

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
JANUARY 22, 2013, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The January 22nd, 2013 Regular Meeting of the Park Rapids City Council was called to order at 6:05 p.m. by Mayor Pat Mikesh, and everyone present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Mayor Pat Mikesh, Councilmembers Dave Konshok, Rod Nordberg, and Paul Utke. Absent: None. Staff Present: Administrator John McKinney, Treasurer Angela Brumbaugh, Police Chief Terry Eilers, Liquor Store Manager Scott Olson, Public Works Superintendent Scott Burlingame, Planner Dan Walker, and Clerk Margie Vik. Others Present: Erica Randall, Jim Stengrim, Gene Kinkel, Alan Zemek, Ron Dick, Traci Ryan, and Anna Erickson from the Enterprise.

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

4. COUNCIL VACANCY:

4.1. Resolution Appointing a Councilmember for the City of Park Rapids: McKinney stated staff has prepared a resolution to appoint a new Councilmember if you wish to proceed with the filling of that appointment. Mikesh thanked all three of the candidates for their interest. **A motion was made by Mikesh, seconded by Nordberg, to approve Resolution #2013-15 Appointing Erica Randall as Councilmember for the City of Park Rapids.**

Discussion: Utke thanked everyone for applying. I do serve with Randall on another board. I appreciate what she does there too. She's done a good job. Nordberg stated I'd like to thank the other two candidates for willing to participate in city business. I hope you'll continue to find a way to work on city business, on possibly a commission or board. There are openings on several of them. We can use citizen participation because as you say openness is good. Konshok stated I echo those comments. Thanks for applying. I remember growing up here when Kinkel was the Mayor. Obviously he is experienced. Welcome to Stengrim, as he has a lot of experience as well. It's hard to believe that Randall has been here nine years. Thanks to all the candidates. It's a hard choice, and it's not an easy choice.

The vote was called. The motion passed unanimously.

4.2. Oath of Office: Vik administered the oath of office to Eric Randall, after which she received a round of applause.

5. APPROVAL OF MINUTES:

5.1. City Council Regular Meeting Minutes-January 8, 2013: A motion was made by Nordberg, seconded by Utke, and unanimously carried to approve the January 8th, 2013 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 \$18,000.10, and the prepaids in the amount of \$129,812.90, for a total of \$147,813.00.

7. CONSENT AGENDA: A motion was made by Konshok, seconded by Utke, 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 2013 for RF Backflow LLC, Hass Geosystems Inc, D.Carlson Plumbing & Excavating LLC, Shannon-Peterson Inc d.b.a. Peterson Sheet Metal, Lindow Plumbing Inc, and Tim Ulvin Plumbing Inc.
- 7.2. Approve Backhoe Operator's Licenses to Work in the City of Park Rapids in 2013 for Arvig Enterprises/East Otter Tail Telephone and T-Ray Construction Co Inc.
- 7.3. Resolution #2013-16 Appointing Ruth Ann Campton to Serve on the Parks & Beautification Board for the City of Park Rapids.
- 7.4. Resolution #2013-17 Appointing LuAnn Hurd-Lof to Serve on the Park Rapids Arts and Culture Advisory Commission.
- 7.5. Resolution #2013-18 Appointing Nathan Luetgers to Serve on the Park Rapids Arts and Culture Advisory Commission.
- 7.6. Resolution #2013-19 Appointing Aaron Spangler to Serve on the Park Rapids Arts and Culture Advisory Commission.
- 7.7. Approve the City of Park Rapids 2012 Compliance Report and Submission to the Minnesota Department of Employee Relations.

