

**CITY OF PARK RAPIDS  
CITY COUNCIL WORKSHOP  
JANUARY 22, 2013, 5:00 PM  
Park Rapids Public Library-Lower Level  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** Mayor Pat Mikesh called the City Council Workshop for January 22<sup>nd</sup>, 2013 to order at 5:00 p.m.

**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, and Clerk Margie Vik. Others Present: Traci Ryan from David Drown Associates, David Collins, and Anna Erickson from the Enterprise.

**3. BUSINESS:**

**3.1. TIF Districts Report:** McKinney stated the city has a contract with Traci Ryan, from David Drown Associates. We're getting control of TIF issues with her assistance. We'll get her report that will require some decisions on the part of the Council. She will outline the various alternatives and what tasks are needed. The actions will be taken at the regular Council meeting. We'll ask for direction based on her recommendations and then we'll prepare the necessary paperwork for your next meeting.

Traci Ryan thanked McKinney for his leadership to move us in the right direction. Vik and Brumbaugh have kept excellent records and have been good about getting information to me. They've been wonderful to work with.

Ryan stated I looked at all of your TIF districts. I looked at last year's TIF report that is sent to the state auditor every year. There were a lot of red flags for me. Many of those issues were simply errors in reporting. I wasn't as concerned, but they do need to be addressed. There were other items that we need to understand. The main goal is for the City Council to understand what is going on in their TIF districts and to have staff fully understand what they are working with. By all of us working together and providing information, I think we're at a place with staff that they get what's going on. From an administrative perspective I think we're all on the same page. In late November I spent half a day with all of the city staff and went through these reports to get us on track. We all talked about the different things that were happening. It was a very productive meeting.

Ryan stated I like to see all of the records in place because if there is ever a question from the state auditor's office that first place we go is to your transcripts. All of the city's transcripts were in place. They have been impeccably maintained. The only exception to that are the auditor's certificates. Those are the final piece when forming a TIF district. We don't have all of those. In working through all of this, there is a time when the city should sit down with the county auditor to talk about the TIF districts. Some things just aren't happening the way they should. One of the reasons we don't have auditor's certificates is because the county offices don't have them. That is somewhat of a concern. We should talk about why they exist and how do we watch them in the future.

Ryan stated I was able to glean a lot of information from old TIF reports, and then verify them with city records. I would suggest in the future that annual revenue and expense reports be kept as a part of your transcripts. That way if anybody has to go back and do what I did, it would be very quick and less costly for the city. In the last seven to ten years the city hasn't taken very much from the TIF districts as far as administrative fees. I don't encourage the city to gouge those, but the city does have real costs like auditing, publications, and fees for people to do TIF reports. The city can reimburse themselves for legitimate expenses and I encourage the city to do that up to that 10% allowed by law. With what I had to work with made my job much easier.

Ryan stated TIF district #1 is a redevelopment district created to assist the funeral home project along Highway 71. In year 2012 the fund balance in this is approximately \$105,813.00. The reason there is such a high fund balance sitting in that district is that the city paid off the bonds associated with the funeral home project early in the life of the district, and the district continued to generate increment. Those funds haven't been used. Because this is a pre-1990 district the city can retain that surplus increment. The district has a twenty-six year life. It has met that twenty-six years in 2012. You will no longer be receiving increment into it, but you can hang onto that fund balance, unlike new districts where you have to send the fund balance back to the county for redistribution. With this district, because of the date that it was created you can hang onto that fund balance, continue to use it according to TIF statutes/law. When the funds are gone then the district would decertify and go away. The only thing we'll see out of that district is expenditures from this point forward. This is an asset that I'm recommending the city preserve. There are a number of issues as we go through all of your districts where things start to be interactive. You'll later see one of the reasons why I'm recommending that you retain those funds and not send them back.

Ryan stated one of the things we talked about in the staff meeting was what was the intent when that district was created, and were there any assurances or promises made to the county or school district that once the funeral home project got taken care of that the district would go away. Vik pulled out the minutes of that meeting and I reviewed the plan and there were no direct assurances. There was quite a hullabaloo when the district was formed because it was your first TIF district. Looking at the minutes it's clear to me that the hullabaloo was more about zoning and the construction and how it affected the adjacent property owners in that area. I didn't see a lot of questions about TIF itself in the minutes. The other thing that backs up that theory that we didn't make promises is that this district was amended in 1999 to expand the budget. That would also suggest that the city had the intent and didn't make assurances that no other projects would happen. I feel comfortable with my recommendation to continue that district.

Nordberg questioned you say to maintain the district, that's the geographical area but not the tax collection? Ryan answered correct. Nordberg stated so the taxes from now on go to the county as whatever is assessed. Ryan stated yes, and they are distributed to the city, county, school district as they normally would be. The district no longer captures them.

Ryan stated TIF district #5 is a housing district. It was created to assist a twenty-eight unit housing rental project on a single parcel of land. That project moved forward. Based upon the information that I was able to review this district has performed as expected. You have one obligation and that is to pay Park Rapids Housing Limited Partnership. The checks are made to DW Jones, which is the management agent of that

project. It appears that we have made some underpayments on the obligation. The development agreement calls for 90% of the increments to be paid up to a maximum amount plus interest. That district is approaching its decertification in 2015. It was intended to be a breakeven proposition. When it comes in, it is paid out to the developer. It was never intended that it would generate a surplus. It's doing what it needs to. Any surplus there is due to us not getting quite enough cash to the developer. In December I made some recommendations to the Council to make some transfers out of one of your healthier districts to move into this fund, and to negotiate a settlement and pay it off so that this district can go away. Because there is nothing else that you can do with this district even if you left it in place for its natural duration and because we're so close to paying it off I contacted the developer, Stanley Weinberger, we're communicating, and we're coming close to some type of a settlement. That will be presented to the Council when we get to that point.

Nordberg questioned if we were underpaying them, why isn't there a bigger balance if we were supposed to pay up to 90%? Ryan stated the underpayment amount is \$7,000.00 up till now. It's a small underpayment. If we make that underpayment and bring the current balance, after the second half payment, we're going to be close to about \$900.00 in that TIF fund. There isn't a significant fund balance sitting there. Nordberg questioned have we been taking administrative fees? Why isn't there 10% there every year? Ryan stated by law you can't take just 10% out. You can only take out as much as you can document as eligible administrative expenses associated with the district. I don't know why it hasn't been taken out. There are times that expenses have been taken out of the district. Early on most districts accumulate quite a deficit to cover administrative expenses for the cost of creating a district, such as legal fees. So not taking administrative fees may have been the policy at the time to try and recoup the negative balance that was accumulated with all the admin on the front side of it. It's not anything remarkable. In 2012 all of the audit and publication costs were taken out. If you're not watching these on a regular basis, and understanding them, some things ebb and flow, and that's where you need a good TIF consultant.

Ryan stated TIF district #6 is another housing district that was created to assist a phase two of the townhome project that was assisted in TIF #5. But phase two never happened. Instead we saw single family housing happen in that subdivision. Only three income qualified houses were assisted. The city assisted them by using the increment for district #6 to pay down their assessments to make the lots more affordable. Each year the city has been taking increments and paying for the assessments on these three lots. There have been other houses in that area that haven't received assistance so we've seen a surplus in this TIF fund. The balance is around \$23,000.00. The obligation on the three lots that we are paying assessments is around \$13,000.00. This district has passed the five year mark where you can't do new deals. It has enough increment in there to pay off existing obligations and TIF law requires you to do that. If you have enough cash to pay off your obligations, you must pay them off and decertify the district. That will be one less district that we have to watch, and it means the city was able to accomplish what it wanted to in a shorter period of time. Now these taxes can be turned back to the tax rolls.

McKinney stated we started that process in December. Ryan stated you authorized staff to pay off those assessments. You passed a resolution to decertify that district. That's in full motion we just need to follow up and make sure the county auditor gets the decertification resolution and the confirmation notice.

Mikesh questioned the money left over in these accounts, we can put them in the other TIF districts to help pay them off? Ryan stated no. When you're certifying a district, with the exception of district #1, district #1 was created before the laws changed and it got much more restrictive. Anything created after that says that when you decertify the district if there is any existing fund balance, all of that has to go back to the county and then be redistributed to the city, county, and school district. This particular case, if you return the full fund balance, of the \$23,000.00 less your obligations of \$13,000.00, you'll have roughly \$10,000.00. You'll return that to the county. They will look at when the district was certified and the tax rates that it was certified at, the city should get about 60% of that back, or about \$6,000.00. That will go back into the general fund. It should not go into a TIF district or any other project. I recommend that you send back the full amount, which is the legal way to do it. That helps us track things best. Let the county auditor reallocate it. You have no other options. You can't just transfer the funds.

Ryan stated TIF #7 is another housing district. It was created to promote affordable housing opportunities in the McGrane Second Addition. That contained thirty-seven single family lots. We still have some questions about this. We've been doing as much as we can to try and get everybody on the same page with the districts, but we're going to need to go back and track some things. Brumbaugh has done some of that work this week. I simply haven't had time to put it all in line. It appears that there may have been an overpayment in that district as well. A development agreement was approved when this district was created which was not very clear at all. A couple of years later you got bond counsel involved and they drafted an amendment to that that required that the city make a retroactive payment. It looks like a retroactive payment was made without taking into consideration the payments that were made to date. We want to go through this a little better so we get everybody on the same page to make sure that we're where we need to be with the district. We do understand what was going on. Previous TIF reports did not report any obligations in this district so we had to go back and relearn everything that was happening here. At this point the district has a deficit. In late December you approved some transfers out of a healthier district to cover the shortfall and then move forward. We'll be reporting back to you as time goes by.

Konshok stated on TIF #7 you talk about the fund balance being brought up to zero with the inter-fund loan. Where's that coming from? Ryan stated in December the Council authorizing a transfer and it's coming from TIF district #8 to cover the shortfall in TIF district #7. McKinney stated it's important to note there's a difference between a transfer and an inter-fund loan. The loan has to be paid back and a transfer doesn't. Nordberg questioned TIF district #7 is still collecting TIF money, and will it balance out? Ryan answered yes it will. If we've made some overpayments in this district we'll simply slow down on the payments until revenue and expenses catch up with each other. Once we're back on an even course then we'll go back to the regular payments. At this point, it appears there was an overpayment but we still have a little work to do to confirm it.

Konshok questioned assuming that is the case then that \$17,800.00 has to be paid back from district #7 back to district #8? Ryan stated it could be but it doesn't have to be. The way that we've approved it we're just transferring it. By not paying it back, it simply means that TIF #7 will be able to be decertified sooner. TIF district #8 is not going to have any cash flow problems for the duration of that district. By transferring it as opposing to loaning it that uncomplicates the administrative requirements for the funds, and again it will allow that district to go away sooner, which mean the city, county, school district all get the

money back in their general funds as opposed to getting captured in the TIF district. If we want it to be paid back we can certainly make provisions to pay it back. I'll look at it more closely to see if I can project out what the impact of decertification is. At this juncture I was trying to keep things simply by moving the dollars out of a district that doesn't need them, and preserving TIF #8 district by getting funds out of it. Konshok stated one of the concerns was making sure that the funds are staying primarily within their district so within the rules. This is one of those areas that we're moving money between districts. Ryan stated yes. When we discuss district #8 I'll explain why I'm doing that.

Ryan stated TIF district #8 was created to help with affordable housing opportunities for twenty-nine lots in the Timbers Addition. In this particular district increments are used to help qualified households with special assessment payments. In nearly all cases the increment being generating is greater than the annual assessment payment. We're paying people more than they're having to pay out on their assessments. The result of that is that we will be paying off their assessments quicker. We'll pay off our obligation to them sooner and they'll have a couple of assessment installments to pay off. I will be looking at that closer to see if we can simplify that from an administrative perspective.

Ryan stated in this particular one we're making payments to twenty different individuals, doing twenty different calculations. I think there's an easier, more transparent way of doing that that doesn't take as much time. We'll be looking at some options and getting back to you in the coming weeks to resolve that.

Ryan stated in this district it has a current surplus of \$151,145.00. That's the estimated fund balance at year end 2012. It's an extremely healthy fund balance for this housing district. That's happening because you have a lot of houses, twenty-nine lots, there's only nineteen at this point that will be getting TIF assistance payments. You have houses generating \$2,000.00 a year in increment that aren't getting assistance. Those funds are available to pay off your obligation. This is another situation that if you get too much money in that account, or enough money to pay off all of your obligations, TIF law is going to require that you pay them off and decertify the district. In a couple of these districts where we're transferring monies from TIF #8 to TIF #2 to pay off that obligation quicker, to TIF #7 to cover a shortfall, and I believe to TIF #10 to cover some administrative expenses. We were doing that to preserve the opportunity to keep the district alive a little longer. Instead of paying off all of the obligations and letting it go away let's use it to manage the other districts, help what makes sense to go away, go away, pull others out of debt so they quit borrowing from the general fund and they're borrowing from TIF, and give us the time to look at are there any other housing projects in the community where it would make sense to utilize this resource. Basically by making those transfers, preserving the life of this district long enough to see if there is some other way to use these benefits for the city. This is the big daddy district that all of your transfers are coming out of and they're taking care of issues in other districts.

Ryan stated had the city's TIF consultants been working with and advising the city what was going on with your districts, there would have been an opportunity where the city could have used those resources under the temporary authority to stimulate construction with a special law that was passed a couple of years ago that said with the economy being tough cities may have some resources in these TIF funds to still promote and provide incentives for additional development. You could have used some of this fund balance to support new economic development in ways that TIF law otherwise could not have provided. That opportunity has gone away now. I don't bring it up to point the finger, or

throw anyone under the bus, but I think it points out David Drown's importance on how we can serve the city because we watch this regularly as your TIF advisor, and doing your TIF reports we understand the law and what's going on. We can only show you currently where you have opportunities and where you have problems. As we're helping you to manage this, we're doing what we can by keeping that district in place for a short while to see if there is anymore that we can do.

Ryan stated TIF district #10 is doing just what it's supposed to do. It has a little deficit because you covered the costs to get the district created. You covered some legal expenses to the armory project. The project is performing. I recommend that you move forward in issuing the completion certificate and authorizing the note as per the terms of your developer's agreement. This is not a new thing. You're simply backing up what you said you would do in your developer's agreement. This is administrative action on the part of the Council. That district is fine. We transferred some funds from TIF #8 just to eliminate that deficit to keep it from borrowing from the general fund. It's borrowing from other TIF districts.

Ryan stated TIF district #9 was created primarily to assist J&B Foods Project. When the district was created the grocery store was the impetus for it, but your consultants who were preparing the TIF plan looked your redevelopment opportunities and put ninety-two parcels in this district. That's good foresight so you wouldn't have to modify the district if any other additional development were to occur in the development area. The problem is the district was formed on the cusp of the economy going south. What's happening in that district, with ninety-two parcels in it, there is cannibalization going on. You have J&B Foods doing exactly what they said they would do, acquired property, demolished the existing structures, and constructed their development. Their property has increased dramatically, in excess of \$1 million. It's generating a bunch of tax increment financing. Conversely all the other parcels in the district lost value. When they lose value they tend to take what would normally be \$40,000.00 in increment, and for all the value that they lost, the increment starts to disappear to the point that it's consumed almost all of the increment. We find ourselves backwards on our payments to the grocery store. Right now we've estimated that we've underpaid the grocery store \$30,000.00. That's one of the things that's going on with this district.

McKinney stated for clarification the development agreement said they got 90% of their increment as opposed to a percentage of the total district as a whole. So while theirs was going up, we're paying them on that basis, but we're getting money based on the whole which was almost negative. Ryan stated correct. That's the way a development agreement should be written. The problem is your consultants weren't watching to see the cannibalization going on. We better modify this district and take parcels out. Nothing was done wrong with your district, and the way that the county was telling the city to make payments, it was here's your district and they were telling us what the increment is and that's what happens all the time and that's why we get hired. The way that the county looks at what increment is and the way you actually calculate it are two different things.

Ryan stated the other interesting thing that happened in TIF #9 is when we started that district in 2008 there was a negative number to start because there was a deficit in the district. The deficit was caused by the city spending \$25,000.00 on administrative expenses to create the district. There were a lot of administrative expenses incurred at that time. The next year we had negative interest earnings and no administrative expenses.

This goes back to the decision that perhaps the city didn't charge administrative expenses to districts because they wanted to minimize the negative cash balance.

Ryan stated then the next year on the revenue side the city gets \$209,000.00 of increment. That's a lot, a red flag. Your audit firm didn't catch that when they did your TIF reports. If I were to look at that I would say what's going on. That was an overpayment by the county. The city was only entitled to about \$20,000.00 of increment that year. The county sent you \$209,000.00 of increment. With that fund balance, staff looked at it and said we have to pay the developer x number of dollars, and they did so. The next year increment dropped to \$45,000.00. That should have been another flag for the audit firm that's completed the TIF reports. City staff again made payments to the developer. In 2012 the county said we've overpaid you. The right way to correct that and the way the county should have requested you correct that is send all the money back and we'll redistribute the way it's supposed to be. Because when you send the money back and redistribute it, the redistribution goes to the city's general fund. It doesn't go to the TIF fund because the TIF fund was only entitled to \$20,000.00. The city goes ahead and makes some payments based on a very healthy fund balance, then in 2012 the county says you have to send it back. They worked out a situation saying \$98,919.00 of that is the city's. You hang on to that and just send back the county's and the school district's share of that. In 2012 the city made a payment of \$92,095.00 that was to return the county and the school district's share. What we should have done was send it all back. They would have reallocated correctly, then that \$98,000.00 would go to the general fund. It didn't happen that way. We left those funds in this TIF fund, and this fund now at year end has a perceived fund balance of \$98,231.00.

Ryan stated the Council needs to make a policy decision. These funds have been sitting in the TIF fund for the last three years. Now that we know they're funds that belong to the general fund, your decision is do we take them out of the TIF district and put them back into the general fund, do we leave them where they are, or do we say we'll leave them there but we're going to have the TIF fund pay back the city as increments are generated in the future, because the city has approved assistance to SDG that's going to eat up \$75,000.00 of that. The city has some back payments that need to be made. Once this district meets its obligations there isn't \$98,000.00 to give back to the general fund. There is a policy decision that needs to be made.

Ryan stated my recommendation is that we're far enough along that the city simply make that a loan to the TIF fund. Will this TIF fund ever be able to pay back that \$98,000.00? I can't assure you that it will because as that district has moved forward the city has made obligations to the initial development, which was the grocery store. It has also now made pay as you go commitments to SDG with the DaVita Dialysis Center. What will be left is 10% of the increment generated by those two developments. They're pretty big, so maybe the city can expect \$5,000.00 to \$10,000.00 of repayment per year. We'll have to do some projections to figure that out. If you're loaning it to the TIF district expect that it will take some time to get it back.

