

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
APRIL 10, 2012, 7:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The April 10th, 2012 Regular Meeting of the Park Rapids City Council was called to order at 7:00 p.m. by Mayor Nancy Carroll, and everyone present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Mayor Nancy Carroll, Councilmembers Dave Konshok, Patrick Mikesch, and Paul Utke. Absent: Councilmember Sue Tomte. Staff Present: Administrator Bill Smith, Treasurer Angela Brumbaugh, Liquor Store Manager Scott Olson, Public Works Employee Dean Christofferson, Planner Dan Walker, and Clerk Margie Vik. Others Present: Dick Rutherford, Dave Bergeron, Ben Glynn, Nate Pike, Gregg Malm, Kendra Holman, Laurie Becker, Rick Holman, Kelly Brevig, Katie Magozzi, Hubbard County Commissioners Greg Larson and Dick Devine, Nate Decker, Nate Luetgers, and Anna Erickson from the Enterprise.

3. APPROVAL OF AGENDA: A motion was made by Utke, seconded by Mikesch, and unanimously carried to approve the agenda with the following changes:

- **Add to Consent: 7.19. Approve License Agreement #L-291 by and between the State of Minnesota and the City of Park Rapids for the DNR to Base and Operate a Fire Suppression Helicopter at Konshok Field.**
- **Add to Consent: 7.20. Authorize the Execution of the Blandin Foundation Grant in the Amount of \$5,000.00 on Behalf of the Park Rapids Lakes Area Chamber of Commerce.**
- **Move Item #7.9. from the consent agenda to #4.2: Proclaiming April 23rd to April 27th, 2012 as National Arbor Week in the City of Park Rapids.**

4. PROCLAMATION:

4.1. Proclaiming April 2012 as Sexual Assault Awareness Month: Kelly Brevig stated I'm with the Sexual Assault Program serving Beltrami, Cass, Hubbard, and Clear Water Counties. Mayor Carroll read the proclamation into the record. She presented Brevig with the proclamation. Carroll thanked her for bringing this to the Council's attention.

4.2. Proclaiming April 23rd to April 27th, 2012 as National Arbor Week in the City of Park Rapids: Mayor Carroll read the proclamation for National Arbor Week

into the record. She questioned how many years Park Rapids has been a Tree City USA? Walker stated since 1986.

5. APPROVAL OF MINUTES:

5.1. City Council Workshop Minutes-March 27, 2012: A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve the March 27th, 2012 City Council Workshop minutes as presented.

5.2. City Council Regular Meeting Minutes-March 27, 2012: A motion was made by Mikesh, seconded by Konshok, and unanimously carried to approve the March 27th, 2012 City Council Regular Meeting minutes as presented.

6. FINANCE:

6.1. Payables & Prepaids: A motion was made by Konshok, seconded by Utke, and unanimously carried to approve the payables in the amount of \$44,083.81, and the prepaids in the amount of \$100,229.50, for a total of \$144,313.31.

7. CONSENT AGENDA: Carroll removed Item #7.7. from the consent agenda. Dick Rutherford questioned, regarding Item #7.8. what size trees are these? Walker answered 1 ¼ inch. Rutherford questioned can't the scouts do that for \$800.00? Walker questioned did the scouts put a bid in? Rutherford stated they probably didn't see it in the newspaper. I think it's something that a scout would be interested in doing for a badge. Carroll stated the girl scouts are planting the trees. This is for the purchase of the trees. **A motion was made by Utke, seconded by Konshok, and unanimously carried to approve the following consent agenda items:**

- 7.1. **Approve Backhoe Operator's License to Work in the City of Park Rapids in 2012 for Backhoe Pete.**
- 7.2. **Approve a Public Facilities Use Permit for the Park Rapids Lakes Area Chamber of Commerce to Use Monico Lane, Main Avenue, Fifth Street, and Fair Avenue for the Fourth of July Parade (on 7-4-12) from 4:00 p.m. to 6:30 p.m., and to waive the fee.**
- 7.3. **Approve a Public Facilities Use Permit for the Park Rapids Lakes Area Chamber of Commerce to Use Main Avenue, between Second and Third Streets, on Thursday, August 9th, 2012, at 6:00 p.m. for the Legends and Logging Water Fights, and to waive the fee.**