- 7.8. **Resolution #2013-20 Permitting the Destruction of Aged Documents as Determined by Adopted Minnesota General Records Retention Schedule.**
- 7.9. **Approve Taxi Cab License (for two cabs) to Operate in the City of Park Rapids in 2013 for Raymond Rick Holman d.b.a. P.R. Taxi.**
- 7.10. **Resolution #2013-21 Approving the Renewal of Liquor License for Royal Bar in the City of Park Rapids.**
- 7.11. **Approve Pay Request in the Amount of \$20,450.00 to RKD Construction Services Inc and PR Plumbing & Heating for Professional Services Associated with the Small Cities Development Program Grant.**
- 7.12. **Approve Pay Request in the Amount of \$2,150.00 to Northland Securities for the Continuing Disclosure Report.**
- 7.13. **Approve Pay Request in the Amount of \$7,000.00 to Hess Roise for the Red Bridge Beach House Historical Evaluation for the National Register.**
- 7.14. **Approve Hiring Johnson Jet Line Inc at a cost of \$1,933.20 to Televisе Approximately 1,500 Feet of Storm Sewer for the Proposed Riverside Project.**
- 7.15. **Resolution #2013-22 Authorizing Proper City Officials to Execute the Letter of Understanding by and between the Auditing Firm Kern, DeWenter & Viere and the City of Park Rapids to Conduct the 2012 Audit.**
- 7.16. **Resolution #2013-23 Approving an Extension of the Leave of Absence for Full Time Rapids Spirits Liquor Store Clerk Cindy Horton.**
- 7.17. **Approve Pay Request in the Amount of \$3,000.00 to TKDA for Architect Services Regarding the 2011 Terminal Area Improvements.**
- 7.18. **Approve Pay Request in the Amount of \$34,178.82 to TKDA for Professional Services Regarding the Runway Design Part II.**
- 7.19. **Approve Pay Request in the Amount of \$18,000.00 to SLL Inc (as per City Assessor Contract) for the first half of the 2013 Property Evaluations.**

- 7.20. Approve Pay Request in the Amount of \$11,980.00 to Layne Christensen for the Pilot Study Pertaining to the Water Treatment Facility.
- 7.21. Approve Pay Request in the Amount of \$3,791.19 to Electric Pump for Repairs to Lift #2.
- 7.22. Approve Pay Request in the Amount of \$4,782.25 to Design Electrical Contractors Inc for Replacement of Street Light and Pole.
- 7.23. Approve Pay Request in the Amount of \$8,134.05 to Minnesota Public Facilities Authority for Water Tower Loan Payment.
- 7.24. Approve Pay Request in the Amount of \$241.00 to League of Minnesota Cities Insurance Trust for Insurance Coverage of City Volunteers.
- 7.25. Approve Radio Installation for Park Rapids Fire Department in the Amount of \$2,149.63 for the Upgrade to the 800 MHZ System.
- 7.26. Resolution #2013-24 Approving Wage Adjustment and Step Increase for Public Works Parks Employee Stephanie Paulson.
- 7.27. Resolution #2013-25 Approving Wage Adjustment and Step Increase for Park Rapids Police Officer Jeffrey Hulse.
- 7.28. Approve *First Reading* of Ordinance Relating to Criminal History Background for Applicants for City Employment and City Licenses.
- 7.29. Approve Tree Contractor License to Work in the City of Park Rapids in 2013 for AC Construction.
- 7.30. Approve the Final Pay Request in the Amount of \$371,741.31 to Minnesota Department of Transportation for the Trunk Highway 34 Project.
- 7.31. Approve Purchase of Jaws of Life at \$19,157.00, and Foam for the 5774 System at \$3,470.00, total Purchase Price of \$19,157.00, from the City's Equipment Fund \$9,578.50, and \$9,578.50 from Park Rapids Fire Department Donations.

END OF CONSENT AGENDA

8. COMMENTS FROM CITIZENS: There were no comments.

9. PLANNING:

9.1. Building Inspector Ron Dick's Report: Ron Dick stated he is from Fargo, and has been the city's building inspector for three years. I have compiled a 2012 yearend report that has been included in your packets. I tried to keep the report short and to the point, so if you have any questions I'd be happy to answer them.

Nordberg questioned if there were any encouraging words about the buildings on Main Avenue? Dick stated at this point we have one small project underway. The big thing on Main and Park Avenues is the dialysis clinic. They are going to start. I issued a permit that is available for them to pick up today for the shell. That's for \$1.7 million. They are working on drawings for the first floor for the clinic itself. They have a different architect working on that. That will be coming in the next six weeks. Other than that I'm not aware of anything else. There's always talk, but usually only half of the projects actually go through. Most of them are relatively small, like store fronts and reroofs.

