

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
NOVEMBER 26, 2013, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The November 26th, 2013 Regular Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Mayor Pat Mikesch, and everyone present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Mayor Pat Mikesch, Councilmembers Dave Konshok, Rod Nordberg, Erika Randall, and Paul Utke. Absent: None. Staff Present: Administrator John McKinney, Liquor Store Manager Scott Olson, Public Facilities Superintendent Chris Fieldsend, and Clerk Margie Vik. Others Present: Dick Rutherford, Jim Stengrim, and Anna Erickson from the Enterprise.

3. APPROVAL OF AGENDA: Nordberg requested McKinney talk about Items 6.8, 6.10, and 6.18 in his update to the Council. **A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve the agenda as presented.**

4. APPROVAL OF MINUTES:

4.1. City Council Regular Meeting Minutes-November 12, 2013: A motion was made by Nordberg, seconded by Randall, and unanimously carried to approve the November 12th, 2013 City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Konshok, seconded by Utke, and unanimously carried to approve the payables in the amount of \$38,561.13, and the prepaids in the amount of \$2,493,948.44, for a total of \$2,532,509.57.

6. CONSENT AGENDA: Nordberg stated Items 6.8, 6.10, and 6.18 were not controversial but reminded McKinney that the items should be discussed later on in the meeting. **A motion was made by Nordberg, seconded by Konshok, and unanimously carried to approve the following consent agenda items:**

- 6.1. **Resolution #2013-172 Approve Minnesota Lawful Gambling LG220 Application for Exempt Permit for Park Rapids Wrestling Club Inc.**
- 6.2. **Resolution #2013-173 Re-Appointing Nels Peterson to Serve on the Park Rapids Planning Commission.**
- 6.3. **Resolution #2013-174 Re-Appointing Paul Dove to Serve on the Park Rapids Arts and Culture Advisory Commission.**
- 6.4. **Resolution #2013-175 Re-Appointing LuAnn Hurd-Lof to Serve on the Park Rapids Arts and Culture Advisory Commission.**
- 6.5. **Resolution #2013-176 Re-Appointing Barbara Thomason to Serve on the Parks & Beautification Board for the City of Park Rapids.**
- 6.6. **Resolution #2013-177 Re-Appointing Cathy Reich to Serve on the Parks & Beautification Board for the City of Park Rapids.**
- 6.7. **Cancel the Second City Council Meeting in December, which is Scheduled for December 24th, 2013.**
- 6.8. **Authorize the Fire Department to Secure the Grant Writing Services of Lisa Rath, from Bemidji, to Submit a \$1.2 million FEMA Grant for the Purpose of Purchasing a Ladder Truck for the Park Rapids Fire Department.**
- 6.9. **Approve Pay Request in the Amount of \$18,837.50 to Kitchigami Regional Library for the Second Half of the Library Levy.**
- 6.10. **Approve Pay Request in the Amount of \$4,200.00 to TKDA for Professional Services Pertaining to the Development of Private Hangers at the Municipal Airport.**
- 6.11. **Approve Pay Request in the Amount of \$24,245.91 to TKDA for Professional Services Pertaining to the Airport Runway 18-36 Project.**
- 6.12. **Approve Pay Request in the Amount of \$28,333.49 to Ulteig Engineers for Professional Services Pertaining to the Water Treatment Project and the Red Bridge Trailhead Project.**
- 6.13. **Approve Receipts for August 2013.**
- 6.14. **Approve Receipts for September 2013.**

- 6.15. **Approve Receipts for October 2013.**
- 6.16. **Resolution #2013-178 Authorizing Proper City Officials to Execute the Letter of Understanding by and between the Auditing Firm of Kern, DeWenter & Viere and the City of Park Rapids.**
- 6.17. **Approve Advertisement for Open City Committee/Commission/Board Positions, after all incumbents have been notified.**
- 6.18. **Resolution #2013-179 Authorizing Proper City Officials to Execute the Hubbard County Fire Chiefs Association Automatic Mutual Aid Agreement for the City of Park Rapids.**
- 6.19. **Approve Pay Request in the Amount of \$2,914.01 to Davis Electric for street light, airport sign, and thermostat repairs.**

