

**CITY OF PARK RAPIDS  
CITY COUNCIL MEETING  
FEBRUARY 14, 2012, 7:00 PM  
Park Rapids Public Library-Lower Level  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The February 14<sup>th</sup>, 2012 Regular Meeting of the Park Rapids City Council was called to order at 12:00 noon by Mayor Nancy Carroll, and everyone present recited the Pledge of Allegiance.

**2. ROLL CALL:** Present: Mayor Nancy Carroll, Councilmembers Dave Konshok, Patrick Mikesch, Sue Tomte, and Paul Utke. Absent: None. Staff Present: Treasurer Angela Brumbaugh, Planner Dan Walker, Police Chief Terry Eilers, Liquor Store Manager Scott Olson, and Clerk Margie Vik. Others Present: Ulteig Engineer Jon Olson, Hilda Benjamin, Betty Fuller, Mr. and Mrs. Ken Mrnak, Raymond Peterson, Robert M. White, Josh Gabriel, Kay Miller, Jane Jankowsky, Amy Hawn, Josh Hawn, Noel Allard, Janice Renner, Chuck and Coral Schmitz, Art Wood, Tim and Lisa Heinecke, Jim Wright, Wilbur Norman, David Feil, Rod Nordberg, Connie Harsha, Terry Forbes, Eric and Alicia Hildebrand, Roxanne Erickson, Kim Waldorf, Mark Harmon, Steve Bade, Ken and Monica Mackley, Beth Waller, Mark Waller, Dori Mueske, Paula Winter, Jessica Leckner, Ryan Leckner, Margaret Morris, Dick Rutherford, Carol Ashley, Ruth Ann Campton, Judee Bjorn, LuAnn Hurd-Lof, Ellis Jones, Tracy Becker, Cynthia Jones, and Anna Erickson from the Enterprise.

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

**4. PUBLIC HEARING FOR THE GREEN ACRES ADDITION UTILITY PROJECT:**

**4.1. Presentation of the Green Acres Addition Utility and Street Construction Project:** Mayor Carroll stated the public hearing is a formal part of the meeting. We will start with a presentation by Jon Olson, an engineer with Ulteig Engineering in Detroit Lakes. He will talk about the Green Acres Project for the installation of sewer and water services for this residential area. After he gives the presentation, we will give everyone the opportunity to speak. I will read through the list of names on the sign in sheet. At the end of that you're welcome to speak if you have been overlooked.

**A motion was made by Utke, seconded by Mikesch, and unanimously carried to open the public hearing at 7:02 p.m.**

Jon Olson stated we're here for the public hearing for the Green Acres Phase Two Watermain and Sanitary Sewer Improvement Project. I'll present the purpose of the hearing, the project's background, the proposed improvements, a review of the project costs, and the estimated assessments. Then we will field questions.

Olson stated the public hearing is a requirement of Minnesota Statutes Chapter 429, which is the procedure that is required for assessing municipal improvements. It gives us an opportunity to provide you information on the project and to hear questions and comments.

Olson stated this project has been discussed since 1978. That was the first time our firm did a formal engineering report for this project. It has been reviewed and discussed over the past thirty-five years. The most recent review was conducted in 2000. Following the 2000 study some minor improvements took place. In every report that was reviewed prior to this point, there were two options for the extension of utilities. Typically, when we install sanitary sewer and watermain, we install it within the right of way, underneath the street. That is the most common approach. It's the best for future maintenance and the corridor for the utilities is already defined. There's very minimal impact to private properties when the work is done within the road right of way. The one downfall to this more traditional approach is it does require street reconstruction.

Olson stated the next option that was reviewed was to run the lines down the back property lines. The reason this option was reviewed for this Green Acres Addition was the majority of the existing septic systems are within the back property lines. Therefore, if the mains are in the back, it would be an easier connection from the house to the main. Unfortunately, there isn't a defined corridor and there would be significant easements required with that approach and probably the biggest downfall would be the large amount of tree loss. The nice tall pines in the backyards are right within the property lines where a main would be installed. During our most recent review in 2000, two public hearings were held, and the feedback at that time based on meeting minutes that there was a concern for the loss of trees with that second approach going down the back property lines. At that time, with the feedback received, the challenges with the easement acquisition, the cost of the easement acquisitions, and the future accessibility of the mains, it was decided that the most feasible approach for extending utilities to this addition would be the more traditional route down underneath the existing street within the existing right of way.

Olson stated in 2002, following the study, and prior to the majority of the extension, Northwoods Bank requested service. A small extension project was implemented at that time. That project involved the installation of a sanitary sewer lift station which is designed to accommodate the flows from the entire Green Acres area, and did set up for future expansion within the Green Acres Addition, under the existing road.

Olson stated the need for the project we are discussing is twofold. This development was annexed into the city as of January 1<sup>st</sup>, 2012, thereby making it easier administratively to extend utilities to the addition. Newer codes and standards on septic systems are more stringent than they were when the majority of these systems were installed. Therefore many of them are no longer compliant. They may be operating properly from the intended use when they were installed, but unfortunately they are no longer compliant. The challenge is when these properties are up for sale, and when transferring these properties they are required to upgrade. Within the last two years we had five properties that did transfer ownership. By the requirements, they were supposed to upgrade their systems. However the city helped them out and declared their formal intent to get municipal utilities within the development, thereby not making them get the upgraded system, when the sanitary sewer and watermain extensions were in the near future.

Olson stated the proposed improvements are within the road right of way. In 2002 the utilities were aligned under Discovery Circle for expansion around the loop. The proposed watermain would be six inch PVC main and circle the entire loop. Fire hydrants would be placed approximately every four-hundred feet for fire protection. Eight inch sanitary sewer mains would parallel the watermain and services would be extended from the main to the property line. The service from the property line to the house would be the property owner's responsibility once the city's project comes through and is completed. Following the underground improvements the street would be reconstructed to a very similar width that it is now. It would be increased to a twenty-eight foot width. Right now it varies. It appears to be twenty to twenty-four feet wide. It would be extended to the city's current minimum standard, which is twenty-eight feet.

Olson stated the estimated project cost is \$917,500.00 for watermain, sanitary sewer main, water service, sanitary sewer service, and street reconstruction. The project is proposed to be financed through the use of special assessments and general city funds. The city's assessment policy states that watermain, sanitary sewer, and services, are 100% assessable. The streets are 60% assessable with 40% thereby being city share. When applying the city's assessment policy we get an estimated city share for the street at \$162,800.00, with an estimated assessable share of \$754,700.00. We have an estimated assessment for each lot within Green Acres of \$16,300.00. The \$16,300.00 estimated assessment is for this project. There was a deferred assessment of \$564.47 for the 2002 lift station improvements. The total estimated assessment that would be reflected on the tax statement would be \$16,900.00.

Olson stated the numbers in this overview are estimates. The actual costs will be calculated based on the final costs once construction is completed. Once the final costs are done and calculated, an assessment hearing would be held. Once that is completed, those assessments are typically financed on the property tax. The terms are typically from fifteen to twenty years. If this project is completed in 2012, the first assessment payment would show up on your 2013 property tax statement.

Olson stated the public hearing tonight is the first step in the development process. It would be followed up by the design, which would take a couple of months, then development of construction plans and specifications. The project would be bid in May, and construction could start as soon as June, but probably in July. Based on the scale of this project roughly a six week to two month process would be needed for the construction. Once we get into the design phase and have the construction plans completed we'll have a better feel for the construction time frame based on preliminary scalings it would likely take two months. Following the construction we would hold the assessment hearing in the fall.

**4.2. Public Comments:** Carroll: I'm going to read down the list of names, and as I read your name would you please stand and it's up to you if you have a comment or a question or whatever it is, that will be your time. Some people's handwriting is going to be a challenge for me but Angela did some printing, so bear with me.

Hilda Benjamin: No comment.

Betty Fuller: I came because I wanted to listen and hear correct information. So often there are comments made that are inaccurate, and I want to find out the accurate things.

Ken Mrnak: I got one particular area that I'm going to look at quite strongly and according to the newspaper it says about ditching put out there, there's going to be no curb right?

Jon Olson: We're proposing a rural section street, that's correct.

Mrnak: Now, myself and another home is based on the bottom end of the runoff from the west end clear to the east end on the south side of the addition, and if we get a good pooling of water right now, if you extend our streets out another four feet on each side that means additional, at least one block more of snow, water, and so forth. My point is in designing we have several, four or five locations, typically prone to flooding. We need to really put a strong emphasis on what we're going to do with this water. This is going to be additional water if we're going to remove some of the existing soil that absorbs this water and make the streets bigger we're going to have additional problems. Make sure the design process of this that we're looking at certain areas out there that are noted to be absorbing water.

Olson: I appreciate that, definitely. It isn't a drainage improvement project but certainly we will take every effort to improve current problems when we redesign the replaced street. We will not worsen the situation. Hopefully, we can come up with a solution to improve it.

Raymond Peterson: We belong to the Tractor Club. It seems like this is north of the grounds there. Right now I don't think it will affect us at this time.

Olson: Maybe I should hit on that quick. Absolutely I should have hit on that and I apologize. There are improvements that will be incorporated with this same project on County Road 6, Henrietta Avenue. Those are city improvements at this time. It's watermain looping. At this time there's no anticipated benefit to those properties, and therefore those improvements, at this time, are not proposed for being assessed. That's the reason they weren't hit on within this PowerPoint.

Carroll: But the people were notified if they were property owners along that area. We'll talk about that a little more later?

Olson: We certainly can if there is a desire.

Konshok: The main purpose is notification of activity.

Olson: Absolutely. The main focus of the public hearing is really the Green Acres and those parcels that are proposed to be assessed.

Robert White: I've got several. Number one question is this is been known for several years to happen. Was there ever any attempt to get any grant money for it?

Olson: I can hit on that. From speaking on the city's behalf, we're always looking for opportunities for outside funding sources.

White: There was five years, why didn't something happen?

Olson: We were successful in obtaining some grant money for projects that were scheduled at that time. Unfortunately, at this time this project has been scheduled for the 2012 timeframe, and unfortunately there doesn't appear to be any outside funding.

White: There is funding.

Olson: There may be and we will look into it. The one great benefit right now, we had a project in a local community nearby and had a bond sale at 1.55%. The interest rate right now on these type of improvements is very, very good.

White: There's a lot of elderlies there that absolutely cannot afford it. You know?

Absolutely cannot afford it. That was number one. You going to look into grant money?

Olson: We will absolutely.

White: My next question is what is the quarterly cost of water and sewage fee for a household in Park Rapids?

Carroll: The average? Well I could tell you my own personal bill is about \$80.00.

White: A month or a quarter?

Carroll: A quarter would be three months. One bill for water, sewer, storm sewer, everything.

White: I talk to several people and they pay \$200.00 a quarter.

Carroll: I think it depends a lot on your usage. Do you have kids, do you have teenagers?

White: That's correct but that's awful spendy.

Mark Harmon: My folks with just two people pay \$200.00 a quarter and there's only two people and they travel a lot.

Tomte: We only pay \$90.00 a quarter and there's two people in our household.

Carroll: There's just a range but it's based on usage.

White: There's quite a discrepancy from household to household with just two people. Some are paying a couple hundred, some are getting by as you said.

Konshok: It's a very simple formula. It's based on usage.

Carroll: It's all metered sir. So we're able to evaluate....

White: I understand that part. Another thing I don't understand, I have a lot of friends and so forth here in town, is the charge to get a permit to hook up to city water and sewer. Why does it have to be \$1,500.00?

Carroll: Per household, brand new?

White: For a piece of paper. The people on the east side of town, if they want to hook up to city water and sewer, the permit to get from the city is \$1,500.00 before you can dig. Why is it that high?

Harmon: That's before the price of the meter which is about \$300.00.

Carroll: Angela are you aware of the fees? Angela is our city treasurer.

Brumbaugh: We did a study on that a while ago and actually \$1,500.00 is still low compared to a lot of cities. We raised it just because of the fact that the revenue portion, it was easier to raise that than the rates at that time. When we did the study we looked at cities that are the same size as us, and that's what we based it on. We're still not the highest. You don't want to hear that, but you think we're really high, I understand that, that's what we based it on.

White: I did a lot of work in Grand Rapids for water and sewer. Their permits were \$250.00, and all the areas around that in the Iron Range were about that. That was the going rate.

Utke: For that \$1,500.00 do they get their water meter? No.

White: What is a water meter, \$100.00?

Konshok: It's more than that.

Brumbaugh: \$350.00 approximately.

Konshok: But it's more than that. That's what we use to fund the infrastructure fund for long term improvements on the water and sewer system.

Brumbaugh: The water meter goes into the water fund. The \$1,500.00 gets split between water and sewer. It does go into those reserve funds.

Konshok: So what you'll see varying from town to town, some towns don't do that. They keep their permit low but their rates are correspondingly high. Everybody's got a long term

capital fund. For instance, if we have to replace our water plant, water towers, the sewer plant, lagoons, ponds, you're buying into a system.

White: You bring up a really interesting subject then. How many households are there in the city limits of Park Rapids connected to water and sewer?

Brumbaugh: Approximately 1,800.

White: 1,800, okay, take that times \$100.00 a quarter. Start adding it up. You're getting a pretty substantial fund of money annually.

Konshok: Well, the way we've structured it is the money you're paying, the metered money is basically going for operations. We don't have large capital funds.

White: That much money for operations?

Konshok: That's right.

White: That's \$18,000.00 a month. Am I right?

Konshok: With the well fields, with the treatment, with the sewage treatment, and all the rest of that. That's the cost of operating the system.

White: My other question is I've been around a lot of directional boring. I don't know how many people understand what directional boring is. It's a devise that you can go under the ground and make that whole looping Green Acres without picking a scoop of dirt and end up on County Road 6 again. Would that be the most efficient way of doing the water and the sewer both? Because the sewer's tough to do because of the elevations, but the water could be done with directional boring.

Olson: That is a correct statement. The cost to install watermain by directional drilling and open cut is fairly similar. The challenge with it is exactly what you said. Installing gravity sanitary sewer at 4/10<sup>th</sup> of a percent grade is nearly impossible with directional drilling equipment. You can do it by directional boring equipment, but the cost by doing so with directional boring is just not feasible.

White: I know the two part there too. But the watermain could be done.

Olson: Absolutely.

White: If you run the water and the sewer in the back of the houses. I'm just throwing this around. If you put the water and the sewer in the back of the houses, you won't be messing up the road whatsoever. If you put it on the road you'll be taking down a lot of front trees. So it doesn't make any difference if you go front or back. But if you run the sewer in the back and run the water in the front, then you're messing up my backyard and my front yard. There's alternates here you know.

Olson: Absolutely. We have reviewed the alternatives and the corresponding costs. When we go in and install sanitary sewer it's at a set grade. Not only is the main at a set grade but so are the services. So we could put the main on one side of the street, but we'd still have to cross the road in several locations at each property. By the time you go through and patch, the cost analysis for mainline paving makes it the best alternative.

White: How many places you plan on crossing? If you can get easements I think you can get by with maybe two at the most.

Olson: You're talking to do sanitary sewer at the back property lines?

White: And the water. I've looked at it quite a ways. I think you can get by with a couple of places if you can get the easements to cross.

Olson: The challenge with crossing the sanitary sewer in the back property lines would be obviously the easements. We would need several easements to do so, but the tree loss would be very extensive.

White: But if you use safety boxes you'll be cutting down that trench line. You don't have to open cut that quicksand. You can use the trench boxes, safety boxes, and cut the trenches down and be safe, and you won't have to be such a big area.

Olson: It's my professional opinion that if we were to install those mains using a trench box, those types of trees would be damaged significantly. They're a low, shallow root structure type tree.

White: Okay, then vice-versa. Now look if you put everything in the front on the road there. Now you have to bring the water/sewer through the front yard. How many trees are you going to damage there?

Olson: There no question there would be some trees impacted.

White: With directional bore of the water, and then open cut the sewer in the back of the houses, I'm just throwing it as a suggestion.

Steve Bade: I was just thinking about getting back to your numbers, about half of the cost was in the disturbance of the road, \$400,000.00. Correct? So I'm thinking, I for one wouldn't mind losing some trees at \$400,000.00, I can look at planting some more back.

Olson: Absolutely.

Bade: Does that make sense?

White: Definitely.

Olson: Let me comment on that before the mayor fields any more comments. We did run a cost estimate for both alternatives before we came to this presentation. To install the mains in the back of the property lines you end up doubling the mains. You end up with one additional line of main. You'd have three mains basically running west throughout the development. That additional run of mains is nearly identical to the cost of a street reconstruction. We did look at that as being a viable option at this time but then the cost came back very similar. In fact it came out at \$42,000.00 higher than the street reconstruction alternative. Adding that, with the loss of trees, that doesn't include the easement acquisition cost, it did appear at our last discussion this indeed is the appropriate route to go.

White: What is the cost per foot going in at the present time compared to like five years ago? Five years ago it was \$9.00 a foot.

Olson: I pulled the 2002 assessments for those properties. Those assessments for the underground improvements were nearly identical to what they are today. The difference there is they didn't have street reconstruction because those properties were on Henrietta. They didn't have a street reconstruction but their underground portion was \$10,700.00 which is very close to the underground estimate for this project. We've been fortunate that underground improvements, when comparing these two projects haven't increased significantly.

Josh Gabriel: No comment.

Kay Miller: You talked about a permit, because I'm new to this, the approximately \$1,850.00 permit, that for the permit. How much more is it going to cost the homeowner from the actual hookup to the....for the footage? I measured mine from the back of the house to the front, and you're looking at anywhere from 160 to 180 feet for me, and then plus I'm going to probably have to tear up my driveway at an additional cost for me, I'm assuming. Or you can take down my trees, or going through my sprinkler system, or, or, or. It seems like more incurred costs for me, so I'm wondering what is the extra cost at

least per foot so we can estimate so we have an idea what it's going to cost besides that \$1,850.00 permit.

Carroll: On your own private property? Do you have any idea on that Jon?

Olson: Every lot is going to be different. Every circumstance is going to be different. I don't have a good answer. For the pipe prices itself, you could maybe assume \$30.00 a foot just for very ballpark estimates. But again, that is going to be so specific per property that you definitely need to contact a plumber to get an estimate on that.

Miller: I'm going to go back to the same concern. I think there are people in our neighborhood that can't afford this. What are they going to do? The second question is do we have to hook up right away? Is it mandatory that we hook up right away?

Carroll: In the past when we have gone in to extend sewer and water to an area that already has septic tanks, if they're functioning, and we'd have to check to see if that's compliant and how that's defined, we've given people up to three years to connect, but we have started charging them the assessment from the beginning. Jon went through a lot of information. We normally have fifteen to twenty years on a bond, and I'm not sure how we would go with this but, your \$16,900.00 estimate, that would be about \$800.00 a year that would be on your property taxes as a way to pay the assessment off.

White: What percentage?

Carroll: Right, the interest would be added on. That was just a rough estimate.

White: What percentage?

Brumbaugh: It depends on what we sell the bonds for, for the project.

Carroll: We will set that interest rate when we have the assessment hearing I believe, so after the project is over. Do I have that right, at the end?

Brumbaugh: Usually the percentage that the assessment is, is 2% more than what the bond is. Whatever we can sell the bond for. Right now Jon is right, there are really cheap rates than ever, in the ten years that I've been here. So that does help you out some, but I don't know what it will be.

Miller: Once again I'm going back to people not being able to afford this. My wife and I are trying to move right now, and obviously the economy isn't very good. I can see that I'm going to have to pay to get out of my house so that means a possibly foreclosure for some too. I mean to me, is this project worth people losing their homes and livelihood? I don't see it.

Jane Jankowsky: No comment.

Amy Hawn: No comment.

Josh Hawn: I have a question. The numbers that you have they are based on, you have to get them from somewhere, is that assessments that have been done in the Park Rapids Area or Detroit Lakes?

Olson: No. Those numbers presented in the PowerPoint were very project specific using our best guess at what construction costs are going to be this upcoming construction season. They were developed for this project.

Hawn: My other question is who's going to be able to bid on the project? Are there specifics? What are you looking for? Is it going to be people from around the area, or the cities? What are the specs?

Olson: The contractor that is eligible to get this has to be qualified to complete the work. This is a bigger project. There are contractors within the region that are well suited for this and it's not uncommon to get contractors that are somewhat regional.

Hawn: I'm asking what are those qualifications. I'm not worried.

Olson: Absolutely. They'd have to have the equipment and the experience to do so. They would have had to have projects of similar size under their belts. That would be for the prime contractor. But there will be a lot of other components with this project that will require subcontracts. The prime contractor can select a subcontractor to complete that work.

Hawn: So when you're bidding do you need to stay underneath this number or how does that whole thing go?

Olson: As far as the cost?

Hawn: Yeah.

Olson: It's competitive sealed bids, and the cost could come in higher, it could come in lower.

Hawn: In your experience, which is more likely?

Olson: It's a good question. Fortunately, we've been fortunate to come in fairly close.

Carroll: Yes, but I have to add almost always you're higher. I can't remember a time the engineer's estimate was lower than the bids came in, because they want to be very conservative. They want to give us the worse case.

Olson: We've been very fortunate to have good solid numbers going in. There's always that risk that it could come in higher. I'm fairly comfortable with the numbers that we've presented in this report. As it stands now what could be of concern is the asphalt prices with the oil. If the oil does come up some, there is a concern that could impact the cost, but I'm comfortable with the numbers that we've used to calculate the project costs at this time.

Hawn: Street lights or no street lights?

Carroll: We don't have Scott Burlingame here. Dan (Walker) what do we have in the zoning ordinance?

*Dan Walker indicated there was nothing.*

Carroll: I thought there was something about every so many feet? No. That is something that we'll have to get back to you on.

Konshok: When we do a rural street like that we don't typically do street lights.

Carroll: None?

Hawn: That's good. We have enough low light from Wal-Mart. My last question is, is there a way to place where the water comes into our property? I'm thinking of my property because if it comes in way over here, it has to go like this, it would be much better if I can say could you put it right here.

Olson: Absolutely. Very good question and I should have hit on that. Absolutely. Our office will be in regular communication with every property owner throughout the process and that will be the number one thing that we'll start discussing is where the best location is for your service on your property. We'll start the communication off by sending out a survey, just general survey. Who's a good contact person throughout the project? Service location, do you know that? And just start that thinking process. Do you have a sprinkler system? All those things that are property specific. And as we get into the construction we'll be touching base personally and we'll be holding weekly construction meetings as well.

Hawn: So should we be contacting the person who is going to be able to do our job before hand so that we have an answer, or is that something that is not that hard to figure out.

Olson: If you know who you think you're going to want to do that work, I think it would be a very good idea to come out and have them give you an idea of what might be best for your property. Absolutely. That could be a big benefit.

Carroll: So should the service line be installed prior to the completion of the mains or not?

Olson: I would recommend that the work on the property hold off until the city work does come through. We'll be establishing the sanitary sewer main elevation that we can get. And if those improvements on your side came in lower than what we are able to provide we would have a challenge. So if you could hold off on the property side until the city project is done that would be best.

Hawn: Thank you very much.

Noel Allard: I have nothing.

