

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
JULY 22, 2014, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The July 22nd, 2014 Regular Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Acting Mayor Paul Utke, and everyone present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Acting Mayor Paul Utke, Councilmembers Rod Nordberg and Erika Randall. Absent: Mayor Pat Mikesh and Councilmember Dave Konshok. Staff Present: Administrator John McKinney, Public Facilities Superintendent Chris Fieldsend, Police Chief Terry Eilers, Planner Dan Walker, Treasurer Angela Brumbaugh, and Clerk Margie Vik. Others Present: Bradley Peterson from the Coalition of Greater Minnesota Cities, Jon Olson from Apex Engineering Group, Dick Rutherford, and Ann Johnson.

3. APPROVAL OF AGENDA: A motion was made by Nordberg, seconded by Randall, and unanimously carried to approve the agenda with the following changes:

Remove from Agenda and Reschedule for the August 4th, 2014 meeting: Item #9.1. Status Report from Chairperson Mike Monsrud of the Upper Mississippi Arts Council (and) #9.2. Resolution Authorizing Proper City Officials to Execute a Contract for Criminal Legal Services by and between County Attorney Don Dearstynne and the City of Park Rapids.

Add to Agenda After the Consent Agenda: Legislative Updates by Bradley Peterson from the Coalition of Greater Minnesota Cities.

Add to General Business: #9.4. Reject All Bids for the Hanger Site Preparation and Drainage Improvement Project.

4. APPROVAL OF MINUTES:

4.1. City Council Regular Meeting Minutes-July 8, 2014: A motion was made by Nordberg, seconded by Randall, and unanimously carried to approve the July 8th, 2014 City Council Regular Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve the payables in the amount of \$877,877.72, and the prepaids in the amount of \$232,037.06, for a total of \$1,109,914.78.

6. CONSENT AGENDA: A motion was made by Randall, seconded by Nordberg, 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 Hanson's Plumbing & Heating.
- 6.2. Approve Request to Install Little Libraries in Depot Park and Lindquist Park by the Pine Cone 4-H Club.
- 6.3. Approve the Samuelson-Laney Bid in the Amount of \$2,376.00 to Complete the Plumbing Work at the Red Bridge Park Stone Bath House to Provide a Drinking Water Fountain and Irrigation System.
- 6.5. Approve the Low Bid from Viking Company in the Amount of \$1,900.00 to Replace the Fire Alarm System at the Park Rapids Fire Hall.
- 6.6. Approve Installation of a UPS Backup for the Paging System in the Amount of \$1,350.00 at the Park Rapids Fire Hall.
- 6.7. Resolution #2014-99 Approve a Minnesota Lawful Gambling LG220 Application for Exempt Permit for the Antique Tractor and Engine Club Inc. for October 24th, 2014.
- 6.8. Resolution #2014-100 Approve a Minnesota Lawful Gambling LG220 Application for Exempt Permit for the Antique Tractor and Engine Club Inc. for August 2nd, 2015.
- 6.9. Resolution #2014-101 Appointing Nate Avenson to Serve on the Parks & Beautification Board for the City of Park Rapids.
- 6.10. Resolution #2014-102 Approve Wage Adjustment for Part Time Rapids Spirits Liquor Store Clerk Jeff Olesen.
- 6.11. Approve Pay Request in the Amount of \$855,437.99 for Tri-City Paving for Construction Work Pertaining to the Crosswind

Runway 18-36 Paving and Lighting Project at the Municipal Airport.

- 6.12. Approve Pay Request in the Amount of \$2,267.72 to Heiman Fire Equipment for a Firefighter Uniform.**
- 6.13. Approve Pay Request in the Amount of \$35,270.17 to TKDA for Professional Services Pertaining to the Crosswind Runway 18-36 Project.**
- 6.14. Approve Pay Request in the Amount of \$10,966.87 to TKDA for Professional Services for the Development of Private Hangers at the Municipal Airport.**
- 6.15. Approve Pay Request in the Amount of \$758.40 to Apex Engineering Group for Professional Services Pertaining to the Water Meter Replacement Project.**
- 6.16. Approve Pay Request in the Amount of \$43,858.33 to Apex Engineering Group for Professional Services Pertaining to the Riverside Area Phase One Project.**
- 6.17. Approve Pay Request in the Amount of \$14,564.23 to Ulteig Engineers for Professional Services Pertaining to the Red Bridge Trail Project and the Water Treatment Facility.**
- 6.18. Resolution #2014-103 Appointment of Election Judges for the Primary Election for the City of Park Rapids for the Year 2014.**

END OF CONSENT AGENDA

Legislative Updates by Bradley Peterson from the Coalition of Greater Minnesota Cities: Peterson stated I'm with Flaherty and Hood in St. Paul. We do the legislative advocacy and the association management for the Coalition of Greater Minnesota Cities (CGMC), which Park Rapids has been a member of for quite some time. The Coalition has eighty-five members, everything from Grand Marais to Rochester and Duluth. We try to get out and visit each of our members at least once a year in person to give you an update on what transpired during the legislative session and what we expect going forward.

Peterson stated I'm going to focus on two issues related to local government aid (LGA) and property taxes, and then economic development and transportation. We also did some defensive work on environmental regulation and annexation. We were able to side track some bad ideas. That work took place as well. CGMC works on five issues, specifically from a greater Minnesota perspective, LGA, property taxes, economic development, transportation, environmental regulation, annexation, and land use. Last

year, there was significant reform of the LGA formula and an increase of \$80 million for cities. That was a significant turnaround for a program that had been bumping along at a static level for quite some time. It has also suffered some cuts in the recent past.

Peterson stated this legislative session was designed to be short and focused. It's the second year of the biennium. They did the state budget last year. They did a lot in that time. They handled issues including bullying, medical marijuana, minimum wage, the state senate office building, spent \$1.2 billion in new budget items, and did a capital investment package that was over a billion dollars. It's not that they did less this year. They just packed it into a short amount of time.

Peterson stated the February forecast for the state budget showed a \$1.2 billion surplus for the current budget cycle that we are in and is forecasting a \$2.6 billion surplus for the out years. It's speculative and things could change but that's what they are forecasting at this time.

Peterson stated our goals for the year were an increase in LGA, even though it's not a budget year. We thought it was important that they continue the momentum that they started last year and we were sure that they were going to be spending money on property tax aids and credit items so we wanted to make sure that the LGA program continued to get the legislator's consideration. We also had a number of economic development priorities that we wanted to see pass and worked on some transportation issues.

Peterson stated before we even got to the session, last September when cities set their preliminary levies, it caused quite a stir with certain members of the administration, Department of Revenue, and lawmakers. The preliminary levies came in with a total increase for cities of 2.1%. They were scratching their heads saying we were thinking that levies were going to go down. We gave cities exemption from sales tax, we gave \$80 million to LGA, we gave counties \$40 million in county program aid, we gave township's \$10 million, and other sorts of property tax relief. The increase drew a very negative reaction from the Dayton administration and some lawmakers, and consequently the folks in the media, which put a target on the LGA program. The idea being that we thought this was supposed to restrain property taxes. What's going on?

Peterson stated we did a lot of analysis. Here's what we found. The criticism of the city levies was very misplaced. At 2.1% it was the third lowest increase in the last twenty-five years. It was half of the average increase for the last ten years. We talked to our cities to see what you are spending the money on, and what's driving your budgeting decisions. We found that after the years of stagnant LGA funding and the great recession that cities were just getting to a point that they felt confident enough to do some of the work that they had not been doing and make some of the investments that they had been foregoing over the last several years, starting this year. I have been amazed as I have been traveling around how many cities are buying fire trucks. They had been extending the life of the ones that they have had for a couple of extra years to get by and they finally felt that they were in a place where they could finally purchase a new fire truck. Wages and benefits for many city employees had been flat. They're starting to get a little increase. Street maintenance that had been deferred over the last five to six years is finally getting the attention that they need. Cities were playing catch up.

