

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
SEPTEMBER 9, 2014, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The September 9th, 2014 Regular Meeting of the Park Rapids City Council was called to order at 6:10 p.m. by Mayor Pat Mikesh, and everyone present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Mayor Pat Mikesh, Councilmembers Dave Konshok, Rod Nordberg, and Erika Randall. Absent: Councilmember Paul Utke. Staff Present: Administrator John McKinney, Treasurer Angela Brumbaugh, Public Facilities Manager Chris Fieldsend, Police Chief Terry Eilers, Planner Dan Walker, Liquor Store Manager Scott Olson, and Clerk Margie Vik. Others Present: Dick Rutherford, Mike Monsrud, Pam Hauber, and Anna Erickson from the Enterprise.

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

Add to the Consent Agenda, Item #7.5. Resolution Authorizing Execution of Minnesota Department of Transportation Grant Agreement for Airport Improvement Excluding Land Acquisition.

Add to Information, Item #12.6. Memo from Public Facilities Superintendent Chris Fieldsend.

4. EMPLOYEE RECOGNITION: Mayor Mikesh stated Rapids Spirits Employee Betty Norlin has achieved ten years of employment, and City Clerk Margie Vik has achieved fifteen years of employment. Mikesh presented Vik with her certificate of achievement.

5. APPROVAL OF MINUTES:

5.1. City Council Regular Meeting Minutes-August 26, 2014: A motion was made by Randall, seconded by Nordberg, and unanimously carried to approve the August 26th, 2014 City Council Regular Meeting minutes as presented.

6. FINANCE:

6.1. Payables & Prepaids: A motion was made by Konshok, seconded by Nordberg, and unanimously carried to approve the payables in the amount of \$66,831.13, and the prepaids in the amount of \$1,035,820.13, for a total of \$1,102,651.26.

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

- 7.1. Resolution #2014-123 Approve Minnesota Lawful Gambling LG220 Application for Exempt Permit for Park Rapids Chapter of the Minnesota Deer Hunters Association.
- 7.2. Approve Purchase Order in the Amount of \$2,364.45 for Four (4) Barrels of Hydraulic Fluid and Motor Oil from Farstad Oil.
- 7.3. Accept the Highest Bids for Forfeited Vehicles from August 12th, 2014 for a Total Revenue of \$14,936.08, Approve Payment to the State of Minnesota in the Amount of \$1,786.00, and Payment to the Hubbard County Attorney's Office in the Amount of \$3,617.60, for the 2013-2014 property sold due to forfeitures.
- 7.4. Utility Billing: Approve Credit in the Amount of \$5,262.43 in Penalties for Heritage Living Center at 619 Sixth Street West.
- 7.5. Resolution #2014-124 Authorization to Execute Minnesota Department of Transportation Grant Agreement for Airport Improvement Excluding Land Acquisition.

END OF CONSENT AGENDA

8. COMMENTS FROM CITIZENS: Dick Rutherford stated part of the Red Bridge Project looks real good, and part of it does not. For snowmobile parking and bicycles, if you have three bikes on the back of your van, don't back up, you will run into someone. There is no room. It's terrible. Who designed the parking lot? It looks like a DNR project all the way. Try to drive through there and you are not going to get through. Konshok stated it's like the Methodist parking lot used to be. There's not a lot you can do with that little square. Rutherford stated they could have made it bigger. Konshok stated part of it was the trail route. There are minimum widths the trail had to be. That drove a lot of where you could put the parking lot. We maximized it as best we could, but it's not a very big parcel. It's not designed for a lot of snowmobiles and trailers. There is still Heartland Park. It's really just meant to be additional parking.

9. GENERAL BUSINESS:

9.1. Resolution Adopting Preliminary General Fund Budget for the Year 2015 for the City of Park Rapids: Brumbaugh questioned for the general fund budget, are you leaving everything in as presented, or are you taking something out? Nordberg stated this will be the maximum amount we put in here. We cannot increase this, but it can be decreased in December. Brumbaugh stated the first resolution is approving the general fund budget. The second resolution is to adopt the proposed property tax levy. In order to have your Truth in Taxation hearing go smoothly, you will need to make your final decision by November 25th to give us enough time to put everything together. We have to hold a Truth in Taxation hearing. McKinney stated that basic statement is correct. You can go down, but you can't go up later.

Nordberg questioned is it permissible to shift within the budget? That's up to us? McKinney stated you can change line items, you can't change the total if it's dependent upon levies, which it isn't totally. We can change the budget, we just can't increase the levy. The exercise you just went through in the last hour was to pick what you want us to do.

Brumbaugh stated whatever you select we will make the adjustment in your budget numbers. Nordberg questioned can Eilers give a rough number if we followed Randall's suggestions and went up a couple of pay steps. Eilers stated it would be about \$2.00 an hour more. Brumbaugh stated you have to remember that is the actual wage, but then you have PERA, FICA, etc. You have to figure at least 15%. You'd need an additional \$5,750.00. Nordberg questioned any suggestions of what we can cut in order to step up? Randall stated I haven't seen all these numbers yet, but I was going by the fact that we just lost an officer who was at the top of the pay scale. That's what I was comparing, not this budget that I was just handed an hour and a half ago. McKinney stated if we find the right individual we can hopefully make some other adjustments, but it would have to be an adjustment. Konshok stated the idea, like the beach house, we can shift laptops, or the squad car, or both, from the general fund over to the liquor fund, which is a total of \$45,000.00 to offset that if need be. Brumbaugh stated you could even split it if you wanted to. If you found someone you wanted and it's going to cost \$6,000.00 more, you can split how much is coming out of the liquor fund on one of those big items, and how much is general.

Nordberg questioned are we anticipating any airport demands on the liquor fund under the next year? I don't want to run out of money here. Konshok stated we aren't looking at the CIP specifically here. There are no surprises. The only surprises we've gotten were good, like more money from the state. I don't see any major changes for any projects, airport or roads that would derail the CIP.

Randall stated where does the airport fall, under public works? Brumbaugh stated it's not in here yet. That's a special revenue, enterprise fund. McKinney stated there is no levy for the airport.

Mikesh stated I like the last option which would keep the officer in. Brumbaugh stated if you went with that option with the idea that if you hire someone above entry level, we'll make adjustments. Otherwise, your total budget would be \$2,969,025.00. I'm talking about the actual general fund budget. With everything in it your budget is \$3,062,335.00. If

I take out the stone building, reallocate salary for the treasurer, city administrator, and the public works superintendent, and took out the pay equity study, adding \$4,600.00 in for insurance, then your total budget is going to be \$2,969,025.00. McKinney stated that does not count in debt service.

Nordberg stated I'm not clear on your percentage. Brumbaugh stated you'll approve the levy number next. The only difference is that I added the \$4,600.00, so it's up from 2.9% to 3.15%. The increase is because of the Minnesota Supreme Court ruling on worker's compensation that's going to affect us.

A motion was made by Mikesh, seconded by Nordberg, and unanimously carried to approve Resolution #2014-125 Adopting Preliminary General Fund Budget for the Year 2015 for the City of Park Rapids, with the a total general fund budget of \$2,969,025.00.

9.2. Resolution Adopting Proposed Property Tax Levy for Tax Year Payable 2015: Brumbaugh stated for the general fund levy, based on the general fund budget you just agreed upon, you are saying \$1,720,630.00. The total levy will be \$2,370,530.00. **A motion was made by Konshok, seconded by Randall, and unanimously carried to approve Resolution #2014-126 Adopting Proposed Property Tax Levy for Tax Year Payable 2015.**

10. CITY ADMINISTRATOR COMMENTS: McKinney stated the open house at the airport is this Friday. There is a public hearing scheduled for September 23rd, 2014 at 5:00 p.m. for the North Main Avenue Street Improvement. At the Council that same night you will need to set the hearing date for the Truth in Taxation meeting. There may be some additional time needed at that meeting for Mr. Monsrud. Monsrud stated he would need about fifteen minutes. McKinney stated you will need to change your hat to the EDA Board for any action that would require. We're not sure yet what all he will present to you. If it's strictly information then you'll be fine. We're going to meet before that to make some decisions at the staff level. On October 14th, at a workshop, the Facilities Superintendent has a presentation to make at 5:00 p.m. He's done a lot of work to put this together on all of the facilities that you may or may not recognize that are ours, but yet we have to be responsible for. For the regular meeting on October 28th, I'll be gone. On November 12th, 2014, instead of the 11th, which is Veteran's Day, we will have a 4:45 p.m. workshop for the CIP budget. We'll do the Canvass Board for the municipal election at 5:45 p.m., and then the regular meeting at 6:00 p.m. On November 25th, 2014, we will need final budget approval. On December 9th, 2014, the Truth in Taxation Hearing will be at 6:00 p.m.

McKinney stated we are operating under the assumption that we will not have a second meeting in December as usual. If there is anything that you want to get in we are at least scheduled through to December 9th, 2014.

McKinney stated there will be some activity, in addition to what I've just discussed, for the EDA. There's an application coming down the pipe for the rollover of a loan that Armory Square has. It matures in early October. You'll have to deal with that request. There's also a newly filed application for a loan by Armory Square for additional work to be done. That hasn't reached us yet. I'm sure they're going to want to talk about that by October 28th. The calendar is going to be full.

Nordberg questioned is the Truth in Taxation hearing going to be on December 9th? McKinney stated we will set the date of the hearing on September 23rd, and the hearing will actually be on December 9th.

Nordberg questioned do you want to talk about the meeting on December 23rd? McKinney stated you don't have to decide right now. Usually you don't want to meet for the second meeting in December. Vik stated I can present a request to cancel it later on in the year. Konshok stated I would say don't plan on it, but if for whatever reason there's some legal action that comes up, we may have to meet.

11. DEPARTMENT HEAD UPDATES: Eilers stated now that the budget is done I can get back to the real police work. Scott Olson stated the public works department installed heat cables in the gutters in preparation for winter.

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

13. COMMENTS FROM COUNCIL: Konshok stated Friday we will hold our big event, the dedication of the Crosswind Runway. Congressman Nolan has confirmed that he will attend, as well as our MN DOT Commissioner, and the Department of Aeronautics Director. 90% of the funding for this project came from the FAA, and 5% from MN DOT. Thanks to them we got a lot of project. At noon from the staging area, which is the arrival/departure building, we'll bus the dignitaries out to the runway for a photo opt, and a ribbon cutting. After that we'll come back for the Open House, from 1:00 p.m. to 4:00 p.m. at the arrival/departure building where the Mayor and Congressman Nolan will address the group. There will be aircraft on display. Park Rapids Aviation and Avionics will open their doors to look around.

Mikesh stated I would encourage the public to show up at the event. There are a lot of things happening out there. It's looking really nice.

14. ADJOURNMENT: A motion was made by Nordberg, seconded by Randall, and unanimously carried to adjourn the meeting at 6:40 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk