

**CITY OF PARK RAPIDS  
CITY COUNCIL MEETING  
SEPTEMBER 11, 2012, 7:00 PM  
Park Rapids Public Library-Lower Level  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The September 11<sup>th</sup>, 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. A moment of silence was observed in memory of the victims who died on September 11<sup>th</sup>, 2001 as a result of the terroristic attacks against the United States.

**2. ROLL CALL:** Present: Mayor Nancy Carroll, Councilmembers Patrick Mikesh and Paul Utke. Absent: Councilmembers Dave Konshok and Sue Tomte. Staff Present: Treasurer Angela Brumbaugh, Planner Dan Walker, Police Chief Terry Eilers, Liquor Store Manager Scott Olson, and Clerk Margie Vik. Others Present: Carl Branham, Brad VanBuskirk, Greg Grover, Hubbard County Attorney Don Dearstyne, Ellis Jones, Cynthia Jones, Donna Petty, Donna Lord, Larry Hoganson, Sarah Klein, Mark Hanninen, Ron Dick, Rod Nordberg, and Anna Erickson from the Enterprise.

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

**4. APPROVAL OF MINUTES:**

**4.1. City Council Workshop Minutes-August 15, 2012:** A motion was made by Mikesh, seconded by Utke, and unanimously carried to approve the August 15<sup>th</sup>, 2012 City Council Workshop minutes as presented.

**4.2. City Council Workshop Minutes-August 28, 2012:** A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve the August 28<sup>th</sup>, 2012 City Council Workshop minutes as presented.

**4.3. City Council Regular Meeting Minutes-August 28, 2012:** A motion was made by Mikesh, seconded by Utke, and unanimously carried to approve the August 28<sup>th</sup>, 2012 City Council Regular Meeting minutes as presented.

**5. FINANCE:**

**5.1. Payables & Prepaids:** A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve the payables in the amount of \$25,917.80, and the prepaids in the amount of \$244,038.61, for a total of \$269,956.41.

**6. CONSENT AGENDA:** Carroll announced, regarding Item #6.9. that the city's Truth in Taxation Hearing will be held on November 27<sup>th</sup>, 2012 at 7:00 p.m. Brumbaugh stated, regarding Item #6.8. that the city is not tax exempt and that sales tax must be included for the purchase of trees for Depot Park. **A motion was made by Mikesh, seconded by Utke, and unanimously carried to approve the following consent agenda items:**

- 6.1. Resolution #2012-140 Authorization to Execute Minnesota Department of Natural Resources Subgrant Agreement Under the Federal Recreational Trail Program.**
- 6.2. Resolution #2012-141 Authorizing Proper City Officials to Execute a Contract for Criminal Legal Services by and between County Attorney Don Dearstynne and the City of Park Rapids.**
- 6.3. Approve Purchase of New Street and Stop Signs in the Amount of \$5,522.78 from MR Signs for the Public Works Department.**
- 6.4. Approve Pay Request in the Amount of \$7,713.64 for Ulteig Engineers for Professional Services Associated with Various Projects in the City.**
- 6.5. Approve Purchase of Oil in the Amount of \$1,327.87 from Farstad Oil for the Public Works Department.**
- 6.6. Approve Transfers for Interfund Loan, Bond Payment for Public Works/Safety Building, Fire Department Capital Equipment, TIF #7, and Storm Water Funds.**
- 6.7. Approve Expenditure of \$2,600.00 for the Fire Relief Association Pension Fund as per Council Decision as part of the 2012 Budget.**
- 6.8. Approve Expense of \$983.00, plus sales tax, for the 2012 Fall Tree Planting at Depot Park, as per Urban Forestry Committee/Tennis Association Recommendation.**
- 6.9. Set Truth in Taxation Hearing for Tuesday, November 27<sup>th</sup>, 2012 at 7:00 p.m. to be held in the Park Rapids Library-Lower Level Meeting Room.**
- 6.10. Approve Pay Request in the Amount of \$3,990.17 for HRDC, NW MN Environmental, and Sathre Title & Abstract for Services Associated with the Small Cities Development Program Grant.**

- 6.11. **Resolution #2012-142 Wage Adjustment and Step Increase for Park Rapids Police Officer Mitch Nelson.**
- 6.12. **Resolution #2012-143 Appointing Jeff Mosner to Serve as Citizen Representative to the Kitchigami Regional Library Board for the City of Park Rapids.**
- 6.13. **Approve Low Quote from Veit in the Amount of \$12,600.00 for Regular Maintenance and Cleaning of Sewer Lines and Lift Stations.**
- 6.14. **Resolution #2012-144 Recognizing Employment Status of Keith Bunnel as Non-Union On-Call Rapids Spirits Liquor Store Clerk.**

**END OF CONSENT AGENDA**

**7. COMMENTS FROM CITIZENS:** Donna Lord stated we live on a real busy Highway 71. Does the city have a noise ordinance, and why is it not recognized? It's terribly noisy. Other towns have signs. I'm not sure how effective they are. They say "noise ordinance enforced".

Terry Eilers stated we have an ordinance, but no signs. We can't put up signs on a state highway. Donna Petty requesting putting a policeman by the bank to hide, and then he can enforce the ordinance. Eilers stated we write a lot of excessive noise citations. Coming up to the stop sign is the worse place for noise. On Highway 34 they think they can gun it when they're going out of town. Petty stated the trucks jake-brake. Carroll questioned is jake-braking a separate ordinance. Eilers answered no. It's part of it. We can sit out there a little more.

Lord stated the ambulance is very loud. Eilers stated by state law we have to run with the lights and sirens on. The siren activates the signals for us. If you don't have the siren on, you don't have the right of way. If we're in an accident without the lights and siren, then we're totally liable.

Brad VanBuskirk stated I live at 402 Sixth Street West. I talked to Bill Smith and I got no response. I'm wondering when they are going to replace the sod, and pay me for mowing next door at 400 Sixth Street W. Carroll stated we need to get that message to staff. I don't know the answer to that question. I'm not sure who would handle that. VanBuskirk stated the sod on Sixth and Front Streets is terrible. It should be replaced. It's terrible. Utke stated your place was part of the Southwest Area Project two years ago. VanBuskirk stated they sodded late in October and it didn't take. It was too late in the year. The other side of the street is worse. Carroll stated there may have been a one year warranty on the sod. Utke questioned did any staff member look at it? VanBuskirk stated I talked to Smith. He said we'll send a letter out. That's all I got out of it. I turned a bill in to him for \$250.00 for mowing. Mikesh questioned what are you mowing? VanBuskirk stated the abandoned house next door at 400 Sixth Street W. I've mowed it for three years, but I'm only charging you for one year. Utke questioned who owns that property? VanBuskirk

stated I have no clue. Eilers stated I believe it's in foreclosure. Carroll stated it may be that we can add mowing to the property taxes if we have a bill. Utke stated depending on the size of the bill, from what I understand the bill is not large enough to make it worthwhile. Who in staff is going to take that and research it? We don't have an administrator at this point. Carroll stated we are in a deficit at this point without a city administrator to handle these miscellaneous things. Utke stated it's nothing that we'd take action on tonight, but now we'll take it under advisement. We'll take it back to city hall and see how we'll address it and get an answer back to you. Eilers stated I can check on the long grass issue and look at the boulevard with Scott Burlingame.

## **8. PLANNING:**

**8.1. Ordinance Rezoning Land to B-1 in the City of Park Rapids, PID #32.51.50100, PID #32.51.50200, and PID #32.51.50600:** Dan Walker stated the applicant is SDG Properties LLC, who have a purchase agreement on the three parcels pending the outcome of the rezoning request. The applicant is requesting to rezone three parcels, approximately 1.12 acres, from R-B, Residential Business Transitional District, to B-1, Highway Business District, and a Comprehensive Land Use Plan Amendment to change the future land use classification from Single Family Residential to Commercial in order to construct a maximum 18,000 square foot medical clinic and provide an essential service office and parking lot. The properties are located at 701 and 705 Park Avenue South, and 702 Main Avenue South.

Walker stated a medical clinic is a permitted use in the B-1, Highway Business District, and no other zoning approvals would be required after the rezoning. Staff would just handle the details through our regular site plan process. The parcels are currently the location of a trailer home and two single family residential homes. They are located within city limits and are serviced by city water, sanitary sewer, and storm sewer.

Walker stated the applicant wants to construct an 18,000 square foot medical clinic/office facility with an adjacent fifty-eight stall parking lot. The main tenant of the building would be DaVita Dialysis, an international dialysis center. They would occupy the first floor of the building and the remainder of the building would be leased out for other medical or office tenants depending on the need for that. The applicant would like to break ground on the project as soon as possible in order have the foundations laid by November. The tentative opening date for the clinic would be May 2013.

Walker stated they have provided a preliminary site plan which meets or exceeds all city requirements. The site plan proposes a three story building, which will be located on the western parcel with a limited number of parking stalls and a drop off area, and the remaining parking stalls will be provided on the parcels to the east. Based on the proposed use of the parcels they would be required to have seventy-eight parking stalls by ordinance. Staff has been working with the applicants on the site layout and staff has recommended a 25% reduction in the parking requirements to fifty-eight off street parking stalls; as there are approximately fifty-five on street parking stalls along Main Avenue between Seventh and Eighth Street that are rarely used. It would also allow them to provide a storm water retention facility and increased landscaping and green space. The city is also working on a license agreement with the property owners in order to include the

use of the northern portion of the city owned twenty foot alley which runs between the parcels. The agreement would allow the applicant to include the alley in their site plan, but it would also remain open for truck and vehicle traffic and we'd also have access to the underground utilities in the area. The applicant has stated there will be a limited number of truck traffic through the alley each week in connection with the clinic. The city engineer has also requested that the applicant add a 1.5" overlay of bituminous to the entire length of the existing alley to accommodate the truck traffic. Staff is also recommending that the applicant sign the parking lot to encourage clients to exit the parking lot to the north onto Seventh Street West.

Walker stated the applicant has also shown a site plan with the required number of landscape planting and required trash enclosure. They would also need to provide a lighting plan to ensure that all lighting for the building and parking lot do not negatively affect the surrounding residential properties. The site plan also shows a screening fence running along the southern border to help screen from the residential properties from the south. There's also a retention basin on that parcel.

Walker stated the rezoning request is reasonable in the fact that the area is already zoned for transitional commercial use, and the proposed clinic and office use more closely meets the requirements and intent for the B-1 Zoning District. A clinic is also considered a conditional use within the existing R-B District, but staff recommended the rezoning to B-1 which allows clinics as a permitted use and also allows us to make the proper change to the future land use classification from residential to commercial. The properties to the south of the rezoning area are already zoned commercial, and staff would anticipate increased transition from residential to commercial use along the Highway 71 South corridor. As mentioned there is already a good amount of transition happening in that area because there's a mix of commercial and single family homes to the northeast.

Walker stated staff and the Planning Commission recommend approval of the rezoning request to rezone the three parcels from R-B, Residential Business Transitional District, to B-1, Highway Business District, and a Comprehensive Land Use Plan Amendment to change the future land use classification from Single Family Residential to Commercial in order to construct the 18,000 square foot medical clinic and provide an essential service office and parking lot with the three following conditions: the applicant must provide a final site plan and building plans for approval before construction, the applicant must execute alley license agreement with the city prior to construction, and the alley must be bored to ensure proper bituminous thickness to handle load limits.

Carroll stated this is going to be a tremendous addition to the community. Since this is an ordinance our normal procedure is to have two readings at successive Council meetings, but due to the short time left for construction this time of year, the applicants have requested both readings tonight. If that is the case, they will be allowed to apply for a building permit and get started right away. If the Council would consider both readings tonight it would be very helpful to the project. Our city attorney has provided us with a procedure to follow.

**A motion was made by Mikesh, seconded by Utke, and unanimously carried to approve the first reading of Ordinance No. 539 Rezoning Land to B-1 in the City of Park Rapids, PID #32.51.50100, PID #32.51.50200, and PID #32.51.50600.**

**A motion was made by Utke, seconded by Mikesh, and unanimously carried to suspend the rules of the City Code 30.26(A)(2) that requires two readings of an ordinance at separate Council meetings.**

**A motion was made by Mikesh, seconded by Utke, and unanimously carried to approve Resolution #2012-145 Approving Ordinance No. 539 Rezoning Land to B-1 in the City of Park Rapids, PID #32.51.50100, PID #32.51.50200, and PID #32.51.50600, and to approve the second reading of Ordinance No. 539 Rezoning Land to B-1 in the City of Park Rapids, PID #32.51.50100, PID #32.51.50200, and PID #32.51.50600.**

**8.2. Request to Amend Fee Schedule Regarding Building Permit Fees:**

Ron Dick stated I've been the city's building inspector for two years. I've discovered that we've been improperly evaluating our projects. Some projects that have equipment that is necessary to operate that project, the permit is supposed to be based on the evaluation of the building and the equipment. Generally, the description of the equipment that is required to be covered is anything that is direct wired for electrical, or direct plumbed. Normally things that are moveable and don't go with the real estate are not included. Since I discovered this earlier this year, we've had about four projects out of one-hundred and twenty that are falling into this situation. One of them was the kitchen part of the armory because there is equipment there. I talked that over with Mr. Zemek. He understood. The remodeling of the "C Store" on North Main, but the big one was Lamb/Weston. They put an addition on for \$1 million for construction costs. I talked to their engineer. They expect the equipment costs to be \$2 million. It's a potato processing/distribution room that is all automated. It has very technical things.

Dick stated I talked to the Department of Labor and Industry (DOLI) about this. The building has about two times the cost of equipment in it as the building cost. Should that be given a special dispensation? They said that the projects they do for the state and hospitals, anything with a state license, the DOLI does the plan review and the permitting for. They say that they include the full value of the equipment in the permit fee. The state is using a much more current fee than we are. They're 40% higher than we are for the same value of a project. With that, I thought I'd bring this up to the Council.

Dick stated my suggestion is for the Council to consider reducing the percentage of the fee just for the equipment for larger projects. For smaller projects it doesn't make much difference. But this one could make a big difference. It could be up to \$5,000.00. As a building official, we have the right to charge a building permit fee, and a plan review fee. As far as equipment goes, we check to see if the equipment is there. In this case, it could be a significant savings to the owner, if that's something you want to consider to encourage more development in town. Basically it's for larger projects. The example I gave was to have a reduction to 2%. It could be even more than that to save the \$5,000.00. After you have \$1 million in evaluation, the permit fee for anything over that is .275% is the suggested permit fee that's been adopted by ordinance. If you say keep going the way it is, that's fine with me I make more money that way.

Carroll questioned what's in the packet is current or suggested? Dick stated that would be suggested. As an example, the total given would be if we used current rates. If we reduce it to 2% they would save approximately \$5,000.00. If we reduce it further, they

can save even more. We've had four projects out of one-hundred and twenty that this would apply to. The new clinic will be another big one.

Utke stated in this example the building was \$1 million. That's legitimate I don't see how we can attach the \$2 million in equipment because every project is different. Someone else could have a big building with inexpensive equipment. In a hospital or clinic you have very specialized stuff. They are already going to get hit with state, electrical inspectors, and plumbing permits. If we have work that these guys are doing, we definitely need to get pay for it, but I don't like the idea of attaching it to the cost of equipment. We look at that company, they're going to have a value to the building, and a value to the equipment. Its two separate things. It's a moving target and I don't think that we should be including it. Carroll stated that's what I thought too.

Carroll questioned you said there would be a separate plan review done by the state, the Department of Labor and Industry? They do the code enforcement? Utke stated they do reviews of state projects. Dick stated the reason I contacted them is because that's the agency that issues my certification. When I have a question about how to handle this, I contact them. They said the state building code says that you do include this. I'm not saying that this is something new. I'm saying this is already in the state building code and it should have been done on previous projects. To get it out of there, you'll have to take action anyway. I was suggesting reducing it somewhat. Utke stated it sounds like the typical way that the state raises revenue. Dick stated it's in the international building code. Fargo charges the full amount.

Utke stated the other side is, it's a \$3 million project, we're talking about a \$4,000.00 fee. Where do we draw the line and still be partners with them. Carroll questioned how do you justify the fee if someone else is actually doing the inspection? Dick stated the wiring inspection is always done by the state. Plumbing inspections are done by me, unless it happens to be a state licensed project, like a school. Carroll questioned then you would definitely be doing the inspection? Utke questioned would you be doing the plumbing inspection on a project like this? Dick stated we would be doing it, but in this case the state ruled that the water that was going into this was not plumbing. So no plumbing permit had to be issued on it. There's no plumbing really to look at. The only plumbing to bring the water in goes through the sluices and picks up potatoes and washes them and then goes out to their holding pond and gets recycled back. The engineers for the project contacted the state to see if they had to submit this for a plumbing review, and the state said no. Utke stated so they have a building permit through you, and the electrical permit? Dick stated the value of the electrical permit is issued through the city. The state inspects it. There's a fee that's much less than the building permit for the inspections. Utke stated so they're calling it an electrical inspection fee. Dick stated a lot of electricians think that's all they have to pay, and we still haven't got a permit for that project.

Dick stated if you decide you don't want to charge people for this you'll have to be proactive and have an ordinance that says you don't. Other than that, I'm supposed to be following the state building code. Carroll questioned so at this time we don't address it? Dick stated I've talked with the engineer out there. I've told him that this is a requirement but I'll talk to the state first, and then the City Council to see if it would be the full amount or a partial amount. Right now they haven't applied for a building permit. We'll issue the permit. I've been out there for the process. I've seen all the stuff going in. We'll issue the permit, they'll pay the fee, and then we're done, because it's already been inspected so to

speak. To be perfectly honest, it's been inspected but I just look at it to see that it's there. I don't make sure it's running or anything like that because I'm not an expert. I asked the state how they do it. He said MN DOT builds about five cell towers a year. I asked if he goes up and checks the bolts. He said no, we just say it has to be done according to this part of the code and if they certify that it is, then we issue the permit, get their check and go look at it when it's done.

Mikesh questioned if we do something in our ordinance, is the state going to come in afterwards with their trump card and say you go do this? Dick answered the state could care because they get a part of the fee we charge. I can't answer that question. The city is at 40% less than the state. We're still at the 1991 building code whereas the state is working under the 2006 version. Carroll stated if they were going to come after us they would have done it by now to catch up. Dick stated they don't care. The city can set it wherever they want. You could charge \$25.00 per building permit. The state gets a percentage of the value. It's .05%. Utke stated it's our choice.

Utke stated if we're going to make changes this falls back into Walker's department. He can bring some suggestions to us that are workable to everybody. Dick questioned are you thinking the standard charge, a reduced charge, or no charge at all, or a combination of things? Carroll stated I think we should reduce it. Utke stated I feel the building falls under the permitting. I have a tough time with the equipment inside. I feel that shouldn't be part of it. If there are extra review fees, the inspector has the option of adding more fees for more work. Dick stated we could do an hourly fee. I talked to the county assessor. He said when they value real estate it includes all of the equipment that's in there. Carroll directed them to bring back the information in a resolution format to amend the fee schedule.

## **9. GENERAL BUSINESS:**

**9.1. Request to Waive Water/Sewer Bill at 615 Fourth Street W:** Carl Branham stated I sold the property at that location on a contract for deed in May of 2008. Since that time I've received no water bills. They went directly to them. For the rest of my rentals here in town I get the water bills every three months. I had no idea this was getting out of hand like it is. Recently I got them evicted. I put the water account in my name and I was informed at city hall the bill was under \$600.00. The privacy act prevented me from finding out that there was an existing bill. There are late fees involved. I really don't feel that the bill should be my responsibility. I had no way to find out, and even if I could it wouldn't have altered anything. It's a real unfair situation.

Carroll questioned how long did it take to get up to \$600.00? Branham stated that is questionable too because I have had the properties, when they got up to \$200.00 I would be notified that you were going to shut them off. This one got way out of hand. Carroll questioned have the former owners been gone for a long time? Branham stated I don't know. It was never shut off. The electricity and gas were shut off.

Brumbaugh stated this is different than a rental. You didn't own the home anymore. That's why you don't get the water bill. It's a contract for deed. Water utility bills are not private. Anybody could call and ask about a water bill. Branham stated I beg to differ. I've called Minnesota Energy and Minnesota Power. Brumbaugh stated they are different. We

don't have electricity with our water so the privacy act doesn't apply. The reason you didn't get the bill is because you didn't really own the home. On a foreclosure case the water bill goes with the property.

Carroll stated there is a previous balance going back to June. They must have been carrying a balance for some time. The additional charges are minimal. Staff who looked at this are recommending that the late fees of \$92.53 be waived. That's consistent with the different departments. Fortunately, we haven't had many of these to deal with. Utke stated usually someone might have a water leak.

Branham stated I have no problem with the rentals. I was totally unaware of this bill. Why it got to that number is way beyond me. I know that when my renters get behind the city will contact me. Carroll questioned doesn't that usually means it's late and it hasn't been paid? Branham stated if it's late, they will shut it off. Carroll questioned were late notices sent? Were they returned? Branham stated I got nothing. Utke stated we should have pulled the plug on them. Brumbaugh stated the latest billing may be lower because they already moved out. Utke stated we don't see the quarterly consumption. Branham stated I believe she just left the premises two and a half weeks ago. Carroll stated that's a very different situation. Branham stated I finally got her evicted. The water was never shut off at all.

Carroll stated we do have a recommendation from staff to waive the late fees, then staff can research any other possibilities. **A motion was made by Utke, seconded by Mikesh, and unanimously carried to waive the late fees, and to direct staff come back with more data regarding the billing history at 615 Fourth Street West.**

**9.2. Request to Waive Mandatory Water/Sewer Connection for Donna Petty and Donna Lord:** Donna Petty stated we submitted the nitrate rating for our wells, and cost estimates for putting in city water and sewer. The water tested very low for nitrates. Donna Lord has lost her trees in her front yard. My sewer is in the back. If they go all the way around the house, I'll lose trees on the sides. When they dug sewer in for the neighbor the hole was wide. I don't think there is a wide enough spot from my property line to my house to compare to what they dug up. If they go the other way, they'll have to dig up the asphalt driveway. They put my meter in my front yard between trees in a space no wider than eight feet. I'm ready to move out of my house. I have a pregnant granddaughter that's due in December. Let me get rid of some stuff and I'll put it up for sale, and hopefully it will go commercial. With the house next to me being repossessed already, maybe some commercial unit will come in. The city talked about applying for a grant for Discovery Circle. The two of us can't ask for a grant. I filled out a survey provided by Bill Smith. Carroll stated she could give it to Tim Flathers.

Petty stated I've given you the estimate to put in sewer, which will go to the back of my house, under the stairs, under the kitchen, to the west wall. I put in, two weeks before they finished Highway 34, another \$700.00 well. I turned on the water one day and there wasn't any. I just completed my well, and then the city finished their project. They put the meter in the front yard because that's the only place. They're not going to come straight down the driveway with it. For me to do it I have to cut across my basement and the full depth of it. I don't think that's too appealing to know your septic is running in your basement. What if something happened to it?

Carroll stated we have two quotes from contractors for both Lord and Petty. Petty stated I don't have any bottom teeth. I can't afford to get them. I need \$2,400.00 for teeth. I survive on my upper dentures. I don't have money. Carroll stated we've talked about this before being a unique situation in the city. You're cut off from any neighborhood anywhere. Probably the next purchaser of your property will go commercial because you're right on the highway. The zoning is already commercial. You can continue to live there. But it's expected that they will become commercial.

Carroll stated does the Council think this is a unique situation as far as our policy, which is that you have to hook up after three years. Do we want to extend that for these properties, possibly giving them another three years, or until they're sold? Petty stated we don't have trouble with our septics. We don't have a nitrate problem with our wells.

Utke questioned how many more properties do we have that are like theirs along Highway 34? Do we have some others that are in the same boat? Walker answered yes. Carroll questioned other residential properties that are zoned commercial? Walker stated there are a higher majority of properties that are going to be zoned commercial over residential. The rest of the properties have been sent notices that they have to hook up. Utke stated I don't have a problem trying to work with individuals but there should be a fairness factor. If we do something for one, we'll have to do it for others. Walker stated some have already hooked up. They were aware of the three year policy.

Mikesh stated I understand your situation, but we can't speculate that someone is going to buy your property and turn it to commercial. That's a hope. We've had other people throughout town hooking up. Lord questioned can you give us three more years? I'll be dead, and Petty will be moved out. Mikesh stated we're not looking at that. Petty stated I'm ready to move now. My daughter used to work for the ambulance service and every time they go by it kills me because she died two years ago. I'm ready to move out. But my parents moved in from a three bedroom house. I moved my daughter in from a two bedroom apartment. I've got so much stuff that I've got to get rid of to even put a for sale sign up.

Mikesh questioned haven't we worked with owners before to meet the timeline, we'd do it and put it on their taxes over so many years? That's another option. Petty stated if it ever gets done, it's going to have to be done that way because I don't have it. Mikesh stated that's the option that we've given people before. If we just give you three more years nothing will happen, or someone else comes in and says they were supposed to be done two years ago. Why am I getting stuck paying now? That's the position I think we're putting ourselves in by allowing you more time. Lord questioned what's wrong with two more years? Mikesh stated that would be the same situation.

Petty stated when Discovery Circle goes in for their grant at least put us in with that grant. Lord stated they haven't done it. Petty stated if there was a grant to help us, it would be tremendous. I've already been assessed. My taxes went from \$213.00 twice a year, to \$925.00 twice a year. That's a big jump. In the name of progress, great, but it's running me out of my home that I've been in for twenty-two years.

Carroll stated I'm looking at this as a unique situation. You're saying maybe it isn't. Are there are other residential properties that are zoned commercial? Walker stated I feel if there were, we'd have more requests. It's been three years since this project was done. Utke questioned, right now, this is the only request you are aware of? Walker stated these

are the only two. Utke stated they have come to us so we can address them directly. Petty stated I don't recall any houses along the highway. Carroll stated maybe on the west side.

Utke stated if we added you to the timeline of Discovery Circle, and also inclusive in the request, any financial assistance to help the project out, can we include something that's not attached to the area of the project? Mikesh stated you're attaching it to a project that we don't know when we're going to do it. Utke stated it probably has to be separate. Petty stated Bill Smith was the one suggesting we can go in with the grant for Discovery Circle. Carroll stated I don't know the perimeters of it. Tim Flathers with HRDC might be able to give us that information. Is it a geographical area, or an income area within the city, does it have to be project specific. We don't know. She suggested tabling this for additional information to see if we have any possibility of a grant or low-income loan, and then attaching this to a different project. Utke stated because they are separate properties from the project area, they may not qualify. Mikesh questioned when is that project going to happen? Carroll stated I don't know. But the possibility of reduced cost to the property owners might make it more palatable for a lot of people. I haven't heard any updates from HRDC. I'd like to know from him if we are speculating too much here or if it's a possibility.

**A motion was made by Utke, seconded by Mikesh, and unanimously carried to table the request to waive mandatory water/sewer connection for Donna Petty and Donna Lord, until the next City Council meeting.**

**9.3. Resolution Authorizing Proper City Officials to Execute the Paperwork to Abate and Recertify the Special Assessments for LPG LLC:** Carroll stated LPG LLC is requesting an additional five years on the special assessments for the Baywoods Addition to help with the enormous tax burden during this slow economy. It would extend them another five years making it twenty years on the assessments instead of fifteen. Staff is recommending approval of the request to recertify at 6% interest for an additional five years for the special assessments.

Greg Grover stated we're not asking for forgiveness. We're just asking for an extension. It will save us some money over that period of time. What we've done in the past when we've built homes, the assessments are paid off when the homes change hands. We've already paid over half of the total bill. We're just asking to extend out over another five years due to the economy. It's been tough. It would be a benefit to us for you to help us.

**A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve Resolution #2012-146 Authorizing Proper City Officials to Execute the Paperwork to Abate and Recertify the Special Assessments for LPG LLC.**

**9.4. Resolution Adopting Preliminary General Fund Budget for the Year 2013 for the City of Park Rapids:** Brumbaugh stated we talked about looking to see if we could lower the budget. Some of the areas that were discussed is storm drainage could go to the storm sewer enterprise fund, street cleaning could also go to storm sewer fund. I talked to Scott Burlingame on this. He could see no reason why they couldn't be transferred to the enterprise fund. Another one is natural resources for \$3,000.00. We added \$3,000.00 just for the tennis courts for trees. But since we're doing trees now, the recommendation is to take that off. If you make those changes, instead of a \$2.7 million budget, you'd be approving a \$2.689 million budget. At the same time, on the revenue

side, we have to take off a little revenue we get from street sweeping when we go to Nevis, and lower the taxes by \$26,207.00, and then we'd still have a balanced budget.

Carroll stated being able to move the storm drainage and street cleaning over to that new fund seems to make sense and get it out of the general fund. We don't need to be paying twice for that service. I talked with some of the people involved with the tennis association about the \$3,000.00. It's going to cost them a lot less than they originally thought, and Urban Forestry is recommending it.

Brumbaugh stated if you did those changes we'd have a 3.5% increase in the budget instead of a 4.5%. Carroll stated we can do this now. We still have the opportunity before the final budget, to see if there are any other things that we can possibly remove, or if we have a general fund balance like we did last year and we moved some of that into 2012 so we could do that for 2013.

**A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve Resolution #2012-147 Adopting Preliminary General Fund Budget for the Year 2013 for the City of Park Rapids, with the changes as outlined by Brumbaugh.**

**9.5. Resolution Adopting Proposed Property Tax Levy for Tax Year**

**Payable 2013:** Brumbaugh stated by changing the budget you lowered the levy by \$26,207.00. Another thing if you're interested in doing now, the 2009b G.O. Refunding bond, if you pull the \$39,000.00 that's on the levy, the internal service fund, even with everything taking place next year, is projected to have an ending balance of \$140,000.00. We could take the additional \$39,000.00 out of the internal service fund and it would still have a fund balance in it. If you did that, your total levy would be \$2,240,203.00. Your general fund would be \$1,622,403.00. Your special levies would be \$617,800.00. With those two changes you'd actually drop your increase by 7%. With the bonds and the levies we're looking at an 18.9% increase. If you make those two changes it's an 11.7% increase.

Carroll stated this is the proposed levy and we'll have a final in December. Brumbaugh stated you can still lower it at that point. **A motion was made by Utke, seconded by Mikesh, and unanimously carried to approve Resolution #2012-148 Adopting Proposed Property Tax Levy for Tax Year Payable 2013.**

**9.6. City Administrator Search Process:** Carroll stated Utke and I met one time. We did some strategizing. We each agreed to contact some community members to ask them what they had done in their process, namely the replacement of the school superintendent. I talked with Sherry Safratowich and also Ben Koppelman to ask what these other community leaders are doing.

Utke stated I talked to another city administrator. The question is to go towards a search firm to help us out or do we get a community group together to work on this. The feedback I got was they all leaned toward a search firm. There are many out there. We would need to interview them first. How many people will respond to an ad? How do you get the message out there? There's a possibility the fact that an employee is looking for another opportunity gets exposed to their current employer. We're told the only way you get numbers of applicants is with a search firm. I was leaning towards asking the numbers of talented people in our community to help us with this. But we'd struggle with getting that applicant pool.

Carroll stated the search firm came up with both the people that I contacted. We have done that in the past. A city administrator is an executive position. The biggest advantage of a search firm is they recruit. We can put an ad in the paper but that's not recruiting. That's only who happens to see the ad. I think we should consider these recommendations.

Mikesh stated I have a list of the finalists for Brainerd. We may want to contact them. They've already been through the search. The search firms that we had in the past, what did we get? We get someone that wants to come here, mark their stamp, and move on to bigger things. I think we need to look more locally. Someone that wants to stay in the community and not just put their footprint down and move on. We can contact these finalists from Brainerd to see if they are interested. They have already hired someone. I'm thinking put it out on the League website. Try that first. We paid a lot for a search firm in the past. They put on a huge thing. Our first pick didn't work out. The second one had background issues. How did that get through the firm? We got Mr. Smith. I'm not saying he was bad or good. We got third best. Utke stated Smith didn't come through the firm. He came through a local person who requested he apply.

Carroll stated we did not have a good experience that time. Trying to do something on our own means somebody has to invest a huge amount of time and expertise. I don't know if anyone on the Council has that amount of time or expertise. We do have a list of candidates. Detroit Lakes, not the city but the county, just had a search. There are finalists there that were not picked. I got an email from another city who said all kinds of administrators are going to be retiring in the next five to ten years and there's going to be a scramble for the ones remaining. I'd like more time to gather more information until we have some costs to look at we don't want to go down one path or the other.

Carroll stated we had a member of the community come forward and offered to be an interim administrator for us, John McKinney. I have worked with him on a revision to our assessment policy. He is retired, has a legal background where he worked with cities and counties in Iowa. He has a good deal of expertise and has shown leadership skills. He has offered to help us out. It takes away the pressure of needing someone right now. He would be willing to come in.

Utke stated he would be hired as a consultant. He wouldn't be an employee. He'd get paid per day with no benefits, other than a cell phone, and to pay mileage if he attends meetings, just like we would for anyone else. If he's working for us, we'd have him under our liability policy for the city. We'll do that with a contract. He'd be working a little more to start with, maybe three days a week to be able to assist staff so they'll be able to do their normal duties. He can help out with walk-ins. He'll be available right now to the 1<sup>st</sup> of December. That would get us through this time period and help us out. He has a lot of different background knowledge that's city related. The cost would be \$250.00 a day, which is less than Bill Smith's salary was. I think it's a fair proposal.

**A motion was made by Utke, seconded by Mikesh, and unanimously carried to enter into a contract with John McKinney as a part time consultant/administrator, until a new city administrator is appointed.**

**10. DEPARTMENT HEAD UPDATES:** Eilers stated the department executed a couple of search warrants over the last couple of days. We got a bunch of drugs off of the

streets. Heroin is making a strong comeback. The meth addicts are moving on to heroin. It's easier and cheaper to get it from Mexico. It's all supply and demand. Our guys are doing a good job. We've been getting assistance from the Drug Task Force out of Bemidji.

Walker stated we met last Friday with the property owners and the DNR regarding the Red Bridge Project to get feedback. We'll keep working with the DNR and schedule a public hearing for October.

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

**12. COMMENTS FROM COUNCIL:** Utke questioned do we want another meeting regarding the administrator search process. Carroll requested it be put on the agenda for the next Council meeting.

Mikesh stated Akeley's water system got broken into. They don't know if there has been any contamination. I called our public works to check everything to make sure it's locked down. Eilers stated if we got busted in, we'd have to notify the state. There are a lot of hoops to jump through to make sure there is no contamination. Our towers are locked.

**13. ADJOURNMENT:** A motion was made by Utke, seconded by Mikesh, and unanimously carried to adjourn the meeting at 8:38 p.m.

[seal]

\_\_\_\_\_  
Mayor Nancy J. Carroll

ATTEST:

\_\_\_\_\_  
Margie M. Vik  
City Clerk