Janice Renner: My mom lives in Green Acres so she wanted me to come and listen. I did have a couple of questions. You talked about the two different ways you could do this approach. Will the people of Green Acres have a vote in how they want it done? How they would prefer it done, or is that something that you're going to decide exclusively? Because there's a little bit of controversy in that. You just assume that no one wants to lose trees. And I don't know if that's the case or not. To me it doesn't really matter. I'm wondering if they are going to have a say, a vote.

Carroll: It costs for trees, but it's also a third, quite a bit of additional cost to do it.....

Renner: It is but then you haven't really touched on the point that Mr. Mrnak made about the drainage problem and what that's going to cost. So there's going to be some cost that you haven't even thought about. Because that is something that is going to be a big concern, a huge deal. I go down Pleasant Avenue and that's never been fixed, it's horrible, it was in the past. So the drainage, I mean that is big, especially when you're living right there. It's just a question. The other question I have is can the families use their existing wells to water their lawns and do outside things? Will they be allowed to do that still?

Mikesh: Yes.

Carroll: Well there can't be any connection to the house. There has to be separation somehow.

Konshok: You can maintain the existing well but it cannot be connected to domestic. It has to be a separate system.

Renner: Yeah. And I think this is something, when we lost our homestead, with taxes, I'm sure a lot of people are concerned about that. I'm just wondering if families would qualify for the tax rebate if the assessment would fall into that.

Carroll: I don't know about that.

Renner: It sounds like that's a real concern too, being able to afford this. You know if they are on a fixed income.

Carroll: I would think, especially if they are have a preparer maybe that could be answered there. What's added in, is it strictly the property tax or is it closing costs and things like that added in.

Chuck and Coral Schmitz: We have no questions.

Art Wood: I have a question she just brought up now. On the lawn, they would connect to do the lawn watering. I have an outside well going into the house and back out. You say I can't connect it. What are you suppose to do, build another house?

Mikesh: As long as it's not connected to your house, you can have it.

Wood: It comes into the house and then back out. Okay, that solves that one.

Carroll: We don't want to run the chance of that well going in and contaminating our city water in some manner.

Wood: Mine's better than your city water.

Citizen: Your water comes in and contaminates our good well water.

Wood: Mine's been tested and we're way above you. That's a known fact. The other thing is, say three years from now because I'm retired, 72. The recession is bringing my house to less money than it was twelve years ago, and this is creating some real hardships. Plus, \$1,850.00 to hook up. If I waited three years, what's it going to cost then? Hopefully, I'll be dead by then. It's serious business for some of us retirees.

Carroll: Replacing a septic system is very expensive too.

Wood: I've already done it. You charged me city values even though I was in the county, three years ago. You made me put in a city sewer system.

Carroll: I don't think we did that.

Wood: Yes you did. I got the permit from you.

Carroll: Oh, you're already on city sewer and water?

Wood: No. My system went down. You forced me to put in a system as if I was in the city limits, for about \$12,000.00. Modern, expanded, took up the whole front yard. And that was from your office. Dwight Carlson was the one that came down and petitioned for me and I lost.

Carroll: I'm sorry, I'm just totally drawing a blank there. I don't recall that.

Wood: I do.

Carroll: So you're aware of replacing the system. That's one of the things that we were trying to avoid by moving on this as fast as we could anyway, was that people would not have to pay twice. First for replacing a septic system, and then for city services. It's all very expensive.

Wood: I have to pay to have that thing dug up. Everything coming in the house would have to go right through that tank. So I have to pay now again to have that thing dug up, and then what would it cost me three years from now, or should I wait?

Carroll: The cost I think, Margie could you help me here, the assessment roll is prepared, people would start paying on the assessments I suppose.

Vik: In 2013.

Carroll: But then we probably don't charge the hookup fees until later.

Wood: My question is how much more, how many \$100,000.00 more?

Carroll: Is there a penalty do you mean? I don't think so.

Wood: What is proposed three years from now? What is your idea of what it would cost to hook up? The meters will probably be more.

Utke: Angela, have we had that price for a while?

Brumbaugh: In the nine years I've been here we've raised it just the one time. The meters are based off of whatever we pay. We don't make any money off of the meters. The meters go out at the price that we pay for them. That would depend on whatever the manufacturer charges us. Our fee, as far as the hookup fees, that's changed once.

White: What I understand is what Art is trying to say is what is the hook up fee to go with city sewer and water line. First you have the initial \$1,500.00 fee for the permit. And therefore, \$5,000.00 to \$8,000.00 roughly. Don't hold me against that either. It depends on how many feet you have to go.

Harmon: You have forty or fifty people all doing it at the same time the price is probably going to go up more because supply and demand.

Carroll: At this point we don't have a plan for changing any of our rates. But I can't guarantee that. Sorry.

Utke: We could guarantee a price for this project. If it's \$1,500.00 today we could hold that for a two or three year period. It's just a permit fee. The meters we don't have control over that. That probably isn't going to be a lot, probably \$50.00. We could control the permit fee.

Harmon: What would be the harm of doing a reduced rate for the whole group? Aren't we buying in bulk? How many households are there in Discovery Circle? Fifty? Thirty-seven. If we just hand you a big check for \$37,000.00, cut it \$500.00 you guys would say no. Why can't we get a discount?

Tomte: That's what we are discussing.

Harmon: Cut us some grace. You guys all know this. There's people that are going to walk away from their homes. No one is blind to this, right?

Utke: I know exactly what you're saying.

Harmon: That means our property values are going to go down. We can't sell out of our homes. That means we are going to be taking on additional burdens. We see \$1,600.00 up here. The math is pretty easy. It's going to be \$8,000.00 to \$9,000.00. That's cash due right now. You guys aren't going to bond any of that money that we hook up onto your system. I realize that there's benefits of us having, let's just say, depending on what house you're in, better water. And yes, we won't have that extra burden of failed septic systems, you know that have been in there for forty years. I get that. I see that there is some benefit to this stuff. But, Bob made a great point. Where's the grant money? Where's the effort to help us out? We're not the wealthiest subdivision in town. It's a cute and charming part of Park Rapids. We're taking on a pretty good burden here, you know. There's no reason that we can't annex to the city. That's already done, and it should be up to city standards and I agree with that too. But, how many houses, right now, are vacant in Discovery Circle and what the foreclosure rate is in the last year? It's probably six or seven. Nine empty houses. No one's buying them because of this project. Okay. So now you add on how many people are going to have to walk away from their houses? So if that goes to a dozen and if you can't get money from them, does that go back on us?

Carroll: No.

Harmon: And if we don't pay the assessment for the streets, and technically the city owns the streets, why are we paying for the repair of the streets? We like our street.

Citizen: They just repaired it about three years ago.

Harmon: I'm not trying to cause a problem, but I say here's the situation. Here's what you owe on PowerPoint, but that's only about 60% of it.

Carroll: I really appreciate your comments there Mark, but let's go through our list and try to give everybody else a chance too.

Art Wood: When you consider \$80.00 or \$90.00 a quarter for water, and you have your \$800.00 a year for assessment, plus the taxes we already have, that's going bankrupt a lot of people.

Tim Heinecke: I guess my only question is, one that hasn't been addressed so far is could you back that PowerPoint back up to the costs? Just the ballparks. Thank you.

Lisa Heinecke: No thank you.

Jim Wright: I'm on project B. I represent the tractor club. Will you go on the south side of us?

Carroll: East. On County 6 in the right of way.

Wright: The tractor club has no money to help at all with this project.

Carroll: And you're not being asked to pay.

Wright: Okay. Thank you.

Wilbur Norman: No comment.

David Feil: I was wondering about an empty lot. There's no building on it. Are you going to have to pay for that when they come around with the sewer too, right away?

Carroll: How are we handling that? I guess you have two lots?

Feil: Fourteen and Fifteen.

Carroll: There were a couple of those. Jon what is the policy?

Olson: The policy does state that it is a benefit to those lots. They will be provided service, therefore improving the property. I'm fairly certain in previous projects that is how they have been viewed as well, is that they have been assessable.

Utke: I can speak to that. I've paid for ten years on the project that passed my house.

We've never hooked up to it because it's not next to me.

Leckner: But you don't have to hook up?

Utke: It's going past a vacant lot.

Leckner: But you still pay for the assessment?

Utke: I still paid for it, right.

Konshok: Because it's there, someday it gets used. It borders my property like what's being discussed here.

Feil: Who's making all the decisions on how to spend my money? I mean I'm 78 years old. I'm retired. So is my wife. And here you come, and if I have to pay for two lots, I'm talking \$50,000.00. I haven't got \$50,000.00. What am I suppose to do? You might as well come push the house in a hole and push me with it. I don't know, I'm sick of it. We have nothing to say in the matter. You never come round and take a vote out in the township as to who wanted it and who didn't. You come around with one thing but I never see the results and here we go, full speed ahead you're going to start in July. Well, I'm done.

Rod Nordberg: No questions.

Connie Harsha: So when you do start tearing up the road is it going to be accessible for vehicles? I have two kids in wheelchairs that go out all the time. Are they going to be stuck in the house all summer long, or are they going to be able to go?

Carroll: What do you think there Jon?

Olson: We'll certainly work with everybody to insure that we're meeting those access needs, without certain. There's going to be some interruptions, but if there's certain special instances throughout the day, as long as we're aware of them, we can typically coordinate them and we'll work through all of those. Typically how it goes is the construction would take place in a few hundred foot segment of the road. You'd be able to drive around the backside in that time. It wouldn't be a paved road. It'd be a gravel road, but you'd be able to go around it.

Harsha: Do you realize with wheelchairs you need something smooth.

Olson: Without question. We would very, we appreciate knowing that ahead of time and would identify that clearly for a contractor responsibility to insure that if there's a special

need it is identified during the construction. Absolutely, we'll work with you to insure that access is provided.

Harsha: How many feet of the front yard are we going to lose when they redo the road?

Olson: The improvements will be completed within the public right of way. The right of way width is thirty-three feet from the center of the road to your property line. We're looking at extending the road a couple of feet. It varies throughout, but generally speaking a couple of feet. So it would be a couple of feet closer to your property.

Harsha: I ask because my land borders with Ken's. Every year it floods through there. If we're going to lose ditch, you know a place for the water to go, there's going to be a problem for us. We all have basements, I don't want to flood down there.

Olson: Absolutely. We would not do anything that would worsen the drainage issues that you have in place. We'll take every effort we can to improve them.

Carroll: So you're planning a system of ditches or parts of ditches?

Olson: Yeah, that's a really hard thing to describe in great detail. We're in the preliminary stages. Once we get the survey crews out and identify the larger drainage picture, we can look at areas where ditches make sense, where they don't make sense, and where we can get water that's problematic. It's really hard to answer at this time without that survey data.

Harsha: The cost of the assessment, that's just coming, doing the road, city water and sewer. That's nothing from the hookup to the house. So what did that cost? A good estimate. What is that going to cost to have city water and sewer come to our houses, behind our houses to hook up?

Olson: I just can't.....

Harsha: There's no coming through my house. How do you think you can come through a fully completed, finished basement? There's no way. Our hook ups are for both water and sewer.

Terry Forbes: You do this all the time so you got to know how much it costs to go around and hook it up.

Harsha: We can come up the side of the driveway, come around the back of the house and hook up. How much is that going to cost me? Because me being a younger person and having two handicapped kids, I can't afford it either. You worry about the older people, you know it's not just them. I need an estimate because I'm going to have to look for a loan to do this.

Citizen: I can give you an estimate that mine is 160 to 180 feet going from the road around my house to the back to my hook up. 160 to 180 feet, so giving your experience?

Harsha: Mine is further back than his.

Olson: It's very hard to say. It's going to be very property specific. I know that's not a good answer. But, this gentleman is going to have a plumber come out and take a look at his needs, and I really think that's the best route for everyone. Given the circumstance with this development and how it's positioned, I think that's really the only way to get a good answer for that question. It's getting somebody out to take a look at it.

Citizen: You can put numbers together for this whole road project going around out there. So why can't you put numbers together to do this?

Tomte: He said this earlier it's like \$30.00.

Harsha: Just doing the math at \$30.00 a foot, it came out to \$4,800.00.

Citizen: That's just for the pipe he said. How much for dirt work?

Konshok: You have to understand, we're here to talk about the public project. The project stops at the road edge. Every private property is different. Everyone is probably going to use a different private contractor. We can't let our city engineer get into the business of speculating for you what the private costs are going to be. I know that's not an answer that people like, but it's the fair answer. We're giving you the information on the project that we're doing. The rest of it is private.

Harsha: We're now in city limits so we have to hook up so we don't have a choice. All the voting took place before I bought my property.

Konshok: You're going to have a private contractor do that. We can't give you an estimate. That's not realistic.

Harsha: So now I'm just asking, this is a done deal, this is happening whether, and we have to hook up to it within three years whether we want to or not. My problem and why I'm asking about costs, because Minnesota Power came in and cut trees down, drove over my drain field, drove over my septic, so guess what I have to hook up right away.

Konshok: Understand that a lot of what we're doing here is cleaning up projects that have been pushed down the road for years in cases. It's never easy to do this and it's never popular. All of us pay property tax, pay assessments. We feel the pain. It's never easy to do this stuff. It's kind of like a root canal, at some point it's got to be done. You can push it off as long as you want, but like you said we have five properties that are sitting out there that were sold, and there are a number for sale, but keep in mind there were five properties out there that were sold with the guarantee from the city that okay we're finally going to do this project that we've promised for a long time.

White: But Dave you also have to remember what's going to be the most feasible way of doing this project.

Konshok: Granted, and that's.....

White: The way you're talking we're going to do it the city's and the engineer's way. Now why don't we do it the most feasible way.

Konshok: I will tell you, Jon is a very agreeable guy, and he has a lot more information and he'll talk to you all day long about why the route was they chose. We've talked about trees, to be perfectly blunt, the road option versus the back property line option, as far as we're concerned, strictly on cost, Jon can tell you those figures. It was far more expensive to go along the back property. And it's surprising because you don't think it's going to be the case but we're talking three mains versus one circular route main. That was really the primary driver. In all cases, the city, we're looking at doing this as cheap as we can get away with it. As far as the bid on the projects.....

Carroll: Let one person speak at a time please.

Konshok: By state law we take the low bid. That's what we do and it works great on these projects. We've done a number of these projects. We understand it's never easy, but our goal is to get it done as efficiently and cheaply as possible. As far as the grant money, we really wish there was a lot more grant money out there. It isn't out there for these types of projects. It really isn't. It's for higher profile, large scale projects. The only time we got a grant I think was for a large scale main that we replaced. For typical, going down a street, whether it's your house, my house, or the rest of that, there's not a lot of grant money out there. There are rumors of it, but there's not.

Harsha: What about the Small Cities grants that are out there that you can get?

Konshok: It's doesn't apply to these types of situations. Pretty much by state law, when you're talking utilities, assessable systems, it's a pay as you go system.

White: I have to make a comment on that. Most of my jobs with Hammerlick Construction was around the Iron Range over there. There's three gentlemen in Virginia, Minnesota, that all they do is write grant money. One guy had a corner lot, 200'x200', you know what it costed him to put the water, sewer, sidewalk, curb, and everything in? \$400.00. There is grant money, but you have to have people that's going to go after it. I don't know if it's the city planner's problem, or who's problem it is. But they got to go after the grant money.

Terry Forbes: How do you figure it's going to be six to eight weeks for the dirt work on that?

Olson: Estimate, estimate at this time. Assume a couple of weeks of water, a couple weeks of sanitary sewer, a couple weeks of street reconstruction. Once we get in and get some more specifics on the actual design we'll come up with a better....

Forbes: If you put five to seven weeks instead of six to eight weeks.

Olson: Absolutely. Once we get into the construction documents, we can't tighten it too tight because that really impacts the bid prices. But we can look at the scale of the work. We can look at the depth and nature of the work and we can set a completion date that's reasonable and it's not going to impact the bids. So that helps.

Forbes: If you give them a longer time they just tend to drag their feet and make it go that long. I've seen it how many times in the last few years around town. If you put it six to eight weeks they're going to take that whole time. Five to seven weeks would be a little more practical.

Olson: On every project you do, we try to review the project scale and do set a reasonable timeframe within the construction documents and would do the same for this project.

Mikesh: You have to think of it too Terry, if you rush these crews, you tell them we want it done, prices are going up for everybody. The bids ain't going come in where we want them.

Forbes: There was a crew working in town that didn't have any more work, this was the only job that they got for the year, this is going to last us.

Mikesh: Everything is getting done, right? They ain't going back and making mistakes. We say there's only six weeks and we want it done, all those bids are coming in higher.

Nobody's going to want to touch it without jacking the price. You call a plumber right now and say I want it done right now, you just got another \$500.00 on your bill, if you want it done now. Do it on their time, give them time to do it and do it right. We don't want to rush them if you want it done and done right.

Forbes: How much of the work was dug up and redone again. I seen it. Everybody's seen it.

Mikesh: On where?

Forbes: On some of the projects that were done. They take and lay out the pipe. They do everything and then they'd have to redo it.

Mikesh: Either something was missed or.....

Carroll: I don't know. They do try to cover it up and then they're doing the water line at one time and sewer another time.

Forbes: All I'm saying is you put out there six to eight weeks, they're going to put it out there to that eight weeks and that's where that bids going to be up to here. I worked construction for thirteen years and I done a lot of work and it can be done. I just don't see

how it can take that long to go around and do that. I don't see how it is. It shouldn't take that long. Especially when there's how many people on a crew. It's very clear.

Eric Hillesland: I was curious, you talked about the 1.5%. Is there any chance of it going higher if we wait until the project is done? Should we lock in that rate to make sure we get the lowest rates?

Brumbaugh: Yes and no. We've checked a little bit. We look at our bonds nonstop. We have a financial company that works with us. Of course we always have to go off of what does the market look like, what are they saying, what are the feds doing. We're dealing with a refunding bond right now just for that reason. Actually we're in contact nonstop on making sure that we're watching it. Yes there's a chance it will go up. It's kind of what you take. The problem is if we bond too soon and the costs are different we have more problems.

Eric Hillesland: Financing, are we getting charged for going through a bank for that or does the city offer financing? Do you look for a loan to hook up?

Carroll: The assessed portion of it, the city is separate. For the part that's on your own property, that will be your responsibility. That would be private.

Alicia Hillesland: You see we have a daughter and since our circle is so nice to take walks, is the whole street going to be torn up at once or is it completed in sections? Usually this little one, she'll be wanting to wander around and we're going to want to go on walks and we live toward the end to get out of the circle to go on maybe some paved area, am I going to be able to do that with her in a stroller? That covers their concerns with the wheelchairs.

Carroll: Jon covered that earlier.

Utke: Will they peel it up or grind it?

Olson: Typically with this quantity you'll see them mill it off. They'll come in with a mill machine. The challenge with phasing the removal is again that impacts the timeframe but more importantly it impacts the cost. They have to pay that machine to mobilize to the site an additional time. That's directly reflected in the cost, so very likely that it would be removed in one strip and it would be gravel throughout the duration of the project. The thing that we see on these types of projects is the community, the developments, they work together and you see people walking on the turf right next to the project when at all possible.

Forbes: Again with wheelchairs, take the black tar on the tires and go in the house. I understand it's got to be done.

Carroll: Let's keep moving we have a lot more names here.

Roxanne Erickson: You don't want to hear my comments.

Kim Waldorf: I'm good.

Mark Harmon: I don't see anybody, I have relationships with a lot of people up here on this board but I don't see you taking notes on the things that are being brought up. I kind of feel like this is a venting session and just let us get it out and keep going.

Carroll: We're recording everything. And our clerk will be preparing the minutes from the meeting and it's pretty much a transcript. We will have this in writing. That way we don't have to be constantly taking notes and not being able to listen. We're listening.

Harmon: I guess I'm concerned about the bulk purchase of permits. I mean there's got to be some ways we get some beneficial, I mean it's not like we're a new construction company that are going to profiteer off of creating a new subdivision and coming in. We're existing residents, with existing houses, with existing mortgages, and budgets, and

everything else, and then a declining economy and neighborhood that's existing with foreclosures. Just from what I'm hearing probably more. And I think there's a lot of hardships there. What kind of grace are we going to get from the city when it comes to meter costs. The downtown project was shared across the city wasn't it? It wasn't just on the business owners. Correct?

Carroll: It was shared. There was a city share and there was an assessed share.

Utke: Streetscape was part of the city's share. But I'm a property owner on Main Street, I got assessed for my water and sewer going down the street just like what we're discussing here. Yeah, you get those bills.....

Carroll: We are listening and we've heard your concern. I think you have some really good points and I also, I don't think we're prepared to make a decision on that tonight. But, I hear what you're saying.

Tomte: I invite you to participate in other city discussions on some of these topics.

Harmon: That was very timely for you guys probably.

Tomte: No, no, on special committees. There's lots of committees.

Carroll: This isn't the last opportunity to make comments on the project. It is after we get around through everybody then we adjourn the public hearing portion of the meeting and then we have to make a decision on going forward with the plans and specifications for the project.

Harmon: Do we have to buy meters from the City of Park Rapids? The cost of meters, I just talked to a guy who was hooked up into Menahga, \$95.00. The best deal we can get in Park Rapids is \$350.00. It seems like we're not buying them right.

Utke: Again I don't know, but my first question would be what size? These are all going to be one inch meters, I'm sure for this development.

Olson: It will be a one inch service to the property.

Utke: The bigger the size, the more it is.

Harmon: It could be a ¾ inch. But let's just say, where are you hooking up the meter? The city's responsibility is to the meter, correct?

Carroll: No, to the property line.

Harmon: So it's the property line. So if the meter fails in time, then we're paying for that meter again?

Carroll: Yeah. They're very mechanical it's not like they fail.

Harmon: Who warrants this stuff? I have another question too, just as long as you're recording, you can go back and review these later. But we have a drainage issue in Discovery Circle. Why hasn't that, I mean, you talk about we're going to do it right this time. We're going to do it right this time. I can understand and appreciate it. But I seen the project coming. So why aren't we doing a storm sewer and everything else now, and assessing all that. It's only going to be cheaper today than it is down the road.

Carroll: That is extremely expensive. Then you're talking curb and gutter and storm sewers themselves. It's very expensive.

Harmon: But is that something that we should expect down the road? Has that been tabled from your 1978 project?

Carroll: No, I think they're going to look at drainage as part of this project and see if routing the water after they figure out the elevations anyway would be the way to address it.

Harmon: You've reviewed that 1978 project. Weren't gutters and storm sewers part of that project back then?

Olson: All previous studies have been for the extension of watermain and sanitary sewer. And that's how this project was developed. It would be substantially more expensive if we got into a full blown urban section with storm sewer.

Harmon: I'll make a final comment. There's a lot of people that I feel for tonight. I hope you guys take that into consideration and help them out. All of us.

Konshok: If I could Mark, so everybody understands, there's no profit on the city's part. You talk about a bulk discount, the way a municipal project like this is priced out is direct cost, passing on the costs. There's no, and as far as bulk pricing, well that's where we go with the low bid project overall. They're very straight forward. There's no fanciness as far as the financing on these projects. And that's why we don't offer discounts on anything because this is a non-profit pay as you go system. Maybe that explains it a little.

Harmon: A little bit, but isn't there some revenue gaining. If we get bonds sold for 1.5% we pay two points over, it's there a little bit over?

Konshok: Exactly, the bond is going to pay the total project cost based on the percentage assessable. It's metered out to every property owner. The cheaper the project comes in, the better the bond rate, all that, and one of the reasons that we're going forward with this now is we've been getting pretty good on both of those. It's a lousily time economy-wise we all understand that. It is however a good time to be constructing stuff.

Harmon: So if the assessment is \$16,300.00 per lot let's say. As opposed to letting that go out over fifteen, twenty years, pay it up front, is there any benefit to paying it up front, or is it just going to be that hard cost of \$16,300.00?

Carroll: You don't have to pay the interest then.

Harmon: Of course I understand that.

Carroll: That would be the gain from paying it up front.

Steve Bade: This letter says proposed. I've kind of gotten the idea that it's a done deal and you guys are going to move on this. So it's not a proposed project it's a done deal project. Is that correct?

Carroll: It is proposed at this point, and then the next step in the process is to authorize the plans and specifications for the project. The next step after that is to advertise for bids. It's one of a series of steps in the project.

Bade: So the bids come in whenever, it's not a done deal, do you have to sign contracts?

Carroll: Right. If the bids all come in and they're much higher than the engineer's estimates, we can say no to everything.

Utke: We have to accept the bids. That would be the last point at which we could say either yah or nay on the project. Normally it's earlier on, but if something came in drastically wrong we still have the option to say no.

Bade: Again, I think it was brought up, just a couple of comments that people have already brought up, our water is better than the city's water right now. You're telling me to go forth with something that's not going to be a better deal quality-wise or quality water-wise. I just don't think that the way the economy is right now, you say this is the best time to do it, I just don't think that it's a good time to be assessing these folks here. I feel for the guys that have put septic systems in. I mean do we have a problem with water quality and things like that? Are we showing that we have a huge problem with what's going on out in Discovery Circle? I haven't really heard much of that, that we have a concern with the water. It seems like the city's ground water sources that they have a problem with.....

Kim Waldorf: They've been trying to shove this down our throats since 1978. The city's forcing us now because they annexed us in. Henrietta was trying to force us since 1976. We fought it, and fought it, and fought it. Now we can't fight it because the city took us in. They're just saying we're doing it.

Bade: It sounds like it isn't a done deal until they have a contract.

Waldorf: They'll come in with their estimates where they want them and it's a done deal. We're going to get stuck with about \$18,000.00 or better. We've fought this for twenty years.

Bade: I'd give people money for their septic systems to offset the cost for those who put systems in recently. You know something like this where you're told that, something like this, it's a government project at this time that with the economy and stuff the way it is. Pastor Woods back there with his comments that he made, and other folks here that have put in recent systems, I think that's a shame. Unless you can show that the water quality is really, we've got a really big problem out there.

Utke: Part of it is your septic. We've got houses that have transferred ownership that we promised that it's going to be done, and also I know that there's homes for sale.

Citizen: It's a proposal. How can you promise that. How can you promise that if it's just a proposal?

Harmon: I was one of those that you promised that to, and it's okay if you take it back.

Carroll: Let's try to stay on track. We'll have one speaker at a time please. Steve you have the floor.

Bade: That's it in a nutshell. It would save the city \$162,000.00 that I'm sure they don't, they aren't flush with and want to get rid of at this point. I don't know if that's something of a concern with them, the other taxpayers of the city. I'm sure it would be a concern. So I just don't think that economically-wise it's tough for folks, it's a bad time to go ahead with this.

Ken and Monica Mackley: No comments at this time. Thank you.

Beth Waller: I have a few questions. Will we be required to remove our existing septic systems?

Olson: Do you know the answer off hand to that?

Walker: I don't know if they bury them, or I'm not sure what they do.

Olson: I can look into that for you and get back to you.

Waller: I have a lot plus a pie shaped section that's not buildable between me and Steve. So am I just one lot?

Olson: Are you the first one as you drive in?

Waller: No. You run right into his house and if you go to the left, I'm the next one.

Olson: One and two?

Waller: Four of us in the circle have a pie shape.

Olson: We'll look at that. If it's one lot, the practice has been to assess it as one lot even though it may be platted as two.

Waller: It was mentioned, the drainage, a few times, but we're the ones that have the entire lake in our yard. It's parked in our driveway in the spring. So the ditch system, you're looking at just a gravity flow, which usually comes to my house and then how does it go anywhere from there?

Olson: Like I said, we'll have to look at that. We can typically move water with culverts, but I don't know the exact topography off hand without getting into it with greater detail. I'll

work with Ken, yourself, when we get the design. We'll be communicating on what the options are to alleviate that problem if we can. Certainly. If the city would like to go further if it doesn't appear once we get into the design that we can do it with a standard project we can proposed some additional options at that time. If there isn't anything we can do with the standard street reconstruction and ditch grading. As we get into the project further we'll have more information on it.

Mark Waller: Just going right back to what was shared about the five houses that were sold with the understanding that this would happen. I understand this is a proposal so how can you guarantee that type of thing on the basis of a proposal? Maybe you aren't prepared to answer that one, but it seems like it's a done deal if you already sold five houses with that understanding.

Carroll: I would say if you look at it overall, projects that we have come to this point with we usually go forward.

Waller: But you just said you might not, if the prices come way high, you're going to cancel it. What happens to those five houses?

Carroll: Well, we probably have to re-bid it to see if we can get better bids.

Waller: What happens if we decide to pool our money and fix everybody's septic system and not do this?

Carroll: I don't know.

Harsha: I mentioned about my septic being ruined by the people and it will cost \$6,400.00 to bring it up to code. That is way cheaper than running that line to the house.

Forbes: We could redo it three times and get a new well.

Mark Waller: My other comment and recommendation to the board here is the \$1,500.00 fee, obviously adding this many houses into the property tax system with the city is going to be a benefit to the city in the long haul. Quite a benefit really. It just seems to me negating that \$1,500.00 fee completely would be an obvious response to helping us out if this is actually going to happen. That's just my recommendation.

Dori Mueske: Couple things I have to ask is, first thing in regards to Mr. White's response as to grant money out there. I've been through this process one other time with my previous home. Been there, done that. I do know there is grant money out there, and I know there's state grant money out there because we lived through it with the township we lived in because it was a township property. And the project wasn't a whole lot bigger than what we are right now. And there were many more empty lots at that time.

Carroll: Was that recently?

Mueske: Five years ago. And I do know it's out there. I can contact the people that were in charge of the project where I lived before to see if they can give me the names and numbers. They would be happy to do that. I would be happy to do that, to find that for this group.

Carroll: If you would like to call city hall at 732-3163. Any information that you have leave that with the city staff for the project. That would be very helpful.

Mueske: The next question I have is you're classifying region bids. What do you classify the region? State, North Dakota, South Dakota, Wisconsin, Iowa, or just Minnesota?

Tomte: Isn't it open to anyone that wants to bid?

Olson: It's open bidding. The reason I used regional is there's some outfits that specialize in this, in the St. Cloud area, the Hawley area, around this area there's firms that specialize in this work.

Carroll: How do you advertise it Jon? Is it in our regional guide of some sort?

Olson: It's in a regional trade magazine. Any of the contractors that do this type of work will know that it's bidding.

Mueske: Because the actual company that did my last house was out of Sauk Center. They were the lowest bid. And I lived in the southern part of Minnesota. And when it was hooked up to my other house they went from the street to my house and all I had to do was hook up to my house to their pipe, which was this far. And there was no permit to hook up, to dig my yard up. It was in the complete cost and it was minimal compared to what this is.

Paula Winter: No.

Jessica Leckner: I guess I feel proud to be a neighbor to all of you guys and I just wish that you guys would take into consideration like Mark Waller had said, we'd be willing to pool our money if it means to bring someone else's home into code. I would hope that you guys would take these things into consideration. You know, I'm fortunate enough that we can figure out how we're going to get this money. I fear for neighbors. I fear that we're going to have an empty neighborhood. A neighborhood that we all love to be in. A neighborhood that I'm proud to be a member of. We have five children. It's a beautiful neighborhood. I absolutely love it. But the idea of having vacant homes and having people worry about how they're going to come up with the money. We have not a clue what we're going to do either. And it's just very disheartening that we don't have a vote in this. Everyone should have a voice and whether or not they want to do this.

Ryan Leckner: And to that point, I was on the understanding that if this was to come that we were going to do sewer and water in Discovery Circle in our neighborhood that there is some sort of a vote. That we can come together with a petition if there's a majority that don't want it? And petition that they don't want this project? Going through the orderly annexation that was a bunch of questions that were brought up and you know with me being on the board, there's a lot of things I don't disagree with this happening, but I do want to stick up for what we were told. There was a couple of things and one of them was that there would be a vote, or there could be a petition. Do you know if that's possible? If we come up with a petition to say that we don't want this to happen now?

Carroll: I don't know about that.

Leckner: The other thing that seems kind of sneaky is allowing people to buy homes saying that this is going to happen. How long ago do, what's the first home that you said this is going to happen? How many years ago was that? Was that this year?

Walker: That was last year.

Leckner: Last year? That's kind of a concern. Is that something that was done, like you said this is supposed to be a....

Carroll: It was done because there wasn't any way for the people to sell their homes otherwise.

Tomte: And then the plan that Discovery Circle was being annexed in 2012 as part of our capital improvement plan, this has been on the docket to do.

Harmon: It was represented to us at closing that it would be about a \$12,000.00 charge. I probably have documentation to show that. This is 2.2 times that and the homeowner's side and also on the assessment side.

Carroll: Our engineer has done his best to prepare the estimates, the estimated costs for the improvement and he's the best one to get the estimates from. There was no intent to inflate any prices or anything. This is just the very best, expert advice that we can get.

Mark Waller: Just one other hidden cost we haven't talked about is if this goes through we have how many empty houses now, six? We end up with fifteen empty houses our property values, we have to compete against all of those empty houses if we're going to sell our property so we're losing thousands of dollars there as well on this whole deal. It's not just the cost of what we have to put out it's the loss that we have to take having to, if we ever want to sell to fight against the empty houses that go for foreclosure price. We'd have to sell at foreclosure price.

Carroll: I need to keep moving. Thank you for that point.

Ryan Leckner: One other thing, I wasn't done. The other thing that I was on the understanding of was I think we had talked and it came up in that annexation period was there'd been projects that had been done like where people have been allowed longer than the three years, under vote of the board. Say for instance because there are people here that are wondering how they are going to come up with the money. Three years is a short period of time. You could extend that as a board to say seven or ten years. They would pay the assessments but the hook up. As long as their sewers were in compliance, that they would be given a longer period of time to hook up. And if that is the case and a possibility that you would consider it, then going on with this stuff once we leave here, what can we do to keep informed of what's going on, to make sure this is being talked about. Is coming to the meetings?

Carroll: Yes. I think the best thing would be to contact the staff, city hall. Find out what's coming up on the next agenda and if it isn't already on our agenda and if it's something that we need to consider further. I think we'd want staff to look at it and have a chance to give us a report.

Leckner: My question would be who would you talk to about the possibility of a petition? I'm not going to do a petition. But I just want these people to be aware of their options and who would you contact to find out that option?

Carroll: I would say the city administrator, which would be Bill Smith who's not here tonight because he's ill. That's the same 732-3163 or go in and talk with him.

Leckner: Okay. That's it.

Art Woods: Madam mayor, this lady has stood five times tonight and you have not recognized her once. Is there a reason for that? Bob White stood five times and you recognized him every time.

Carroll: I'm trying to go through the list. Sorry. I apologize but we're trying to go through the list as it's our order of speaking.

Art Wood: She's trying to speak.

Margaret Morris: I agree with a lot of what's been said. I few things that make me frustrated is when we talk about our two young men in wheelchairs, we haven't even been surveyed to ask what our needs are, but we're doing all this. The flooding. That's something you should have talked to every homeowner before you even did this estimate. I keep hearing about how we have to survey this, we have to survey that, we have to look at this, we have to talk to this person, we have to talk to that person. I think that's frustrating. Janice brought up too, some of us, I hate my trees. I wish they were gone. You

need to survey people to see, they're ugly. They grow so tall and all it is, is dead branches. How far in is the road done already? Just to the Y?

Olson: Yes, just past the Y.

Morris: So past the Y to the west or to the east?

Olson: Well, it was reconstructed in 2002 just to the east of the Y on the north side and probably just shy of the Y on the south side. I'll preface that, we'll likely extend utilities to the south. We may have to go back into that newer segment to extend utilities down southward to catch lots one through four. We'll look at that. There's a possibility we may need to get into that.

Morris: When they did that, we weren't even, you cut and dragged it out and all of a sudden there's a four foot drop on our only way out that circle. So you need to totally pay attention to that and if they're not doing that little section then maybe we won't have to worry about that because there's no communication.

Olson: That's a very good point. The hardest part of this project is the point where the two roads come together and we enter Henrietta. The majority, the bulk of the work, is completed there, so that frustration, that disruption that you experienced last time will be far less than that.

Morris: Okay. And then I know that Dave brought up that the city isn't responsible for the hook ups from the road to our house, so why people were asking. I feel as part of this whole thing that could have been just one little thing, you could have called a few people. Because there probably isn't one person in this room that didn't want to know how many more dollars we're going to have to spend.

Carroll: That was the end of the list. And you had a question.

Janet Walter: I live right on Henrietta Avenue. I'm the last house that you will do. I want to know how you're going to come in there. The house next to me is empty and I'm next to the farm, Agnes, and you're not going to go to her house until 2018. So, how are you going to get to my house? There's water across the street and septic. Can you shoot it across the highway? It would be a lot cheaper than digging at all up.

Olson: Unfortunately we can't do that with sanitary sewer. We will be coming down from Discovery Circle headed south in the boulevard of Henrietta Avenue.

Walter: On which side?

Olson: On the east side. As strange as that sounds, that is far cheaper than getting that sanitary sewer under the county road.

Walter: Are you just going to go to my lot line on the north or are you going to go across my lot line to where the farm starts? That's one-hundred feet.

Olson: At this stage, my guess is that we'll probably stop at your northern property line if it can provide adequate service to your property. I don't see that line being the main line extended to further service properties to the south. That's my answer at this point, but again that would be something that would be finalized during the design.

Carroll: I think I've gotten everyone who's signed onto the clipboard. There are some people that are wanting to speak again, quite a few hands. Did we miss anybody that didn't get signed in who would like to speak for the first time? No, okay.

Ryan Leckner: She called her name the first time and she said you didn't want to hear what she had to say.

Carroll: Are there people that have things that have not been addressed tonight. We understand this is a very, there's a lot of emotion here tonight. We understand that. We're

hearing that. A lot of good ideas have been brought forth, but if there's something that we haven't covered, that's the extent of our conversation now. Something we haven't covered?

Joshua Hawn: According to clarification, you said there's a possibility this won't go forward if the bid comes in drastically high. That's a nebulous term. Do you have an idea, because it's already gone from \$12,000.00 to \$16,000.00, so do you have an idea of what that number would be? If it's \$20,000.00 then we wouldn't do it, if it's \$25,000.00 we wouldn't do it, or? Do you have any idea, just to put a number on that "drastic" word.

Carroll: Our engineer would probably give us a good recommendation there.

Olson: We wouldn't want to make an answer on that right now. What we'd want to do is determine why the bids went high. Was there something that impacted the bids that could have been corrected? Was there some complexities that we didn't see at this time in this stage? So, to put an actual dollar amount when recommending to go forward with the project is really challenging. At that point we do a lot of research to determine why it went higher to make a recommendation to the Council to educate them for their decision. I'm sorry that's a tough one.

Hawn: I would just hate for it to come in higher.

Utke: Just one clarification, these are the first numbers that Jon has done on this project. The \$12,000.00, that was referenced, came through on a sale, but it didn't come from this process. Not that it makes any difference, but we haven't worked with the \$12,000.00 figure. This is Jon's first run at this one.

Mark Harmon: We haven't talked about new assessed property taxes yet. So, we have an assessment that's going to come on. Let's say it's a 5% bond over fifteen years. That's going to add about \$120.00 a month in payment, roughly. So there's \$1,400.00 a year. Now that we'll be city, fully annexed in, our assessments should come out, we lost our homestead, so kind of give me a rough ballpark, now I assume our properties are going to be reassessed as improved because we'll be on sewer and water, correct, and in the city? So now we have three bumps right there, and there's probably going to what, double our tax right there? Then throw on another \$1,400.00 more for all the non-check writers to pay for the assessment. Is it reasonable to presume that our taxes could be about \$4,000.00 a year? Can I get some numbers, roughly? I'd like that addressed tonight and not just tabled.

Carroll: I'm thinking now of the orderly annexation agreement, and Ryan, see if our memories are the same on this, that over a five or six year period tax rates for properties coming in from the township to the city will be gradually increased as well as the portion of the property taxes that are shared between the city and the township. So normally, that adjusting the rate, the property tax rate, coming from the township to the city is not done, but it was done because of this orderly annexation agreement. So it will be a gradual phase in, it won't be all at once.

Harmon: But won't there be an immediate phased in because our properties are not improved with city water and city sewer?

Carroll: Not according to the agreement.

Harmon: So let's say five years out.....

Leckner: Your property value may go up \$10,000.00 to \$15,000.00 because you're hooked to sewer and water but that's not tax.

Carroll: Right. The tax itself is to be gradually brought up to the city rate, not everything the first year. That's about as close as I can give you as an estimate, but that's part of our agreement.

Harmon: Okay.

Connie Harsha: When I bought my house five years ago, I was told we were going to vote on whether or not we were going to have the city water and sewer. I was told that completely, to fix my house it was going to be \$12,000.00. Had I known that there is no way I would have bought my house. And there is no way I can afford what we are talking about tonight. So, and I know it was asked before, who do we call to start a petition to not have this. I would rather go in and bring my septic up to code and come up with that money. I can't come up with that kind of money, you know. I worked at Team, I lost my job, my income was down 1/3<sup>rd</sup> of what it was before, 2/3<sup>rd</sup>, I make 1/3<sup>rd</sup> of what I used to make. I can't afford this. I will have to lose my home. So who do we talk to?

Carroll: Again, the answer needs to be with the city administrator. He handles the day to day activity of the city and then he would be able to give you an answer on that. I don't know if he'll give it to you exactly when you call, but he might need to do some research on it.

Roxanne Erickson: Who's going to absorb the cost you're shoving down our throats when you have twenty empty houses out of forty-nine?

Carroll: Well the assessments stay on the property. I understand it's not, the costs are very high.

Erickson: What are we gaining out of it? I just don't understand. I'm sorry I'm emotional. We're going to lose our house too.

Carroll: Well, that would never be our intent.

Erickson: Then why is it being shoved down our throats? Why do we have to have city sewer and water?

Carroll: Well, the city sewer and water is all about the public safety, public health issue.

Erickson: What's safe about it? I own a business uptown and I can't drink the water. I bring water from my home because the water is horrifying. I'm sorry.

Carroll: Well, I'm sorry too.

Margaret Morris: I would like to say that I work at the hospital and we give a lot more patients bottled water than we do water from our ice and water machine, because they don't like it.

Citizen: We can't mix medicine at the pharmacy from city water. We have to use bottled water because it's too bad.

Robert White: I just started thinking about the engineering that's happened in my forty-one years in Park Rapids. You guys weren't on the City Council, but when they rebuilt county Road 6, and the city godfathers at that time didn't decided to put city water, sewer, and storm sewer through, underneath that highway, that was our biggest problem right there. Number two, that figure of \$162,800.00, I'm just assuming there's forty-two homes left to be hooked up if you go with the plan, there's forty-two homes over there. Out of the forty-two homes at \$1,500.00 your return is \$63,000.00 immediately, out of that \$162,800.00, 1/3<sup>rd</sup> or more. So, the numbers, you can write, I can write numbers. But where we're going to meet, we don't know. So, I still suggest if there's somebody smart enough, or locally, to start checking on grants, and help a lot of poor people. Here's one example, you can look at the room, a lot of people need help. That's it.

Dick Rutherford: I just want to say something. Don't take the lowest bid if it's Sellin. You know that we've dug up streets that Sellin has did, and had to come back and redo them. And if you don't believe me, come over to the front of my house. They did the state, the state hired Sellin, and if I'm not right, we have a twenty by twenty area over there that still hasn't been fixed.

Utke: I've got a question, and I don't have any answer in here and I don't have my other stuff with, as far as the orderly annexation that was set up years ago, now they were just annexed in the first of the year, that plan, where did the water/sewer, was that in the plan within so many years of that annexation date? Do you remember?

Carroll: What we talked about in the orderly annexation agreement was that when services were needed within that entire area and they were, met the city's goals for feasibility, that's an engineering study would be required, that we would extend services. It was not tied to annexation.

Utke: That's what I was wondering.

Carroll: That was another change from standard annexation.

Ryan Leckner: Right. I don't think there was a timeframe. There's a copy of the agreement at city hall and with Henrietta to look at.

Konshok: It didn't specific improvements. It just talked about the taxes. I just say thanks to everybody for coming out. We know this is not an easy process. We all own property in the city. Probably a little late, but welcome to the city. We want to have you guys as a vibrant community as part of it. It's a difficult process. We understand that. People have talked about as far as a petition process, I would encourage you. What you're doing right now is participating. The five member Council is the one that makes the yes or no decision.

Citizen: In the five years I've been here this is the first time I've been invited to any meeting.

Tomte: Every week it's in the paper of when we're meeting so you are more than welcome.

Konshok: Thanks for the feedback. This is what we're looking for. This is why we have public meetings.

Carroll: The purpose of the public hearing is to get your input, and so we thank you all for being here and providing that input. We did listen. Thank you.

**A motion was made by Mikesh, seconded by Utke, and unanimously carried to close the public hearing at 8:55 p.m.**

*There was a five minute intermission between the end of the public hearing and the resumption of the regular meeting.*

**4.3. Resolution Ordering the Improvement and Preparation of Plans for the Green Acres Addition Watermain and Sanitary Sewer Improvement Project in the City of Park Rapids:** Tomte questioned is there some validity to taking a minute to review the four or five major concerns that we heard before we go ahead and order the plans. We had the public hearing, we say thank you for coming, we appreciate everything you said, and then one minute later we vote to keep going that tells me that we didn't hear anything that they said and that we didn't care. I'm asking, is there some validity to say let's look at these five major areas that they talked about, drainage, grant money, permit fees, watermain, and water quality. Then make our decision to go ahead or not.

Carroll stated I think we should have that discussion. Tabling the resolution is always a possibility. Konshok stated if we are looking for more information then the next step is to order the plans and design. We don't have any information unless we order the plans and then we take the public input and compare it to the actual design and plans. It's very preliminary at this point. I don't see us having enough information to make decisions.

Tomte stated the point I'm trying to make is we don't want to say thank you for coming and we're going ahead anyway. Utke stated I fully agree. We had a lot of property owners here and they all had the same message. I'm not going to say just because you said you didn't want it, we're still going to give it to you. I don't know what the solution is going to be but I think we should.

Carroll stated the five pieces mentioned need to be addressed. Should we be considering their concerns first and then deciding. How much more information do you need to answer the questions about the water drainage? Olson stated that's not something that I can point a finger to until we do the design. Once we have that we can come up with solutions. If there is a problem we can identify it and poise some solutions at that time. Without going through the design process there's really not a lot we can do at this time.

