CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES-01-08-07

The City Council of Pelican Rapids met in regular session at 4:45 p.m., Monday, 01-08-07, in Council Chambers, City Hall. Mayor Wayne Runningen, Council Members Ben Woessner, John E. Waller, III, Richard Peterson and David Gottenborg were present. No one was absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, Police Chief Scott Fox, Utilities Superintendent Brent E. Frazier, Street and Park Superintendent Brian Olson, Library Director Annie Wrigg, Dennis Christenson of Otter Tail County HRA, and Kelley Gorman of the Pelican Rapids Press were also present. Additional people present were Jeanne Hovland of Bridges, Anita Pearson, Joy Solum of Wells Fargo Bank, Hazel Hovde, Otter Tail County HRA, Andrew Bradrick, Tabitha and Kevin Neu, Chris Menke of Pelican Motel and Judy Marko, City of Pelican Rapids Planning Commission.

Mayor Runningen called meeting to order.

Mayor Runningen, Council Member Peterson and Council Member Waller read their Oaths of Office.

Personnel and Chamber of Commerce Letter were added to the agenda.

Motion by Waller, seconded by Peterson to approve the minutes of 12-11-06 and 12-29-06 as presented. Motion passed unanimously.

Motion by Peterson, seconded by Waller to approve Accounts Payable Listing of 01-08-07 as presented. Motion includes approval of the Library Bill Listing of 01-05-07, as approved by a Library Board member. Motion passed unanimously.

Motion by Waller, seconded by Peterson to appoint Ben Woessner as Acting Mayor. Motion passed unanimously.

Motion by Peterson, seconded by Waller to appoint Glenys Ehlert as Clerk-Treasurer. Motion passed unanimously.

Motion by Woessner, seconded by Waller to establish 5:30 p.m. as the regular meeting time for the 1st Council meeting held on the second Monday of the month and 4:30 p.m. as the regular meeting time for the 2nd Council meeting held on the last Tuesday of the month. Motion passed unanimously.

Motion by Woessner, seconded by Waller to appoint the firms of Krekelberg, Skonseng & Hastings, PLLP, and Svingen, Hagstrom, Karkela & Cline, PLLP, as city attorneys. Motion passed unanimously.

Mayor Runningen called the Public Hearing on the Department of Economic Development Small Cities Grant to order at 5:00 p.m. Mayor Runningen introduced Dennis Christenson of the Otter Tail County HRA. Christenson reviewed the pre-application which included 26 home owner projects, 18 rental units and 20 commercial projects. He reviewed the commercial component. The City will be notified about the grant in March or early April. It will be up to the City to set up the actual program guidelines at that time. For example a ten year payback has been established, but if the property is sold before repayment is completed, the City will need to decide whether to pro-rate the repayment. Christenson reviewed the commercial with rental property component. Christenson explained the state rates commercial buildings with rental units, located downtown higher than residential units located elsewhere in the City and not combined with commercial property. Reviewing the residential component, Christenson said that home owner debt repayment ability will determine what level of grant people are eligible to receive.

Administrator Solga asked Christenson to explain the expectation of the local banks. Christenson said that the home owner will be looking to fund the owner portion through conventional bank loans. Joy Solum of Wells Fargo Bank asked about the position of the City's lien on the property for the improvements. Christenson said it would be after the first and possibly second mortgages. Christenson said the HRA will be contacting property owners about their project in the next week.

Motion by Waller, seconded by Woessner to close the hearing at 5:40 p.m. Motion passed unanimously.

Motion by Gottenborg, seconded by Woessner to introduce the following written resolution, entitled **RESOLUTION APPROVING THE SUBMISSION OF A SMALL CITIES BUSINESS COMMUNITY DEVELOPMENT APPLICATION**. (A complete text of this resolution is part of permanent public record in the city clerk's office.) Motion passed unanimously and resolution declared duly adopted.

Motion by Gottenborg, seconded by Waller to designate The Press of Pelican Rapids, Minnesota as the official newspaper. Motion passed unanimously.

Motion by Gottenborg, seconded by Waller to designate Wells Fargo, Lake Country State Bank, Wells Fargo Investments, and State Bank and Trust as official depositories. Motion passed unanimously.

