

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
APRIL 28, 2015, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The April 28th, 2015 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 Rod Nordberg, Erika Randall, and Paul Utke. Absent: Councilmember Dave Konshok. Staff Present: Administrator John McKinney, Public Works Superintendent Scott Burlingame, Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, Planner Ryan Mathisrud, Fire Chief Donn Hoffman, Police Chief Terry Eilers, Liquor Store Manager Scott Olson, and Clerk Margie Vik. Others Present: Dick Rutherford, Monte Eastvold, and Kevin Cederstrom from the Enterprise.

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

Consent:

6.7. *Additional Information:* Utility Billing: Deny Request for a Credit of \$135.69 for the Sewer Portion of the 2015 First Quarter Utility Billing for Dean and Joyce Walsh at 609 Third Street West, PID #32.55.03900.

Add to Consent:

6.36. Resolution Approve Temporary On Sale Liquor Licenses for the Northern Light Opera Company in the City of Park Rapids.

Remove from Planning:

8.1. Request to Withdraw from the Henrietta/PR City Orderly Annexation Agreement.

Add to Planning:

8.2. Resolution Authorizing the Proper City Officials to Execute the Easements for Utility Infrastructure for the City of Park Rapids.

General Business:

9.1. *New Information:* Bond Issuance Information.

4. APPROVAL OF MINUTES:

4.1. City Council Regular Meeting Minutes-April 14, 2015: A motion was made by Nordberg, seconded by Randall, and unanimously carried to approve the April 14th, 2015 City Council Regular Meeting minutes as presented.

4.2. Local Board of Appeal & Equalization Meeting Minutes-April 17, 2015: A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve the April 17th, 2015 Local Board of Appeal & Equalization Meeting minutes as presented.

5. FINANCE:

5.1. Payables & Prepaids: A motion was made by Utke, seconded by Randall, and unanimously carried to approve the payables in the amount of \$119,213.49, and the prepaids in the amount of \$24,769.89, for a total of \$143,983.38.

6. CONSENT AGENDA: Nordberg removed Item #6.3. Utke removed Item #6.7. Utke questioned regarding Item #6.31. being these are past employees is this correct? Brumbaugh stated yes. The only time we actually pay unemployment is if someone is collecting it.

A motion was made by Utke, seconded by Nordberg, and unanimously carried to approve the following consent agenda items:

- 6.1. **Approve a Plumber's Permit to Work in the City of Park Rapids in 2015 for Denny's Plumbing, Heating and Air Conditioning.**
- 6.2. **Approve a Backhoe Operator's License to Work in the City of Park Rapids in 2015 for Cooperative Development LLC and Area Excavating.**
- 6.3. *Removed from the consent agenda.*
- 6.4. **Approve Pay Request in the Amount of \$24,930.72 to the Hubbard County Auditor/Treasurer for the 2015 Property Taxes.**
- 6.5. **Resolution #2015-71 Authorizing Proper City Officials to Execute the Memorandum of Understanding by and between the City of Park Rapids and the Minnesota Teamsters Public and Law Enforcement Employee's Union Local No. 320.**
- 6.6. **UTILITY BILLING: Approve Request for Credit of \$7.77 for the Sewer Portion of the 2015 First Quarter Utility Billing for Terry Bopp at 506 Lake Avenue North, PID #32.47.00700.**
- 6.7. *Removed from the consent agenda.*
- 6.8. **Approve Pay Request in the Amount of \$3,535.52 to Olaf Anderson Contracting for Repairs to Public Safety Building.**

- 6.9. Approve Cancellation of the Ameripride Contract (Laundry Service for Rugs, Shop Rags, and Uniforms) and Authorize City Administrator to Negotiate any Possible Penalties Due to Early Cancellation.**
- 6.10. Approve G&K Laundry Service, using State Bid Pricing, for the Various City Departments.**
- 6.11. Approve Low Bid from Lee Davis Electric in the Amount of \$3,150.00 for the Installation of CO2/NO2 System for the Public Safety Building.**
- 6.12. Approve the Purchase of Trashcans, Benches, and Picnic Tables for Lindquist Park from Premier Polysteel in the Amount of \$13,498.00.**
- 6.13. Resolution #2015-72 Appointing Charles Barbin as Temporary Seasonal Part Time Public Works Employee for the City of Park Rapids.**
- 6.14. Resolution #2015-73 Appointing Dale Klingenberg as Temporary Seasonal Part Time Public Works Employee for the City of Park Rapids.**
- 6.15. Resolution #2015-74 Authorizing Proper City Officials to Execute the Third Addendum to the Independent Contractor Agreement by and between John F. McKinney Jr. and the City of Park Rapids.**
- 6.16. Resolution #2015-75 Accepting the Resignation of Police Officer Jeffrey Hulse for the City of Park Rapids.**
- 6.17. Approve Advertising and Interviewing for the Vacant Full Time Police Officer Position.**
- 6.18. Resolution #2015-76 Authorizing Proper City Officials to Execute the Task Order for the Municipal Airport Easement by and between Apex Engineering Group Inc. and the City of Park Rapids.**
- 6.19. Authorize Minnesota Energy to Extend a Gas Main to the Municipal Airport for \$1,270.00.**

- 6.20. Approve the Purchase of Five (5) Hand Held Radios for the Park Rapids Fire Department under the State Bidding Price of \$800.00 each, for a total of \$4,000.00.**
- 6.21. Approve the Purchase of a Safety Harness and Lanyard for the Park Rapids Fire Department from Grainger in the Amount of \$790.28.**
- 6.22. Resolution #2015-77 Authorizing Sale of Excess City Property from the City of Park Rapids.**
- 6.23. Approve Pay Request in the Amount of \$400.00 to Northland Trust Securities for the 2005a General Obligation Crossover Bond.**
- 6.24. Approve Pay Request in the Amount of \$66,365.00 to Northland Trust Securities for the 2007 General Obligation Bond.**
- 6.25. Approve Pay Request in the Amount of \$17,077.50 to Northland Trust Securities for the 2008 General Obligation Bond.**
- 6.26. Approve Pay Request in the Amount of \$8,850.00 to Northland Trust Securities for the 2009a Crossover Refunding General Obligation Bond.**
- 6.27. Approve Pay Request in the Amount of \$2,595.00 to Northland Trust Securities for the 2009b General Obligation Bond.**
- 6.28. Approve Pay Request in the Amount of \$18,737.51 to Northland Trust Securities for the 2010a General Obligation Bond.**
- 6.29. Approve Pay Request in the Amount of \$66,196.88 to Northland Trust Securities for the 2010b General Obligation Bond.**
- 6.30. Approve Pay Request in the Amount of \$530,878.75 to Northland Trust Securities for the 2010c Refunding General Obligation Bond.**
- 6.31. Approve Pay Request in the Amount of \$3,896.43 to Minnesota Unemployment Insurance for Unemployment Benefits Paid Out.**
- 6.32. Approve Proposal in the Amount of \$9,250.00 for Minnesota Valley Irrigations to Install Pump Controls on all Five (5) of the Wastewater Irrigator Systems.**

- 6.33. **Approve Budget Adjustment to Add \$10,000.00 to Sewer – Capital Outlay #602-80150-36700, which will reduce the net income from \$235,246.00 to \$225,246.00.**
- 6.34. **Resolution #2015-78 Approve Minnesota Lawful Gambling LG220 Application for Exempt Permit for Headwaters Humane Society.**
- 6.35. **Approve Taxi Cab Licenses (2) to Conduct a Taxi Service within the City of Park Rapids in 2015 for Raymond Holman d.b.a. PR Taxi.**
- 6.36. **Resolution #2015-79 Approve Temporary On Sale Liquor Licenses for the Northern Light Opera Company in the City of Park Rapids.**

END OF CONSENT AGENDA

6.3. Approve Public Facilities Use Permit for the Park Rapids Area All School Reunion to Use Fourth Street, Pleasant Avenue, Second Street, Main Avenue, and Fifth Street for an All School Reunion Parade, on Saturday, August 15th, 2015 from 3:00 p.m. to 6:00 p.m.:

Mikesh stated the All School Reunion Committee is also requesting that the permit fee be waived for this. Nordberg stated this is a request for a parade for the All School Reunion. The Chair Lefty Anderson is here to tell us about it.

The All School Reunion is every five years. In 2010 we didn't have a parade because Main Avenue was all torn up. So instead we had a flotilla down the river, which was very successful. This year we'll have a parade again on Saturday, August 15th starting at 3:00 p.m. We'll meet at the fairgrounds. We'll come down Fifth Street, Main Avenue to Second Street, then go west to Pleasant, and then two blocks to Fourth Street, and then back to bus garage again. We're not crossing any major highways. We're also requesting that the fees be waived.

Utke stated I was encouraged by the fact that it's a three hour window. I thought you were planning something major. Anderson stated we're hoping for a lot of entries, but we never know. I'm expecting that within an hour it will be over with.

A motion was made by Nordberg, seconded by Utke, and unanimously carried to approve Public Facilities Use Permit for the Park Rapids Area All School Reunion to Use Fourth Street, Pleasant Avenue, Second Street, Main Avenue, and Fifth Street for an All School Reunion Parade, on Saturday, August 15th, 2015 from 3:00 p.m. to 6:00 p.m.

6.7. UTILITY BILLING: Deny Request for a Credit of \$135.69 for the Sewer Portion of the 2015 First Quarter Utility Billing for Dean and Joyce Walsh at 609 Third Street West, PID #32.55.03900: Utke stated we got some additional information on this tonight. It does say they haven't received a bill yet from the plumber. Did anyone go on site to inspect the leak? Burlingame stated they never informed us, so no we didn't. Utke stated if we wanted someone other than the owner we could refer to the plumber to check

the building to find out if it's legitimate. Then we would be able to work with them on the sewer part. From what I understand they haven't gotten billed yet, so I'd like to see this tabled to give them the opportunity to bring more of that data back to us. Then we could consider this at the next meeting. McKinney suggesting referring it to staff and we'll do a follow-up and bring it back to you.

Nordberg questioned should we hold any penalties? Utke stated they've paid their bill already. This would just be a refund or credit.

Discussion on Item #6.19. Authorize Minnesota Energy to Extend a Gas Main to the Municipal Airport for \$1,270.00: Burlingame stated we got an estimate from the gas company for \$1,270.00 to extend the gas main for about 900 feet to service some future corporate hangers. We got some information later on that it will cost us about \$15,000.00 if they don't all build out. We don't have any way to guarantee that will happen. I believe this is important and we need to extend the gas. If we happen to build all of the corporate hangers this year, we'll get the credit.

Nordberg questioned the timeline, the deadline is this year? McKinney stated we have people that would like to start construction of the facilities that would be serviced by this line, and to do that they need to get an answer by the middle of May. Mikesh stated at the time that the main is installed if you don't have all of the hookups that you thought were going to be there, then they will hit you with that \$12,000.00. It's all or nothing.

McKinney stated the problem is we have to put in a main that's big enough to serve all of the lots that we think we're going to have, but we don't have them all ready to start drawing gas at this point. Burlingame stated we have a method to recoup that, at the time that they build, we can charge them a hookup fee. McKinney stated as staff we're proposing that we develop a cost for site development so that when these leases are entered into now or later that the amount will be added to the lease arrangement before they take occupancy. We aren't going to get it for \$1,270.00. There are six or seven lots, but we will not have that many ready to hookup. It will be more than \$1,270.00, but less than \$15,000.00. If they are not ready to hookup the gas company is not going to be able to sell gas. We start with the basic premise of \$15,000.00. If it's less than that we'll scale it back, but we have to get going. Utke stated those are nice developments being proposed out there, and we need this.

McKinney stated what you approved on the consent agenda, #6.18, is getting the physical description of the easement itself. When that happens we'll be ready to tell the gas company go or no go. Our recommendation is to go ahead with the agreement with the gas company, which you approved on the consent agenda as #6.19, but to change the amount to \$15,000.00 or less, that way we can move forward. Staff is proposing that the lease include the costs in some fashion. We have to pay it up front, but we'll get it back.

A motion was made by Utke, seconded by Nordberg, to amend the previous motion on Item #6.19. from the consent agenda, to: Authorize Minnesota Energy to Extend a Gas Main to the Municipal Airport for an amount not to exceed \$15,000.00.

The vote was called.

The following Councilmembers voted in favor: Nordberg, Randall, Utke.

The following Councilmembers voted nay: None.

The following Councilmember abstained: Mikesh.
The motion carried 3-0, with 1 abstention.

7. COMMENTS FROM CITIZENS: There were no comments.

8. PLANNING:

8.1. Request to Withdraw from the Henrietta/PR City Orderly

Annexation Agreement: Mathisrud stated the applicant contacted me and requested this item be removed from the agenda. (*Item was removed from the agenda at the beginning of the meeting.*)

8.2. Resolution Authorizing the Proper City Officials to Execute the Easements for Utility Infrastructure for the City of Park Rapids:

Mathisrud stated as part of the street project on Mill Road, North Main, and Riverside, the project on Mill Road is going to require some storm sewer infrastructure to drain storm water. This is an easement that would allow us to install that infrastructure. Staff is requesting authorization to have the Mayor execute them. As part of this project we also have a grant application in to hopefully secure additional funds to install a storm inceptor which would help to remove sediment. There's no guarantee that we'll receive that funding.

A motion was made by Randall, seconded by Nordberg, and unanimously carried to approve Resolution #2015-80 Authorizing the Proper City Officials to Execute the Easements for Utility Infrastructure for the City of Park Rapids.

9. GENERAL BUSINESS:

9.1. Bond Issuance Information:

Monte Eastvold, from Northland Securities, stated I'm here to discuss and answer any questions you might have regarding this bond issue. On May 26th the Council will be considering a new bond issue, which is two parts. One is a refunding, the refinancing of an old bond issue, that would be the smaller portion of the total. The total would be \$3.88 million. Of the refunding issue, by way of the refinancing interest rates you will be reducing your debt service payments by a total of about \$37,357.00. Then the new money portion is \$3.19 million. That will address the North Main and Riverside Project. That issue is going to be spread over twenty years. We're estimating at this point that the average interest rate over that new bond issue will be approximately 3% or a little below that. That will be payable through a combination of special assessments and tax levies. The special assessments will take up about 38% of the revenues and the balance will be tax levies over time. The main action that we need tonight is to set the sale date for May 26th, 2015. On that day we will gather bids from various underwriters. We'll bring the tabulation of bids back to you, and then award the bid to the lowest underwriter.

A. Resolution Providing for the Issuance and Sale of General Obligation Improvement and Refunding Bonds, Series 2015A, in the Proposed Aggregate Principal Amount of \$3,880,000: A motion was made by Utke, seconded by Randall, and unanimously carried to approve Resolution #2015-81 Providing for the Issuance and Sale of General Obligation Improvement and Refunding Bonds, Series 2015A, in the Proposed Aggregate Principal Amount of \$3,880,000.

10. CITY ADMINISTRATOR COMMENTS: McKinney stated a remediation team will be coming in on May 12th for the public works building. We have some water damage and mold issues. That company will take a couple of weeks to take care of that. There is a portable office building sitting there. That is where we will put the police department personnel temporarily while the remediation is going on. As soon as that's done, we'll come to you with a plan for tiling the floor, etc. That will be another step coming. We brought other issues to you, namely how to cease the problem to prevent it from happening again.

McKinney stated you approved the addendum to the Teamster's contract, which will expire in 2017.

McKinney stated we're working with the armory project. We have a meeting May 4th with special counsel for the city to help figure out how to divide the annex so that we don't use any state bond money to acquire any of the private activity, which right now is the Mexican restaurant. We will not be buying that part of the building. We're negotiating with the developer on how we do that. The assumption is we acquire a common area where the stairway, hallway, and restrooms are, and all of the second floor for classrooms and other purposes. That has not been finalized yet. The next step, once we decide what we want to acquire, we will have an appraisal and then start talking about how we'll go to Minnesota Management and Budget and get that finalized. We have two Councilmembers that will be able to bring more of that information to the table, but that's yet to be developed.

11. DEPARTMENT HEAD UPDATES: Burlingame stated the Riverside Project is well ahead of schedule by about three weeks. It's going very well. There haven't been any surprises underground yet.

Eilers stated we have a couple of incidents that happened over the weekend that we are working on. Once we get results back from the lab, we'll be able to take care of it.

Fieldsend stated the portable office at the public works building will be hooked up and ready to go this week so we can start the remediation. Regarding the concrete at Red Bridge Park, I did have a request prepared for another contractor to finish it, but I got a call today from the original contractor and he is going to start working on it tomorrow.

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

13. COMMENTS FROM COUNCIL: Mikesh stated I talked to Jon Olson. He said he wasn't going to be here tonight. Everything is going smoothly. He's allowed them to push forward to do a couple of spots that they didn't identify right away. There's been a lot of progress to get the job done faster.

14. ADJOURNMENT: A motion was made by Randall, seconded by Utke, and unanimously carried to adjourn the meeting at 6:30 p.m.

[seal]

Mayor Pat Mikesh

ATTEST:

Margie M. Vik
City Clerk