McKinney questioned weren't we also talking about getting rid of some of the unproductive properties within that district as well? Ryan answered yes. One of the other items that I'm recommending is that the city modify this district. You could simply pass a resolution to remove parcels. That doesn't require a public hearing and that doesn't cost anything to pay your consultants to do. However, when you simply remove parcels from a district you have to remove them at the value that they're at right now, which means you'll

lock in the cannibalization forever. In order to pull those parcels out without locking in the cannibalization you need to go through the formal process of modifying the district, by notifying the taxing jurisdictions, draft a plan, hold a public hearing to review that, and then certify that to the county auditor. That's something that I would be proposing to do with you. The costs to modify a district are just as much as creating a new district, about \$5,500.00. I am recommending that the Council modify this district. If you don't do that cannibalization will continue to consume the increment, not only for the grocery store but also for the SDG project and the general fund is going to end up feeding both of those deals to the tune of \$30,000.00 to \$40,000.00 a year. You really don't have any choice in that situation.

Konshok questioned do you have any idea the value of the cannibalization in comparison to the \$55,000.00? Ryan stated its \$40,000.00 to \$50,000.00 a year. Nordberg stated that's assuming that the property continues to lose value and the assessed value decreases. Ryan answered correct. Even if it remains at today's level for any period of time, for every year it remains at the level that it is at right now, it will cost the city \$40,000.00 to \$50,000.00 a year. Including all those parcels in the district was not really a bad idea, but you need to be watching what's going on. I don't mean the Council or even the staff. This is complicated, statutory driven things. You need somebody watching your back to make sure things don't go south on you. What started as a good idea has backfired a little. It's manageable by modifying that district.

Konshok questioned how many parcels are we talking about removing? Ryan stated there are ninety-two in it, and I would take out eighty-eight. I want to spend time looking at each of the parcels to determine if anything is going on, but the majority, I'd get out quickly.

Ryan stated there are a set of recommendations that need action. We're looking at some consensus of the Council to keep moving forward on the action recommended, and let's make a decision about the money in district #9. You have two deals to look at, the armory and SDG's request for additional assistance. If you follow my recommendations you have the ability to do all of that. McKinney stated we need direction from the Council, and we'll bring these issues back in two weeks. We need some direction regarding the money in TIF #9. What you say will dictate what we bring to you in two weeks. I would recommend an inter-fund loan. Put the money where it's supposed to be and then loan it over to the TIF fund. If we don't do that, we don't have the money for the SDG request. We need some direction when we get to it on the regular agenda. I will also be coming to the Council to decide how our ongoing relationship with David Drown Associates will be. We have a deal that we have taken advantage of, but we need to talk about how we are going to do this every year all the time, instead of waiting until we get into a crash mode. We haven't talked about details, but the Council needs to give me direction on that as well.

**3.2. City Council Candidates Review:** McKinney stated three individuals have submitted letters of interest. Now is the time for them to address the Council and for the Council to ask them questions. As we were directed, we put a notice in the newspaper to fill the vacancy. The three candidates are Jim Stengrim, Gene Kinkel, and Eric Randall.

Gene Kinkel stated I know you all, and you know everything about me. I've been on every committee that there has been. I have done everything that is related to city government. I've been on numerous state committees. I've looked at it from every which way. Is there anything special that you are looking for in a Councilperson? You can ask me, and I've done it. And I enjoy it. There's one thing, Park Rapids is my town. I love Park

Rapids. I wasn't born and raised here. I did marry a girl from here. I go away for a while in the winter, and after two weeks I get that itchiness to come back. I want to be home. Its nice walking down the street and being able to see people you know. It's nice to see the town grow.

Nordberg questioned were you involved with some of the TIF decisions that were just presented to us. Kinkel stated yes I was. It was interesting listening to some of the problems. One of problems you have, I was instrumental with. Konshok was with us on that problem that you're running into now. We used a different group than what you are now using with that TIF project. I've went to quite a few TIF classes. TIF is a good program, but you have to watch TIF closely because you can get into a lot of trouble with it. The town of Rodgers is having big trouble with it. You have to be careful.

Konshok questioned what do you see as the biggest challenge that the Council is going to face over the next two years of this appointment? Kinkel stated money is always a problem. You have to be careful and smart with the money when you're budgeting. Park Rapids has always been quite fortunate with their budgeting and doing well with their monies. I think that coming down the line it's going to get a little tighter. You're going to have to be very careful on the budget. I think that your department heads have been working well with budgeting. You have good department heads. You always have. They work real well. I expect that won't change. I'm sure John McKinney can see the work that the department heads do and how they get it done. They've taken quite a beating with the administrators and how they have changed in the last few years. They haven't had the continuity that they've needed because of the changes. A lot of times when raises came up and the unions, you know how they work. These department heads take the beating from the public. They sit there and the unions are getting raises. They didn't get looked at one year a while back for raises. That doesn't feel too good. I'm probably speaking out of line, but these are little things that I see come up. If you have good department heads you should keep them. When you get out onto the street you hear that. People come and talk to me because I've worked with the government here so long.

Jim Stengrim stated my wife and I moved down here in August of 2006. She works at the nursing home in medical records. I'm in independent insurance sales. I owned and operated a farm for many years. I worked for Artic Cat for seven years as an administrator overseeing their benefit programs. When I started there were five hundred and sixty of us. When I quit there was close to two thousand. I also worked for the Catholic and Lutheran churches during the 80's with the farm crisis going on I developed and managed their farm crisis outreach center. I have experience dealing with people of all sorts. I think I've heard it all. I like to deal with people. You can see by what I've done that I like to select things where I can work for and help people, and to do things that are good for everyone.

Stengrim stated for your question of what do I see as the hurtles for the next few years? I can see TIF is going to be a big one. I was involved, I remember the J&B Food thing. I attended the meeting for it. I had questions at that time. I'm the type of guy that I'll go home on the computer and I'll look it all up. These days there isn't a sole that should not be able to go on that computer and find anything and everything they want to know about what's going on. Whether it's the storm water, sewer, TIF, whatever. It's all there. You can't hide a thing. Transparency is what drives me nuts. Government doesn't want to be transparent. That is the biggest problem we have today at any level of government. If you're going to try to hide something, you're going to get caught, and you're going to have one heck of a problem. People can get informed too quickly, you can't, you have to be

above board. You got to lay it out for them. You have got to be honest. That's what I strive for. That's what will make Park Rapids go into the future, is we've got to be open with the people. The people want this town to survive and be great. Every time you try something that they don't feel they got a fair shake on it's going to take you backwards. We got to be very careful on that. That's one of the things that I would say if I was sitting here is I want openness and transparency. I want people to speak up. I'll be open for people to come and visit with me. Not that we can please everybody. We can't, but we have to be educated. You have to have facts to make decisions on behalf of the people. The future is great. There's lots of opportunities out there. We just have to make sure we're at the right place with the right backing.

Erika Randall stated I'm the assistant county attorney. I never thought that I would be here asking to be on the City Council. I was approached a few weeks ago. I would be honored to serve a couple of years in this capacity. It would be a great challenge and it would teach me a lot. As to the hurdles, to be honest I can't even speak intelligently about what the hurdles are for Park Rapids. I don't follow the city government closely enough to know what the city is facing currently. But I would be happy to serve on the City Council and to help in any way that I can.

Nordberg stated you deal with the county already because you go to county meetings. Randall stated I try to avoid the county meetings. That's why I have a boss. Every now and then I'm forced to go. Nordberg stated we have different issues here than the county has. Some are the same.

**4. ADJOURNMENT: A motion was made by Nordberg, seconded by Utke, and unanimously carried to adjourn the special meeting at 5:57 p.m.**

[seal]

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Mayor Pat Mikesh

ATTEST:

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Margie M. Vik  
City Clerk