Motion by Peterson, seconded by Waller to approve expenses to send delegates to State Fire School. Motion passed unanimously.

Motion by Waller, seconded by Woessner to approve expenses for Water, Wastewater, Bio Solids, Liquor Store, Police Chiefs', Clerks' and Mayors' Conferences, League of Minnesota Cities Conference and Regional Meetings. Motion passed unanimously.

Motion by Peterson, seconded by Woessner to approve payment of Administrator and Clerk-Treasurer Bonds. Motion passed unanimously.

Motion by Waller, seconded by Peterson to approve of Liquor Store bond. Motion passed unanimously.

Library Director Annie Wrigg presented the library report. She presented the Library Board appointments for Dave Ellison for 2007 and 2008, replacing Gary Lage, and Al Siegle for 2007, replacing Mary Sorum. Motion by Waller, seconded by Gottenborg to authorize these appointments to the Library Board. Motion passed unanimously. Mayor Runningen asked Library Director Annie Wrigg to thank Board President Mary Sorum for her years of service to the library.

Council reviewed the 2007 appointments to Boards and Authorities, including the Planning Commission, Park Board and council portfolios. Motion by Gottenborg, seconded by Waller to approve the Boards and Authorities as presented. Motion passed unanimously.

Motion by Waller, seconded by Gottenborg to convey the John and Joan Larsen property donated to the City of Pelican Rapids to the Economic Development Authority for the purchase price of $1. Motion passed unanimously.

Police Chief Scott Fox presented his report. His report included some year end information regarding arrests and incidents.

Utilities Superintendent Brent E. Frazier presented his report. Municipal Service Co. replaced a drain at the Water Treatment Plant. They are working on painting and well house repair at the present time. A Wellhead Protection meeting will be scheduled later this month. At the Wastewater Facility the flows through the distributor arms at the trickling filter have been declining. The problem seems to be under the distributor arms. The 2006 Bio Solids report has been submitted to the Minnesota Pollution Control Agency.

Street and Park Superintendent Brian Olson presented his report. The Park Board has requested authorization to ask Trinity Church to consider leasing the City their land adjacent to the Sherin Park. There is a hiking path that continues to be used. Motion by Woessner, seconded by Waller to authorize the Park Board to request a lease from Trinity Church for the above property. Motion passed unanimously.

Superintendent Olson said the Park Board is requesting permission to drill into the brick to provide external receptacles. Motion by Peterson, seconded by Gottenborg to deny the Park Board’s request to install electrical outlets. Motion passed unanimously.

Administrator Solga provided the Liquor Store report. The Liquor Store inventory will be 02-01-07. Council Member Peterson suggested that the liquor store profits be transferred to the City’s General Fund. Mayor Runningen agreed that the State of Minnesota prefers that profits from a liquor store go into the general fund to reduce the tax levy.

Clerk-Treasurer Glenys Ehlert presented the 12-31-06 Financial Reports. She reviewed a resolution to permit the City and Economic Development Authority to reimburse themselves for the expenses incurred for a proposed fire hall prior to the Economic Development Authority issuance of bonds.

Motion by Peterson, seconded by Waller to introduce the following resolution for reimbursement of Proposed Fire Hall Construction Expenses, entitled **RESOLUTION ESTABLISHING PROCEDURES RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND REGULATIONS UNDER THE INTERNAL REVENUE CODE.** (A complete text of this resolution is part of permanent public record in the city clerk's office.) Motion passed unanimously and resolution declared duly adopted.

Administrator Don Solga recommended decertifying the Tax Increment Financing District for the BTD building and other lots in the Industrial Park.

Administrator Don Solga also recommended the City modify the JOBZ by taking 2.69 acres out of the JOBZ designation from the east end of Sub-zone C and reestablish it to the following parcels: 76000990849000, 76000990852000,76000990853000, 76000990854000 and 76000990855000 in the Industrial Park. Motion by Gottenborg, seconded by Peterson to introduce the following written resolution, entitled **RESOLUTION TO PARTICIPATE AND DESIGNATE PROPERTY FOR TAX FREE ZONE DESIGNATION.** (A complete text of this resolution is part of permanent public record in the city clerk's office.) Motion passed unanimously and resolution declared duly adopted.

Motion by Gottenborg, seconded by Waller to approve the following cigarette license: Jeanne Hovland for Southtown C Store; recreational game licenses: Paul Floberg of Pelican Drive Inn and Pearl Schultz of Sportsman's Recreation; plumbers' registration list: Marty Hanson of Pelican Plumbing and James King of Jim's Plumbing. Motion passed unanimously.

Motion by Peterson, seconded by Waller to conduct the 2007 City of Pelican Rapids Board of Review on 04-18-07, from 2:00 to 3:00 p.m., in Council Chambers, City Hall. Motion passed unanimously.

West Central Initiative requested nominations for the West Central Minnesota Transportation Advisory Committee Representative. Motion by Peterson, seconded by Waller to nominate Ben Woessner to the above committee. Motion passed unanimously.

Council considered the revised airport hangar lease agreement. Council discussed various aspects. Motion by Peterson, seconded by Waller to accept the revised airport hangar lease agreement as recommended by Administrator Solga and Airport Committee Member Peterson. Motion passed unanimously.

Motion by Waller, seconded by Gottenborg to set the IRS mileage rate of .485 cents as the allowable reimbursement rate for use of vehicle for city business. Motion passed unanimously.

Motion by Gottenborg, seconded by Waller to set Hazardous Waste Day on 08-08-07, 10:00 a.m. to 2:00 p.m., lower level of City Hall, 315 N. Broadway. Motion passed unanimously.

Motion by Peterson, seconded by Waller to certify the following unpaid utility bill for PIN R76000990149000 in the amount of $213.39 to Otter Tail County for collection with real estate taxes. Motion passed unanimously.

Mayor Runningen explained that he has the portfolio to conduct the performance review for Administrator Don Solga. In the past, another Council Member has been part of the process as well. Motion by Peterson, seconded by Waller to authorize Mayor Runningen and Council Member Woessner to conduct Administrator Solga's performance review. Motion passed unanimously.

Administrator Solga reviewed changes to the police union contract. Language changes addressed police overtime, call time and call back. Health insurance will increase from $450 to $475 per month. The part time officers requested a salary step schedule and the agreement included language that the part time officers would have ten years to reach a maximum of 85% of a full time officer's pay after six years. The night differential rate increased from 40 cents to 45 cents per hour for the hours from 10:00 p.m. and 6:00 a.m. Proposed Police base pay increase is 3%. Motion by Gottenborg, seconded by Peterson to approve the police union contract as proposed. Motion passed unanimously.

Council discussed wage negotiations for other employees. Motion by Peterson, seconded by Woessner to raise non-union employees 3 % and provide an increase in health insurance from $450 to $475 per month. Motion passed unanimously.

City Council considered a letter received from the Chamber of Commerce stating that they are reorganizing the chamber's paid positions and have eliminated the Executive Director position. The Executive Director was staffing the Visitor Information Center at Historic City Hall in accordance with the City and Chamber agreement of 9-28-04. This agreement states that the City will provide the office space, public bathrooms, historical displays and storage, liability and building insurance, utilities, snow removal and repairs while the Chamber agrees to provide personnel to keep building manned during normal office hours. Chamber of Commerce board meeting will be at the VFW at 6:00 p.m., Tuesday, 01-09-07. Council directed Administrator Don Solga to call Chamber of Commerce President Dave Gray to express the City's concerns with changes to staffing of the Visitor Information Center.

Motion by Waller, seconded by Peterson to adjourn meeting to after the EDA meeting at 7:24 p.m. Motion passed unanimously.

Meeting reconvened. Motion by Gottenborg, seconded by Waller to authorize the EDA's purchase of the John and Joan Larsen property, to approve the EDA's payment of Great Plains Environmental for site investigation in the amount of $6,213.53, to authorize the EDA's action and to permit BTD to exercise it's purchase option for the building, located at Lots 4, 5, 6 and 7, Block One, Pelican Rapids Industrial Park, which BTD leases from the City. The balance due on the lease/purchase agreement is $17,150. Motion passed unanimously.

Council Member Peterson requested Administrator Solga review city ordinance regarding propane tank.

Meeting adjourned at 7:42 p.m.

Glenys Ehlert, CMC
Clerk-Treasurer