Peterson stated we placed an article in the Star-Tribune in November to say you have to look at what cities are doing on an individual basis, the choices that they are making, and that they are improving the lives of their citizens. Whether the levy goes up or

down 1% to 2% isn't the main point. It's what's happening on the ground to strengthen our communities. At the end of the day, the final certified levies for cities were an increase of 1.6%, which was still very, very modest. We had to do a lot of work in that fall and early winter to time frame meetings with legislators, we sent letters, we met with Governor Dayton, and several of our mayors, to set the record straight. All of our cities were acting very responsibly and playing catchup on some items that had been deferred over the last ten years.

Peterson stated leading into that discussion of our increase for LGA we had a bill that got twenty co-authors from across Minnesota, republicans and democrats that signed on for an increase in LGA. The house was favorable in their tax bill. There was a lot of push back on the senate side. They did not want to put any money in. They said this is not a budget year. LGA should be in a budget year as an as needed basis. The governor did not have any LGA in his budget, but at the end of the day they did a \$7.8 million increase for 2015, and then a small increase for 2016. What that means for Park Rapids is your LGA for 2015 should be \$474,922.00, which is an \$11,000.00 increase from 2014. It's a modest bump, but it keeps us going in the right direction. Park Rapids LGA history over time has been flat for several years.

Peterson stated on the economic development front we did a lot of work on broadband. While traveling the state last year I heard from a lot of cities the thing that would drive economic growth in greater Minnesota is better broadband. Some parts of the state have excellent coverage, and some are still dealing with dialup. The governor had a task force that set some goals for where everybody should be. In Minnesota, we like to think of ourselves as ahead of the curve, but we rank about dead center of the states in terms of access to high speed internet. Greater Minnesota has about half the access and speeds that the metro area does. We proposed and were able to pass a broadband infrastructure fund that would help co-ops, local units of government, joint powers organizations, for-profit businesses, and non-profits, do broadband projects. They funded that at \$20 million. It will be run through the Department of Employment and Economic Development (DEED).

Peterson stated the CGMC has historically supported a program called the Greater Minnesota Business Development Public Infrastructure Grant Program (BDPI). It helps provide infrastructure for business development activities. A lot of cities have used it to bring companies into their industrial parks. It pays half the costs. That is refilled every year through the bonding bill. We had a bill this year that had strong bipartisan support. We were able to alternately, between state bonding and supplemental budget cash dollars, get \$6.2 million in that fund. It's a super successful program. DEED and our communities love using it. But there were some legislators in St. Paul from the metro area that did not want to put money in a greater Minnesota only program. We had to fight hard to get any dollars into that program.

Peterson stated next year there is a coalition of local governments, chambers of commerce, business people, non-profits, folks in health care, that are gathered together in a group called Move Minnesota. Our transportation lobbyist, also sits on the steering committee for CGMC on that group. They are pushing for a comprehensive transportation package. Receipts from the gas tax are not keeping up with the needs that are out there, so they are looking at some mixtures of new funding to meet our transportation needs. They did put a little bit of money into transportation this year specifically into the corridors

for commerce program, which is split 50/50 between greater Minnesota and the metro area and helps facilitate those routes in between cities and regional centers where you have a lot of truck traffic and commercial activity going. DEED has been doling out those monies to various projects in the last two years.

Peterson stated next year will be big for transportation. This is an election year. The governor is up for election, as are all of the house of representatives. There could be a lot of change in state government at this time next year. We're having our summer conference in Rochester in August. We've invited all of the gubernatorial candidates. It's after the republican primary so we'll know who the candidate will be. We've invited them to a forum that we're cohosting with the Rochester Post Bulletin and the Rochester Area Chamber of Commerce. We're also looking to do six or eight legislative candidate forums around the state where we partner with cities to bring candidates in to talk about issues and see where they stand.