END OF CONSENT AGENDA

7. COMMENTS FROM CITIZENS: There were no comments.

8. GENERAL BUSINESS:

8.1. Acknowledge the First Reading of the Ordinance Amending the Park Rapids City Code of Ordinances, Chapter 36, Fee Schedule, Section 36.09 Water and Sewer Fees: McKinney stated this has been put in code form, the changes in the water rates. That has been the subject of a workshop and discussions at one other Council meeting. These numbers reflects the decision that we understand you decided on last time. When you made your decision at a previous meeting it wasn't the first reading. This is the first reading for the proposed rate increase. The ordinance title says sewer but it will only impact the water rates. Nordberg stated the one time sewer connection fee will also be changed and the water turn on and off fee.

Dick Rutherford stated I want to comment on your water rates. After doing a lot of research and talking to people, they are wondering why the people that are causing the problem are not paying for this. It should be charged to Becker Farms and RDO Farms. This is the reason that we are putting in a plant. Our water is being polluted by them. The taxpayers of the City of Park Rapids are going to have to pay for what they are doing to us? Now we have a couple of different choices. We can stop them from irrigating on our property. Let's give this to the DNR and use Legacy Funds for that. Let's get them to pay part of this fee. They are the ones that are causing the problem.

Konshok questioned if a motion was needed first before we have more discussion as a matter of protocol? McKinney stated typically you do, yes.

A motion was made by Konshok, seconded by Utke, to acknowledge the first reading of the Ordinance Amending the Park Rapids City Code of Ordinances, Chapter 36, Fee Schedule, Section 36.09 Water and Sewer Fees.

Discussion: Jim Stengrim questioned you already had discussion of the ordinance? Ten minutes and you're already done? Konshok stated it was the first thing on the agenda.

Stengrim stated I live at 400 Birch Briar Lane. I stopped at your office and asked what time you would be starting this and they didn't know much of anything. I would suggest you try to include in your agenda to tell us when things would be starting. I was in several weeks ago after I saw the first announcement in the paper about this. Nothing was available, which was a shock. You're discussing something and yet nothing was left with you. Second, I made them scrounge around and made them give me a copy of this, which they told me was a draft and not a final. I don't know if what I got is your final, or is this still a draft? That's a big question that I had.

Utke stated it's the numbers that were passed last time but it's a first reading tonight. Stengrim stated they didn't even know if this was the first reading at the office. It hadn't even been drafted. Utke stated you held up what we got. Stengrim stated it says meeting date November 12th, 2013. McKinney stated that was from the workshop. Stengrim stated I never got the original. I don't know why the original is not available to the public ahead of time to see before you actually discuss it. Nordberg stated the present fees are in the code. Stengrim stated whatever this document is. This is the ordinance I guess. Correct or no? Randall stated this is the first reading of it. Nordberg stated we're changing the code. Stengrim stated I'm saying this is what I was given at your office. It has a November 12th date on it. I don't know if I'm updated or outdated. Nordberg stated I can't see the numbers from here. Nordberg examined the document and stated the stuff on the left is the current fees. We've proposed and discussed the 25% and the 50% increased fees. We adopted as a proposal to change it to the 25%. That's what we're here to talk about tonight. We talked about it at the last meeting and discussed the alternatives.

Stengrim stated as far as your agendas go, you should publish them in the paper so people can see them. Your website, I tried last night several times to get on. It would not come up. I had to dig back in my files to find an old one I got off your website to find a web address to get on it. I don't know how you expect people to find it, especially such important things as this. Put a block in the paper so people understand what's going on. You wonder why nobody is here? People don't even know what's going on.

Stengrim stated the problem I have is the lack of communication between you guys and the public to tell them what you are up to. It was the same thing with the storm water sewer problem. You saw what kind of a deal that turned out to be. That's still an issue that needs to be finalized as far as I'm concerned, as far as the taxation of it. Your former administrator did not answer my questions. I proved to him that you cannot assess a benefit to someone that doesn't receive one. It's very clear in the statutes I gave him and everything else. You should have someone look into that. There was a case in Marshall County a couple of years ago. They tried to assess a homeowner in the city for the benefit for the flood control diversion. His house was above the one hundred year flood plain. They tried to assess him benefits for it. They said it's because of the infrastructure they get the benefit out of it. He went to court, and they said no way. You cannot assess a benefit to someone that cannot get a benefit out of that utility for their property. Randall

questioned you're talking about the storm sewer? Stengrim stated yes the storm sewer. Randall stated before us today is the water. Stengrim stated I know that but I'm telling you why you have problems with not communicating. I don't care if the storm sewer is over, as an attorney you should looking into that. Konshok questioned can we stay focused on the water/sewer? Stengrim stated it's communications. Konshok stated but you are on a specific item.

Stengrim stated I'd like someone to explain to me what you mean by a base rate. What does that mean and what does it entail? The base rate is going to go from \$14.00 to \$17.50. What is it and what do we get for it? McKinney stated the base rate is a fixed rate for access to the system. Everybody pays it. It's the same rate for all residents. It's \$15.00 right now. The proposed change it would raise by 25% per quarter to \$17.50. Stengrim stated we get nothing out of that. McKinney stated you get water. Stengrim stated we pay for the water. Aren't you really referring to what is called a rate base and not a base rate? Base rate is what banks charge. A rate base is what you use for utilities. A rate base is what you set to govern what utilities will charge for what they are going to give you. It's the profitability you're building in for them. McKinney stated look at the ordinance. It's very clear what the amount is and what it is for. Stengrim stated that's not what the question is, it's the definition of your words. Is it correct or not correct? Randall stated we think it's correct. Stengrim stated I think you better recheck it. Because it's not correct because I looked it up before I came. What you're talking about is a rate that banks set for a base rate for interest rates and so forth. Randall stated it makes perfect sense to me, so connect this. Stengrim stated a rate base is something a company sets for the profits to govern their thing.

Stengrim stated I say when I look at this, and I just got the tail end of his comment, I have the same questions, what about this irrigation? What have you done to try and collect some money from these farmers that have polluted this water to make them pay for some of this. I come from a farm background. I came from the valley. I have friends up there and I talked to them about this irrigation over these wells that are contaminated. They tell me that they're responsible for the contamination to wells, especially when it deals with cities. I'd like to know what you're doing about that.

Konshok questioned are you saying that they are personally liable, because that would be new in the State of Minnesota. Stengrim stated no it is not new in Minnesota. Konshok stated yes it is. Have you reviewed the state statutes regarding this? Stengrim stated I'm going by what this farmer told me. He put in irrigation. Konshok questioned he's paying for city water purification? Stengrim stated here's what he's had to do with his irrigation system. He put it on the same quarter that the city has their well on. He has to make sure that well doesn't get depleted, that he doesn't suck the city down. He has to monitor the amount of fertilizer that he's running through that irrigation system to make sure he's using what he's putting on so it will not seep down and contaminate the water. He told me if it does he will be responsible to help the city recoup that. Konshok stated that the same rules, the same statutes apply around here. The problem is making that direct connection. That's very difficult to do. Stengrim stated it should have been done years ago. Konshok stated well you talk to the state legislature because that's where this issue is dealt with. Stengrim stated he told me the farmer has an obligation to be testing everything when they are doing it. He has to jot everything down every day. He has to test everything

to make sure what's going on with it. I'd like to see those reports everybody's been doing. Where are they? What's happening with them?

Stengrim stated these rates are probably not unreasonable. I have more of a problem with the way you're going about instituting them. You're not involving the public to keep them informed of what's really happening. I don't know how this was arrived at. You hired a firm to do it? Nordberg stated this is our fourth discussion on it. Utke stated we used our engineer. Stengrim stated these spreadsheets were given to us by Brian Hiles. Utke stated that's our city engineer. Stengrim questioned he works for the city and not this engineering firm? Utke stated he works for Ulteig Engineers who we have hired to be our city engineer. Stengrim stated so you've hired him as a consultant? Utke stated as our city engineer. He's our engineer on our street projects. Stengrim stated I didn't know how you were working that.

