

**CITY OF PARK RAPIDS
CITY COUNCIL MEETING
AUGUST 25, 2015, 6:00 PM
Park Rapids Public Library-Lower Level
Park Rapids, Minnesota**

1. CALL TO ORDER: The August 25th, 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: None. Staff Present: Administrator John McKinney, Planner Ryan Mathisrud, Liquor Store Manager Scott Olson, Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, Police Chief Terry Eilers, and Clerk Margie Vik. Others Present: Apex Engineer Jon Olson, Mike Monsrud, Nancy Newman, Dick Rutherford, Ryan Leckner, Cynthia Jones, and Kevin Cederstrom from the Enterprise.

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

Add to Consent Agenda: Item #7.15. Approve Public Facilities Use Permit for Nathan Avenson to Use Deane Park, 19382 Eagle Pointe Trail, on Saturday, September 12th, 2015, from 9:00 a.m. to 6:00 p.m. for a Private Party. (and) A Revised Resolution was presented for Item #9.2.A. (and) A Closed Session to Discuss a Personnel Issue was added to the end of the Agenda.

4. EMPLOYEE CERTIFICATES: A Certificate of Achievement for Five (5) Years of Employment with the City of Park Rapids was presented to Daniel Garner, and accepted by Police Chief Eilers, and a Certificate of Achievement for Ten (10) Years of Employment with the City of Park Rapids was presented to Tiffany Halbasch, and accepted by Liquor Store Manager Olson. Mayor Mikesh thanked them for their years of service.

5. APPROVAL OF MINUTES:

5.1. City Council Regular Meeting Minutes-August 11, 2015: A motion was made by Randall, seconded by Utke, and unanimously carried to approve the August 11th, 2015 City Council Regular Meeting minutes as presented.

6. FINANCE:

6.1. Payables & Prepaids: A motion was made by Utke, seconded by Randall, and unanimously carried to approve the payables in the amount of \$122,910.84, and the prepaids in the amount of \$297,280.91, for a total of \$420,191.75.

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

- 7.1. Resolution #2015-131 Approving Ordinance No. 557 Rezoning Land to I-1 in the City of Park Rapids, PID #32.52.00500, PID #32.52.00511, PID #32.52.00600, and PID #32.52.00610.
- 7.2. Ordinance No. 557 Rezoning Land to I-1 in the City of Park Rapids, PID #32.52.00500, PID #32.52.00511, PID #32.52.00600, and PID #32.52.00610.
- 7.3. Approve Plumber's Permit to Work in the City of Park Rapids in 2015 for Ecowater Systems.
- 7.4. Approve Pay Request in the Amount of \$2,000.00 to Hubbard County Soil and Water Conservation District for Contribution for Aquatic Invasive Species Management.
- 7.5. Approve Partial Pay Request in the Amount of \$5,130.39 to BHH Architects for Construction/Remodeling Plans for the Public Works/Safety Building.
- 7.6. Approve Proposal in the Amount of \$16,342.55 from Flying W Gardens for Landscape Work and Waterline Trenching in Depot Park.
- 7.7. Approve Proposal in the Amount of \$1,675.00 from Ackerman Plumbing and Heating to Install Vacuum Break and the Plumbing for Irrigation and a Drinking Fountain in Depot Park.
- 7.8. Approve Proposal in the Amount of \$14,315.00 from Mobile Ready Mix for Installation of a Concrete Path and Picnic and Bench Pads in Lindquist Park.
- 7.9. Approve Public Facilities Use Permit for Bella Caffe c/o Thom Peterson to Close Third Street East, from Main Avenue South to the Alley, on Thursday, September 17th, 2015, from 5:00 p.m. to 8:00 p.m., for the Fifth Annual Wine to Water Event.

- 7.10. **Approve Pay Request in the Amount of \$44,247.20 to TKDA for Engineering Fees Pertaining to the Airport Master Plan Update.**
- 7.11. **Approve Pay Request in the Amount of \$2,120.00 to American Infrastructure Development for the Completion of an Independent Fee Estimate Pertaining to the Airport Master Plan.**
- 7.12. **Approve Pay Request in the Amount of \$51,971.45 to Apex Engineering Group for Professional Service Pertaining to the Wellhead Protection Plan, and the Riverside Area-Phase One Utility and Street Project.**
- 7.13. **Authorize Staff to Terminate the Current City Hall Copier Lease and Enter into a New Five (5) Year Copier Lease for a Lanier C4503 with Liberty Business Systems.**
- 7.14. **Approve the Low Quote in the Amount of \$6,235.00 from Leading Edge Mechanical to Replace the Barscreen Structure for the City's Wastewater System.**
- 7.15. **Approve Public Facilities Use Permit for Nathan Avenson to Use Deane Park, 19382 Eagle Pointe Trail, on Saturday, September 12th, 2015, from 9:00 a.m. to 6:00 p.m. for a Private Party.**

END OF CONSENT AGENDA

8. COMMENTS FROM CITIZENS: There were no comments.

9. GENERAL BUSINESS:

9.1. Council Vacancy: McKinney stated as you know Councilmember Konshok's resignation created a vacancy on the Council. You directed staff to cause notice of the vacancy and an invitation to apply for this position for the remainder of his term, which is the end of 2016. That notice was in the paper in compliance with your direction. We received three responses. They are listed as Items A.1, 2, and 3., and the material is in your packet. It's been customary to invite the respondents to address the Council. I suggest you do that in order, which is alphabetically. Should you wish to proceed there is Item B, if it is acceptable to whoever you select, then the oath of office, if you are proceeding tonight, which you may do, nor do you have to. The first order of business if you wish to proceed would be to invite the applicants to come up and introduce themselves.

A. Letters of Interest:

1. Ryan Leckner: Leckner stated I applied for this because I have interest in local government. I had two terms on the Henrietta Township Board. During that time we went through the Orderly Annexation Agreement with the City of Park Rapids. I took a few years off. I needed a break. Between that time I ended up in the city. So now I have interest in what's going on in the city. I'd like to have that opportunity if that's what you guys go with.

2. Michael Monsrud: Monsrud stated most of the information that I could recite to you is in your packet. As with Leckner, I have interest in the City Council. I have a lot of experience working with municipalities, like the City of Bagley for water and sewer, gas, and cable TV. I have knowledge of bonding and all the workings of a city. I thank everybody for giving me the opportunity.

3. Dick Rutherford: Rutherford stated most of you know me. I've been on both sides of the table. I was on the Board of Directors for the Minnesota Street Rod Association for eighteen years. I'd have to turn my collar around and speak for the people and not for myself. I've done that on both sides. I helped start Green Acres, which is the Discovery Circle area. I've been coming to these Council meetings for thirty years. I have the background of what's been going on in the city. I've got a business here now that I've had for twenty-five years, and I've had about four other ones. I'd appreciate the chance to sit on the other side of the table.

B. Resolution to Appoint to the Position of Councilmember on the Park Rapids City Council: McKinney stated I appreciate all of the responses we received. Mikesh stated it's nice to have some interest. Utke stated I thank them all for applying. All of us sitting here started out by being appointed. Then we were re-elected. I remember the night I sat out there, that was easier than sitting here having to decide who gets it next. I thank you all for showing interest because we have three good candidates.

Randall stated I appreciate we had three candidates. Nordberg stated I also appreciate the candidates. I know some of them are involved in city committees. I hope that they will continue that. We can only pick one for this job, but there are still jobs available on some city committees.

Randall stated I'd like to appoint Ryan Leckner as Councilmember for the city. I would note that Monsrud is on the PRCDC Board. He's needed there for the lead for that. I appreciate that he is donating a lot of his time to the city on that effort. Mr. Rutherford is on the Planning Commission and I've heard nothing but great things and that it's going well and that they really appreciate having him on there. Out of the three candidates, it looks like every one of them could be serving the city. **A motion was made by Randall, seconded by Utke, to approve Resolution #2015-132 Appointing Ryan Leckner to the Position of Councilmember on the Park Rapids City Council.**

Discussion: Utke stated I appreciate all the candidates. Monsrud is also President of the EDC, so he's serving under a couple of hats. Thank you all for everything you do for us as a city.

The vote was called.

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

The following Councilmembers voted nay: None.

The motion carried unanimously.

C. Oath of Office: Ryan Leckner recited the Oath of Office, and then took a seat at the Council table as its newest member.

9.2. Riverside Area-Phase One Street and Utility Project: Apex Engineer Jon Olson stated the project has come along and they are nearing completion. Things have slowed down a bit, which we anticipate from time to time. Overall I'm very pleased with the way things are going. They are finishing up the concrete work on Third, Second, and Washington this week, so all the sidewalks, curb and gutter, will be done. We'll work on getting the topsoil in following that. Our biggest challenge is getting the turf re-established. They started on Riverside, with only a little success. I'm optimistic that the landscaper is taking ownership in it. He spent time today getting things mowed down. He's setting up temporary water along the boulevards to get them irrigated. That's going to be the primary focus over the next few weeks to try to get those lawns back in good shape.

Olson stated with the project nearing the end we are transitioning to the next phase, and that is finalizing the assessments by reviewing the project budget for that process. The as bid project was \$2.5 million. Prior to the award of bids we anticipated an additional \$600,000.00 for engineering, material testing, and the contingency factor. On a reconstruction project we always carry a contingency for unknowns. Our project budget was \$3,066,425.00. Not only did the construction go well, but we are tracking to be below our budget as well. We're hoping that we'll come in slightly below that. I'm pleased with the construction and the budget as a whole.

