8%, general government buildings at 7%, assessing at 5%, Council at 4%, transit at 3%, contractual services at 2%, and elections at 1%. The full general fund increased by \$1,934.00. Administration decreased. We added money for some waiting room chairs and increased the conferences budget. There will be three elections in 2020. The assessing department pays for City Assessor Loren Tollkinen's wages. We slightly increased the attorney fees due to the fact that we're basing our budget on actual numbers that have been expended to date.

Brumbaugh stated if you go to the city's website under Departments, and then Finance, the Truth in Taxation presentation will be there on line for your review.

B. Public Comments: Mayor Leckner requested public comments.

There were none.

A motion was made by Conway, seconded by Wills, and unanimously carried to close the public hearing at 6:23 p.m.

4.2. Final Levy and Final General Budget:

A. Resolution Adopting Final General Fund Budget for the Year 2020 for the City of Park Rapids: A motion was made by Randall, seconded by Stone, and unanimously carried to approve Resolution #2019-212 Adopting Final General Fund Budget for the Year 2020 for the City of Park Rapids.

B. Resolution Adopting the Final Property Tax Levy for Tax Year 2020 for the City of Park Rapids: A motion was made by Randall, seconded by Wills, and unanimously carried to approve Resolution #2019-213 Adopting the Final Property Tax Levy for Tax Year 2020 for the City of Park Rapids.

5. PARK RAPIDS EMPLOYEE RECOGNITION:

5.1. Certificates of Achievement 2019: Mayor Leckner presented Janel Stewart her five years of employment certificate, and Chief Appel accepted Robert Gilmore's certificate for five years of employment.

6. APPROVAL OF MINUTES:

6.1. City Council Workshop Minutes- November 26, 2019: A motion was made by Randall, seconded by Stone, and unanimously carried to approve the November 26th, 2019, City Council Workshop minutes as presented.

6.2. City Council Regular Meeting Minutes-November 26, 2019: A motion was made by Wills, seconded by Conway, and unanimously carried to approve the November 26th, 2019, City Council Regular Meeting minutes as presented.

7. FINANCE:

7.1. Payables & Prepaids: A motion was made by Randall, seconded by Stone, and unanimously carried to approve the payables in the amount of \$18,299.93, and the prepaids in the amount of \$2,297,310.71, for a total of \$2,315,610.64.

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

- 8.1. **Approve Pay Request in the Amount of \$1,992.19 for Ferguson Waterworks for Software Support for the Neptune Water Meter/Software for the Public Works Water Department.**
- 8.2. **Approve Pay Request in the Amount of \$28,000.00 for Heartland Lakes Development Commission for the Second Half of 2019 Economic Development Services.**
- 8.3. **Resolution #2019-214 Approve Wage Adjustment and Step Increase for Full Time City Planner Andrew Mack.**
- 8.4. **Resolution #2019-215 Approve Wage Adjustment and Step Increase for Park Rapids Police Sergeant Robert Gilmore.**
- 8.5. **Resolution #2019-216 Accepting Donation of Vehicle for the City of Park Rapids.**
- 8.6. **Resolution #2019-217 Authorizing the Disposal of Surplus City Property from the City of Park Rapids.**
- 8.7. **Approve Pay Request in the Amount of \$6,897.67 from Law Enforcement Technology Group LLC for the 2020 Software Maintenance for the Police Department.**
- 8.8. **Approve Pay Request in the Amount of \$6,947.00 from the Coalition of Greater Minnesota Cities for the 2020 Membership Dues.**
- 8.9. **Resolution #2019-218 Accepting Contracting Work by Lee Davis Electric Inc. for the 2018 Apron Lighting Upgrade Project for the Park Rapids Municipal Airport.**
- 8.10. **Approve Final Pay Request in the Amount of \$5,095.96 for Lee Davis Electric Inc. for Completion of Work on the 2018 Apron Lighting Upgrade Project for the Park Rapids Municipal Airport.**
- 8.11. **Resolution #2019-219 Accepting Contracting Work by Hough Inc. for the 2018 Main Pump Station Improvement Project for the City of Park Rapids.**
- 8.12. **Approve Final Pay Request in the Amount of \$28,613.45 from Hough Inc. for Completion of Work on the 2018 Main Pump Station Improvement Project for the City of Park Rapids.**