Nordberg questioned does it look like the dialysis center will meet its projected schedule? Dick stated yes I think so. They have about six month of construction for the shell. Once they have the building enclosed they can start doing the first floor. That goes a lot quicker than the shell itself. Last fall they put in the foundations so they can start off from that. Nordberg questioned during the winter? Dick answered yes. I talked to the contractor and he said they have already ordered the steel and it will be coming the middle of this month.

Nordberg stated I see your comment about the nursing home, but there's nothing actually definite about permits yet? Dick stated they are in a position of having some of the administrative work done. There's a moratorium on nursing home funding through the state so they need to get a waiver. They may or may not have already done that, but it's in the process at the very minimum. The county will be looking at some funding sources. Kurt Hansen said that everything seems to be going along, but nothing is for sure. If it does go they're thinking about a fall construction start for the first phase.

Konshok complimented Ron Dick and Jerry Johnson. We like to see the new construction because those seem to be the higher profile jobs. In the absence of that the silver lining in the economic cloud has been the renovation base has been pretty strong in the last few years. That makes it challenging for the inspectors because you have lots of little jobs going on simultaneously all over town. From my perspective, last year three of those permits were mine. From what I've heard from other folks, you guys do a good job. You're responsive, you stay on top of it, you're the referees that are not always popular, but everything I've heard is that you are doing a good job.

Dick stated I find that staying on top of it is the best thing to do. We try and be as fair as we can. The rule I follow is, I make judgment calls based on the codes, but you must be prepared to defend them. We have to think twice before we make some of those calls.

Utke stated when we renewed Dick's contract last fall, part of it was for him to address the Council a couple of times a year like this for updates. Dick stated I'll be back again midyear since there is a lot of activity at that time.

10. GENERAL BUSINESS:

10.1. Park Rapids Single Family Gap Financing Program Request:

McKinney stated this is an existing program that was to aid with mortgage financing for single family gap financing. Ms. Leckner has a home and received a \$5,000.00 mortgage loan. It's rather interesting. There are no payments required for thirty years with no interest. She has her house listed for sale and it has become a problem for her to get enough money at the sale to pay off her mortgages. Her request was for the Council to consider forgiving the mortgage all together. The proceeds of the mortgage paid would go back into the revolving fund that you have. The house was listed for \$140,000.00, and she received an offer on the house of \$108,000.00. She wants to counteroffer but she wanted to know if the Council would be willing to forgive that loan so she wouldn't have to account for it in her counter offer. We suggest that rather than to forgive it, the Council offer to allow her to transfer that mortgage to a qualified buyer. That means we don't have to quash her counteroffer but whoever buys it wouldn't have to pay it off either, except under the terms of her loan in terms of time. She wants to counteroffer something that doesn't include that \$5,000.00. That would be her preferred action on your part. Staff recommendation is to amend the terms of the loan to allow her to assign it to a qualified buyer, but not forgive it.

Mikesh questioned have we ever done anything like this before? McKinney stated we had three properties in this subdivision that were subject to bankruptcy. The bankruptcy court wrote off the loan. We could have bought our way back in, but did not exercise that option. Three have defaulted by the bankruptcy court. There were twelve, \$5,000.00 loans in this program and three have gone to bankruptcy and this is the fourth one. We haven't had any other requests that we have taken action on.

Nordberg stated I like the staff's recommendation of holding it over where it means that the new buyer gets an advantage but then the city doesn't lose anything technically. I'd like to have known when it originally started, how many years are left, and also what the original purchase price of the house was. McKinney stated we started the program in 2005 but I don't know when her deal started. Nordberg stated theoretically the new buyer could have twenty-three years left on this.

McKinney stated I talked to Kathy Grell on this because she was the original program applicant to the city. She was familiar with the house and felt that we shouldn't be required to take the hit.

A motion was made by Nordberg, seconded by Konshok, to approve staff's recommendation that the loan be rolled over to a new qualified buyer with the same terms.

Discussion: Nordberg stated I'm against writing it off. Konshok questioned she lists her other mortgage amounts, including one from the State of Minnesota for \$15,000.00. Do we know the status on that one? McKinney stated I think she would like the state to reduce that as well but she didn't give us any information on that. You can see if you add up her mortgages it's more than \$108,000.00. Konshok stated I'm curious as to how the state handles this. This is not unique, home buyers and sellers that are underwater at this point.

Utke questioned does the program allow us to transfer this? McKinney stated it's our program. We can do whatever we want. We have not done this before. Konshok questioned what about the buyer's income? McKinney stated we're saying a qualified buyer. Nordberg stated presumably they'd have to qualify with the bank for the rest of the

loan, unless they paid cash. Konshok stated if she has a qualified buyer we don't want create qualifications that the buyer doesn't meet for some reason. McKinney stated we can talk to her about that as you have directed, see what it generates if anything and come back to you.

The vote was called.

The motion passed unanimously.

10.2. Armory Square Project: Traci Ryan stated this is for TIF District 1-10. This is administrative action. In 2008 when you created TIF District 10 to assist the armory, the city entered into a contract for private development with Echopoint Design that provided the terms for providing TIF pay as you go assistance. It outlined what the project consisted of, when it would be complete, when the project was completed the city would issue a completion certificate and execute a note. That note was drafted and attached as an exhibit of the contract for private development. We're not creating new action. We're just following up administratively. The project has been complete. We need to issue and authorize these two documents.

Ryan stated when I met with the staff in November on the status of the TIF districts, there was a question as to whether or not the project was in fact complete according to the terms of the development agreement. The agreement was very specific as to a phase one, and a phase two. Phase two had a number of components talking about how much square footage would be developed for what use and those types of things. To be clear and be certain we had Dave Neisen, the city's rental inspector, go out and do an inspection of the property. I included his comments in your information. Neisen said that he believes the project has been completed as per the development agreement. While there is still some vacant space, you could look at the development agreement and say phase two was not completed according to the terms. But the developer has done everything they can do to prepare that space up to the point that a tenant is identified and a build out occurs according to their specific needs. In all fairness, the developer has met his obligations under the terms of the agreement. And for that reason, I would recommend that the city move forward and approve the completion certificate and execute the note.

Ryan stated also, the way that the development agreement was written suggested that we issue a note for phase one of the project for a maximum of \$135,000.00. Then as future phases are completed we would execute additional notes. All of the money that was required to be invested, and the improvements to the extent that the developers is able, were completed, so to break this up as two separate notes is more administrative activity than is necessary. The other piece of this is if the phases of the development were not completed to the letter of the development agreement it really does not affect the assistance because you can still issue the note to the maximum that was allowed in the agreement. He's provided documentation that the investment has been made, but that additional build out that hasn't occurred would affect only the developer, not the city. The agreement is a pay as you go. We would only make biannual payments to the developer equal to increment generated. If the building was completely occupied he'd pay more taxes and he'd get more increment. To the extent that he has less build out, he will pay less taxes and therefore the city pays less in increment. So it's really immaterial. With those points, my recommendation is that the city move forward with approving the completion certificate and issuing the note for a maximum of \$450,000.00.

Alan Zemek stated I would endorse her recommendation.

Nordberg questioned has there been a reassessment yet so that you're looking at taxes payable in 2013 that apply to this? Zemek stated when we purchased the armory the assessed value of the building was zero. The County Assessor Bob Hanson said if I could put a number on it that was less than zero I would. The taxes were about \$2,900.00. The taxes payable in 2013 are \$12,000.00. So we've already increased the assessed value of building by about 400% for that district. I believe the increment payable in 2013 is about half of that, \$6,000.00. Under the terms of our loan agreement, I believe that is first pledged to the principle balance that will be paid back to the EDA as a principle reduction of the loan. So the outstanding loan balance to the EDA is also collateralized by the TIF increment. The way it works is you guys get paid back first and we're last in line.