Stengrim stated my concern looking at this is, are you giving the public their due right to participate? I don't think you are. I've seen it happen time and time again. The people that I've talked to don't really see any need to come and talk to you because you're deaf. You don't hear them and you don't care. You're going to do what you please anyway. Utke stated I would fully disagree with that. I see the notices in the paper of our upcoming City Council meetings. They usually put a brief description of what's going on. If the people show up we're all ears to listen to them. Dick Rutherford is a regular. We appreciate that, but we just don't get a lot of participation. Stengrim stated I've been involved in some other areas of this, the reason is people are not informed enough to what's really on the agenda, what's at stake for them because it's very bleak. You can't get on the website. Utke stated we are working on the website. It will be improved, but we can't grab them by the hand and pull them in. Stengrim stated I'm not saying that. I'm saying what does it cost to put a little deal in the paper. Utke stated it's in there. Stengrim questioned your agenda is in there? Utke stated no, it's in there whether it's a Planning Commission meeting, or a City Council meeting. Stengrim stated I know that but why wasn't there more in there for this reading tonight. Nobody knew about this reading. Nobody's paying attention. Utke stated with the articles that have been in there in the past I think it's been well covered. Stengrim stated that's your opinion. You sit on the board. My concern is we're walking this thin line again. I challenge you to check out this wording of base rate, and rate base. They are two different things, like it or not. At least try and get your ordinance reading right so people understand it.

Nordberg stated just this afternoon I went on the city's website. I did find the agendas going back for at least a year. I also found the minutes as recorded. I think today it was no problem. I don't know what it was last night. Stengrim questioned what did you type in to get to your website? Nordberg stated type in Park Rapids City and there's a tab across it with city information. Stengrim stated it didn't bring anything up for me. When I finally did get on it, when I went to minutes and agendas, the minutes haven't been updated since 9-24-13. Your approved minutes aren't up to date. I would suggest you put your unapproved minutes on it or at least the people can know what happened here tonight, by tomorrow morning. Nordberg stated thank you, we'll consider that.

The vote was called.

The motion carried unanimously.

9. CITY ADMINISTRATOR UPDATE: McKinney stated regarding Item #6.8 there is available, a grant, which authorizes you to secure assistance in preparing the grant application which would provide materials, specifically we're looking for that fire truck, but it would be based on a regional basis, not just the city. We have just become aware of it and there's a deadline in early December. That's why they are asking for permission to secure a qualified grant writer. Nordberg questioned this truck we're proposing, if we get the grant, is the same one that we missed out on in California? McKinney stated this will be for a brand new ladder truck. Nordberg stated we do have our matching share of the money. Utke stated we will be paying less than what we would have paid for the other one we were trying to get. Randall questioned do we know what her fee will be for writing the grant? McKinney stated they do know, but I don't.

McKinney stated regarding Item #6.10., the TKDA billing, that is billings in conjunction with the work Trillion Aviation, a subcontractor, is working on in preparing the documents for the private hangers on airport property. That work has been put in an initial draft. It was reviewed by staff, been sent to the attorneys in Minneapolis. They have finished their response. They got back to us yesterday. We're scheduling a meeting next week to finalize that with John Decoster. That will be the document that will be sent to Rydell and others if they wish to proceed on the basis of building private hangers. There's also in the discussions, possibly some additional t-hangers in that location. Some of this engineering work will probably be applicable, but this is really being done for the bigger facility. Nordberg questioned does it look like the hanger rent does more than pay for the building? Are they coming up with dollar numbers? McKinney stated no. At this point they are recommending and we're reviewing forms of agreement without a specific project. If that document is agreed to then they will negotiate with a tenant with specific amounts, the cost of the building and the rent. Nordberg stated it seems like the trigger for the contract was to make some income for the airport to offset some expense. McKinney stated only partially. The basic approach was to get that kind of facility available to the people that we want to use our airport facilities. Not so much as to make money on the hanger itself. Obviously we don't want it to cost us anything. At the end of the term of the lease the building will be ours. At that point in time you make money with a renegotiated lease.

McKinney stated regarding Item #6.18, what they are trying to put together is for the mutual aid to be on a county level as opposed to just city by city, to get the county to be participants. Utke questioned will it be set up like Becker County? Mikesh stated that's what they are trying to do. That way you can capture more money from the county, than for cities to try and ask for certain things. McKinney stated they want this particular group to be a part of the grant application. They didn't want to do it if they didn't have a mutual aid agreement negotiated. That's why this came on in the short length of time that it did. All of this is being driven by a deadline to file an application for the grant. Nordberg questioned did Don Dearstyne look over this for us? There's a lot of liability involved. McKinney stated when we get to that point we would send it to Chris Hood. It's a standard document. Mikesh stated there is an agreement between us already. There is a lot of liability for our trucks going to Menahga, or vice-versa. McKinney stated another attempt will be to try and unify all these documents to read the same. Part of the problem is the fire districts that we overlap with, they overlap with somebody else, and pretty soon you're all over the state. Getting unification has been a problem.

McKinney stated there is only one meeting scheduled in December, on the 10th. We have the Truth in Taxation hearing that evening. Prior to that at 5:00 p.m. we have arranged for a workshop on the Upper Mississippi Center for the Arts facility, which is the armory project. They are preparing a presentation which would be made to us at 5:00 p.m. Keeping in mind, since that is the last meeting in December, if you have anything that you need to get done before the end of the year, please let us know.

10. DEPARTMENT HEAD UPDATES: Fieldsend stated the website has gotten more complicated for me to update because of the school's securities. I'm the only one that can do it and it's a longer process that it was before. In the budget now is the money to update the website. I've looked at a couple of different companies to do that. We'll be trying to decide what we want to put on it. They sell several modules with it, like credit cards. We're trying to decide what we want so we can get a package deal. It's also cheaper if we get it done before the first of the year.

Fieldsend stated the garage door that got hit is now fixed. The new carpet has been laid in this room. We're going to do a few more things so the trim has not been put back up yet. The airport project is done for this year. They have moved all of their equipment out. Mikesh questioned have they done something with lighting out there? Fieldsend stated they did some repairs. The timer went out on the parking lot lights. That was a \$1,000.00.

Scott Olson stated I hoped to have a name tonight for the open position at the liquor store, but with the publication dates, we'll have a name for the first Council meeting in December. Interviews are next week. McKinney stated we are in the process of scheduling a meeting with the union liquor store employees. That would be the last of the three labor agreements.

11. COMMENTS FROM COUNCIL: Nordberg introduced his wife and daughter, who is visiting here from California for the Thanksgiving Holiday.

Utke reminded everyone of the festivities on Main Avenue to kick off the Christmas Season.

Rutherford questioned the issue of clothing/uniforms was brought up at the last meeting. Should that have been talked about tonight again? Do employees get a clothing allowance now? Why aren't they using it so they look halfway decent? Randall stated that was the issue during negotiations and was why they did not get an increase for next year. We'll reconsider it after next year if they make some changes. Rutherford stated gas employees have to wear a proper outfit. It's no different. McKinney stated there is one qualification to that comment. A lot of the money that we put in that allowance is for special equipment, not just uniforms in the sense of a police uniform. Randall stated right now we do not have a uniform for public works. Rutherford stated it would look neat to look halfway responsible and respectable when you go out and call on people. McKinney stated that's our goal.

Mikesh stated I met with the new chamber director last week. She wanted to know what was going on with the city. She's going to be a good fit to the city. She's a real likeable person.

12. ADJOURNMENT: A motion was made by Randall, seconded by Utke, and unanimously carried to adjourn the meeting at 6:37 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk