

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
JUNE 24, 2014, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The June 24th, 2014 Regular Meeting of the Park Rapids City Council was called to order at 6:00 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, Erika Randall, and Paul Utke. Absent: None. Staff Present: Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, Liquor Store Manager Scott Olson, and Clerk Margie Vik. Others Present: Apex Engineer Jon Olson, Lorna Cunningham, Mary Ann Bentler, Sharon Voyda, and Anna Erickson from the Enterprise.

3. APPROVAL OF AGENDA: 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-June 10, 2014: A motion was made by Randall, seconded by Utke, and unanimously carried to approve the June 10th, 2014 City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Konshok, seconded by Nordberg, and unanimously carried to approve the payables in the amount of \$54,869.28, and the prepaids in the amount of \$157,831.07, for a total of \$212,700.35.

6. CONSENT AGENDA: A motion was made by Utke, seconded by Randall, and unanimously carried to approve the following consent agenda items:

- 6.1. Approve Plumber's Permit to Work in the City of Park Rapids in 2014 for Modern Heating & Plumbing.
- 6.2. Approve Backhoe Operator's License to Work in the City of Park Rapids in 2014 for Pickett's Excavating.

- 6.3. **Resolution #2014-90 Accepting and Approving the Final 2013 Audit Report for the City of Park Rapids.**
- 6.4. **Resolution #2014-91 Authorizing Proper City Officials to Execute the Authorization for Professional Services by and between Toltz, King, Duvall, Anderson & Associates and the City of Park Rapids.**
- 6.5. **Approve Staff to Advertise for the Open Firefighter Position, and to Interview Potential Candidates.**
- 6.6. **Approve Purchase Order in the Amount of \$14,579.33 from Cumber's Construction and Stenger Dust Control for Class One Road Gravel and Chloride for Dust Control.**
- 6.7. **Approve Pay Request #3 in the Amount of \$173,849.99 for Tri-City Paving for Construction Services for the Runway 18-36 Project.**
- 6.8. **Approve Pay Request in the Amount of \$37,523.15 to TKDA for Professional Services for the Runway 18-36 Project.**
- 6.9. **Approve Purchase Order in the Amount of \$1,414.50 from Multi Electric for Supplies to Repair the Airport Lights Damaged by Lighting.**
- 6.10. **Approve Pay Request in the Amount of \$8,042.94 to Emergency Apparatus for Repairs to Fire Engine #5771.**
- 6.11. **Resolution #2014-92 Authorization to Execute Minnesota Department of Transportation Grant Agreement for Airport Improvement Excluding Land Acquisition.**
- 6.12. **Resolution #2014-93 Approving Resignation of Full Time Receptionist/Utility Billing Clerk Brenda Stuemke.**
- 6.13. **Resolution #2014-94 Awarding Bid for the Purchase and Installation of Water Meters in the City of Park Rapids.**

END OF CONSENT AGENDA

7. COMMENTS FROM CITIZENS: There were no comments.

8. GENERAL BUSINESS:

8.1. Update on Timing for Construction of Riverside Area-Phase One

Project: Jon Olson, from Apex Engineering Group, stated I'm here today to discuss some different recommendations on the timing of the Riverside Project. Mr. McKinney briefed you at the last Council meeting. We started looking at this process back at the beginning of this year. Since then we have been working aggressively to get the design completed for a July 21st bid date. That was our goal. The design is nearly complete, with a few items to clean up yet. It's certainly ready for that if that's a direction that we still want to go. Based on what we have learned in the last couple of weeks, we're seeing some unusual bid amounts in the construction world. We're hearing that there is a lot of work with not as many available contractors. What we're seeing is that the projects that are requiring work to be done this season is where we are seeing inflated numbers at 15% to 25% above the engineer's estimates. If we were to open it up and really be loose with it and let a contract now, we're seeing a slight increase over the estimate. The construction market is very good right now, but that increase would be less at 5% to 10% increase if the work was let for next season.

Olson stated once staff started looking at this and talking about it in the last few weeks as to how we're going to proceed with this and the timing of it, we came up with two options. The first is to continue with the July 21st bid date and really open up the schedule by allowing the contractor to have the flexibility to start this year or not. We'd keep the start date quite loose. The more we talked about it we thought leaving it that open might not necessarily be in our best interests. To keep a contract more snug and in our favor we thought there were some benefits to that.

Olson stated additionally there were some benefits that we identified. The first one was having the construction season all in one year. Having the work done all in one season there was some concern that there was the possibility of the work not getting completed this year, and that construction would be in front of a property in two seasons. With doing all of this work in 2015, that would eliminate that risk. There would be some minor work in 2016, but we're talking a couple days' worth of paving work. That was the first item we noted.

Olson stated next, there has been some discussion about the improvements to Main Avenue North. It's a project that has been scheduled on the city's capital improvement plan (CIP) for quite a few years. That is a surface rehab project. The intent would be to include that with the Riverside Project bidding documents to take advantage of the Riverside Project. The economy of scale there will get us some better numbers on the bituminous for that rehab. Unfortunately, if we bid it now the timing wouldn't work out because those improvements are assessable as well. In order to go through the preliminary engineering report and the public hearing we wouldn't be able to time those if we were to let Riverside this season.

Olson stated the last item is financing. If we hold off with this project, we'll be able to postpone the time at which we need to bond for the improvements, and that first bond payment will better align with the assessment revenue which you will first see in 2016. From a financing perspective there's also a benefit. With the current bidding climate, and those few items, we're switching gears here by recommending that we hold off for a couple of months and look at this as a project to be scheduled for 2015.

Olson stated I've put together a tentative recommended schedule. I'd come back to the Council in December to get the final plan approval, and request authorization for a bid date. I'd like to get that set before the holidays. Then look at holding a bid opening to try to be one of the first projects let in 2015. It will give the contractors time to get through the holidays first, then it will be one of the earliest contracts out. With that award date it should leave us ample time, if things don't go smoothly to follow our assessment procedure guidelines. We need to award a construction contract by March 11th, 2015. That's one year from our public hearing. With that we'd definitely be able to get an early start to the construction season and really focus on one season.

Olson stated there was some discussion on getting the word out to the property owners if this is something that we are interested in pursuing. That is a great idea. I'd gladly prepare a letter and work with the city clerk to get that out to all of the impacted property owners to give them a heads up of the change. We'd also include some items of what to expect next season.

Olson stated we do feel it's within the city's best interest of holding off for a few months. We're requesting a simple motion acknowledging the revised schedule and authorizing staff to mail a letter to the property owners. Utker stated it totally makes sense. If we have a decent construction season next year it should be completed, except for the wear coat in 2016. That shouldn't be needed unless we hit tough conditions. Olson stated that would be something that we'd want to wait on. We'd leave the contract to state that it will be done in 2016. The reason for that is if we have a wet construction season and that base doesn't set up we have an opportunity to get some movement that first year. What we've seen is that first year comes and goes and that frost cycle comes through, we can come back with a wear course and get that finished surface really nice and smooth. I would certainly say that there is a possibility that we could get the wear course down, but there's also the possibility that we want to have that done in 2016.

Konshok questioned what are you estimating the total construction period? Olson stated I think based on the size of this project we are looking at a three month construction project. We'll phase it out so that they don't go in and open up the entire project. I have it laid out right now with Riverside and Fifth being the focus right out of the gates. We'll get those completed. The underground work within those areas is probably a month to six weeks. They can start getting going on the street improvements following that as they progress with the underground on the other sections. In front of each property, I'm guessing two months. During that time frame, certainly we'll work with everybody to insure the impact is minimized. We'll get the people into their driveways every evening.

Nordberg questioned you're still talking about the project only to Sixth Street, or does this include going to Eighth Street and south of there. Olson answered no. We haven't discussed doing any additional work. Certainly, with postponing things a bit, that would be an option. We could look at including that. But I don't believe that is included in the CIP for next year in 2015. It's something that we could consider. Nordberg questioned it will be more than a year out to do south of Sixth Street? Olson stated we would recommend starting work on the design, next year at about this time once construction on the first phase is ramping up.

Nordberg questioned is there a reason to expect contract bid prices will go down in January? Olson stated I don't think they are going to go down, but I think if we try to require some work to be done this year, our numbers would be higher. I think that the

construction market has gone a direction quite different than it was at the beginning of this year. Certainly within the last couple of years prices are slightly higher. Mikesh questioned is it the late start that are making them higher? Olson stated with the contractors that we have talked to said they'd love to get this project, they love working in Park Rapids. It has great sandy soil. It's a great place to work. Unfortunately, they don't have the availability to get after it. Utke stated if they took it on they'd have to go rent equipment and hire extra people. They get paid accordingly to do that. Olson stated we would pay a premium to get work completed this year. We thought originally it could be an advantageous thing leaving it somewhat open for contractors to fill the end of the season. But unfortunately, that is not the case.

Konshok questioned how much work do you think the North Main Avenue is going to take. Olson stated I'm anticipating that it will be a mill and overlay. There's going to be some areas that we're going to want to do a little deeper correction. There is pretty good deterioration in a few areas. I'm guessing that's around a \$300,000.00 project. Konshok stated it should go pretty fast. Olson stated mill and overlays go very quickly. Konshok questioned is there curb and gutter work? Olson answered no. We will walk it with public works and if there are some curb and gutter panels that look like they should be repaired before we put a new surface down we may do some spot repair. All in all, I think it's going to be a mill and overlay. Typically from start to finish on that type of project, there's no reason it would go over two weeks.

Nordberg questioned was that in the CIP? Olson stated it is scheduled for 2015. Nordberg stated then that would be on schedule. Is that assessable? Olson stated it is assessable 60% to the adjacent properties.

A motion was made by Utke, seconded by Randall, to approve the revised construction schedule for the Riverside Area-Phase One Project, and to authorize staff to send notifications by mail to the adjacent property owners.

Discussion: Mikesh questioned are we talking about adding the Main Avenue overlay to this? Olson stated I wasn't going to bring that to your attention now. If that's something you want to act on with this project we could get rolling on it. Mikesh questioned did you include that in your motion, or just the rescheduling of the Riverside Project? Utke stated its two separate things. This is rescheduling Riverside, and then we can bring the overly project into it with a separate motion. Nordberg questioned you're going to come back to us with the overlay in December, and then we could add it in? Olson stated I was planning to come back to a meeting within a month to start talking about whether or not you want to order a preliminary engineering report so that we can prepare for a public hearing before the December meeting. Mikesh stated so it's a whole different issue. Olson answered yes it's a whole new project.

The vote was called.

The motion carried unanimously.

Further discussion: The Mayor questioned if any citizens wished to comment on this. Lorna Cunningham questioned when it happens it will only be to Fifth Street? Konshok stated it will go south to Sixth Street. Cunningham stated I'm on Seventh. Konshok stated your turn is coming, but it will be a couple of years out.

Sharon Voyda questioned there was mention about notices that already went out? Utke stated we were talking about notices that we will be sending out. Voyda questioned in those notices are there projections for our assessments? Utke stated that was part of the public hearing a couple of months ago. Olson stated that was earlier in the project. I'd be happy to stop by and visit with you on those. Voyda stated that would be great. I want to be helpful, not a deterrent. Konshok stated yours is a special property. Olson stated the notices will simply update everybody of the new construction schedule. I'll probably include some "what to expects", like this is when we're looking at starting, and give some timeframes.

Konshok questioned have you talked to Voyda about her parking lot? Olson answered yes, I stopped by there a few weeks ago. Voyda stated I don't want to speak for the HRA Board, but that certainly ties in with this project. There's real interest. We want to coordinate the parking lot expansion with the Riverside Project. Konshok stated this gives you some time now. Voyda stated I'm happy about it. Nordberg stated the last questions are concerning River Heights Apartments, which is part of our HRA, the city's obligations and management.

9. CITY ADMINISTRATOR UPDATE: The administrator was not present.

10. DEPARTMENT HEAD UPDATES: Fieldsend stated I've been working on trying to get Red Bridge Park going. It doesn't look like the asphalt is going to be done by the Fourth of July. They're going to gravel it. There will be no electric. Konshok questioned will we get our money out of the state? Fieldsend stated I don't know. The grant is signed. They started on the parking lot. I think that's as far as they're going to go because they won't have time to do the asphalt. The landscaping will be done around the old bridge. We added steps today. Most of the picnic tables will be in there. Nordberg questioned the old bridge won't be handicap accessible? Fieldsend stated it will not.

Konshok questioned have you talked to Tony or any of the bridge guys about the rock issue? Fieldsend stated Walker and I talked to Dave and he was going to get ahold of Tony. We're trying to get Tony to do something.

11. COMMENTS FROM COUNCIL: Nordberg stated on Saturday, June 28th, the library is having a festival to reveal, appoint, induct, a piece of art that received a grant through Kitchigami with the Legacy Funds. It's an artist with local connections. It will be up above the stairway in the entryway. He's been working on it for some time. You are all welcome to come in the morning of June 28th.

Konshok stated my father attended the monthly meeting of the Minnesota Council of Airports, MN DOT Aeronautics office announced that they are going back and with the restoration of the state airport funds which was enacted by legislature this year. They are going to pick up the missing 5% on the Crosswind Runway Project. It will be funded at 95% federal, 5% state, which amounts to \$156,000.00 less that we'll have to pay. That was unexpected because they told us previously that they were going to attempt to do

other things for us but they were not going to be able to retro pay. But they said everything that is under construction is eligible. Nordberg stated thank him from the Council.

12. ADJOURNMENT: A motion was made by Randall, seconded by Utke, and unanimously carried to adjourn the meeting at 6:25 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk