

**CITY OF PARK RAPIDS  
CITY COUNCIL MEETING  
February 23, 2016, 6:00 PM  
Park Rapids Public Library-Lower Level  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The February 23<sup>rd</sup>, 2016, 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 Ryan Leckner, Rod Nordberg, and Erika Randall. Absent: Mayor Pat Mikesh. Staff Present: Administrator John McKinney, Public Works Superintendent Scott Burlingame, Planner Ryan Mathisrud, Treasurer Angela Brumbaugh, Public Facilities Superintendent Chris Fieldsend, Police Chief Terry Eilers, Liquor Store Manager Scott Olson, Fire Chief Donn Hoffman, and Clerk Margie Vik. Others Present: Matt Malone from BHH Partners, Jon Olson from Apex Engineering Group, Julie Kingsley from Hubbard County Soil and Water, Mike Strodman from Minnesota Rural Water, Cynthia Jones, Nancy Newman, Lowell Wolff, and Kevin Cederstrom from the Enterprise.

**3. APPROVAL OF AGENDA:** A motion was made by Randall, seconded by Nordberg, and unanimously carried to approve the agenda with the following changes: A revised resolution for Item #6.1. to include Vallarta Mexican Restaurant, a revised resolution for Item #8.2. to change bid award date to April 26, 2016, and add Item #8.3. Resolution Setting Public Hearing on the Adoption of an Amended 2016-2020 Capital Improvement Plan for the City of Park Rapids.

**4. APPROVAL OF MINUTES:**

**4.1. City Council Workshop Minutes-February 9, 2016:** A motion was made by Nordberg, seconded by Leckner, and unanimously carried to approve the February 9<sup>th</sup>, 2016, City Council Workshop minutes as presented.

**4.2. City Council Regular Meeting Minutes-February 9, 2016:** A motion was made by Leckner, seconded by Randall, and unanimously carried to approve the February 9<sup>th</sup>, 2016, 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 \$70,586.34, and the prepaids in the amount of \$166,985.72, for a total of \$237,572.06.

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

- 6.1. Resolution #2016-44 Approving the Renewal of On-Sale/Sunday Liquor Licenses for A Better Place, The Good Life Café, West Forty Restaurant, the Eagles Club, and Vallarta Mexican Restaurant in the City of Park Rapids.**
- 6.2. Resolution #2016-45 Approving a Wine and Strong Beer License for Bella Caffe in the City of Park Rapids.**
- 6.3. Resolution #2016-46 Approve the Renewal of an On-Sale 3.2 Beer License for Pizza Hut in the City of Park Rapids.**
- 6.4. Resolution #2016-47 Approve the Renewal of an Off-Sale 3.2 Beer License for Holiday Stationstore and Wal-Mart Supercenter #4244 in the City of Park Rapids.**
- 6.5. Resolution #2016-48 Appointing Thomas Petschl to Serve on the Parks and Beautification Board for the City of Park Rapids.**
- 6.6. Approve the Purchase of Signs, Gravel, Calcium Chloride, and Decra Sealer for Maintenance of Main Avenue in the Amount of \$23,181.80 from M&R Sign, Cumber Construction, Hubbard County, and SMI Inc.**
- 6.7. Approve the Purchase of Crack Sealant and the Yearly Rental of a Melter in the Amount of \$6,435.00 from Brock White.**
- 6.8. Resolution #2016-49 Appointing Sam Spaeth to Serve on the Park Rapids Planning Commission.**
- 6.9. Approve Pay Request in the Amount of \$8,471.84 to TKDA for Professional Services Pertaining to the Taxiway A and Apron Rehabilitation.**
- 6.10. Approve Pay Request in the Amount of \$7,274.16 to TKDA for Professional Services Pertaining to the Airport Master Plan.**
- 6.11. Approve Pay Request in the Amount of \$14,497.81 to Apex Engineering Group for Professional Services for Various Projects in the City.**

**6.12. Approve Plumber's Permits to Work in the City of Park Rapids in 2016 for RF Backflow LLC.**

**END OF CONSENT AGENDA**

**7. COMMENTS FROM CITIZENS:** There were no comments.

**8. GENERAL BUSINESS:**

**8.1. Wellhead Protection Plan-Part One Presentation:** Mike Strodman, from Minnesota Rural Water Association, stated tonight we are holding a public information meeting for the city's wellhead protection plan. LBG developed the part one report. The report represents the delineation of your wellhead protection area, your drinking water supply management area, and your vulnerability assessment for well #9. You have had a wellhead protection plan in place for about ten years. It addresses the primary wells that the city utilized ten years ago. They were all shallow aquifer wells and over the years the nitrate levels continued to rise. The city decided to look at constructing deeper wells.

Strodman stated for the purposes of wellhead protection now we'll look at the primary well that the city utilizes, which is well #9. The documentation now and what will be developed is for that well. Part one was to delineate the wellhead protection area. It lets us know where the drinking water is coming from and its vulnerability to contamination. There are three glacial aquifers in the Park Rapids area. Well #9 is located in the upper confined aquifer. It is semi-confined, protected geologically, although it is leaky. That implies there is some precipitation from the surface that is getting down into that aquifer. There is not a lot of it. There is a moderate vulnerability for the city's aquifer, although there is some recharge from the shallower aquifer.

Strodman stated the map gives you a good diagram of the delineation work that was done for the original wellhead protection plan and then the delineation that we will be working with from here going forward. The black line is the wellhead protection area showing a ten year time of travel. The black dashed line is the drinking water supply management area. That was for the previous wells, 5, 6, and 7. The red line is the wellhead protection area time of travel for well #9. The red dashed line is the drinking water supply management area for that area. The wellhead protection area is computer delineated. There's a lot of data inputted into a model. That's a ten year time of travel from the outer edge to the city's wells. It is the horizontal movement through the aquifer not the vertical movement recharging the aquifer. The reason they delineate the drinking water management area is because since it is a model laying on the surface it's hard to physically see if you are inside or outside of that area. It's a boundary set up using section and quarter section lines, utility corridors, highways, parcel lines. By Minnesota rule the protection area needs to be fully within the drinking water supply management area.

Strodman stated the drinking water supply area is the area that the city will want to protect going forward. We're looking at moderate vulnerability. Back in the original plan the wells there were highly vulnerable. Now you're down to moderate. There are a lot of differences in regards to the plan preparation and what's required by Minnesota rules that

need to be included in the wellhead protection plan from high to moderate. There's also a lot of difference in the potential contaminates. In highly vulnerable settings you're worried about agriculture, septics, wells, tanks, spill sites. Today with moderate, it's above ground tanks that are 1,100 gallons or greater, all below ground tanks, and all wells and borings. We also look for class five injection wells. Typically they are not really common, but we will do the due diligence to make sure there are none in the wellhead protection area.

Strodtman stated moving forward is part two. We take the information that we know today. We know where your water is coming from, what the vulnerability of contamination is. We do a potential contaminate source inventory. We'll develop goals, management strategies. All these pieces help the city in setting the groundwork in how are you going to protect your source of drinking water in the future. The process will take approximately one year. After it is complete we'll come back to the City Council with the wellhead protection plan and review it with you. There will also be a public hearing. Then it will be submitted to the Minnesota Department of Health for their final approval.

Utke stated our wells are at 180 feet. You say there is seepage coming from above. How do we know that? Strodtman stated they utilize other well logs that are around the area, city and private. They map them out. They look at the well logs and see the geological material that was drilled through when they constructed those wells. Burlingame stated the map of the area is covered with wells. They have all the data from those. Utke stated so it's because of other wells that we get seepage. Burlingame stated the map is not totally complete but it does give you an idea. One of the biggest reasons we know that we are getting some of this surface contamination is because of the tritium test that we do. Strodtman stated tritium is an isotope of hydrogen. Burlingame stated when they started testing the nuclear bombs back in the 50's, those particles fell on the earth and that's in the water. If it wasn't present in that middle aquifer, you'd know it was a well-protected aquifer. They can age the water that way. Strodtman stated the tritium in the city's water is just a little over one. Atmospheric levels right now are about 8 or 9. There are traces in the water so it's been recharged sometime since the 50's or 60's.

Nordberg questioned what happens to the old area, the black lines? Strodtman stated that will ultimately go away once your wellhead protection plan is approved since those aren't your primary wells. If you still used those as your primary wells we would need to do a wellhead protection plan for all of those wells too that were listed as primary wells by the State of Minnesota.

Nordberg questioned I thought we were blending with the old wells? Burlingame stated not since we put in well #9. All the other wells are listed as emergency backups only. We blended with 5 and 6. They had lower nitrates. We used those to get by for a number of years.

Nordberg questioned why do we have less of an area now if there is leakage even though it's a different aquifer that you are testing? Strodtman stated a lot of it deals with water movement and how fast the water is moving through that aquifer. When you see the elongated wellhead protection areas, the water is moving faster through the aquifer. We're going on time of travel. It takes a water molecule ten years to get from here to the well. Now it's shorter. The aquifer is probably more flat and water moves more slowly through it.

Nordberg stated we've had these presentations before about our water and we've noticed numbers of nitrates. We've asked the question about pesticides. Do we test for them? Strodtman stated the Minnesota Department of Health, Todd Johnson, I believe

through them we do samples that they collect and test. Burlingame it's not the stuff we test for on a monthly basis. He comes in the summer and takes a whole battery of samples. Strodman stated they have a suite of potential contaminants that are regulated under the federal drinking water act that they test for.

Julie Kingsley, with the Hubbard County Soil and Water Conservation District, stated we've just completed, and it was approved for the local water management plan for Hubbard County. Your wellhead protection, along with Akeley, Nevis and Laporte is included in our plan. It doesn't say a whole lot, but you are listed in there, so if there are grants that you are concerned about we can write grants for you for that. It's available on our website. We are also doing a geological atlas on a county-wide basis. That looks at all the wells within Hubbard County. We've gone through most of the wells in the county. We're making sure that the information that we have matches the GPS point. We've looked at them and figured out where the actual well is using the well logs that we actually have. We have to be within 70 feet of the well to put a GPS point on it. Then it will go to the DNR, then the University of Minnesota. They will create maps of the whole county and how ground water flows, where and how much there is. That will be coming in the next few years. The Department of Agriculture has eight test wells in the county around the southern edge. They test for 135 different fungicides, pesticides. You can go on their website to see what they have tested for. Most of the numbers are below anything that is dangerous.

Utke questioned is this for all wells, including the shallow hand driven ones? Kingsley stated all wells, the ones we have records for. We have checked all of them. I could bring you a map to show you. It's really beneficial to the city and county. If you're having any economic development come in and they need to do a lot of withdrawal of water you can look at the map and pick the right area for it.

Nordberg stated the State Auditor released a website for the public that includes local wells and water facilities. One of the things its talks about is city wells capacity versus average use and how much leverage or leniency we have if we were going to have new industry come to town if we have enough water for them. It's a good map.

### **8.2. Resolution Approving Plans and Specifications and Ordering Advertisement for Bids for the Fire Hall Addition in the City of Park Rapids:**

Jon Olson, from Apex Engineering, stated we're here to provide an overview of the construction plans for the fire hall expansion project and request your authorization to proceed with bidding. We started talking about the fire hall expansion over a year ago. We developed an informal subcommittee that included individuals from the fire department, myself, and Matt Malone, the architect. We looked at a lot of different options and alternatives for the expansion. Ultimately we landed on the option of going to the south. We went through different reviews of building materials and types, wood frame, post frame, matching the existing block brick. We did determine to match the existing façade of block brick. It's a longer term solution and it fits the city's needs.

Olson stated we did acquire some land to the south as part of this process. The fire hall was encroaching on the south neighbors. We have been talking about the budget through this entire process. We determined that we should do the bare necessities. And then look at some added alternates, and we did a deduct alternate too. After we got

through all of the planning stages, we developed the plans and specification. We're nearly finalized, and now we're here today.

Matt Malone, from BHH Partners, stated some of the things that were established early on were the needs. Why do we need to expand? The key ones include the standard truck size over the years has increased in size. Replacement trucks are going to be bigger than trucks from years past. That has been happening since 1980, and it will continue. The fleet size has grown. As the community grows, the fleet size will continue to grow to accommodate that. Right now, the fleet is packed into the fire hall. They are double stacked. The additional equipment is stored at the airport, the public works department, and off site at other locations. Not all of the equipment is stored on site right now. That is one of the biggest needs. If you need that equipment you have to elsewhere to get it.

Malone stated if you go to the existing fire hall, the existing trucks are parked right up to the overhead doors. That reduces the circulation. In an emergency situation we have firefighters coming in. They can only take certain routes to get through the existing apparatus. That reduces the reaction time with the trucks being double stacked like that. Those are two items piggybacked on top of each other. Those are critical needs.

Malone stated anytime the department wants to do any interior training they have to pull a truck out so they can do it within the existing facility. That's not a big deal in the summertime, but in winter when a truck is full of water and it's 20 degrees below you don't want to pull a truck out and leave it there for a few hours before you back it back in. A training area is another one of the needs identified in the process as we went through.

Malone stated after we established the needs we developed a bare bones plan. We ended up with a 3,700 square foot addition unto the existing building. That will allow the primary trucks to be stacked in a single file and each have their own garage door. In an emergency you don't have to wait for one truck to dispatch before the next one goes out. They'll all be lined up and ready to go. It would also give adequate training space inside.

Malone stated we're doing two additional overhead doors for the addition, for a total of six. That will accommodate what we have for trucks today, and conceivably twenty-five to thirty years into the future. It's a long term solution. It's not a short term bandage patch. It's also not overkill for something double in size because the need isn't there.

Malone stated some of the other components that are tied into the addition are a few maintenance things for the building. As part of the project, we'll have contractors on site, let's have them tackle some of these maintenance issues because it's typically more cost effective to have one contractor on site to do the demolition all at one time and be done with it. We did some add alternates to the base bid, what I described before the addition to the two truck bays is the base bid. The other component to the base bid is remodeling your bathrooms and locker rooms. Currently they don't meet ADA accessibility. As part of this project we're required to bring those bathrooms up to code for the public. That would be considered as part of the base bid project. The maintenance items we have include an add-alternate to reroof the existing building. The existing roof is from 1980. It's ready to be reroofed. As part of the addition we'd be tying into that anyway so it's a good time to have a roofer on site to do that work. The other is an add-alternate for repairing some of the brick. There is some white substance on the brick which is coming through. The add-alternate is to repair that, get venting to the wall, and replace any of the brick, joints, or chalking that need repair, so basic the maintenance that has to happen over time with any building.

Malone stated the other thing is adding and updating interior lighting and going to something that is more energy efficient. It would be a cost savings as far as energy consumption. But there is a cost associated with changing out existing lights with energy efficient light fixtures. We put those all as add-alternates to what we defined as the base necessity scope of work. We do have a deduct alternate in there. We put it in as a failsafe. It would reduce the size of the addition by about 1,100 square feet. The challenge with that is it would help to reduce the overall cost of the project, but it starts cutting off the needs that I just talked about, having enough space for trucks and training. By reducing the square footage we'd be doing a bandage patch instead of a long term solution.