Konshok questioned you're comfortable with that phrase that all the space in the annex is either rented or ready to be rented? I would classify the upstairs as white space ready for tenant modification. Zemek stated we're talking to tenants all the time. The value of the TIF note is only the increment generating. I have a high sense of motivation of creating that increment to turn that building into something that will work. Otherwise, as far as the public redevelopment costs, that was the goal, and the whole reason for the redevelopment agreement. Those goals have been accomplished. Whatever increment is generated really only effects the developer side. If we generate no increment, we're still obligated to pay our note back to the city. If we generate a lot of increment we'll be able to pay the note off faster.

Nordberg stated I believe I'm in favor of this in general, but it's quite technical. To simplify it the note is for \$450,000.00 and that's over twenty-seven years. It's being paid only as pay as you go. It's not an advance check of \$450,000.00. So each year some portion of his assessed tax payment gets put into a fund which he might get up to 90% back. Ryan answered correct. Nordberg stated and we take some administration fees. Is that where the balance in the fund comes in when we have an overage? Ryan stated this is TIF District 10 which has a negative fund balance right now that TIF district 8 is going to eliminate. When he starts to pay real estate taxes there will increment. Of that increment 90% will go to him and 10% stays with the city. The 90% that we give to him serves to reduce that \$450,000.00. It is a zero interest note, so whatever he gets back directly reduces that note. It will never get paid back if more doesn't happen. If he makes a lot happen, pays a lot of taxes, that debt note will have some value to him like he indicated.

Konshok stated it's up to \$450,000.00 at this point. Zemek is at \$12,000.00 a year. He gets 90% of \$12,000.00. Ryan stated \$12,000.00 is the tax, roughly 50-60% is captured as increment. You can't capture the state's share. About \$6,000.00 would be increment. 90% of the \$6,000.00 will go to the developer, and 10% is retained by the city to help cover the city's TIF administration costs.

A. Resolution for Certificate of Completion of the Armory Square Project in the City of Park Rapids: McKinney stated this is a resolution certifying the completion of the project. Ryan has done the due diligence on it and is recommending the Council accept it. The other resolution approves the sale and terms of the note. **A motion was made by Konshok, seconded by Nordberg, and unanimously carried to approve Resolution #2013-26 for Certificate of Completion of the Armory Square Project in the City of Park Rapids.**

B. Resolution Awarding the Sale of, and Providing the Form, Terms, Covenants and Directions for the Issuance of the City's \$450,000 Tax Increment Revenue Note, Series 2013A, to Echopoint Design & Development, LLC: A motion was made by Utke, seconded by Konshok, and unanimously carried to approve Resolution #2013-27 Awarding the Sale of, and Providing the Form, Terms, Covenants and Directions for the Issuance of the City's \$450,000 Tax Increment Revenue Note, Series 2013A, to Echopoint Design & Development, LLC.

10.3. Proposed Council Action for TIF Districts: McKinney stated we need your direction on how we should deal with the remaining payment that was not returned to the county. The recommendation that staff is making is that you authorize us to transfer that money from the fund into the general fund and then we'll prepare the paperwork to do that. We need to put money back into that fund with an inter-fund loan. We'll get that money where it's been all along, but with the right paper trail. We also need your direction on that list of recommendations which Ryan presented to us. If there is anything suggested there that you do not want us to do, then we won't prepare the paperwork to do it. If everything appears consistent with your wishes we will get the paperwork to you at the next meeting.

Nordberg stated since the first one involves the county, can you say the county is qualified to deal with it? Do they know what paperwork needs to be done? McKinney stated we wouldn't ask them to do anything that we hadn't prepared for them ahead of time to look at. Ryan stated I think there is some education that has to happen. I'm not familiar with how much TIF financing the county has to do, or has done in the past. Just having an open discussion to understand the city's interest and the county's role I think a discussion has to take place. There's a letter in place that says this district is expected to stay in place until such-and-such a date. That happened twenty some years ago. TIF law has changed. The state auditor's office has gotten involved, and there was a point between that time and now that the state auditor made it clear, this is when this district ends and this is the final increment. The county auditor doesn't want to agree with that. We need to have some education so that everyone is on the same page. That's not a combative thing. I think it's a sit down discussion to all work together.

McKinney stated one item I would add to the list is I'd like to have authority to discuss with Ryan to have an ongoing service relationship, and bring that back for your consideration as well.

A motion was made by Nordberg, seconded by Utke, and unanimously carried to authorize Administrator McKinney to negotiate an ongoing agreement with TIF Consultant Traci Ryan from David Drown Associates, and to bring said agreement to the Council for approval.

McKinney questioned what about the inter-fund loan. Can we prepare that as suggested in Ryan's memo?

A motion was made by Utke, seconded by Konshok, and unanimously carried to prepare the inter-fund loan transactions, as recommended in Traci Ryan's report.

Discussion: McKinney stated you have taken action on the items we needed direction on. We'll have information in your next packet that will explain whatever is left to do. There is some activity that we will be asked to do for SDG in TIF #9. Some of the stuff that they asked for in December, reconsideration of the amount of money given to the developer for

the SDG project because of the misinformation in regards to the purchase price and the inclusion of the assessments due for the improvement of the street in front of the Knapp building. I have taken the position that we don't want to negotiate giving them money out of the fund that we know doesn't have any money in it. On direction from you, then we'll know if you approve the paperwork you just asked us to prepare, then there will be money in the fund to discuss whether or not you will grant the additional \$25,000.00 request. Right now we don't have it. Nordberg questioned you're not asking for that authority tonight?

McKinney stated they would be pleased to know you have an inclination to approve that if properly presented to you, because they have a purchase agreement consummated, subject to the additional \$25,000.00 coming from the city. If you want to approve the concept, fine, but we can't make that transfer until we get the paperwork done. What they would be asking you to do is amend the development agreement to have the enumeration be \$100,000.00 instead of \$75,000.00. Bottom line, we don't have the extra \$25,000.00, but if you want to tell them that you're willing to consider doing that we can get you the paperwork to do that as well. We have a request for an amended agreement. They've done all they need to do. We need to get the fund funded in order to do it. Konshok questioned you want to bring all that at once? McKinney stated if you're prepared to deal with it they'd like to know that the Council is supportive of that additional funding. They don't need the money right away. They need to know that they are going to get it. They don't actually have it coming to them until they exercise some development. 2014 is the drop dead date. Ryan stated not until the building is acquired and demolished. McKinney stated they have an agreement to acquire the building subject to giving them another \$25,000.00. They have to complete that, tear down the building, and we will get you the money if you approve everything tonight out of the TIF 9 fund.

Nordberg stated I'm inclined to agree that we should do that. I also, interestingly given how much time we spent on TIFs for the armory, this seems to be a pay up front. We're paying out funds, as opposed to collected taxes. Ryan stated the development agreement that we entered in with SDG is pay as you go, and some cash up front. McKinney stated there will be more money for them as they pay. This is the incentive money.

McKinney stated technically what is required is approval of the amendment of the development agreement, the funding portion to increase by \$25,000.00. My proposal is to bring that forward in two weeks, but they'd like to know is if you have an inclination to approve that, they'd like to know that. If you indicate to us that it's okay to do the amendment to the agreement that would give them some comfort that you are going to adopt it.

A motion was made by Utke, seconded by Konshok, and unanimously carried to authorize staff to bring back to the Council for their consideration, an amended developer's agreement with SDG.

Konshok thanked Ryan since this is by far the clearest report on the city's TIF districts that we've had for years. It's always been in bits and pieces. At the League of Minnesota Cities Conference the City of Rodgers described their situation as TIF district hell. Their city administrator was removed. TIF is a great concept, but it is a technical, legal minefield. Thanks for helping us go through this process.

Utke questioned are we going to talk about modifying TIF 9 and moving forward with that? Ryan stated I will do as much as I can at your next meeting. We will look at a resolution to call a public hearing to modify that district to address cannibalization. That will

take some time. We have another project coming in that we didn't even touch on tonight that will be TIF related. This has been an evolutionary process that we looked at the district. We'll keep you up to date. I'll bring together what action we need for the next Council meeting. We'll take it a piece at a time and try not to overwhelm you.