- 7.4. **Approve a Public Facilities Use Permit for the Park Rapids Lakes Area Chamber of Commerce to Use Main Avenue, between Second and Third Streets, on Friday, November 23rd, 2012 from 5:00 p.m. to 7:00 p.m., for the Christmas Tree Lighting & Yuletide Sampler, and to waive the fee.**
- 7.5. **Approve an Outdoor Concert Permit for the Rorschach Music Fest c/o Nate Decker, on Saturday, July 28th, 2012, from 11:00 a.m. to 1:00 a.m. to be held on the Hubbard County Fairgrounds.**
- 7.6. **Approve a Park Rapids City Taxi Cab License for Raymond Rick Holman d.b.a. P.R. Taxi for January 1st, 2012 to December 31st, 2012.**
- 7.7. *Removed from consent.*
- 7.8. **Accept and Approve the Awarding of the Bids for Twenty-Two (22) Trees for the 2012 Spring Planting at a Cost of \$815.00 from Fund-Natural Resources/Tree Planting/Maintenance 100-50100-26321.**
- 7.9. *Moved to #4.2.*
- 7.10. **Resolution #2012-69 Appointing Christine Jessen to Serve on the Urban Forestry Committee for the City of Park Rapids.**
- 7.11. **Resolution #2012-70 Appointing Steve Jones to Serve on the Urban Forestry Committee for the City of Park Rapids.**
- 7.12. **Accept and Approve the Low Quote from Tweeton Refrigeration in the Amount of \$1,543.50 to Purchase a Door Cooler Merchandiser to Stock Wine Coolers for Rapids Spirits Municipal Liquor Store.**
- 7.13. **Resolution #2012-71 Approve the Renewal of an On Sale 3.2 Beer License for Headwaters Softball League Inc in the City of Park Rapids.**
- 7.14. **Resolution #2012-72 Approve Minnesota Lawful Gambling LG220 Application for Exempt Permit for the Ducks Unlimited-Headwaters Chapter 27.**
- 7.15. **Approve Purchase Order in the Amount of \$13,763.36, for Class One Gravel and Dust Control, from Cumber Construction and Stenger Dust Control, for the Public Works Department.**

- 7.16. **Approve the SCEEGL Loan Agreement in the Amount of \$3,394.16, by and between Max Bailey Photography and the City of Park Rapids, and to Authorize its Execution.**
- 7.17. **Approve Purchase of Melter Rental and Crack Sealant from Brock White in the Amount of \$15,072.04 for the Public Works Department.**
- 7.18. **Approve Pay Request in the Amount of \$160,357.00 to the League of Minnesota Cities Insurance Trust Liability Insurance Policy for 2012.**
- 7.19. **Approve License Agreement #L-291 by and between the State of Minnesota and the City of Park Rapids for the DNR to Base and Operate a Fire Suppression Helicopter at Konshok Field.**
- 7.20. **Authorize the Execution of the Blandin Foundation Grant in the Amount of \$5,000.00 on Behalf of the Park Rapids Lakes Area Chamber of Commerce.**

END OF CONSENT AGENDA

7.7. Resolution Authorizing Proper City Officials to Execute the Paperwork Associated with the Farm Leases for the City of Park Rapids: Carroll stated there was a request for proposals. We received five proposals. Smith stated they ranged from \$82,000.00 to \$111,000.00. They were reviewed by Christofferson, Burlingame, and myself. We carried it to the Finance Committee as well, where a recommendation was made to award to the highest bidder, which was Gregg Malm.

Carroll stated since that occurred we've had some further discussions with the current lease holder. After today's Wellhead Protection meeting, there's a request for some additional information from Luke Stuewe who's with the Department of Agriculture. He's been addressing us on the farming operations in the wellhead protection area. He would be able to come to the Council meeting on May 8th, about one month from now, he's requested some time with the Council. I'd like to table this item until the May 8th meeting for further discussion.

Utke questioned is that what came out of the Wellhead meeting? Carroll stated we were discussing with him after the meeting. Mikesch stated I think what Stuewe is proposing is going to get us a lawsuit. Once you've put something out for a bid and it comes back, how can we accept a \$30,000.00 less bid? That's what he is pushing. I think we're going to get into trouble doing that. He wants us to stay with our current lease holder because they've been helping us out a little bit. I don't think you can do it.

Smith stated as a clarification, we didn't seek bids, we sought requests for proposals. They weren't sealed bids.

Carroll stated Stuewe would like to talk about wellhead protection and the cooperation of the farmers involved in that protection over the last fourteen years and look

at that as the big picture. You could look at the two items as very separately, or you could look at them as the same piece. Stuewe offered to come tonight, but he is not ready, and it wouldn't have been affective. He needs more time to prepare.

Utke stated at this point it doesn't hurt us. This is for next farming season so we have time to table it and wait for three weeks to at least hear what he has to say. He's requested the chance to address us and we can give him that opportunity. Carroll stated our timetable is flexible at this point.

A motion was made by Carroll, seconded by Konshok, and unanimously carried to table the Resolution Authorizing Proper City Officials to Execute the Paperwork Associated with the Farm Leases for the City of Park Rapids, until May 8th, 2012.

8. COMMENTS FROM CITIZENS: Katie Magozzi requested the Council authorize Dan Walker to be part of the Governor's Fishing Opener Committee and allow him to come as one of our delegates to the fishing opener in Waconia. He would be representing the city, with your permission. I'm trying to get at least four delegates to go there. The more you go, the more you learn. Anyone else from the city can also join us. Carroll stated that sounds good.

9. PLANNING:

9.1. First Reading of Ordinance Amending the Park Rapids City Code of Ordinances, Chapter 151 Zoning, Section 151.057 (C-1) Conservation District, Section 151.058 (AG-1) Agricultural District, Section 151.060 (R-1) Single-Family District, Section 151.061 (R-1A) Single-Family Residential in Annexation Area District, Section 151.062 (R-2) Single, 2-Family and Townhouse District, Section 151.063 (R-3) Medium Density Residential District, Section 151.064 (R-B) Residential-Business Transitional District: Walker stated this is a cleanup item. There was some discrepancy in some language in our residential code dealing with state licensed residential facilities. The amendment asks that you change the language under the requested sections to include "state licensed residential facilities or a housing with services establishment under chapter 144D serving six or fewer people". The Planning Commission and staff recommend approval of the amendment. **The City Council acknowledged the first reading of the Ordinance Amending the Park Rapids City Code of Ordinances, Chapter 151 Zoning, Section 151.057 (C-1) Conservation District, Section 151.058 (AG-1) Agricultural District, Section 151.060 (R-1) Single-Family District, Section 151.061 (R-1A) Single-Family Residential in Annexation Area District, Section 151.062 (R-2) Single, 2-Family and Townhouse District, Section 151.063 (R-3) Medium Density Residential District, Section 151.064 (R-B) Residential-Business Transitional District.**

10. GENERAL BUSINESS:

10.1. Resolution Providing for the Authorization to Enter into a Project Development Agreement with Johnson Controls Inc for the City of Park Rapids:

Konshok stated we've previously had a workshop on this with Johnson Controls. This would be the formal resolution to execute a project development agreement (PDA) to take the next step forward to enter into an agreement with Johnson Controls to evaluate our city facilities and infrastructure and look for those improvement projects. Under item two it says provider will provide a written guarantee that the final in depth analysis will provide enough net savings and/or revenue enhancements to cover the program development costs. There is a cost associated with it but that is covered as part of the overall agreement.

A motion was made by Konshok, seconded by Utke, to approve the Resolution Providing for the Authorization to Enter into a Project Development Agreement with Johnson Controls Inc for the City of Park Rapids.

Discussion: Carroll stated on page 102 in an amount not to exceed \$35,000.00, is that to be paid up front? Bergeron stated no. This is to look at a long term strategic plan for the city, outlining areas to gain for efficiency, also helping to improve the infrastructure, and to help provide a funding source for those. It's beyond looking at just efficiency. The way project development works is the risk is on us to bring back a project that meets state statute that guides this. If it doesn't, that's a risk we take. If we don't have enough efficiencies to gain to cover that cost, you don't lose a dime. We wouldn't be putting these numbers in front of you unless we were confident that we can deliver those. We have spent time in your city working with Mr. Smith, and Scott Burlingame. We've had our engineers looking at the facilities, as well as some of your infrastructure. We feel comfortable in taking this risk with you.

Mikesh questioned over how many years is the payback? Bergeron stated the statute that guides it calls for a twenty year payoff. Mikesh stated you realize that in ten years everything is outdated. Bergeron stated in some cases it is. That's part of us working with Northland Securities and your financial officer in the city. We work at this in a life cycle cost approach. You don't want to finance something for twenty years if some of the technology will be outdated. Some of it will not. There may be a tiered finance structure to it. This is something that we work in conjunction with the city. It's not something that Johnson Controls puts together and gives to you. It starts with identifying what the real values and needs are within the city. Identifying and giving you concrete data to make informed business decisions, and then you put together, we help provide the data, you decide what it is you want to move forward with. We itemize each of those improvements, line by line, you pick and choose what it is. You pick the financial solution. We help provide the expertise to find that information, working with your financial advisor, Northland Securities for the right financial solution. We don't run off and put it together and say here what do you think? This is a process where you help us, and we help you put together. We've done it with several entities in the area. I understand your concern. If you upgrade the electrical system in your building, and finance it for twenty years, it is going to be outdated. You may not want to do that. That's your choice, not ours.

Carroll stated at the Finance Committee meeting we talked about water meters. We have a lot of meter replacement needs. They are so expensive that we're not able to do

them all at once. I heard we are doing them gradually. Christofferson stated we change out forty or fifty a year. We have half done now. There's roughly seven hundred more.

Bergeron stated what we've learned with your city is that you have some major issues, like water loss. It's coming through outdated meters and leaks in your system. This isn't unknown to you, but how do you fund it? How do you financially handle that? You are chipping away at it. In twenty years, you can come back and start again. Or you can address the issue, take advantage of the technology that's out there, reduce the dollars that it's costing you or increase the revenue. Use those dollars to make those improvements. When we look at water meters, you're also on a quarterly basis of billing. Today you can automate that to a monthly billing, if you choose, and a more accurate billing, which provides better service to your citizens. Quarterly, your bills go out, and phones start ringing. People are saying, "I'm not sure this is accurate". It's not unusual for the City of Park Rapids. It happens on a monthly basis if you're monthly reading. With today's technology, you can update that. Financing that is a different story. The reality is you have losses associated with the existing system that you have. This process can help take advantage of those. You also have some other issues to deal with within your facilities, whether it's space, or space use issues. We can help you look at and address, also have some levy authority funding that you may be able to use if you choose to. It's much more about finding the right long term solution for your city and putting the right funding solution to it.

Smith questioned in your proposal, I want to be sure I understand, what is meant by the phrasing, in depth engineering operational analysis? An example would be if we do a water project, are you providing the engineering, or are you just providing analysis that we should go forward with the project? Bergeron stated we would provide both in this case. On a national basis we do a lot of water meter replacement projects. We have expertise on staff that can come in and look at your water system if you choose. If you want to use a local firm, we'd be more than happy to do that. These are things that we need to have a conversation with you on. In the end, either we'll bring the expertise or work with you. We won't have expertise in every area, but we'll bring subject matter experts to the table to look at it if we don't have it on staff. The first place we'll come to is you, if you have a relationship with someone to help us with that. If we go forward, the next step is to start talking about those things.

Smith stated my concern is we have a good working relationship with an engineering firm and I'm wondering how much of your services replaces what they've been providing. Bergeron stated when you look at water quality, they've provided you a lot of service, I understand. We would be more than happy to sit down and look at the other types of things that are needed. If they have that expertise and you have that relationship, great, let's use it. When we're talking about water loss, sometimes we don't have that expertise. Those folks don't know. We want to sit down with you. The last thing we want to do is impede on a relationship that has been there for years. We've done this with a lot of entities that we hire, if they have the expertise, under those dollars, and utilize that expertise. As we've looked at things, that relationship is very strong and we need to be very respectful of that.

Smith stated I'm uncertain, like when we decide to do a watermain and sanitary sewer infrastructure replacement, will your firm be providing the engineering plans? Bergeron stated in those cases we would be partnering with your engineering firm. We

would help provide the funding, the financial solution, that's not our expertise. If you're looking at metering reading systems and upgrading your meter systems, we have an expert in that area. If that firm has the same, then let's work together on it. In that instance, they would have the expertise, and we would not. When we talk the building side of things, that's our expertise as well. The thing that differentiates us in all of this is it goes nowhere unless we have a funding source, otherwise we're just doing a study. Our interest is not doing a study. It's putting a financial solution on the table that meets the needs that you have, whether it's partnering with the engineering firm that you have on staff or us, those are things we can figure out.