Utke questioned what part of the plan would be deducted? McKinney stated the lower right hand corner. Malone stated we would not do that corner. We'd bring the exterior wall in. We'd then do a 2,400 square foot addition. McKinney stated we'd still have to do two of the walls anyway. In the bid we don't necessarily have to award the deduct as part of the deal. Nordberg questioned what was to be housed in that area? Malone stated what that allows for is the grass rig, trailer, and other items that are stored off site could be stored within this building. They would be stacked behind the immediate response vehicles. With the overall base bid we tried to include the extra equipment in the overall scope. If you deducted this portion those items would still have to be stored offsite. The other component is that you'd still have to pull trucks out to do the training inside.

McKinney questioned did you figure out the bathrooms situation? Malone stated we need to make the bathrooms accessible. So whether that's updating the men's and women's or putting a unisex in between the two of them, we have to do one or the other.

McKinney stated this is talking about what we proposed to do, now we'll talk about how you're going to pay for it and the process that is involved. We had the project in the CIP. We held a hearing in December and adopted a price that was more optimistic than reality.

Olson stated the estimated costs are \$947,000.00 for the base bid, which is for the entire 3,700 square foot expansion, and interior remodeling of the bathroom. It does include all of the soft costs, the architectural and engineering fees, building permit and inspection fees, and hazmat testing. It's \$52,000.00 for Alternate A. That is for the reroofing. It would be \$75,000.00 for Alternate B, which is for the remedial work on the exterior bricks. To upgrade the existing lighting it's \$15,000.00 for Alternate C. The deduct bid for Alternate D would reduce the building size, we're estimating a savings of \$95,000.00. The final costs won't be known until the bids are received.

Olson stated the Council would have the option to reject all bids, or to award any combination of the alternates. The least cost option is the base bid plus Alternate B. We'd be looking at a total project cost of around \$852,000.00. The highest cost option would be the base bid plus Alternates A, B, and C, at \$1,089,000.00. These are estimates. Hopefully we'll get some good numbers. The bidding market now is fairly favorable.

Brumbaugh stated when they started their meetings they noticed a change in the price. The top scenario I used was \$1,040,000.00. Your total bond would be \$1,090,000.00. \$75,000.00 would be your levy/payment. \$90,000.00 goes into the capital fund each year. Both the townships and the city contribute to that money. The fire chief's recommended goal is for 25 percent of the \$90,000.00 would stay in that fund for other expenses that may come up. After twenty years you would have accumulated \$472,500.00 in that fund. We did look at a fifteen year bond, but because of the increased costs, the

\$90,000.00 per year contribution can't handle the payment schedule, so we have to go to a twenty year repayment schedule. There are different scenarios presented on the spread sheet to give you an idea of your repayment schedule and capital fund contributions, based on which Alternates you select. We do have to do an amendment to our CIP, which requires that we hold another public hearing. Whatever you decide regarding the project, the number you present at the public hearing is the highest that you can go. You cannot exceed the number that you present.

McKinney stated the fire department fund is a special fund for capital improvements. There are other monies that come from the townships and the city to run the operation, but were just talking about capital improvements. This program is set up on a 75% usage of that capital contribution budget over a twenty year period. There are additional costs for bonding as well because we're going to capitalize those costs as well.

Utke questioned the balance that is in the fund today, is that something that we plan on investing in this project or are you keeping some of that? McKinney stated that's our reserve fund. Utke questioned of this \$90,000.00 you'd like to keep the payment at about 75% of that? McKinney stated yes. If the bids come in lower we'll be better off, but if they come in high, then you get to pick and choose. Because the project costs exceed what was in the CIP for that item, we need a hearing and we will advertise that as a hearing on this facet of the CIP. We will not open the door for everything else on the CIP. Then we'll have timing problems. The hearing requires a notice and then there's thirty days after the hearing for the public to file an appeal. We really don't have the right to sell the bonds until we've gone through the public hearing process. At the same time I have the architect and engineer telling me bidding early will get us better bids. If you buy into the program as presented, the process would be to set a date tonight for the hearing on the amendment to the CIP. Is this the plan that you want them to take bids on? But we can't award bids for thirty days. Olson stated we're recommending a March 31<sup>st</sup> bid opening date. The thirty day wait period would take us to April 22<sup>nd</sup>. We would award the bid on the 26<sup>th</sup>. McKinney questioned even though we're agreeing to everything we're not advertising for bids? Olson stated we would start advertising around the first part of March.

Nordberg stated the \$900,000.00 came from information provided for us. We were told it would be \$800,000.00. I'm curious why it's 25% higher and also the balance after the payment for other fire related capital expenses we've been told some fire trucks cost \$900,000.00 and we have \$126,000.00 in the bank. How are we going to pay for other trucks? Donn Hoffman stated a \$900,000.00 fire truck in Park Rapids isn't going to happen. In order to get to that figure, you're going to have to buy a brand new ladder truck. We'll never do that. A brand new engine would cost \$400,000.00. The shortfalls came in because we didn't foresee the things like the brick repairs, the roof issue. Presently the roof doesn't leak but it is thirty years old. It's at its life expectancy. The lighting we've been working on all of the time because it's old. Not to say some of these things can't be put off, but the issue is if we put them off now, then where does that money come from when we need to do this. Aside from the CIP I don't know where I can get the money to do that.

Nordberg stated you understand that if you need a \$400,000.00 truck you won't have the money until 2028. Hoffman stated I do realize that. That is part of the reason I tried to save as much money into that CIP budget as we could. Typically engines are a ten to fifteen year cycle. You'll have an engine for maybe twenty-five years, but there will be a new one there within ten or fifteen years. This budget doesn't necessarily allow for that but



it's as close as we could come up with and still save some of that CIP money so that you have something there to look forward to. There is going to be a point where something needs to be done.

Nordberg questioned have you talked to the townships about contributing more? Brumbaugh stated I was asked if we do this building does that mean that their contribution would be increased. My honest answer was I had not heard it would be increased. It hasn't been increased for about ten years. It took a huge increase prior to that in 2007. It used to be \$50,000.00, and then it went to \$90,000.00. McKinney stated over the term of the bond issue we will look at that again. I'm not suggesting that as a change. Brumbaugh stated of that \$90,000.00 the city contributes a good portion of that, about 1/3<sup>rd</sup>. The \$90,000.00 is split among the townships and the city based on a formula. It's a five year formula where something drops off and something comes on, and we all pay our share. Next year the city's portion is \$29,000.00. That was budgeted from the general fund.

Nordberg stated if we do this and the townships haven't increased, we're stuck with the difference. If we need a \$400,000.00 truck in 2021 we'll have to come up with an extra \$140,000.00. McKinney stated or at that time address the issue with the townships. Utke stated that was the reason the department purchased a lot of equipment within the last four years so now the equipment is as current as we can get so we should be good for a while.

Utke questioned what do you have for numbers that work? The fire department doesn't want to make a \$75,000.00 payment. McKinney stated that's what it requires them to do. If the price is going to be \$1.04 million, plus the \$50,000.00 in issuance costs, those are going to be your payments. That scenario is for the whole entire project.

Nordberg questioned you said there was a different number? Brumbaugh stated it was \$1,090,000.00 instead. Leckner stated the low cost option is \$852,000.00. McKinney stated we'd have to roof the building for sure within the next five years. It could be paid out of the CIP fund in the future from sources other than this one. Nordberg stated I think it should all be done at once. I don't know how bad the brick is. Malone stated it's a five year thing. Now would be the time to do it. You're at the point of degradation where if you wait much longer, it will be more extensive. If you do it now you're covered for the next twenty-five years.

Brumbaugh stated whatever you pick as your high number, as long as you're comfortable with it, go to the public hearing with that number. You're going to get alternate bid numbers, so if the bids come in higher than you want you can pull things out and that's okay. We just can't go over the number presented at the public hearing. Utke questioned so you need the ceiling number from us tonight, and that's \$1.1 million? Brumbaugh stated we rounded it up to \$1.1 million for the bond issuance. Utke stated then when the bids come back we decide what is going to be spent.

Leckner questioned can we afford the payment for that amount? McKinney stated on the CIP hearing last December all of those costs are estimates. We're not doing anything other than using a number. That doesn't lock us into anything, we just can't exceed that number. We can still go with the \$915,000.00 or abandon the project entirely if you want to. Utke stated it was listed as \$900,000.00 in the CIP and that isn't enough. Brumbaugh stated after the hearing, the public has thirty days to come in and dispute it, then we would have to do a reverse referendum.

McKinney questioned is your cost of bonding included in the CIP number? Brumbaugh answered yes. The \$900,000.00 from before, the most the building could have been was \$850,000.00. If you use \$1.1 million, they can only spend \$1.04 million on the building because you have to include everything.

McKinney questioned do you think the April letting is still viable? Olson stated we'll have a March 31<sup>st</sup> bid opening. That will give us nearly a whole month of April to review the bids and evaluate them. McKinney stated the assumption is it would be done this construction season.

Nordberg questioned is the \$1.1 million enough as a maximum? Brumbaugh stated that's up to you. Are you willing to let them go higher? Hoffman stated if it comes in much higher than that, then we need to readdress it.

**A motion was made by Nordberg, seconded by Randall, and unanimously carried to approve Resolution #2016-50 Approving Plans and Specifications and Ordering Advertisement for Bids for the Fire Hall Addition in the City of Park Rapids.**

**8.3. Resolution Setting Public Hearing on the Adoption of an Amended 2016-2020 Capital Improvement Plan for the City of Park Rapids: A motion was made by Leckner, seconded by Randall, and unanimously carried to approve Resolution #2016-51 Setting Public Hearing on the Adoption of an Amended 2016-2020 Capital Improvement Plan for the City of Park Rapids.**

**9. CITY ADMINISTRATOR COMMENTS:** McKinney stated we have been considering and awarding licenses for private individuals to allow encroachment on city property. One of them was a handicapped entrance. There will be more of these. We don't have a policy and procedures to be followed in cases like these. I would like the Council to consider authorizing staff to prepare such a thing before we get to awarding a lot of these without consistency and understanding. We could bring that back to you in a week or so. The Council agreed.

McKinney stated legislation has been passed that offers a grant to us for the armory if we complete a lot of requirements. We're coming very close to having all of those elements prepared and vetted. We need to get Council up to speed on the project because it's getting near the time that we want authority to send it off to the Minnesota State Office of Management and Budget. We are proposing to hold a special meeting on March 29<sup>th</sup>, 2016 at the armory at 6:00 p.m. You'll be able to walk through the project so you can visually see what's there and what we understand would be there when it's done. Tomorrow we start the final negotiations on the purchase agreement with the developer. The grant that we get assumes the project is completed, as required by that legislation. That is not being done now because the developer needs money to do that. So we want your concurrence on what is expected. We will give appropriate notices for the meeting. By then we will have an understanding of what the deal will be, and then all of that stuff has to go to MMB and be approved by them. We have to move forward or forget it. We'll own the building through the grant documents, but we will not run it. We will have an operational lease agreement with Upper Mississippi Center for the Arts.

**10. DEPARTMENT HEAD UPDATES:** There were no comments.

**11. MINUTES/REPORTS/INFORMATION:** There were no comments.

**12. COMMENTS FROM COUNCIL:** Nordberg stated in the packet there is information about another city building, River Heights Apartments. They got a very good rating from the Department of Housing and Urban Development, which is an annual inspection report. The occupancy is good.

**13. ADJOURNMENT:** A motion was made by Randall, seconded by Leckner, and unanimously carried to adjourn the meeting at 7:15 p.m.

[seal]

\_\_\_\_\_  
Acting Mayor Paul Utke

ATTEST:

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Margie M. Vik  
City Clerk