

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
SEPTEMBER 22, 2020, 6:00 PM
Park Rapids City Hall Council Chambers
Park Rapids, Minnesota**

1. CALL TO ORDER: The September 22nd, 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, Councilmembers Tom Conway, Erika Randall, Liz Stone, and Robert Wills. Absent: None. Staff Present: Treasurer Jeremy Jude, Planner Andrew Mack, and Clerk Margie Vik. Others Present: Diane Dennis, Planning Commission Chair Dick Bradow, 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 changes:

Add to the Consent Agenda: #6.9. Resolution Approving Resignation of Full Time Park Rapids City Administrator Ryan Mathisrud.

Add to General Business: #8.3. Discussion Regarding City Administrator Position.

Delete from Agenda: #11. CLOSED SESSION.

4. APPROVAL OF MINUTES:

4.1. City Council Workshop Minutes- September 8, 2020: A motion was made by Stone, seconded by Randall, and unanimously carried to approve the September 8th, 2020; City Council Workshop minutes as presented.

4.2. City Council Regular Meeting Minutes-September 8, 2020: A motion was made by Wills, seconded by Randall, and unanimously carried to approve the September 8th, 2020; City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Randall, seconded by Stone, and unanimously carried to approve the payables in the amount of \$189,381.86, and the prepaids in the amount of \$66,485.45, for a total of \$255,867.31.

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

- 6.1. Resolution #2020-142 Approving Ordinance No. 605 Rezoning Land to R-2, Single, 2-Family and Townhouse District, in the City of Park Rapids, PID #32.38.91050, 32.38.91101, 32.38.92010.
- 6.2. Ordinance No. 605 Rezoning Land to R-2 in the City of Park Rapids, PID #32.38.91050, 32.38.91101, 32.38.92010.
- 6.3. Resolution #2020-143 Approving Ordinance No. 606 Rezoning Land to R-2, Single, 2-Family and Townhouse District, in the City of Park Rapids, PID #32.62.02000, 32.62.02010, 32.62.02100, 32.62.02200, 32.62.02210, 32.62.02300, and 32.62.02310.
- 6.4. Ordinance No. 606 Rezoning Land to R-2 in the City of Park Rapids, PID #32.62.02000, 32.62.02010, 32.62.02100, 32.62.02200, 32.62.02210, 32.62.02300, and 32.62.02310.
- 6.5. Resolution #2020-144 Approving Application for Minnesota Lawful Gambling LG220 Application for Exempt Permit for the Tall Pine Toms Chapter of NWTF.
- 6.6. Resolution #2020-145 Appointing Elmer Schoon to Serve on the Park Rapids Parks Beautification Board.
- 6.7. Resolution #2020-146 Appointing Dawn Rouse as the Part Time Accounts Payable Clerk for the City of Park Rapids.
- 6.8. Approve Pay Request in the Amount of \$34,024.50 for TKDA for Professional Services for the Terminal Area Taxilanes Project for the Park Rapids Municipal Airport.
- 6.9. Resolution #2020-147 Approving Resignation of Full Time Park Rapids City Administrator Ryan Mathisrud.

END OF CONSENT AGENDA

7. COMMENTS FROM CITIZENS: There were no comments.

8. GENERAL BUSINESS:

8.1. Resolution to Execute Contract for Criminal Legal Services by and between the Hubbard County Attorney's Office and the City of Park Rapids:

Randall stated I spoke with Attorney Jonathan Frieden. I don't know that there really is any other option for our city, except to go with the county attorney's office. They do a very good job and the police department likes dealing with the office. The only thing that I'd like to see when this comes up is the number of cases for the last couple of years. We should have a comparison of how many cases they are handling for us. It's our due diligence to make sure of that. There was a pretty big increase in the amount that we paid to the county attorney's office a handful of years ago now. That was based on numbers presented by the former county attorney. I would like to make sure that those numbers are staying steady. It is a large sum of money. They're doing a great job for us, but it's a lot of money so we should be making sure. I wonder if we could table this until the next meeting to allow for those numbers to be included in the packet.

Leckner stated I would agree with that. We don't have a time issue with this since it doesn't expire until the end of the year. Randall stated we're looking for the numbers from the last three years. Staff can ask the county attorney's office if they want it on the first or second agenda in October. They need time to get those numbers together.

A motion was made by Conway, seconded by Wills, and unanimously carried to table the Resolution to Execute Contract for Criminal Legal Services by and between the Hubbard County Attorney's Office and the City of Park Rapids, and to refer it back to staff to gather more information.

8.2. Short Term Rental Ordinance Discussion:

Liz Stone stated the Planning Commission has been working on this for the past eighteen months. A lot longer than we had anticipated, starting with discussion on what the concerns were for short term rentals within the city. From those initial discussions where we talked about our concerns, then we researched the approaches that other cities in the State of Minnesota took when addressing short term rentals and how to work with them and deal with them. Finally, after looking at various approaches and policies it was determined overall by the Planning Commission that we really liked the model that Two Harbors had presented for short term rentals. After we did our homework, then Andrew Mack had delivered a permitted approach to short term rentals. That is before you labeled as "First Ordinance with 500-foot buffer". This was something that the Planning Commission has settled on but our point of contention among the commission was the buffer. We were split. Overall, we liked this. We liked the permitted approach, but we as a commission were split on the buffer. Some were for it and some were not. After more discussion, we ended up deciding to recommend a policy which would result in an Interim Use Permit (IUP) requirement for anytime a short-term rental would come into play. That is also in front of you.

Stone stated after doing some more homework, having more discussion, I really think that it's my impression of the Council that you would like to see a permitted approach to short term rentals, and I respect and understand your reasoning for that. As it was referred back to the Planning Commission I believe our discussion then definitely centered around developing and recommending a permitted approach to short term rentals and we just need to figure out how to address that point of disagreement, which is the issue of buffering.

Conway stated I remember we were at the second reading of the 500-foot buffer when we had a real estate agent show up and say they weren't aligned. We sent it back to staff to be reviewed and it came back with the changes. Randall stated it was sent back to the Planning Commission, yes.

Randal stated since our last meeting I talked to Stone and Dick Bradow a few times about this. We are asking the Planning Commission to revisit this, but the best direction that we can give them today without sitting here four hours and trying to come up with a plan on our own, which is not our role, is to give them direction on a permitted process or an IUP. An IUP being that the Planning Commission would have to hear every applicant and decide on a case by case, permitted being if you meet the requirements set forth that you would get the permit and it's annual, whereas the IUP was a one time shot. I would like to see a permitted process. I think it gives us a little more control from year to year about how it's going.

Randall stated I will say for the record that I am in agreement with the part of the Planning Commission that is not concerned about party row. That is not my concern with this buffer thing. I think in talking with the members of the Planning Commission, if we end up with two VRBOs next to each other, then we end up with them. Between Airbnb's, VRBOs, terms and conditions, and our own city ordinance, there's plenty of mechanisms to enforce those conditions, if you will. If the owner continually has tenants and renters that are being a problem, we'll pull their permit. We have law enforcement to go and address that. I'm not concerned about the party row aspect of it. In talking with members of the Planning Commission I do think that there are some other valid concerns that need to be taken a look at in the redrafting of this, and that being, making sure that we do have the ability to control density in some format so we don't end up with seventeen VRBOs down East River Drive, and that's not because of party row but because of the traffic that it would bring. That is a valid concern, the need for parking spaces. That is something that they are aware of, and that they will continue to explore. I think that is the direction that Chair Bradow would like for the Planning Commission, just to know whether we can come to a consensus as a Council on a permitted process or an IUP.

Leckner stated I'm fine with a permitted process also. I think the biggest catch was the buffer zone. The way you said it is correct. We have other things in place to take care of that party row. It's not a concern of mine either. If we can make it a permitted process, I think that would be fine.

Conway stated I would agree completely as long as we have something in the permitting system that allows us to pull the permit if they are not playing by certain rules. I think a permitted system is the only way that we are going to keep the city and the City Council both out of liability of making decisions that could be determined to be discriminatory. I think it has to be a permitted process.

Randall stated the other reason that I am not concerned about party row is when you have ordinances that govern a VRBO, a short-term rental, there is a mechanism for law enforcement to get involved. If you are a property owner, and you have your relatives up for the weekend and they are loud and obnoxious, there's less restrictions. You can't go back to the VRBO contract, because that's their home. I think that we have a better ability to monitor it and make sure they are following the rules.

Wills stated I tend to agree with the permitting. It would be less hassle overall, and less legal issues. Stone stated if we can come up with a good solution to make sure that

one area of Park Rapids doesn't get inundated with VRBOs and work on controlling the density, I think we can easily come up with a permitted process. Randall stated there are some ideas that were discussed with the Planning Commission.

Diane Dennis stated Hubbard County is just starting the process of making an ordinance for short term rentals. I wondered if, I know you've been working on it for eighteen months and I appreciate all of the hard work, and listening to our viewpoint as realtors, if it wouldn't make sense to see what the county is doing. It's just an idea. The buffer was our big issue if you're doing four-hundred feet. If you're looking at a map of Park Rapids, East River Drive keeps coming up in the conversations. I know that's one area that people are thinking might end up with a lot of VROB's or short-term rentals. Some of those lots there are kind of small and you're not just effecting one house, you could be affecting five or six houses in either direction depending on where you are in the City of Park Rapids. That's one of our concerns, property owner rights.

Randall stated I would leave it to the chair of the Planning Commission on whether they want to reach out to the county. I don't feel that's something that we should make a requirement. If they can come up with something that we can agree on, I'd like to see us just get it done. My experience with the county is that, especially anything that has to do with land use, is that they tend to be more restrictive than the city. Leckner stated in the county they might have that five-hundred feet because of the bigger lots. Dennis stated I think the county's issue is more on the lakes. That is where you tend to have short term rentals. We have seen an increase in the number of short-term rentals in Hubbard County. It's not an every day thing. I'm not hearing of a lot of problems being created by it. But I understand your concerns. Our issue is with the buffer.

Randall stated East River Drive is a unique situation and there's not a lot of those in the county with all of the arms that come off of that. It's not just the river on East River Drive that is attractive, it's also the trail, and there's houses right along the trail. The trail is a big draw to our visitors. It's how much traffic you're bringing back into that neighborhood on those winding roads. It is unique and I think the Planning Commission is aware of that and that's one of the things that they are going to try and work on to not add a lot more traffic coming in there.

Mack stated during the Planning Commission deliberations one of the discussion items was directed to reach out to the county environmental services director, which I did do on this subject. I realize this has just come about recently. A couple of months back he referred me to a legislative bill that had to do with the assessing practices. They were waiting to see how that would impact the entire state. I don't know if that bill got a hearing approved. He did indicate that they weren't directed by the board to proceed and within that amount of time that has changed as we all noticed from the article in the paper. That reach-out was made. If the Council and Commission wants us to do that again I'd be happy to do so. Randall stated I don't think it hurts to reach out if they can give you a sense of what they are thinking, I'm fine gathering more information if they'll have some good ideas, but I don't want to try and work on it together or to try and make it the same. I don't want to see that at all.

Dick Bradow stated I came to hear what was being discussed here. It sounds like we might be working on this again and we've been doing this for quite a while. We need to get something in front of you that you can support. My biggest concern is density, wheels in the neighborhood. Are we going to change the character of the neighborhood? That's

one of the findings of fact. With more traffic, I think that changes the neighborhood. We have to figure out a blend of what can work for the neighborhood and the business community.

Leckner stated thanks for everything that you guys have done. I'm glad you're here to listen so that you have a direction to go. Bradow questioned what direction do you want us to go in so we can get something in front of you that you can support? Conway questioned do you feel that you have enough guidance to do it now, or is there any other questions you might have? Bradow stated I know you want the permit process. The trick is going to be how to look at the density. I think the density is the question. We have to come to some agreement on what is tolerable both for the neighborhood and for the property owners that want to do the short-term rentals.

Conway questioned do we know how many short-term rentals that we have in the city? Mack stated four to five. The magnitude compared to what Hubbard County has it's substantially less. There's upwards of one-hundred and fifty outside of city limits. The prediction is that those numbers will increase given changes in society with the virus. Bradow stated the short-term rental industry is going to grow, not shrink.

Randall stated thank you to the Planning Commission for all the work that you have done. We don't need a motion since we have already referred this to the Planning Commission.

8.3. Discussion Regarding City Administrator Position: Leckner stated we received a resignation from Mr. Mathisrud. We will discuss how we want to move forward. I got a name from Margie Vik of a former administrator that worked for the city about fifteen years ago. In between that she's done a different management job. She's retired but would be a good interim and is somewhat familiar with what has been going on in the city. We have a skeleton crew in the office. We need to do something to fill that position in the interim since it's going to take a little time to hire.

Conway stated I went through the resume that we received this afternoon. I've never met the person but she does come highly recommended and I would assume that in the interim arrangement that we make we'll make sure this time that we have the right documents in place to keep it interim, and we would have the ability if for some reason that we were dissatisfied we'd keep it employment at will so we could part company if we needed to.

Randall stated any employment contract that we'd enter into with her, it will have that in it. It would state "upon the hiring of an administrator" unless it's extended for some reason for training. I'm not concerned about the interim status dragging on because I fully expect that we will get this posted in the next couple of weeks. There's no reason, we just went through this, that we can't get it posted in all of the same spots that we did before and start that process as soon as possible. I did not see her resume but I would like to. I don't need it to make a decision today.

Leckner stated we would need a motion to appoint an interim administrator, offer her the job, and have to set a salary. An easy number to use would be what Mathisrud's current salary rate was. She had more experience and you could go up, but my recommendation would be to stick with what Mathisrud was getting paid. Randall stated I don't want to see us go above that at this point. Leckner stated and that would be with no

benefits, and she'd be paid bi-weekly. If she accepted that Conway and I would ask her if she would be willing to accept.

A motion was made by Conway, seconded by Randall, to offer the interim city administrator position to Betty J. Thomsen at the pay rate that was received by Mr. Mathisrud, \$36.94 per hour, without benefits, and that Mayor Leckner make contact to see if that is acceptable, and if so, have Flaherty-Hood write up an employment agreement.

Discussion: Leckner questioned do we want the attorney to send it to all of the Council members to look at once it's drafted? Conway stated once it's drafted the Personnel Committee can present it to Ms. Thomsen. Randall stated I don't think that's complicated so I'm comfortable with the Personnel Committee handling it. Leckner stated I want to make sure that it includes that it's an interim position and that it's at will.

The vote was called.

The motion carried unanimously.

Further Discussion: Randall questioned will the Personnel Committee come to our next meeting with a plan for the hiring process? We need to authorize the posting for the permanent vacancy. I want to see us move along with it.

A motion was made by Randall, seconded by Conway, and unanimously carried to give the Personnel Committee the authority to offer the interim position to Betty Thomsen, and to post for the vacant city administrator position.

9. DEPARTMENT HEAD UPDATES: There were no comments.

10. COMMENTS FROM COUNCIL: Conway reminded everyone to fill out your census form if you haven't done it yet. Recently we have jumped from fifty-nine to eighty-five cases of COVID-19 in Hubbard County in one week. We have also recorded the first death. Please be conscience of social distancing and to wear your mask.

Leckner stated the first engine for the fire department went down. They took it to Fargo for emergency repairs. They called me and I said go ahead and fix it. It's an emergency vehicle. They had a transmission issue before. We replaced that. Now it's an EGR valve which causes it to overheat. They are replacing this cooler line that was causing that. They are expensive to fix. The parts were \$3,000.00 and we don't know what the labor's going to be. We have approximately \$5,000.00 in the budget for fire department vehicle repairs. The rest would come from the liquor store. It's important and it has to be repaired. Stone questioned does this specific model of truck have these issues? Leckner stated they were taking it to a repair place, and this time he took it to Cummings in Fargo. This part that's blown out is a known problem and they're putting in a new cooler line and that should take care of the problem. The truck should be back by Friday.

11. CLOSED SESSION: *Deleted from agenda.*

12. ADJOURNMENT: A motion was made by Conway, seconded by Wills, and unanimously carried to adjourn the meeting at 6:40 p.m.

[seal]

Mayor Ryan Leckner

ATTEST:

Margie M. Vik
City Clerk