

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
May 26, 2020, 6:00 PM
VIA TELEPHONE
Park Rapids City Hall Council Chambers
Park Rapids, Minnesota**

Pursuant to Minnesota Statutes 13D.021, Subdivision 1(1), the City of Park Rapids has determined that in-person meetings of the Council are not prudent during the COVID-19 health pandemic/peacetime emergency declared by the Governor's Executive Order No. 20-01 under Minnesota Statutes Chapter 12. As such the following City Council meeting during such state of emergency was held by telephone, and the presence of the Councilmembers and the public at the meeting was not feasible.

1. CALL TO ORDER: The May 26th, 2020, 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 (in person), Councilmembers Tom Conway, Erika Randall, Liz Stone, and Robert Wills (by phone). Absent: None. Staff Present: Administrator Ryan Mathisrud (in person), Andrew Mack, and Clerk Margie Vik (by phone). Others Present: Sara Linda from Headwaters Regional Development Commission, Butch DeLaHunt from the Park Rapids Lakes Area Chamber of Commerce, and Cynthia Jones from the Downtown Business Association.

3. APPROVAL OF AGENDA: A motion was made by Stone, seconded by Wills, and unanimously carried to approve the agenda as presented.

4. EMPLOYEE RECOGNITION: Mayor Leckner stated the city would like to award a certificate of achievement to Jim Simpson for fifteen years of employment. Mathisrud stated we'll get that out to Simpson and thank him for his service.

5. APPROVAL OF MINUTES:

5.1. City Council Special Meeting Minutes- May 6, 2020: A motion was made by Randall, seconded by Stone, and unanimously carried to approve the May 6th, 2020, City Council Special Meeting minutes as presented.

5.2. City Council Special Meeting Minutes- May 11, 2020: A motion was made by Wills, seconded by Conway, and unanimously carried to approve the May 11th, 2020, City Council Special Meeting minutes as presented.

5.3. City Council Regular Meeting Minutes-May 12, 2020: A motion was made by Stone, seconded by Conway, and unanimously carried to approve the May 12th, 2020, City Council Regular Meeting minutes as presented.

6. FINANCE:

6.1. Payables & Prepaids: A motion was made by Randall, seconded by Stone, and unanimously carried to approve the payables in the amount of \$96,150.67, and the prepaids in the amount of \$141,087.73, for a total of \$237,238.40.

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

- 7.1. **Approve Plumber's Permit to Work in the City of Park Rapids in 2020 for Scott Mercer Plumbing and Heating.**
- 7.2. **Approve Backhoe Operator's License to Work in the City of Park Rapids in 2020 for Pickett's Excavating, Area Excavating Service, and M&T Excavating Inc.**
- 7.3. **Resolution #2020-96 Approve Minnesota Lawful Gambling LG220 Application for Exempt Permit for the Park Rapids Rotary Foundation Inc.**
- 7.4. **Approve Golf Cart/Class 2 ATV Licenses to Drive on City Streets in Park Rapids, for the Park Rapids Fire Department-ATV.**

END OF CONSENT AGENDA

8. COMMENTS FROM CITIZENS: Cynthia Jones, representing the Park Rapids Downtown Business Association, stated I'd like to thank the City Council for the tenacity, support, and vision for completing the Armory Project. Whether you agree with that project or not, I and the Downtown Business Association, believe it can be an economic driver for the businesses in downtown throughout the year, which is something that we all struggle with, especially January through April. Second, I'd like to inform the Council that we have made the difficult decision to postpone, until 2021, the Second Street Stage events for the summer. We do have our paperwork and our fee paid, and we'd ask the Council approve us to work with staff to carry those over for the season until the next year. It was a difficult

decision but we felt that we had the responsibility to not only the employees of our sponsors, but the community at large, so we did make that decision.

Mathisrud stated the Council can direct staff to look into granting credit for those fees until next year we can prepare a report for the next meeting. Wills stated I like that idea. Leckner stated I agree. Mathisrud stated we'll put something together for the next meeting.

Butch DeLaHunt, from the Park Rapids Lakes Area Chamber of Commerce, stated I'd like to recognize how the City of Park Rapids and the Council have worked so proactively to help with the outside dining in Park Rapids. That has shown really well how the city is willing to adapt to these very difficult times. I'd also like to talk about the level of outdoor service that we came up with via a survey through the Chamber of Commerce. Some of the thresholds that we found out when casting our survey with our restaurant, bar, and hospitality industries, and the level of service that indoor would be required in addition to outdoor, and most of our restaurants surveyed, when you first proposed this outdoor dining, I think we all envisioned that there would be some level of indoor service in addition to the outdoor service so that the combination of the two would create enough revenue so that the restaurant or hospitality business could sustain itself. Most of the time people are presenting either a 25% or 50% indoor service, in addition to the outdoor. Our governor adopted only the outdoor service, which then puts the hospitality industry, restaurant, and bar services in our community to rely strictly on outdoor service for fifty people.