Peterson stated the legislators spent \$1.2 billion. They spent the whole surplus basically. They put \$150 million into the budget reserve. It now stands at \$811 million, which is the highest that it's ever been. They put money into tax relief, both on the corporate and income tax side, property tax relief, the schools are getting a little bit of money, human services is getting a little. That is the full report.

Nordberg stated the \$20 million for broadband sounded like a lot but the chairman of Paul Bunyan Communications said that they needed \$2 billion. What's the future for broadband? Peterson stated the governor's task force had recommended \$100 million for the fund. The \$2 billion is if you bring every household in the state up to the state's goal. The first \$20 million here is the down payment to try and see how it goes. My hope is that we get a lot of good projects done for that money and that we continue the momentum to meet other needs that are out there. This was not an easy lift even though we got a lot of editorial support from newspapers across the state. We got over eighteen editorials in support of the idea of a broadband fund. If we are going to do economic development in Minnesota and retain jobs we have to have strong access to high quality internet.

Utke stated with Paul Bunyan they were looking at spending \$17 million to build out Hubbard County. We're just one little county and we could have consumed basically that whole pot so it doesn't go very far. Peterson stated the examples from other states, and one that we looked most closely at, was New York. They had a \$25 million fund. They were able to connect several hundred thousand residents and a lot of businesses for that money. Spent wisely, it can be done. Utke stated you have to cherry pick because when you get out here in the rural areas of northern Hubbard County there's a long ways between customers and it costs a lot of money to put in. Peterson stated that discussion, do you limit the funds just to those who have absolutely no broadband service, or do you also do those who might have broadband but don't meet the state's goals. It's a big challenge.

Peterson stated thank you for your support of the Coalition of Greater Minnesota Cities.

7. COMMENTS FROM CITIZENS: Ann Johnson stated I'm here about the rocks under the bridge. We live on the other side of under the bridge. We know about it, but we wouldn't have if we didn't come across the one article in the paper, and if Rutherford hadn't

come over and warned us not to drive our boat there. Are they going to try and remove some of those rocks? I think there would be a whole lot of people that won't be able to see those. I know how much traffic there is there.

Utke stated I drove by there today and saw the buoys still out there. McKinney stated this issue has been brought to my attention on more than one occasion. First of all, that waterway is under the jurisdiction of the DNR, not the city. The work that was done on the Red Bridge was a DNR contract, not ours. We don't have a lot of leverage. I encourage you to do as you see fit with the DNR. They are in charge of the contractor. That work is as near as we can tell the responsibility that they normally accept for those kinds of channels is to mark it. There are impediments in the channel that weren't there before, is what I understand. Their responsibility is to mark where the channel is. Part of the comments that I've received is that the places are marked, but they're not marked soon enough to do people any good so they can get in trouble before they even get to the marker. My point is, thanks for coming, but we really don't have anything to say about it. We are putting pressure as we can on them to do something about the problem, but we can only put pressure as you can.

Utke stated to me it's very shoddy work on their part even though we weren't in control of the contract. As a Council can we write a letter of dissatisfaction of the quality of that project? So much of it is good, but this one thing is going to be a major burr in everybody's saddle, or a letter of encouragement to get the rocks out of there if we put it on the positive side.

Johnson stated we had a yard full on the Fourth of July, but we heard more comments on, I hope they're not done as far as removing the landscape that is all down. It looks like hell. There are dead trees lying in there. Everyone said this is like getting a bad haircut. That group of people was supposed to have cleared all that brush and dead stuff out, well they never cleared any of it out. Utke questioned who are the people? Johnson stated when they were redoing now for the Red Bridge there's a bunch of dead trees down over there. Why didn't they haul those out of there? Utke questioned wouldn't the trees all come from private property owners? Johnson stated I think the DNR might own that property. So many people said what kind of a beautification project is this if they are going to leave all this dead stuff laying here? Utke stated if it's private land nobody can go take it.

Rutherford stated it's between the apartment buildings and the bridge. They just pushed that brush right down in there and left it. Johnson stated he's talking about on the highway. I'm talking about at the Red Bridge. They did all this beautiful work, and all these dead trees are still laying in there and the workers are all gone. Who's at fault to haul that stuff out of there and who do you go to and say this does not beautify the city. Every town you go to has a beautiful waterway.

Utke stated I hear what you're saying. You spend \$1/2 million on a project and you don't do the details. Rutherford stated the buoys are not doing any good. If you go through there at night you don't see the buoys. There are people that go up and down the river at night.

Nordberg questioned can we confirm that Dan Walker is aware of all these situations? Walker stated we have talked to the DNR about it. Nordberg questioned how about the trees in the park? Is that on our land? Fieldsend stated they are on DNR's and Hubbard County's. McKinney stated everything on the east side is Hubbard County or DNR. We have some work to finish, which will be on the west side of the bridge.

Johnson stated I have to look at this every day out of my window. They pulled away and they left it all laying in there. It looks horrible. Whatever I had read if that was their responsibility, they should have hauled all of that away with them. I said I'm going to tell somebody about these dead trees by this new project because it's got to be brought up or they're just going to lay there.

McKinney stated don't misunderstand my lack of answers to your questions, as being a lack of our concern as well. But we, like you, can only complain, and we are doing that, and we are going to finish up the part on the west side that is our job. Most of the problems are either in the channel or on the ground to the east side of the project. If you feel obliged to talk to those who are responsible, you can stop by my office for phone numbers.

Walker stated we have talked to them. We've explained the issue and it's petered out. How much time do we spend on trying to climb the ladder? I'm not saying it isn't a concern to us. We are aware of it. Our frustration is the same. We're getting the same answers that nobody can do anything about it. McKinney stated we can't withhold payment because it isn't our contract. Utke stated it's too bad we even have to waste time with it but I do believe it's pretty important when it's fresh in everybody's minds. If we as individuals put pressure on them, we need to get something done. It's a black eye to the project. McKinney stated it's a pressure thing to push now. It is their jurisdiction. Walker stated the Corp of Engineers deals with the bottom of the channel. There are so many agencies that we're running into that we can't get a straight answer. I share the frustration. If it was easy for me to pull rocks out, that would be great.

Johnson stated a normal person would go right under the center of the bridge. If you would do that you would be sitting on top of a rock. It's horrible. McKinney stated I will see if I can open the communications with the right people. Rutherford stated Konshoks tore out the bottom of their motor there. Utke stated we'll continue to work on it.

8. PLANNING:

8.1. Resolution Authorizing Proper City Officials to Execute the Contract for Services-Building and Plumbing Official by and between Ronald E. Dick d.b.a. Municipal Inspections Company and the City of Park Rapids: Walker stated the city has had a contract with Ron Dick since 2010. He wants to extend the contract as it is until the end of 2015. McKinney stated staff is recommending it. **A motion was made by Randall, seconded by Nordberg, and unanimously carried to approve Resolution #2014-104 Authorizing Proper City Officials to Execute the Contract for Services-Building and Plumbing Official by and between Ronald E. Dick d.b.a. Municipal Inspections Company and the City of Park Rapids.**

8.2. Resolution Authorizing Proper City Officials to Execute the Contract for Services-Rental Housing Inspector by and between Ronald E. Dick d.b.a. Municipal Inspections Company and the City of Park Rapids: Walker stated Dave Neisen resigned as the rental inspector. This would be similar to the situation with Neisen, Ron Dick will serve as rental inspector as Neisen had. The terms of the contract are the same. It will run through 2015. Staff is recommending this as well. **A motion was**

made by Nordberg, seconded by Randall, and unanimously carried to approve Resolution #2014-105 Authorizing Proper City Officials to Execute the Contract for Services-Rental Housing Inspector by and between Ronald E. Dick d.b.a. Municipal Inspections Company and the City of Park Rapids.

9. GENERAL BUSINESS:

9.1. Status Report from Chairperson Mike Monsrud of the Upper Mississippi Arts Council: *Rescheduled for the August 4th, 2014 meeting.*

9.2. Resolution Authorizing Proper City Officials to Execute a Contract for Criminal Legal Services by and between County Attorney Don Dearstyne and the City of Park Rapids: *Rescheduled for the August 4th, 2014 meeting.*

9.3. Discussion on North Main Avenue Street Rehabilitation Project:

Jon Olson, from Apex Engineering Group, stated at our last meeting in June we were discussing the Riverside Area Project and its timing. We went through the options available to us, and ultimately determined that it is probably in the city's best interest to do that in one season in 2015. One reason that contributed to that decision is that it gave us an opportunity to include the North Main Avenue Improvements into this construction contract. North Main Avenue from Trunk Highway 34 to Truck Highway 71 has been scheduled on the city's capital improvement plan (CIP) for several years for a surface rehab. If you've driven on it lately you'll notice that the surface is starting to deteriorate and the drive quality has become poor. In order to preserve that pavement some type of rehabilitation is necessary. This project is likely assessable according to the city's assessment policy. So the traditional steps of the preliminary engineering report, public hearing, design, bidding, would apply to this project.

Olson stated we are here today to request your formal consideration of moving this project forward and including it with the Riverside Area Improvement Project in 2015. There are two resolutions in your packet. The first one is a resolution to authorize an agreement between Apex Engineers and the city to move forward with this work. We also included estimated fees, and our billing procedure. The second is a resolution authorizing preparation of the preliminary engineering report.

McKinney stated this is the second time that we have utilized this format. We have a general services agreement with Apex, project by project, and each project is authorized by a separate task order. That is what they are bringing you now. This is a little different format than you've had in the past.

Olson stated in order to keep us on track with the Riverside Improvements moving this along quickly is necessary if we want to get this project bid out early in 2015. We're looking at bringing the preliminary engineering report back for the second meeting in August, holding a public hearing at the second meeting in September, and completing this design from that point to December. At that point we would request your approval of the specs and go out for bidding.

McKinney questioned there's no utility work? Olson stated there isn't any utility work anticipated on this. As part of the preliminary engineering report, we'll visit with public

works to determine if there are any immediate needs that they are aware of. We'd certainly bring those to your attention prior to doing any surface improvements.

Utke questioned is this a complete removal of the tar and just a grind and replace it. Olson stated without looking at it and doing our pavement evaluation, I can't really answer that with a high degree of certainty that we can do an edge mill and an overlay with some spot corrective repair. The preliminary engineering report would better determine our recommendation for improvement.

Nordberg questioned is there any broken sidewalk? Do you look at that? Olson stated it's an opportune time to look at that when we have construction crews in the area. We'll be looking at the curb and gutter, and sidewalk. If there are areas that we think are defective and it's in the city's best interest to replace, we'd certainly bring that to your attention. Utke stated that's per your design period when you'd actually be out there looking it over. Olson stated right, we'd have a general idea if there are some areas that we want to correct during the preliminary stages, but once we get into the design is when we'd really nail down those areas.

Nordberg questioned in terms of assessments do you know, since Main Avenue is so wide, not a standard street, do people only get assessed for the small street width? What happens to the extra width? Olson stated the extra width is city share. The people are only assessed for 60% of the standard residential sized street.

Nordberg questioned combining it with the Riverside Area Project I'm assuming there's economy to scale you're looking at. Does it complicate or simplify the hearings? Olson stated that's a hard question to answer. I don't think that it would have any impact on the hearing itself. There may be some additional people in attendance but the subject matter itself will be the same. If we run a good meeting I don't think it will matter.

Nordberg questioned is this schedule that you presented identical? Olson stated the dates coincide perfectly with the Riverside Project.

A. Resolution Authorizing Proper City Officials to Execute the Task Order for the North Main Avenue Street Rehabilitation Project by and Between Apex Engineering Group and the City of Park Rapids: A motion was made by Nordberg, seconded by Randall, and unanimously carried to approve Resolution #2014-106 Authorizing Proper City Officials to Execute the Task Order for the North Main Avenue Street Rehabilitation Project by and Between Apex Engineering Group and the City of Park Rapids.

B. Resolution Preparation of Preliminary Engineering Report for the North Main Avenue Street Rehabilitation Project in the City of Park Rapids: A motion was made by Randall, seconded by Nordberg, and unanimously carried to approve Resolution #2014-107 Ordering Preparation of Preliminary Engineering Report for the North Main Avenue Street Rehabilitation Project in the City of Park Rapids.

9.4. Reject All Bids for the Hanger Site Preparation and Drainage Improvement Project: McKinney stated we had a bid letting for the work that is really in preparation for the proposed t-hanger expansion at the airport. It's a project that is required by the state before we get any more funding. We went to a bid letting and the low bid came

in 62% over the engineer's estimate. Part of that would appear to be because we are late in the bidding season. Companies have plenty of work. They don't seem to be real hungry right now. Plus, there is something to do with the soil, if we provide it that will cut down the cost of the bid. The recommendation from the engineers, and supported by the public work director is that we reject these bids and re-advertise at an appropriate time.

A motion was made by Nordberg, seconded by Randall, and unanimously carried to approve the action to reject all the bids, and to authorize the re-advertising.

10. CITY ADMINISTRATOR UPDATE: McKinney stated the part of the Red Bridge Project that we are responsible for is about to be completed. It is past the time that we hoped to have it done, and that is the paving of the parking lot. It's graded and ready to go. After talking with all the principals involved, it's my understanding that they will be here on Thursday to do the work. We had several complications that delayed the work.

McKinney stated on tonight's agenda was a request for the Chairman of the Upper Mississippi Center of the Arts to give us a status report. He will be doing that at the next meeting because he thought it would be helpful to have all Councilmembers present to hear that report. We are now in conversation with DEED Representative Roy Murphy who will be working with us through the necessary stages for the \$2.5 million state grant. We have contacted our legal consul on how best to proceed with the review of documents. The Board of the Upper Mississippi Center for the Arts will contact their own legal consul and do their own legal work. We will need to have some protection in that regard. We would like to have authority to include what we already have in the budget for legal services, at least in this initial stage, to do such things as a conference call with Mr. Murphy and Chris Hood to get an idea of what things to expect as soon as possible. We'll be presenting you with more details in that regard. I would presume that we will keep track of all the costs we incur with regards to this, and they would be part of what we retain of the \$2.5 million as administration costs. It's possible that we won't do the deal, in which case we won't have any money to take administration costs out of. We'll have some potential exposure, but it should be minimal. I talked to Chris Hood about getting started and he thought that we shouldn't jump in with both feet until we find out what the deal is, and then we'll decide what we want to do.

McKinney reminded the Council the next meeting is on Monday, August 4th, 2014, and not Tuesday.

11. DEPARTMENT HEAD UPDATES: Fieldsend stated Red Bridge Park has quite a bit left to do. We are waiting for the asphalt to get done. We have landscaping, electrical, and concrete left to do.

Walker stated the Pioneer Park dedication is Thursday morning at 11:00 a.m. Everyone is invited to a short program and refreshments. I received an email from Henrietta Township Attorney Troy Gilchrist who said that the annexation amendment was approved and is in effect as of today.

Eilers stated there will be some street closures for Crazy Days, park dedication, a footrace, concerts. There are a lot of activities happening in the downtown area this week.

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

13. COMMENTS FROM COUNCIL: Nordberg stated I attended a meeting of the city HRA Board. There were a lot of compliments for our police force. There have been a number of trips there which were required to meet with tenants of River Heights. The manager, the residents, and the board members are really grateful for Eilers' people being sensitive and firm with what has to be done. From their point of view the police department is very helpful.

14. ADJOURNMENT: A motion was made by Nordberg, seconded by Randall, and unanimously carried to adjourn the meeting at 6:50 p.m.

[seal]

Acting Mayor Paul Utke

ATTEST:

Margie M. Vik
City Clerk