

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES-02-12-07

The Pelican Rapids City Council met in regular session at 5:30 p.m., Monday, 02-12-07, in Council Chambers, City Hall. Mayor Wayne Runningen, Council Members Ben Woessner, David Gottenborg and John E. Waller were present. Council Member Richard Peterson was absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, Police Chief Scott Fox, Street and Park Superintendent Brian Olson, Library Director Annie Wrigg, Utilities Superintendent Brent E. Frazier, Fire Chief Trevor Steeves, TIF Consultant Michele Hartman, Kelley Gorman of the Pelican Press, Wayne Johnson, Hugh Viet of Moore Engineering, Gene Miller of G.A. Miller Engineering and Galen Teichert of Park Region Cooperative were also present.

Meeting called to order by Mayor Runningen.

The following item was added to the agenda: Set Public Hearing for Jennie O. JOBZ Subsidy.

Mayor Runningen introduced the City's Tax Increment Financing consultant Michele Hartman of Municipal Economic Development Network, Inc. Hartman discussed tax increment financing, a development tool for projects with a public purpose. The City may use future tax dollars to help pay for the development. Hartman said, "It is required that a proposed project will result in increased employment in the state and the preservation and enhancement of the tax base in the state."

Motion by Gottenborg, seconded by Woessner to introduce the following resolution, setting the public hearing for Tuesday, 03-27-07, at 5:00 p.m., and entitled **RESOLUTION CALLING FOR A PUBLIC HEARING FOR THE MODIFICATION OF THE MUNICIPAL DEVELOPMENT DISTRICT NO. 2, CREATION OF TAX TINCUREMENT FINANCING DISTRICT NO. 7 "C-STORE" AND ADOPTION OF THE MODIFIED DEVELOPMENT PLAN AND NEW FINANCING PLAN RELATING THERETO.** (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.

Engineer Gene Miller of G.A. Miller reported that he has been speaking to the service organizations about projects as part of the Comprehensive Plan. He says there is a great deal of enthusiasm for the River Walking Path, a linear park. One concern expressed was that the City acquires the easements for the path. Administrator Solga reviewed a proposal from Miller to continue developing the plan for the River Walking Path. This will be considered at the 02-27-07 City Council meeting.

Motion by Gottenborg, seconded by Waller to approve the minutes of 01-08-07 and 01-30-07 as presented. Motion passed unanimously.

Motion by Gottenborg, seconded by Woessner to approve the Accounts Payable Listing of 02-12-07 with the addition of Cornerstone Development Services for JOBZ modifications in the amount of \$1,355.33. Motion includes approval of the 02-06-07 Library Bills approved by Library Board Member Deb Evenson. Motion passed unanimously.

Police Chief Scott Fox reported on his department.

Administrator Solga reviewed the proposed Fire Hall Site Work Proposal from Moore Engineering in the amount of \$9,500. The Site Work Proposal and Bid Schedule for the proposed Fire Hall were referred to the Economic Development Authority.

Administrator Solga reviewed the sub-committee report on the City's annual payment of the proposed new fire hall. Committee members included Council Members Gottenborg and Woessner. The committee recommended that the City would pay a percentage in the 30% range of the annual cost for the proposed fire hall lease. The basis for this recommendation was the 2006 percentage of operating costs.

Wayne Johnson said, "Speaking personally, we've come a long way in communication. The meetings with Don and Trevor at Ohe's Barn have been good."

Wayne Johnson and Council Members discussed developing a new service agreement to supercede the present agreement and using a five year or ten year average of operating expenses for a fixed lease payment. Council Member Gottenborg said, "I see where the idea is coming from to develop a new agreement and it would protect the City as well."

Referring to discussions with the townships, Wayne Johnson said, "It's not about price, it's about input."

Administrator Solga said, "At our last city/township meeting on the proposed fire hall, they requested a dollar amount to include in their 2008 budgets." Council Member and committee member Gottenborg recommended giving the townships the ten year average payment. Motion by Gottenborg, seconded by Waller to provide townships and the City of Erhard with the calculations based on a ten year average, 1997 to 2006, excluding the high and low year to calculate their share of the proposed fire hall lease payment. The motion also directed Administrator Don Solga to begin discussions on a new fire service agreement with the townships. Motion passed unanimously.

Utilities Superintendent Brent E. Frazier reported on maintenance items at the Wastewater Treatment Facility. He said the first annual Well Head Protection Meeting was held on 01-30-07 and the group set the goals. The primary goal is education of people within the Drinking Water Supply Management Area (DWSMA) to protect the water aquifer.

Street and Park Superintendent Brian Olson introduced Hugh Veit of Moore Engineering to discuss infrastructure replacement on 5th St. SE, 7th Ave. Circle SE, 8th Ave. SE, two blocks of 3rd St. NE, 3rd Ave. NE and 2nd Ave. NE. Veit reviewed the project and said, "The sewer rate for a typical residential user would need to increase about \$1.00/month with no increase for West Central Turkeys since they do not use the sewer collection system. The water rate for a typical residential user would need to increase about 80 cents per month and 80 cents per month for West Central Turkeys."

Mayor Runningen expressed his concern about the City's debt and the need to increase the budget for the proposed Fire Hall and the Phosphorous Control Project at the Wastewater

Treatment Facility. Council Member Gottenborg said he wanted to consider doing 5th St. SE and asked what that portion would cost. Veit estimated the 5th St. SE portion of the project to cost about \$615,000.

Motion by Woessner, seconded by Waller to postpone the street, water and sewer infrastructure replacement project for one year. Motion passed unanimously.

Library Director Annie Wrigg reported on Teen Night. This has targeted grades 9–12, a group not usually served by the Library. Library is open Monday nights from 7:00 to 9:00 p.m. for homework help and activities. There have been no problems. The Library Director reported they are also planning summer reading programs.

Administrator Don Solga reported that the City has received a copy of a Quit Claim Deed between Park Region Cooperative and Burlington Northern Railroad. This deed grants the City of Pelican Rapids a permanent 25 ft. roadway easement for 2nd Ave. SW. Motion by Waller, seconded by Gottenborg to rescind the motion on 01-30-07 calling for a public hearing to vacate 2nd Ave. SW. Motion passed unanimously.

Administrator Don Solga reported on the Liquor Store. Liquor Store Manager Bob Leslie was not present.

Clerk-Treasurer Glenys Ehlert presented the 01-31-07 Financial Reports.

Motion by Gottenborg, seconded by Waller to approve certification of unpaid utility bills to Otter Tail County for collection with real estate taxes for TIN R76000990329000 in the amount of \$154.75 and TIN R76000990532000 in the amount of \$136.14. Motion passed unanimously.

Administrator Solga reviewed a letter from the Lake Region Electric Cooperative regarding the City Hall lease, the Fire Department Garage and City Hall Garage and an offer to sell various portions of the property at 315 N. Broadway and 12 Fifth Ave. NE. He recommends the City acknowledge the letter and perhaps establish a facilities committee to consider the purchase options. He also recommends that the City request some revisions to the lease and subject to these revisions, give the City's intent to renew the five year lease. Motion by Waller, seconded by Woessner to implement Administrator Don Solga's recommendations. Council Members Waller, Woessner and Gottenborg voted yes. No one voted against. Mayor Runningen abstained. Motion carried.

Motion by Gottenborg, seconded by Waller to appoint Council Members Woessner and Waller and City Administrator Don Solga to a facilities committee to review City Hall options. Council Members Waller, Woessner and Gottenborg voted yes. No one voted against. Mayor Runningen abstained. Motion carried.

Administrator Solga reported on the airport lighting project.

Administrator Solga said he has had someone express interest in purchasing Lots 11 and 12, Blk 3, Lacy's Addition. Council discussed possibilities.

Mayor Runningen reported on Jenny O/West Central Turkeys, Inc., application and draft business subsidy agreement under the Job Opportunity Building Zone, under Minnesota Statutes.

Motion by Waller, seconded by Woessner to introduce the following resolution, entitled **RESOLUTION CALLING FOR A PUBLIC HEARING REGARDING A PROPOSED JOB OPPORTUNITY BUILDING ZONE BUSINESS SUBSIDY AGREEMENT**. (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 Waller, Gottenborg to adjourn at 8:50 p.m. to the Economic Development Authority meeting. Motion passed unanimously.

Meeting reconvened at 9:04 p.m. by Mayor Runningen.

Motion by Gottenborg, seconded by Waller to authorize the Economic Development Authority's approval of payment to Svingen, Hagstrom, Karkela & Cline in the amount of \$658.45, for legal expenses associated with site acquisition for the proposed Fire Hall, to authorize the Economic Development Authority's approval of the Moore Engineering, Inc., Site Work Proposal in the amount of \$9,500 for the proposed Fire Hall and authorize the Economic Development Authority's approval to execute the purchase agreement with and pay \$500 earnest money to Roger Schleske for Lot 9, Block 1 of Blyberg's First Addition, setting a possible closing date for 04-10-07. Motion passed unanimously.

Meeting adjourned at 9:10 p.m.

Glenys Ehlert, CMC
Clerk-Treasurer