Carroll questioned do you need time to research the possibility of grants? Olson stated it was very generous of the one gal who said she would do some research. We do some digging. We're aware of the grant programs out there for communities. We are always looking at them. At this time, I'm fearful that there is not a lot of money for this type of project within the city. If someone else is aware of some other funds or sources as we move along in the project, we'll look into them.

Utke stated the annexation agreement doesn't sound like it holds us to putting sewer and water out there. We've been hearing for years that their septics are old and they don't meet current codes so to sell their properties they have to do something and they are holding off waiting for this. But they have the option of putting new septics in and they'll be just fine. Carroll questioned is that true? Walker stated I don't think it is. We'd have to review our water and sewer policy. Utke stated that's the other part of it. Would that still fit. We need all of that information. If they could rightfully update their septics.

Konshok stated we have to recognize there are different standards between city and township. One of the things we didn't address is fire protection. There are no fire hydrants in that area. We as a city are taking that over including the responsibility for fire protection. That affects our fire rating in the community. If we let one section, because they all get together and petition, what are we going to do with other areas that come in. Are we going to end up with a bunch of areas around the outside of the city that are not properly protected with fire hydrants or up to code on sanitary sewers? It's a painful emotional process, but we must maintain our standards. The city has different standards than the township, urban versus rural. Unfortunate fact, especially in a down economy, for existing properties. I would be leery about creating different standards across the city as we go through this annexation process.

Carroll stated it seems to me that there were problems with wells in the past. LuAnn Hurd-Lof stated there had been many. Konshok stated some wells are good and some are not. Carroll questioned do you see the possibility of having each homeowner provide something that states their well is good? Olson stated I don't know that I would get any value out of that. We didn't do water testing for this project. The main drive at this time was the septics. Previous studies did indicate contamination in several wells, and nitrates,

which is a result of the proximity to the septic systems. There is a high density of septic systems within that area. That is a direct result to the water quality. We didn't do any new testing for this report. I don't know that it's necessary. I think we need to make the decision, are we going to move forward.

Konshok stated do we now create maps where the good well water is and where it's not. You're exempt here, and here you're not. That's not the way you design a municipal water system. Mikesh stated we have looked at spots that there is bad water. That's why we're trying not to move forward and put anything out that way. Konshok stated part of the problem is those plumes are gradually expanding as well. Even if today you have good well water that doesn't mean with time it won't be. It may be years, but the city has to take the long view on this stuff. Carroll stated we have to plan for the long haul and that's why municipal sewer and water is the best answer. Konshok stated we've all heard that the taste of city water is a problem. However, it is safe.

Mikesh stated we're not going to find out anything until we get the plans, even if we put it off for two weeks, it's time to move forward. We can always stop it in the future. **A motion was made by Mikesh, seconded by Konshok, and unanimously carried to approve Resolution #2012-36 Ordering the Improvement and Preparation of Plans for the Green Acres Addition Watermain and Sanitary Sewer Improvement Project in the City of Park Rapids.**

**Discussion:** Tomte stated we should direct city staff to look at our permit fees to make sure that we're consistent. Carroll stated they can look into how that money is used. Brumbaugh stated I will look back to see when we did that study to get an idea of what other cities are doing. Tomte stated that was a huge point, the permit fee. Mikesh stated we can't deviate from what we've done already. Tomte stated but we can justify why and where it's going. Utke stated the last project we did where we had those fees would have been north of town. In the Southwest Area and for the Main Avenue Project, they were already hooked up. We haven't experienced those fees since we've done a new annexation, water/sewer project. Konshok stated what we call a permit fee is much more than that. It's going into our enterprise fund. When you say permit fee it sounds like you're processing a piece of paper and you're charging me. That's not what it is. You're buying into the utility.

Cynthia Jones questioned how many parcels this affected. Olson stated forty-four. Jones stated you heard from approximately half of them and some of them were not in disagreement. Carroll agreed.

## **5. APPROVAL OF MINUTES:**

**5.1. City Council Regular Meeting Minutes-January 24, 2012: A motion was made by Konshok, seconded by Mikesh, and unanimously carried to approve the January 24<sup>th</sup>, 2012 City Council Regular Meeting minutes as presented.**

## **6. FINANCE:**

**6.1. Payables & Prepaids:** A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve the payables in the amount of \$33,852.76, and the prepaids in the amount of \$171,755.72, for a total of \$205,608.48.

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

- 7.1. Approve Plumber's Permits to Work in the City of Park Rapids in 2012 for RF Backflow LLC, T&T Plumbing & Heating Inc, and Hill's Plumbing & Heating Inc.
- 7.2. Approve Transient Merchant License for Mark Heiligman d.b.a. Landmark Diamonds & Precious Metals for February 14<sup>th</sup> to February 17<sup>th</sup>, 2012 at C'mon Inn, 1009 First Street East.
- 7.3. Approve Tuesday, April 17<sup>th</sup>, 2012 at 1:30 p.m. for the Annual Local Board of Appeal and Equalization Meeting, to be held in the Hubbard County Courthouse-Lower Level Meeting Room.
- 7.4. Resolution #2012-37 Approving the Secondary Part Time Employment Status and Acknowledging the Declaration of Park Rapids Police Officer Jarod Steve Andersen.
- 7.5. Resolution #2012-38 Approving the Secondary Part Time Employment Status and Acknowledging the Declaration of Park Rapids Police Officer Jeffrey Scott Stacey.
- 7.6. Resolution #2012-39 Accepting Donations for the City of Park Rapids.
- 7.7. Resolution #2012-40 Re-Appointing Jill Johnson to Serve on the Library Board for the City of Park Rapids.
- 7.8. Authorize the Expiration of the Coldwell Banker Real Estate Listing for Three City Owned Lots in the Park Rapids Industrial Park.
- 7.9. Approve Purchase of ESRI ArcView GIS Single Use License for the Planning Department in the Amount of \$1,362.66, as per the Finance Committee's Recommendation.
- 7.10. Approve Annual Software Maintenance Cost for the Police Department from Tac10 in the Amount of \$1,601.00.

- 7.11. **Resolution #2012-41 Approving a Wine and Strong Beer License for Bella Caffe in the City of Park Rapids.**
- 7.12. **Resolution #2012-42 Approving the Renewal of Liquor Licenses for Eagles Club, and A Better Place in the City of Park Rapids.**
- 7.13. **Resolution #2012-43 Approve the Renewal of an Off-Sale 3.2 Beer License for Orton's Park Rapids, Orton's Park Rapids-East, Wal-Mart, Casey's General Store #2192, and Holiday Stationstore #26 in the City of Park Rapids.**
- 7.14. **Approve Hubbard County Board Classification of Forfeited Land, PID #32.38.90500, 32.38.90700, 32.38.90800, 32.38.91000, 32.38.91100, 32.38.91200, 32.38.91300, 32.38.91400, 32.38.90500, 32.38.91600, 32.38.919100, and to approve the Sale of Said Parcels.**
- 7.15. **Resolution #2012-44 Appointing Molly Luther to Serve on the Park Rapids Planning Commission.**
- 7.16. **Resolution #2012-45 Approving the Issuances of General Obligation Improvement Crossover Refunding Bonds, Series 2012A.**
- 7.17. **Approve Pay Request in the Amount of \$2,539.48 to Banyon Data Systems for Data Support on the Payroll, Utility Billing, Fund Accounting, and Fixed Asset Software.**
- 7.18. **Approve Pay Request in the Amount of \$850.00 to the League of Minnesota Cities for Subscriptions to PATROL Publications for the Police Department.**
- 7.19. **Approve Pay Request in the Amount of \$3,800.00 to Terry DeYoung Construction LLC to Services Associated with the Small Cities Development Program Grant.**
- 7.20. **Approve Pay Request in the Amount of \$2,150.00 to Northland Securities for the Continuing Disclosure Report.**
- 7.21. **Approve Pay Request in the Amount of \$4,873.50 to Ulteig Engineers for Professional Services Associated with the Main Avenue Reconstruction Project.**
- 7.22. **Approve Pay Request in the Amount of \$17,335.63 to TKDA for Professional Services Associated with the 2011 Airport Terminal Area Improvement Project.**

- 7.23. **Approve Pay Request in the Amount of \$92,094.64 to Hubbard County to Reimburse for a Tax Increment Financing District #9 Overpayment.**
- 7.24. **Resolution #2012-46 Authorizing Proper City Officials to Execute Amendment No. One to Tower Site Lease Agreement By and Between Verizon Wireless and the City of Park Rapids.**

**END OF CONSENT AGENDA**

**8. COMMENTS FROM CITIZENS:** There were none.

**9. GENERAL BUSINESS:**

**9.1. Grant to Evaluate Stone Building at Red Bridge Park-Presented by Luann Hurd-Lof:** LuAnn Hurd-Lof stated this process is the same as when Alan Zemek had someone evaluate the armory. After his evaluation, the armory is not eligible for the national register. You don't know going in how it's going to turn out. This would be a fast track grant to the Minnesota Historical Society for \$7,000.00 to hire someone to evaluate the structure and see if it would be eligible. There would be no cost to the city. We can take some money for administration from the \$7,000.00 if we need to. This would be from Legacy Funds. I'd like to submit that grant on the city's behalf.

Carroll questioned what is the next step if it's found to be worthy of the register. Hurd-Lof stated it would be up to the city. Currently there are no federal grant funds available for any projects like this. There are other Minnesota Historical Legacy Funds. Since the Heartland Trail will be routed past this building, the regional parks and trails manager has said that with the proximity to the trail there might be DNR legacy type funds that we could use on this project. I have wanted to see this happen for over two decades, and talking to long time residents, I've gotten a lot of old photos for the consultant. If some of those grants require matching funds, I'm thinking I'll be able to do some community fundraising from those that are interested in preserving that building. We could partner with the Historical Society.

Carroll questioned does getting into the registry assist in the next step. Hurd-Lof stated you can't get Minnesota Historical Legacy grants without that designation, otherwise you wouldn't be eligible. It would be up to the city, if, when, and how they want to go forward. It will never get there if you don't take that first step.

Carroll questioned do you make the application on behalf of the city? Hurd-Lof answered yes. City staff has helped me with this. The historical society has approved and endorsed this project as well as the Parks Board. **A motion was made by Tomte, seconded by Konshok, and unanimously carried to authorize LuAnn Hurd-Lof to submit a grant application for a Minnesota Historical Society Legacy Fund Grant on behalf of the city.**

**9.2. Public Facilities Use Permit for the Farmer's Market:** Ruth Ann

Campton stated I submitted an application packet to the city. I've spoken with all of the affected businesses in the area. We're asking for closure of Fourth Street from Main Avenue to the alley, on Saturdays only during our season from 8:00 a.m. to 2:30 p.m. for some overlap of our selling hours of 9:00 a.m. to 1:00 p.m. That will give us time to set up and take down. We know that we need to put up barriers. We would be willing to handle those if the city wanted to deliver them one time. We would take care of them through the season and put them up and take them down ourselves so that wouldn't be anything that the police would have to do. We realize that would be an extra cost for the city. We're asking that the fees be waived at least for this year. At this point we haven't been able to advertise where we're going to be and our funds are limited. We feel we're an important piece of downtown. We've elected to stay downtown. I think that's the best place for us. We want to continue with that.

Carroll stated we do have a letter from the Parks Board in support, and several more in the packet supporting this request. Campton stated I got letters from all of the businesses in the surrounding area that would be affected if we closed the street.