END OF CONSENT AGENDA

9. COMMENTS FROM CITIZENS: Sue Tomte stated I'm representing the Chamber and the Downtown Business Association. Thank you to the City Council and the City of Park Rapids staff for a great tree lighting ceremony. Everyone pulled together and made it a nice event.

10. GENERAL BUSINESS:

10.1. Approval of the Enterprise, Airport, and Internal Service Fund Budgets for 2020: Mathisrud stated this is to approve the enterprise, airport, and the internal service fund budgets for 2020. We had the workshop associated with that at the last meeting. At this time, we are looking for approval so that we can move forward with business next year.

Brumbaugh stated the motion to approve should include the recommended changes from the workshop. You took out \$2,500.00 from both water and sewer, and \$1,600.00 from water. That's what you will be approving.

A motion was made by Randall, seconded by Stone, and unanimously carried to approve the Enterprise, Airport, and Internal Service Fund Budgets for 2020, with the changes discussed during the workshop as follows: remove \$2,500.00 from water (601-80100-26490: other professional services), remove \$2,500.00 from sewer (602-80150-26490: other professional services), remove \$1,500.00 from water (601-80100-26511: permits and licenses), remove \$30,000.00 from sewer (602-80150-36710: capital outlay), and add \$2,500.00 for sewer (602-80150-26504: minor equipment/GIS).

10.2. New Leases for City Hall and Police Copiers: Mathisrud stated staff have reviewed new leases for city hall and the police department copiers from our two current suppliers. We got some better figures for the next five-year contract.

Brumbaugh stated for our current contract we did get bids, so that is how much they have gone down in the last four years. We have one more year left on our contract. Both of these proposals include paying off the old contract. We have discussed this with the police department personnel to make sure they were on board and interested in doing this so we wouldn't change out something from their department that they didn't want done. For city hall the new copier will do the same things that our current copier does. The longer we own a machine the more they increase our cost per copy because they feel like they will be servicing it more.

Mathisrud questioned heading into the next five-year cycle what is the cost difference between the old copier and the new copier? Brumbaugh stated we would see a savings of about \$21,000.00 over five years. Mathisrud stated we are recommending updating that contract with our current suppliers at that level of cost savings. In the police department we have a contract with a different supplier. As they looked at their costs, we're seeing a cost savings of about \$2,400.00 for the same level of service. At this time, we are recommending moving forward with updating these agreements with our copy companies.

A motion was made by Conway, seconded by Wills, and unanimously carried to approve the new 60-month copier contracts:

- 1. City Hall: Lanier copier, 60-month contract with Liberty Business Products for \$6,038.76 per year.**
- 2. Police Department: Konica copier, 60-month contract with Marco Technologies LLC for \$1,806.72 per year.**

11. CITY ADMINISTRATOR COMMENTS: Mathisrud stated last week there was an open house for Meadowview Apartments. It went really well and is a good project for the city. They are market rate units that are highly competitive and it was a non-tax increment finance project. That appears to be moving along really well. The armory is continuing to move along. We are finalizing our punch list and getting ready to move forward with a closing. I will be taking the week of Christmas off, the 23rd through the 27th.

12. DEPARTMENT HEAD UPDATES: There were no comments.

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

14. COMMENTS FROM COUNCIL: Stone stated I picked up my Leaders are Readers packet from the library, and I am excited to participate in that.

15. ADJOURNMENT: A motion was made by Conway, seconded by Stone, and unanimously carried to adjourn the meeting at 6:36 p.m.

[seal]

Mayor Ryan Leckner

ATTEST:

Margie M. Vik
City Clerk