Smith stated so your firm facilitates the arrangement for financing. Bergeron answered yes. We work in conjunction with Northland Securities. We use the school example, they had an \$11 million project. In that case, mechanical, electrical, building envelope, windows, doors, we don't have an expertise in construction of those things, but we brought the funding source together, we hired the architect, the engineering firms, they did the plans and specifications on it, we oversaw the implementation of it. The difference is you have a sole source through all of it, and a guarantee of the outcome. That's what we bring to the table, and a process to go from here to there.

Carroll questioned so you don't think we can do this on our own? Bergeron stated yes you could. Carroll stated we would be the users of the statute, and you would be doing whatever to implement it, purchasing or whatever, we'd have to follow the statute. Bergeron stated you could do this on your own, the problem is you probably won't. You'll pick a little bit because that's what the budget will allow you to do. We take a much bigger look at it and a much bigger approach. Here's the needs, here's the cost, here's the potential funding source for it. Pick and choose what it is you do. It would be no different. The process is what brings you to there. We deal with a lot of government entities. Sometimes they don't have the expertise on staff, or they don't have the time to do it. The reality is it doesn't get done like this very often, because we don't have mainly, time and money.

Utke stated how many of those things could we use and we know how budgets have been. We keep cutting. I'm not one to put together a proposal and it goes on the shelf and we have to pay \$35,000.00. Smith questioned you have looked at our long term debt through Northland Securities? Any scary things there? The debt we're carrying right now, we can carry without a lot of concern. We're pressing our debt ceiling on a practical basis, not on a legal basis. Practically speaking, what does that do to our taxpayers when we bring forward some project and consolidate them and finance them? Bergeron stated in an analysis from Northland Securities we've identified about \$6.7 million that you can do as a tax neutral solution right now, based on debt failing off and staying where you're at with the levy. Beyond that you're looking at a tax impact. You choose that. You're going to be looking at a taxable event based on what I heard two weeks ago regarding water quality issues.

Utke stated we have those type of things coming up that are definitely going to be a priority that will eat up that amount of money that you're talking about using. Bergeron stated what we're talking about here could potential offset those costs. I'll use the school as an example, the performance contracting piece actually had a positive cash flow of over \$100,000.00 in year one. But they also had taxing events in upgrading a lot of their infrastructure. That \$100,000.00 offset taxing of the implementation of the infrastructure.

That's what we see here. You have taxing events coming. We can potentially help offset some of those things. These are decisions you can make by having the right information and data. Right now, it's coming and what's the long term plan. We can help you with that. Folks will deal with taxing events if they can see it's part of a long term plan. If it's not part of a long term plan, what happens tomorrow, and they tend not to be in favor of things when they can't see it as part of a long term plan. All of the things you are talking about are probably going to occur in the next twenty years. We can help you put a financial solution together. You may choose not to do all of the things now, but there may be some things that make a lot of sense right now.

Carroll stated we are continually challenged by the annual budget and how do we prepare for the one after that, five years out, ten years out. We know it's really hard to predict some of our revenue sources and coming up with a long range financial plan has been a huge challenge. Bergeron stated there are so many similarities here and with the school. They had a lot of issues and didn't know how to handle them going forward. You heard from Glenn Chiodo. They are in a whole different world today. They are proactively looking at how they can improve their business. Because it has taken care of a lot of their issues and they are in a much stronger financial position. There are a lot of similarities here.

Utke stated yes and no. I listened to Chiodo too. We all have issues but they are different. The school is several large buildings, and their projects were for heating, cooling. Our buildings are small facilities scattered around the city. We have issues with water. The issues are oranges and apples. Bergeron stated the issues are different because of how they are structured, but the opportunity and the solution are very similar. You have an efficiency to be gained, and we can capture that efficiency and use it to help pay for the improvements and you have some taxing capacity to stay neutral to be able to feather in financially some of these other issues to deal with. That why I say from a financial aspect, a lot of similarities on how it could be structured to be a positive financial solution. Carroll stated I can see an advantage to having that tax neutral level, instead of spiking one year, and spiking back up again, from the taxpayer's point of view.