Konshok stated I missed the last Parks Board meeting but I commend Campton. This has been another very emotional process. Working on what to do with Pioneer Park downtown has been a long and emotional process. The Farmer's Market has been very understanding and receptive to ideas throughout this process. They remain committed to staying on Main and have been a vital asset to downtown and to continue to draw folks down there. Downtown businesses do support this. I think it's a great location. It's not going to be without growing pains. It's a bigger space. Hopefully to leads to new and improved Farmer's Market. It's great to see everyone supporting it. It does pave the way for us to improve Pioneer Park as we've been talking about. Campton's been stellar throughout this entire process. I support this.

Carroll stated I agree with everything. The Parks Board do recommend for this and waiving the fees due to the unique nature of this organization. We have waived fees for others. Mikesh stated then you better waive the fees for everybody. One's going to follow the other. Everybody's going to ask for the same thing. Carroll stated I don't know if anyone ever pays any fees. Rutherford stated yes we do pay for the car club.

Mikesh stated if this becomes a hassle, we have to have the right to say this isn't working and we need to take the barricades down and either stretch out along the sidewalk or go somewhere else. If we give permission to do it, we still have to be concerned about public safety. Eilers stated it's an awfully busy street. I have a problem with it. I don't mean closing off the south side of the street by the parking lot, but we have to leave that street open. It's a thoroughfare street to the courthouse. Carroll stated it would just be on Saturday. Mikesh stated Saturday afternoon downtown is busy. Eilers stated it doesn't matter. Who's going to move the cars? There are cars there in the early morning.

Utke stated I've spent eighteen years on that corner. I would have to disagree with that early in the morning statement. I think when they set up its pretty good. I looked at the plan and thought it would work pretty good. I had the same concerns Mikesh had. What we do for one, we probably should do for all. But we need to be flexible enough to see if there is a traffic problem we need to be able to revisit this just in case. Eilers sees the streets all day. From all my time on that corner, I thought it would work pretty good. We look at the same street and get different ideas.

Eilers stated I don't mind half of it, but we have to have a road through there. I've looked at other spots and one is the city hall parking lot, Wednesday and Saturday. City hall employees are willing to park someplace else on Wednesdays. Campton stated it's not big enough.

Rutherford questioned what's the matter with the city parking lot across from A Better Place? That's big enough. Campton stated we looked at all those places. This has some grassy area so we would not lose some vendors that cannot be on blacktop at all. They didn't want to be on blacktop in the first place. We may be forced to do that. Our concern for not closing the street is if only part of the street is closed you do have traffic going by the vendors and shoppers and I don't think that's safe. Utke stated you would have that on Wednesdays with the current proposal. Campton answered no. We would be on Dee Smith's property. On Saturdays we'd expand out onto the street and it makes us more visible to Main Avenue and to the highway.

Konshok stated I understand the concerns. What I see is we've had success blocking of streets, granted not on a regular basis, for various activities. Eilers stated we do it for a day. We've not done it for a five month period. Konshok stated I agree. We've done it on a limited basis. Eilers stated let me be the one to throw a wrench in this. I'm looking at it as a safety issue. There are a lot of cars there. It's a main thoroughfare to Court and Pleasant Avenues. Utke stated it is the best street because it's a straight shot to Fair Avenue without stop signs.

Eilers stated if you're going to close half of it, close it all down. You'll have cars and trucks turning onto the street with nowhere to go. You have delivery trucks going to the restaurants and they deliver on Saturdays. Utke stated that makes sense. Campton stated I've gotten approval from the businesses. Eilers stated I understand that. I'm taking about cars that park there. There are a lot of cars there at 7:00 a.m. I'm not opposed to it. I'm trying to make it safer so no one gets hurt. Utke stated if the whole street is blocked off then your vendors can park on the west half of the block. It would be handy for them to load and unload. Then traffic would be forced to use Main or Pleasant and they wouldn't get caught in the middle.

Rutherford stated the DAC won't be able to get out of their building. Campton stated they don't use it on Saturdays. Konshok stated they have sent a letter which endorses the Saturday closing. Utke stated since the businesses on that block aren't open on Saturdays the weekday traffic isn't there.

Carroll stated we're hearing concerns of should we do it at all, or should we do it on a trial basis? If there are problems and we granted it for the whole summer, are you going to be able to work with us? Konshok stated I would advocate giving this a try. I was one of the first ones to suggest this. I've seen it in a lot of other towns where they block of a portion of the street. We looked at a side street because I would rather keep Main and Pleasant open. You can't come through on Fourth. You either have to use Third or Fifth. The chief has a better perspective than I do, but I would think that portion of Fourth between Main and Pleasant, is not one of our high traffic areas. It's still within the proximity of downtown. We're trying to use them as a draw. The businesses are supporting it because they recognize them as such and yet trying to find the place where it impacts public safety the least. We're open to suggestions if there's a better place than that. I don't think we want to put it on Main. We already abuse Main enough by closing it for various events. Utke stated Main doesn't have grassy spots. You don't have many options that can

give them those variations downtown. Konshok stated we need to watch it closely, but I would advocate to trying this. I believe it will work.

Campton questioned what does that mean for us? If someone determines that it's not working, we don't have a place to be then? Rutherford stated that's what they are saying. Carroll stated if we approve the request as it was made for the entire five months, May 28<sup>th</sup> to October 28<sup>th</sup>, and there is a safety issue that develops, we don't know. The chief has our safety issues as number one in his book. If there was something that becomes a safety issue, like someone getting hit, the Council would have to come back and say you have to move, or we could revoke the permit. That would be the worse case scenario. Utke stated there is a four way stop on that corner of Main. It has all the things going for it that we could possibly have.

Mikesh stated we could modify the permit for closing Main to Pleasant and try it that way. It would mean a few more barricades to put up in the alleys. Eilers stated that would work a lot better. I'd hate to see people pulling in and getting stuck. Campton questioned do we leave the alleys open? Mikesh stated you'll have to close them down. Campton stated we were trying not to close the alleys so people would have access. Eilers stated if the alleys are open you're going to have people turning into you. It will take a while for the locals to catch on. It's for the safety of it.

**A motion was made by Konshok, seconded by Utke, and unanimously carried to approve a Public Facilities Use Permit for the Farmer's Market to close Fourth Street West from Pleasant Avenue to Main Avenue, on Saturdays, May 28<sup>th</sup> to October 28<sup>th</sup>, 2012, and that the fee for said permit is waived for the first year.**

**9.3. Review Farm Leases:** Tracey Becker questioned if all of the leases could be combined and leased out as one unit. So then you won't have a bunch of different renters, so you could set it up to lease as one property. How are you going to decipher who's using what water at what times? Carroll questioned is it easier to manage if there is only one? Becker answered right.

Carroll questioned did Bill Smith talk to you prior to this evening. Becker stated we talked a little to say it was coming out and for us to be aware of it.

Vik stated it is set up as five different leases because it's based on the city's permit with MPCA. There's a certain amount of affluent on each field. Those numbers have to be used for the reporting requirements to the state. That's why there are five separate leases. Utke stated so we need to manage them as five units, but we could lease them to one person. Vik stated it would depend on their bid price. It could certainly all go to the same person. Utke stated I understand. Becker stated you could have a bid price divided by so many acres. You can put the number wherever you want. If you have five different people you're going to have a mess. Vik reiterated they are set up as five because of the permit. Becker stated I understand that.

Carroll questioned we would advertise for bids on this? Vik stated the advertisement is in the packet. We need a deadline date for the bids to be submitted. Carroll questioned are there rules and regulations governing that? Vik stated I don't think so based on the amount. Our attorney has reviewed the advertisement and approved it, but he didn't specifically say how long it has to be advertised. Carroll questioned did the attorney review the contract. Vik answered they have this packet of information.

Utke stated it needs to be bid prior to November. Becker stated Smith talked about bidding it in the spring. You need to know ahead of time. It could be bid now. You need some lead time. Vik stated we just need a deadline date for submission of a bid.

Becker stated we're just looking for it to be worded so we can put them all as five separate units, but they would all come back to one party to rent it and you get one check. Carroll stated I wonder if we can do that. Becker stated you're dealing with one water source for five different fields. Utke stated we'd have to spell out the five parcels on one bid sheet, but they could have one price for all of it, to be all inclusive for so many acres. I fully agree it's probably worth more to an individual producer to farm it all. We'll probably get a better bid for exclusivity.

Becker stated we're running extra water on crops that don't need it to get the ponds empty so we sacrifice a crop. Who's going to sacrifice their crop to dump water? You can't get on there you have to fund a crop you have to get your ponds down to a certain level. Which party is going to take the hit on dumping if you were to dump that pond, someone's going to get flooded and lose that crop. If you're dealing with one person you can spread it out on those five fields and take it. We're not going to take one field and get dropped on. Vik stated each field has a specific amount of affluent. Becker stated I suppose with the meters you can tell how much you put on. Vik stated they monitor all of that. Becker stated it's a better way of managing it, and plan ahead, and say we have to get these things down, we can start ahead and start telling people.

Carroll stated this is something that the administration can handle as far as creating the bid packet and showing that we have five fields and we would like one manager, or one party to lease. Utke stated the due date could be March 31<sup>st</sup>, which is almost six weeks from now, and then have the language written so that we have five parcels but one bid price. Carroll stated we need to authorize staff to revise the language or to be prepared for that so that anyone that requests a bid packet will get the same information.

**A motion was made by Utke, seconded by Mikesh, and unanimously carried to authorize the advertisement for the solicitation for proposals, with the due date of March 31<sup>st</sup>, 2012.**

#### **9.4. New Utility Pickup Truck Purchase for Sewer/Water Department:**

Mikesh stated public works is in need of this pickup. It will cost \$2,000.00 to put the front end back in the current ¾ ton pickup. The body is rusted out. I don't have a problem going with the lowest bid that Burlingame found. He does want to put on a fiberglass utility box. They're giving him \$650.00 off the price of the truck to take the pickup box off and put a utility box on. A utility box is good. They store a lot of stuff. It won't rust. They can take it off one truck and put it on another. That's the positive part. The downfall is if you back into something you have to go to a fiberglass shop to repair it. It's not as easy to put back together as a metal box. Carroll stated if there was some damage, and since it can be repaired locally, we won't lose use of the truck for so long. Mikesh stated the lowest bid is for the Chevy, and they do have the money in the account. They are going to take the plow off the one they have now, but they are not going to put it on the new truck. They can either sell it or salvage it to make some money. Carroll questioned will they continue to use the 1999? Mikesh stated they will get rid of it or they'll have to put money into it. It's in pretty bad shape.

**A motion was made by Mikesh, seconded by Utke, and unanimously carried to authorize the purchase of a new utility pickup truck for the low bid of \$30,792.00.**

**10. CITY ADMINISTRATOR COMMENTS:** The administrator was not present.

**11. DEPARTMENT HEAD UPDATES:** Scott Olson stated January sales at the liquor store finished slightly higher than last year.

Eilers stated two of his officers are still out. One is hurt, and the other one is serving in the military reserves. The two officers appointed tonight will help with the schedule. They are currently employed full time by Hubbard County Sheriff's Department.

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

**13. COMMENTS FROM COUNCIL:** Tomte stated the library, due to funding cuts, are cutting back on hours. That will be a deterrent to our community. We should look at figuring out how we can make sure they stay open. Utke questioned how much will they have to cut? Tomte stated I don't know exactly, but hours of people and library open times will be cut. Utke stated we are one of nine locations in the Kitchigami System and we are the third largest with the number of library cards, and first with usage.

Carroll stated she attended Legislative Day at the Capital last week and meet with Representative Hancock.

**14. ADJOURNMENT:** A motion was made by Mikesh, seconded by Utke, and unanimously carried to adjourn the meeting at 10:00 p.m.

[seal]

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Mayor Nancy J. Carroll

ATTEST:

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Margie M. Vik  
City Clerk