Olson stated of the total budget the city's responsibility is roughly \$1.85 million, with the remaining balance of \$1.214 million being assessable to the adjacent properties. The first step in the assessment process is to declare the assessable costs and order the preparation of the actual assessments to the adjacent properties, that's the first resolution. The second resolution is setting the assessment hearing. We have tentatively picked the date of October 13th, at 5:00 p.m. In the past it's taken about an hour. That will allow us enough time to finish up the assessments, get the notices in the paper, and the notices mailed out to each individual property within the timeframe set in Minnesota Statute 429.

Utke questioned we're coming back next spring with the final coat of tar, so are these people going to go through another public hearing, and then get two separate assessments? Olson stated no. Their assessment will include all of the work. We're to a point where we can confidently project the construction costs. This assessment hearing will be the one and only for this project.

Mikesh stated there are a lot of weeds. Olson stated the struggle with every project is turf. The landscaper chose to plant the seed, and there was rainfall, high heat, and things just didn't take. He is back in town, he owns the problem, I hope he will get on top of it.

Nordberg questioned this includes North Main, but not Mill Road? Olson stated that is correct. Mill Road is city share. That is within that \$1.8 million. We will invite the North Main property owners to that hearing. Nordberg stated when we originally talked about this, it was three different things, Riverside, Main, and Mill Road, and the \$1.8 million is Mill Road. Olson stated it is in with the \$1.8 million that's city share. Mill Road came in at about \$40,000.00, and that is included in the \$1.8 million. McKinney questioned isn't any of that assessable? Olson stated technically storm sewer is assessable in the city, but we made the decision that the city would take responsibility for this. Brumbaugh stated that isn't part of your bond either. The storm water fund paid for that portion.

Nordberg questioned this number that we are talking about, the cost of the improvement, the \$1.8 million, isn't 100% the bond? The bond is a separate issue. We're talking about \$3,066,425.00, that's not the number that the bond is. Brumbaugh answered no. Your bond was this project plus we also did a refunding. McKinney questioned we bond for the unpaid assessment too? Brumbaugh stated we bond for the whole project, which includes the assessable portion.

A. Resolution Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessments for the Riverside Area-Phase One Street and Utility Reconstruction Project and the North Main Street and Rehabilitation Project in the City of Park Rapids: A motion was made by Nordberg, seconded by Randall, and unanimously carried to approve Resolution #2015-133 Declaring Cost to be Assessed and Ordering Preparation of Proposed Assessments for the Riverside Area-Phase One Street and Utility Reconstruction Project and the North Main Street and Rehabilitation Project in the City of Park Rapids.

B. Resolution Setting Public Hearing on the Proposed Assessment for the 2014 Riverside Area-Phase One Reconstruction and the North Main Avenue Rehabilitation Projects in the City of Park Rapids: A motion was made by Utke, seconded by Randall, and unanimously carried to approve Resolution #2015-134 Setting Public Hearing on the Proposed Assessment for the 2014 Riverside Area-Phase One Reconstruction and the North Main Avenue Rehabilitation Projects in the City of Park Rapids.

10. CITY ADMINISTRATOR UPDATE: McKinney stated we are running on a very short timeframe for fall. We have to have the budget to you by the 8th of September. Soon to follow will be the capital improvements budget. So much of the two are interdependent. We'll be meeting with the Finance Committee, and then the Finance Committee will give their report and recommendations to the full Council at a workshop on September 8th.

McKinney stated the armory project is moving along. We are in the process of preparing a letter of intent, which is a statement of both the city and the developer about what our intentions would be. If we can agree on that language, it would then lead to the negotiations opening up with Office of Minnesota Management and Budget for the \$2.5 million grant. The appraisal is in process. The appraiser has been on site. We'll get that in a week or two. We had to have special engineering done to define the way you divide the building because of the private activity in the Mexican restaurant. The field work is done,

but we don't have the results yet. We will be preparing a user agreement and an agreement to purchase the property somewhere down the line. We've have assistance from Kutak-Rock and our city attorney has been helpful as well. We are putting documents out to talk about. The next thing that will happen, I will send a draft of the proposed letter of intent to Mr. Zemek who has not seen it yet. His response will dictate what will happen next, if we come to an understanding of the language that we agree on, with Monsrud help, we will then bring it to you. That is not a binding agreement, but an outline of our intentions of what the agreement would be ultimately.

McKinney stated we have to have this done by May or June. We've had discussions of whether or not that's a firm date. I talked to our lawyer and he advised us not to assume that the date would be extended, because that is the appropriation date, and if we don't use it by that date, then it frees up the money for others. He can assure us there are others who would love to have that money. So we're going to have to get going here.

McKinney stated there is some work to be done, but the problem is the developer has utilized all of the funding that we have been a part of. His next step would raise about \$350,000.00, which he has arranged for, contingent upon our having the executed grant agreement with MMB, which we haven't even asked to be prepared yet. However, I'm sure it will be a fairly routine form of agreement. Before the rest of the work can even be started we have to work out the grant agreement so he can get the funding and then he will finish the project and we will close the deal. That is the way it will work, should you proceed. There seems to be more questions than answers.

Randall questioned was there any mention of what the letter of intent would include, like the purchase price and the level of completeness of the building, and an elevator? McKinney stated it would include the purchase price. It would have attachments. The elevator is going to be an issue. There is not going to be enough money to do the elevator with the \$2.5 million. What we're considering is whether or not we put it in the letter of intent, then it becomes part of the project definition and then the administrator can't give us the \$2.5 million until we get that other money. If you recall, the proforma will suggest that there be reserve funds and other issues that are not included in the \$2.5 million. I'm lending towards the suggestion that some source of funding to do this other package be used, and we would leave it out of the letter of intent because that wouldn't be with Zemek. That would fund the reserve, elevator, and some other things.

Randall questioned you're thinking that what we're going to owe Zemek is over \$2.5 million? McKinney stated no. What we might do is spend more than \$2.5 million, money beyond the purchase. To finish the chairlift that's in there now would cost roughly another \$20,000.00 to go half a floor. I think we'll ask him not to do that and use the \$20,000.00 for something else, and then you'll come back and do the elevator. We will have to deal with this from several vantage points at different times. But that is going to be a publically owned building and we'll have to address the American with Disabilities Act requirements, which go beyond what Zemek had proposed. We're going to have to figure out how we do that, should we proceed. That's the status now, but we have to get going if we are going to do this thing.

11. DEPARTMENT HEAD UPDATES: Fieldsend stated we're trying to finish up the parks projects. The public works building project has been let. The bids should be back

this Friday, so we'll know where we're at. Part of our decision is who can get it done the quickest. We sent it out to two construction companies. There was also an engineering firm that came in for the back shop to do the humidity part. I have two local contractors looking at that. They'll have bids in by the first. Utke questioned we'll have all of that for September 8th? Fieldsend answered yes, we should. Randall questioned did you ask them in their bids when they thought they could get it done by? Fieldsend stated yes, and if not I will ask them. They both know we want to get back in the building.

Eilers stated we have received one of the ordered squad cars.

12. MINUTES/REPORTS/INFORMATION: McKinney stated the current Council took all of the open slots for committee appointments vacated by Konshok. You might want to be thinking about that. Right now each of you have more appointments than you've had in the past. Mr. Leckner doesn't have any. Randall stated we can talk about that at the second meeting in September.

13. COMMENTS FROM COUNCIL: Randall questioned what is happening with the tenants in the back of the city hall building? McKinney stated we have not heard anything contrary to their agreement to be out by the 31st of December, 2015. Although I heard that the negotiations with the only apparent qualified replacement have not been particularly active. I have not had any contact with them. I can only judge that the people would tell us what's going on and where they would move to. It has not been a lively negotiation at this point.

Nordberg stated I want to point out that we approved proposals for both Depot Park and Lindquist Park. I want to thank the volunteers on the board, as well as our staff, for getting these things moving along. Remember that as the budget comes up, we'll be hoping to get funding for parks in both the operating and capital budgets.

Nordberg stated I want to thank Chief Eilers and his people for their cooperation with the All School Reunion Parade on Saturday, the 15th. It went very smoothly, and fast. It was very hot out. Our two parade marshals were over 100 years old, so we wanted to protect our marshals, and they did.

Nordberg stated Fieldsend has been working with the library on the survey that is coming out. We'll be seeing this on line in September. Our consultant is hoping to get input for what people think about the building that we are in. It's rushed as these things go in my opinion to get all of that done in a month, and then to put together the survey by the end of September. A group of citizens will get together at a workshop in early October. That's all in the planning stages with Fieldsend.

Leckner stated I can see I have a lot to learn. There will be a lot of reading at the beginning. I'll be more prepared for the next meeting.

CLOSED SESSION:

A motion was made by Utke, seconded by Randall, and unanimously carried to recess the regular meeting at 6:37 p.m., and to open a closed session.

The City Council discussed a Personnel Issue during the closed session.

A motion was made by Utke, seconded by Randall, and unanimously carried to close the closed session at 7:05 p.m., and to reconvene the regular meeting.

14. ADJOURNMENT: A motion was made by Leckner, seconded by Utke, and unanimously carried to adjourn the meeting at 7:06 p.m.

[seal]

Mayor Pat Mikesch

ATTEST:

Margie M. Vik
City Clerk