Mikesh stated in looking at the bullet points, we are already doing and implementing them. We're slowly working on wastewater. If you've been in town in the past three years you would see all the infrastructure we are working on. We're working on metering. Lighting is an ongoing thing. We had a company come in a year ago and tell us how we could change our bulbs and save money. We don't just change a bulb and it's going to be fixed. I have a problem paying \$35,000.00 and you're going to tell us what we already know. We could use that money to do this stuff with. We know our infrastructure is forty to sixty years old. We can't do it all in one shot. We know that.

Bergeron stated this is much more about a financial solution to solve your long term issues. Mikesh stated that's why we have to choose. There is no solution. Everything gets old. It breaks down. It's big chunk to bite off to say we've already done this. Bergeron stated the difference in this process is we need to bring back a strong financial solution that you're going to want to move forward with. Otherwise you're wasting our time, and we're wasting yours.

Utke questioned you'll show us a proposal that shows us results, at that point we go forward, if we backed off then we would be liable for this amount? Bergeron answered yes. The way it works on the performance contracting side is we need to bring back a project

that meets the state statute to pay for itself. It needs to meet what you want to achieve long term. If it doesn't meet those things, then it's shame on us. You shouldn't have to pay us for putting numbers in front of you. But if we risk putting \$35,000.00 into this thing, and you're just going to walk away from it, we have to be comfortable that those numbers are strong. We think those numbers are conservative. I've been doing this for the better part of twenty years. We will bring back a project that meets the statute and will pay for itself over a period of time. But along the way, that doesn't take care of you meeting the things that you want to do as a city and it making financial sense to do that long term. Why would you? It's on us to identify exactly what it is you want to do long term, and give you the information to make those decisions, and put a financial solution that makes sense for your city long term. If it doesn't, don't pay us. Utke stated to make it work, we're talking about bigger projects.

Konshok stated I've done facilities engineer, public works engineer in the Air Force for twenty plus years. I think we have a great opportunity here. The one thing I've discovered in that business is, no matter how good you think you're doing, you can usually do better. A lot of it has to do with phasing and scheduling, and the magic mirroring of money with needs. We've made a lot of progress in the last few years, but at this point I'd say we are primarily in a reaction mode. I think this represents an opportunity through the state statute to actually get into a proactive mode, regarding our engineering, facility, and infrastructure issues. That is why it's worth taking a look at this. I was surprised when we were first having these discussions because in my experience Johnson Controls and similar firms have typically dealt with a lot bigger customers, and they've not been available to a small market. Because we do have a fairly small footprint with facilities and infrastructure. If there's a chance from what they've shown us with other cities they've worked with that they can assist us in our planning and our financing, then I say we go for it. It's worth looking at. I'd like to get to a point where we'd have a clear path ahead as to what needs to be done, when we're going to do it, and how we're going to pay for it. Rather than every spring it seems we sit here with yet another crisis in some part of our facility or infrastructure that we're trying to solve. That's reactionary, that's not proactive. I'd like to get out of that mode and I see this as an opportunity to do that. I'd like to go forward.

Utke stated we only have the six bullet points, but this would be something that would happen over a period of years. It doesn't all happen at once. Bergeron stated that would be your choice. We're tasked to first go through a prioritization process. That means Council, administration, staff, department heads, and public. We go through a process of what is it that each of those groups, from their perspective, what they want to see for the city. These are the priorities of the citizens, staff, and you as a Council. Then we do the assessments. We provide the data about the condition of things, like technology. From there we can develop what you want to see as a solution for those, and then put a financial solution to those. You may choose that it makes sense to do certain things now, and others later. You have control over the whole process. The process brings everybody together on what you want to see done, and what's the right solution, but you as a Council, and as a city, define what that is, not Johnson Controls.

Utke stated I know what you're saying. You're thinking about what we've been talking about and how it fits what we want to do. Bergeron stated we don't know those yet. That's the next step, to define them, and I'm not sure you do.

Smith stated we look at our CIP every year for infrastructure improvements and capital purchases and we do put them in a priority list. We do find ourselves faced with emerging situations, like last year we had sewer backups, so we brought that project forward quicker. I think we've lined up and are aware of what's ahead of us. What you would bring to it is focus and it would get more attention and things would move a little faster. Carroll stated I see value to having the public input for the CIP. Right now it's an internal process. It would be good to have public input for strategic planning. We think we're meeting the needs of the public and we're able to anticipate what the requests are but are we doing it or not? I like the long range planning and having something that would level off our property taxes to make it somewhat predictable for the long haul. I can see this being helpful to us over a long period of time.

Mikesh stated you're living in a fantasy world. There is no looking out twenty years. Who knows what will happen to our LGA. The CIP is juggled around all the time. If you think you're going to plan something for the next twenty years, it's never going to happen. Projects come up. If something starts failing we have to replace it. We can't let people sit with no sewer. Seventh Street showed that, we jumped it up. It's too tough to focus out twenty years down the road and say this is what we're going to do and stick to it, because we're not going to.

Smith stated as an example, two years ago the crosswind runway was a pipe dream on the Airport CIP. Something in the FAA changed, and now the crosswind runway has legs, and we're going forward with design on that and looking at construction in 2013 or 2014. Just in that short period of time, that huge project came up out of almost nowhere. We have to be agile. Bergeron stated I can't disagree at all. Carroll stated I see any kind of long range planning is not set in stone. It has to be flexible and you have to be able to move things around as needs arise. But to have the big picture out there would be beneficial. Utke stated I like the big picture, but if we look at it and place it on the shelf, it has to be something that we're going to use, and I don't know if we're ready for it.

Konshok stated I have a different view. I think now is the time to look at something like this. Last year at this time, we weren't looking at a \$2-\$6 million water treatment facility that all of a sudden we're looking at. And by the way, we have to make a decision on that within a short time frame, and that system is going to be with us for twenty years. We're talking water systems, there is a long term outlook on them. Some of the controls and the pumping systems don't last that long. We're making fundamental changes to our water system and our infrastructure, and this is an opportunity to look at it and see what is really necessary there. One of the first things you do before looking at increasing water capacity is make sure that the current water system you have is operating at its best and peak efficiency. Anything you can gain by reducing loss of water you don't have to go and find a new source for. Now is the time to be looking at a bit more sophisticated approach than taking the CIP spread sheet once a year. That's not a very sophisticated approach to infrastructure and engineering issues. We have some serious issues we're looking at and we don't have a path ahead to pay for them all. Everything we're focused on right now is infrastructure. Our facilities are getting old. What's the plan for that? I think the CIP is on life support. We're going from year to year and I would like to try this as an approach to get out of the reaction mode, and into a more proactive mode and see if it works. I'm concerned that we're making a lot of big, long term decisions, as well as some short term crisis decisions. I feel like we're doing it in the dark. I'd like more information.

The vote was called.

The following Councilmembers voted yes: Carroll, Konshok.

The following Councilmembers voted no: Mikesh, Utke.

The vote tied 2-2, therefore the motion failed.

10.2. Hubbard County Redistricting Plans: Carroll stated we've all been following the redistricting story in the paper. County Commissioners Devine and Larson, who currently represent the city are here to discuss this with us. We're interested in the potential to have one county commissioner representing the whole city as opposed to two.

Dick Devine stated we came up with three plans that we felt were quasi workable. One of the plans was where Larson would have all of Park Rapids and that would be his district. The downside of two of the three plans would be, I'm running for commission this year because my term is up. I'm required to run. If we go the route where Larson would have all of Park Rapids, it would force both Kathy Grell and Larson to run also. Four of the commissioners would have to run instead of two. We looked at several different plans proposed by different people. Right now I represent Todd Township, and all of Arago Township. My share of Todd Township is everything west of Highway 71 within the city limits. Larson has everything east of the city limits, and he also has a small chunk of Todd Township which is on the south edge of town. One of the plans, I would have gone from the two townships that I represent now, to five townships, Arago, Todd, Straight River, Hubbard, and Crow Wing. From my perspective that's no real problem, I know people in all of those areas. The only part is I truly hate to give up the west side of Park Rapids because I've represented those people for sixteen years. I'd hate to drop them. But it doesn't really change anything. I'd have different parts of the county to represent and I have to run anyway. Having one commissioner for the city may have a downside. I would think you'd rather have two commissioners representing your city rather than one. You'd have two votes out of six rather than one vote if it were something controversial. That's my take on it. If we do something that forces Grell and Larson to run right away after two years, it makes things hectic for the election. If we take that little chunk that has 72 people in it, in Todd Township, and shift that over to Grell's district, then the redistricting is all taken care of.

