

**CITY OF PARK RAPIDS  
CITY COUNCIL SPECIAL MEETING  
PUBLIC HEARING  
DECEMBER 8, 2015, 5:00 PM  
Park Rapids Public Library-Lower Level  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The December 8<sup>th</sup>, 2015, Special Meeting of the Park Rapids City Council was called to order at 5:00 p.m. by Mayor Pat Mikesh, and everyone present recited the Pledge of Allegiance.

**2. ROLL CALL:** Present: Mayor Pat Mikesh, Councilmembers Ryan Leckner, Rod Nordberg, Erika Randall, and Paul Utke. Absent: None. Staff Present: Administrator John McKinney, Public Works Superintendent Scott Burlingame, Planner Ryan Mathisrud, Fire Chief Donn Hoffman, Liquor Store Manager Scott Olson, Public Facilities Maintenance Superintendent Chris Fieldsend, Police Chief Terry Eilers, Treasurer Angela Brumbaugh, and Clerk Margie Vik. Others Present: Dick Rutherford, Nancy Newman, Sue Tomte, and Kevin Cederstrom from the Enterprise.

**3. PUBLIC HEARING FOR THE 2016 TO 2020 CAPITAL IMPROVEMENT PLAN:**  
A motion was made by Nordberg, seconded by Utke, and unanimously carried to open the public hearing at 5:05 p.m.

**3.1. Presentation of the 2016 to 2020 Capital Improvement Plan:** Mayor Mikesh stated we have a sign-in sheet available. After we go through the presentation, then we will go through the names on the sign-in sheet and ask for comments.

Angela Brumbaugh stated this public hearing is for the 2016 to 2020 Capital Improvement Plan (CIP). Every year the Council and staff goes through the plan to update it. Then we hold a public hearing on it. The CIP is a tool. It's not what the Council has to approve, it's what they use for future planning. It is a written document. We have a copy of it at city hall for public viewing. It gives staff, Council, and the public a look at what's coming up in the future.

Brumbaugh stated it's not cast in stone. If staff brings something forward and Council is thinking that the year is good looking because of circumstances that year, they may approve the project or purchase, but they don't have to. The CIP is not a legal document so there's nothing that is binding.

Brumbaugh stated we review the CIP annually. We make changes and updates. There are meetings at the staff level, and then it goes to the Finance Committee next. They review it and possibly make changes. Then it comes to the City Council.

Brumbaugh stated in 2003 the Minnesota State Legislature adopted a statute that exempts city bonds issued under a CIP from a referendum. In the event the Council feels that constructing a city hall, public works or public safety building is important, and it's in the CIP, by holding a public hearing, we would not have to do a referendum. This statute

does not include parks, roads, bridges, administrative buildings that are not city halls, or the purchase of land for those items. In order to do it, the Council would have to approve the sale of the bond by a three-fifths majority. A public hearing would have to have been held, like we are doing right now, and the Council must approve the CIP following the public hearing. If the public is not in favor of it, they can get a reverse referendum by signing a petition. There has to be at least 5% of the votes cast in the last general election. The petition would have to be presented to the city clerk within thirty days of the public hearing date. At that point a referendum would be called by the City Council.

Brumbaugh stated the total of the proposed project and purchases on the 2016 to 2020 CIP is \$15,060,820.00. Construction makes up 60% of it, which includes streets, water, and sewer projects. Building is at 22%. We always look at the affect the CIP has on the liquor store. A lot of the capital improvements are funded through the liquor store, like the parks and vehicles. Every year we go through it and look at what departments are getting funding through the liquor store reserves. The grand total for five years is \$2,498,920.00. When you look at 2019, that number of \$1.4 million is actually for a new liquor store, so \$1.4 million would not be taken out of the liquor store all in one year, but we needed to show it in here.

Brumbaugh stated the summary of the different departments show which ones have items on the CIP. In 2016 the total is \$3,028,500.00. We do have a large airport project in that year. The reason we bring up the reverse referendum from the state statutes is that we do have the fire hall addition in the amount of \$900,000.00 in 2016. By doing this public hearing, and if we have no complaints, we can move forward with the bonding for it. The \$900,000.00 budget includes bonding costs, so there is approximately \$850,000.00 for construction costs. The proceeds to pay for the bond would come from the money received from the townships, along with city funds. Even though it's a bond it will not show up on the debt levy. In 2016, after the Council looked at the debt schedule, the projects were rescheduled. Because of the way the debt schedule was calculated out, it was getting too high. The Council chose to take a year off, and not do a large water, sewer, street project.

Brumbaugh stated 2017 is about \$2.4 million. The Discovery Circle Project is scheduled for \$2 million. The total in 2018 is \$3.5 million. The big project that year is the Riverside Area-Phase Two. The total in 2019 is \$3.8 million. We have the Fifth Street/Franklin Avenue/Third Street Project in there, and a couple of large airport projects. We get federal and state funding for 90% of any large airport projects. In 2020 our large project is Fair Avenue. The total for 2020 is \$2.3 million. If we know something is coming up that we're interested in looking at and if we can't get it into the five years of the CIP, we list it in unallocated so we don't forget about it.

Brumbaugh stated the debt levy includes the bond funding for the water, street, and sewer projects. Our first draft of the CIP shows a sharp increase in our debt levy over the next twenty years. We were close to hitting the \$1.1 million per year mark. It was decided to do something differently. Our redrafted CIP keeps the debt levy at around the \$800,000.00 per year mark.

**3.2. Public Comments:** Brumbaugh stated no one has signed in to speak tonight.

Dick Rutherford questioned if Minnesota Avenue is designated as a bicycle trail where will that money come from to fix the sewer and water under the street? Brumbaugh

stated some of those funds would come from the DNR grant. If we get the grant, the money for that won't come from the city. Mathisrud stated that is absolutely right. When we put together the estimate we included a budget for the realigning of the underground utilities. If we do get a grant in the future for that trail, we will use grant funds to pay for that.

McKinney questioned didn't we have a time change on that as well? Mathisrud stated I'm still working with the DNR. I'm likely not going to make the timeline for getting the application submitted for this year. It will come up again next year. Brumbaugh stated this is not 100% so whatever our share is we would have to look at how we're going to have to pay for that. Chances are that is one of the things that would have to vie for liquor store reserves. We can't do a bonding project on that. Mathisrud stated there are a lot of unknowns yet. We'll work out all of those details.

Mikesh requested comments from the Council. There were none.

**A motion was made by Utke, seconded by Nordberg, and unanimously carried to close the public hearing at 5:20 p.m.**

**3.3. Resolution Adopting the 2016 to 2020 Capital Improvement Plan for the City of Park Rapids: A motion was made by Nordberg, seconded by Leckner, and unanimously carried to approve Resolution #2015-162 Adopting the 2016 to 2020 Capital Improvement Plan for the City of Park Rapids.**

**4. ADJOURNMENT: A motion was made by Randall, seconded by Utke, and unanimously carried to adjourn the meeting at 5:21 p.m.**

[seal]

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Mayor Pat Mikesh

ATTEST:

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Margie M. Vik  
City Clerk