10.4. Resolution Appointing Councilmembers to Various City Committees, Boards, and Commissions: The Council made the following appointments: Konshok to the Airport Commission, Nordberg to the Arts and Culture Advisory Commission, the full Council will serve on the Economic Development Authority of Park Rapids, Konshok and Nordberg to the Finance Committee, Konshok and McKinney to the Fire Relief Board of Trustees, Mikesh and Randall on the Grievance Panel, Randall on the Heartland Transit Advisory Board, Nordberg on the Housing and Redevelopment Authority of Park Rapids, Mikesh on the Hubbard County Emergency Management Board, Utke and Mikesh on the Hubbard County Regional Economic Development Commission, Nordberg on the Park Rapids Library Board, Konshok on the Parks Board, Mikesh and Randall on the Personnel Committee, Utke on the Planning Commission, Utke on the Urban Forestry Committee, and Mikesh on the Wellhead Protection Committee.

Konshok questioned if Randall and Utke wanted any more appointments since they only have three each. Randall stated I can't be on more. I can't take time from work to go to these committees.

A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve Resolution #2013-28 Appointing Councilmembers to Various City Committees, Boards, and Commissions.

11. CITY ADMINISTRATOR UPDATE: McKinney stated we have the CIP to be approved. Staff has met several times. We have another meeting that we'll have to do before we're ready to finalize it. I propose that we'll bring that to you at your next meeting. I intend to call a department head workshop, but not necessarily within the next two weeks which will be consistent with our activities towards getting ready for another administrator. So we have an understanding of what we think we do. It's been suggested that the Council might want some form of an orientation meeting. I need direction from you on that and we'll put something together. A reminder, on April 20th is the Minnesota Aviation Hall of Fame, which we have a very noted nominee on the agenda. I encourage you to attend that. I will be gone next week, but available by phone.

12. DEPARTMENT HEAD UPDATES: Walker stated I've turned in my yearend report. It's been a busy year. I have a few projects coming up this year. We've turned the corner on development for projects. Hopefully that continues to increase this year.

Eilers stated we've had a few pesky things happening this week around town. We've made a few arrests and they are going to jail.

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

14. COMMENTS FROM COUNCIL: Konshok thanked Ron Dick and Dan Walker for a busy year with small projects. There were a lot of improvements to our aging housing stock like home improvement projects. Thanks to Walker for doing a great job on the Heartland Trail Bridge replacement and the larger area of the extension up to Itasca Park. We'll find out after the first of July as to what the state is going to do in their next fiscal year.

Konshok stated on airport business, the Minnesota Council of Airports have an Airport Legislation Day on the 29th of January. I'm going to that. It's open to Councilmembers and Mayors. I'll go on the city's behalf and meet with Senator Skoe and Representative Green. We do have a significant airport project coming up and I want to talk to them about that.

Nordberg thanked Walker for the comprehensive report, and also the liquor store report. Last year the Council authorized LuAnn Hurd-Lof to apply for a grant to get a historical report on the bathhouse at Red Bridge Park. We got the grant and the money was received by the city. Now the report is available. At the time I thought \$7,000.00 was a lot for a historical report, but now having read it I think it was money well spent. It goes back to 1860 in Park Rapids, covering logging, tourism, and Park Rapids involvement with the WPA. In 1935, the federal government was asking cities to apply for WPA projects to put people to work. We got a few thousand dollars. The Mayor lobbied for a sewer project through the WPA. We got that and many of our sewers were built in 1936 as WPA projects. That's seventy-seven years that we have been using that WPA funding to carry our sewage. That explains many of our replacement projects that will be on our CIP in 2013. There was another report that was done a few years ago on the armory that also talks about WPA in 1941. That was the military National Guard process. These were good historical projects and it puts things in context for us.

Nordberg stated I'm going to the League of Minnesota Cities training for new Council people on February 1st and 2nd in the cities. I may stay for the Coalition's Legislative Action Day on the 6th.

Mikesh thanked Eric Randall and the two other candidates that stepped up for the open Council position.

14. ADJOURNMENT: A motion was made by Utke, seconded by Konshok, and unanimously carried to adjourn the meeting at 7:11 p.m.

[seal]

Mayor Patrick Mikesh

ATTEST:

Margie M. Vik
City Clerk