DeLaHunt stated there are a lot of things that are changing as of late with the federal government giving some authority to MN DOT for use of right of ways and public streets. I think this coming week there should be some relief that would potentially expand what could be utilized for outdoor service to include bar and alcohol service. Things are changing so rapidly that I would hope that the Park Rapids Council could quickly respond to those changes as they become available. I did send some information out today to some decision makers in our community regarding what hospitality Minnesota is anticipating that might come forward.

DeLaHunt stated as we move forward I think the outdoor service, if it continues for a long period of time, is going to have to contemplate not only just dining, but also adult beverage service. I would ask the Council to be prepared to consider that, possibly even consider delegating to the staff if those authorities are dictated from the state either through executive order or guidelines that they would quickly adopt those. The city, mayor, and Council would quickly respond with policies that are going to help our businesses to get through these most difficult times. With fewer and fewer events, the rodeo canceled today, and more and more events canceling, it's going to be more important that we support these businesses on our Main Street so that they can survive.

Leckner stated there is some stuff coming out that's going to loosen some of the guidelines of the alcohol issue and serving it. My stance is we're willing to work with any business as things come up. I don't think we need to do anything right now. We'll continue in our emergency declaration so if something does change, the restaurants can come to us and we can call meetings if we need to. We talked about a resolution to say that we are going to follow the guidelines in Minnesota as far as what they change for opening up outdoor seating. We can do it a couple of different ways or we can do it case by case. At this time I don't think we've had any requests.

Mathisrud stated we haven't received any applications yet. I know the Mack has been meeting with a couple of businesses in anticipation of receiving them, but we expect to. Leckner stated I want the businesses to be aware that the City of Park Rapids is interested in helping anyway we can. If they have ideas or concerns they can bring them to the attention of the city staff and we can work with it from there.

9. PLANNING:

9.1. Resolution to Authorize Submission of Grant Application to Enbridge Energy for Dual Head EV Charging Station in Downtown Park Rapids:

Andrew Mack stated you have a resolution authorizing a grant application in the amount of \$5,000.00 to Enbridge Energy for a downtown vehicle charging station. We are moving forward with our EV readiness in the community following hiring a new intern for the summer. It was brought to the attention of both the Chamber and the city at the time Minnesota Energy rolled out a program for 2020, authorizing the installation of 20 dual charging heads throughout their electric service region. Sitting down with the Chamber, a Minnesota Power representative, and myself, we felt that it was in the interest of the community to pursue the opportunity for creating this within Park Rapids. Another location is at the wayside by the Chamber. Minnesota Power has since decided to install the proposed Chamber location on their own property and to take on the ongoing responsibility of a meter set for that. In the meantime we still have a downtown location which Minnesota Power has identified as a priority location in the region given our lack of current electric charging services within downtown Park Rapids. I worked with LuAnn Hurd-Lof, the Downtown Association, the Arts and Culture Commission, and the Chamber. We drafted the application before you. I also have letters written by the Chamber in support of the city submitting this application to Enbridge Energy for a \$5,000.00 grant, along with a letter of support written by the Chair and Vice-Chair of the Park Rapids Downtown Businesses Association.

Mack stated In terms of how this will move forward, it's probably best left for a subsequent Council agenda to bring forward a full report, which would identify the alternatives and considerations as to how this will actually move forward, provided we are able to successfully obtain a second grant from Enbridge Energy for making up the difference in the cost of this project. Council may or may not be aware this improvement is not part of the 2020 budget. As a result, we set out to fully fund this as a part of a grant request so that is will not burden decision making on the Council or finding funds elsewhere given the limited timeframe for which the \$1,500.00 grant from Minnesota Power for the charging equipment is available to the city. There are more moving parts to this, which we will bring back to you in the future. Tonight we're asking to authorize this Enbridge Energy grant. They are anticipating our submission of this grant.

Leckner requested questions or comments. There were none.

A motion was made by Wills, seconded by Conway, and unanimously carried to approve Resolution #2020-97 Authorizing Proper City Officials to Submit the Enbridge Energy Grant Application for the City of Park Rapids.

10. GENERAL BUSINESS:

10.1. Discussion Regarding Minnesota Investment Fund State Funded Revolving Loan Funds: Mathisrud stated there's an opportunity for the Council to consider to utilize our Minnesota Investment Fund (MIF) dollars to look into sending a portion of that back to the state. In return the state would loosen the strings associated with the utilization of those funds.

Sara Linda, from Headwaters Regional Development Commission (HRDC), stated the City of Park Rapids has a contract with HRDC to help with the administration of your revolving loan fund. Part of the available funds you have were funded through Minnesota Investment Funds. When the Armory Square Project sale closed and you got that money it occurred to me that that money came from here and now that it's revolved you have a substantial balance of dollars available. DEED had offered this opportunity, two years ago, of a onetime exception. They are offering it again at this time. The purpose is to allow you to send 20% of your MIF dollars back to the state and that would basically take away all of those attached strings. You could use these funds for any lawful purpose. I recommend that you consider using it for a revolving loan fund.

Linda stated the question tonight is to decide whether you want to proceed with the 80/20 split and we could have a follow up conversation about the use of the funds. If you do decide to proceed and send 20% back to the state, and you decide to covert this into a new revolving loan fund, in my role, I would be available to help create a policy that would govern the use of these funds. To clarify, the MIF dollars right now, under this particular program, are relatively restricted. This program is available to businesses engaged in manufacturing, warehousing, distribution, and technology related industry. It's high employment, high tech. It doesn't necessarily allow you to get at those smaller businesses that Park Rapids has been working so hard to support. But if you were to convert these funds it would take all of these strings off and you could create a revolving loan fund program based on your requirements. That's not saying you could not use these funds for manufacturing, but it would leave it open to all applicants.

Wills questioned how much is 20% going to be in terms of dollars? Linda stated based on my calculations, I don't have the 20%, but 80% is about \$447,000.00.

Mathisrud requested to Linda, could you explain how many loans we have given out during the years for businesses that meet those requirements. Linda stated in recent history I'm aware of three loans, two of which were for Armory Square, and those have been paid off now. The third was to the real estate holding company for Black Swan Cooperage. Mathisrud stated as of this date we don't seem to get a lot of requests to be able to meet the needs of very many requests, but if we did convert these funds we'd be able to support loan requests for remodeling downtown buildings, or other commercial buildings. We did potentially use them for upper story housing remodels. Things like that to make the funds more accessible to more businesses. It's something for consideration.

Leckner stated it would make them less restrictive. Mathisrud stated yes, but we would have to create a policy guiding the use of those funds. We're using them for a purpose that the Council supports. I would recommend that if we do convert these funds to less restrictive use that we follow it up with a policy that basically spells out what those are

used for. That would have to be developed over the next month or two and brought back to the Council. That's what I would recommend if the Council decides to support this.

Leckner requested comments or questions. There were none.

A motion was made by Stone, seconded by Conway, and unanimously carried to approve converting the City's remaining Minnesota Investment Fund balance into less restrictive uses, and to direct staff to draft a new revolving loan fund policy for use of those funds, for Council's approval.

11. CITY ADMINISTRATOR COMMENTS: Mathisrud stated the armory did close last week. That went fairly smoothly. All of the loans were paid off and it's exciting to see that in the rear view mirror now. There will be a lot of work going forward. All the folks that are involved in that will make it work, and they're excited to do that.

Mathisrud stated I'm in the process of putting together a plan for a COVID-19 reopening plan for the city. That would entail the phases of how things are going to open and at what rate we do that. You can expect to see that in a week or two. Our new treasurer, Jeremy Jude, started today. He's starting to figure a few things out.

Leckner questioned, regarding opening the city buildings, are there any thoughts of reopening our meetings. The county is meeting in person as a board right now, with call in for the public. Our thoughts were for a few more weeks with some kind of phase out. What are the Council's thoughts of coming back? Randall stated I'm fine with coming back for meetings. Stone stated I agree. Leckner stated we'll do some more looking into that. It won't be the next meeting, but it's time to phase back into that, and we'll keep the Council informed.

12. DEPARTMENT HEAD UPDATES: There were no comments.

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

14. COMMENTS FROM COUNCIL: Stone welcomed Jeremy Jude to the city. Randall stated I also would like to welcome Jeremy to the City of Park Rapids. We look forward to working with you. I also want to comment on the plan to re-open in phases. In my opinion, I'd like to see, not necessarily quickly, city hall open. There is the ability to take precautions necessary to limit the amount of people that are coming in and out. We're not going to have people waiting outside in 20 below weather. I'd like to see that move forward for at least city hall.

Conway stated I'd like to welcome Jeremy on board too. I would like to see us start to reopen some services and get things moving again, but I do think we need to follow CDC recommendations.

Wills stated I'd like to welcome Jeremy and also like to say congratulations to Jim Simpson.

Leckner stated I'd like to welcome Jeremy and encourage the Council, if you get a chance in the next week to stop in and see him. In these times we don't see people face to

face and it would be good to get to know him. It was exciting to be at the armory celebration and to see it all finished and wrapped up.

15. ADJOURNMENT: A motion was made by Stone, seconded by Wills, and unanimously carried to adjourn the meeting at 6:37 p.m.

[seal]

Mayor Ryan Leckner

ATTEST:

Margie M. Vik
City Clerk