Greg Larson stated the population has shifted into district three, which is the east half of Park Rapids and the southern townships. That's the district I represent. Because Green Acres got annexed in the population got to be too big. One of the proposals we're taking about was taking Crocus Hill and trading it between district one and three. One neighborhood goes out of district one and into district three, and another one goes out of district three and into district one. Simply changing Crocus Hill for Green Acres. It's under the 5% rule so there's no special election, and the other three districts are not affected.

Carroll questioned is it the whole section of just that one neighborhood? Larson stated it's the whole section but really most of the people live in Crocus Hill. I think it's 67 people in that entire area, not in the city limits, part of Crocus Hill is in the city limits. This came up on our agenda, the five different solutions. All of them had Park Rapids being a new district, district three being just the city limits. We had a work session, and it seemed simple to me to just trade neighborhoods. This is not a final solution. I'm just thinking out loud. We have a public meeting next week where this will be talked about, on April 18th.

Carroll stated one reason I'm really concerned about this one district for the whole city is I do recall several people from the past, former Mayor John Eix was very much in favor in 2000 of having the city have one representative on the board. I don't remember why. Other people have suggested that Park Rapids should be combined into one district.

Utke stated I follow the line of thought that having two gives us two out of five that if there is an issue with the city they should be listening to us versus the alternative. Some of the rural commissioners react differently to issues. Devine stated where you live in the county makes a difference. They represent their people. We have two commissioners living in the far north. Their thoughts are considerably different than those of us who live very near the City of Park Rapids. Larson stated that is especially true when discussing economic development. There is a big difference there because the economic development is here in the city. They object to that. It's the same with the Heartland Trail expansion, and supporting the library. Devine stated the library became an item last week. Up in northern Hubbard County they feel that they don't get their fair share of the use of the library, yet they have to pay. Carroll stated I can see how economic development would benefit the entire county by keeping all of our taxes low if we have lots of commercial, retail, industrial, that is going to increase the tax base, and provide good jobs.

Larson stated the people north of Lake George look to Bemidji as their focus, their base. Some of the people up there think of themselves as Beltrami County. Utke stated the people in eastern Becker, and northern Wadena Counties, we're their hub for them. It's the fact of where the cities lie within the county. Devine stated it's a fact in a lot of counties. Cass in particular is so long that you have so many different portions, and they deal with that even more than Hubbard does. Obviously the commissioners try to represent everyone, but you're going to be influenced by your area. It's my take that the city would be better off with two commissioners. You may feel differently.

Carroll stated and there is a very simple solution to the overall discussion. Larson stated switching the small neighbors doesn't impact the other districts at all. Devine stated it's likely that the next census will change things again. Park Rapids is growing and you're annexing another area. That will change things considerably. They're trying to balance it out at 4,000. So the entire population of Park Rapids is very close to that.

Konshok stated with some of the state districts getting worked around, they are bemoaning the fact that they used to have more than one set of representatives and senators. Now they're going to a single each and they are concerned they won't have a bigger voice in the state proceedings. On a county level we can reach out to both of you if we have a particular issue. Devine stated with economic development, you may see more of that. Our developer is doing a pretty good job. You may see several instances that it will be helpful to have two commissioners representing the city.

11. CITY ADMINISTRATOR UPDATE: Smith stated the state airport conference is this week in Rochester. Dave Konshok Sr. and Scott Burlingame are there representing the city. We're exploring the possibility of a new lease on the copier at city hall

12. DEPARTMENT HEAD UPDATES: Scott Olson stated we're having a signage program to show pictures of what we've done with the liquor store funds over the years.

We will take pictures and have them put on banners to hang in the vestibules at the store. We're halfway through washing all the bottles and shelves. The second week in May we'll be doing the beer coolers. We're looking at putting the bigger 30-packs in the coolers.

Walker stated we are two commissioners short on the Planning Commission so we're working to get those spots filled.

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

14. COMMENTS FROM COUNCIL: Konshok stated the League of Minnesota Cities Annual Conference will be held in June, in Duluth this year. He added he would like to attend this year. Carroll stated she would also attend and has already signed up for the Mayor's Conference.

15. ADJOURNMENT: A motion was made by Mikesh, seconded by Utke, and unanimously carried to adjourn the meeting at 8:20 p.m.

[seal]

Mayor Nancy J. Carroll

ATTEST:

Margie M. Vik
City Clerk