CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES -12-10-07

The City Council of Pelican Rapids met in regular session at 5:30 p.m., on Monday, 12-10-07, in Council Chambers, City Hall. Mayor Wayne Runningen, Council Members David Gottenborg, Ben Woessner, Richard Peterson and John E. Waller, III were present. No one was absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, City Attorney Jeff Skonseng, City Engineer Gary Nansen, John Police Chief Scott Fox, Street and Park Superintendent Brian Olson, Utilities Superintendent Brent E. Frazier, Library Director Annie Wrigg, Liquor Store Manager Bob Leslie, Renato Molina, Roger and LuAnne Schleske and Kelley Gorman of the Pelican Rapids Press were also present.

Mayor Runningen called meeting to order.

Motion by Woessner, seconded by Waller to approve the minutes of 11-13-07 and 11-27-07 as presented. Motion passed unanimously.

Council reviewed the Accounts Payable Listing of 12-10-07 including Liquor Store and Library bills. Motion by Peterson, seconded by Woessner to approve the Accounts Payable Listing of 12-10-07 as presented. Motion passed unanimously.

Police Chief Scott Fox presented his report. He requested authorization to appoint Officer Jeff Stadum as Sergeant and Officer Ross Blakeway as Investigator at the rates of pay set forth in the union contract. Motion by Waller, seconded by Gottenborg to approve the appointments. Motion passed unanimously.

Street and Park Superintendent Brian Olson reported on various items in his departments. He reported that they have been very busy with snow plowing and snow removal. He thanked Lake Region Electric Cooperative for hanging the Christmas lights and winter banners.

Library Director Annie Wrigg reported on library activities. A new fundraiser for the library is the Festival of Wreaths and the silent auction on these will end Wednesday, 12-12-07. The Library will be closed 12-24, 12-25, 12-31-07 and 01-01-08.

Roger Schleske was present to request that the City no longer put snow on his property at the end of West Mill Ave. Street Superintendent Brian Olson said that the City will discontinue snow storage at that location.

Schleske complained that the City should have known he no longer owned property at 812 Old Fergus Road because he discussed utility bill in late summer. Mayor Runningen asked if this was the property Mary Jo Stage addressed Council about on 11-13-07. Mayor Runningen said Administrator Don Solga said at that meeting that he would need to determine who owned property. Administrator Don Solga said he did not know the owner's name at the time of the meeting.

Schleske said his car dealership can't stay in town if he has to remove all the cars.

City Attorney Jeff Skonseng said the City has never indicated that Schleske cannot operate a dealership at the location. There is a hearing in the morning (12-11-07) at 9:00 a.m. to determine the outcome of an agreement with Roger Schleske.

Renato Molina requested that the City of Pelican Rapids change the ordinance to permit him to sell liquor as part of an event center he is proposing to build on the northeast side of town between Logix business and the last house on the frontage road on the east side of Highway 59. The business will be open only when there is an event.

Mayor Runningen explained that Clerk-Treasurer Glenys Ehlert has done some checking on the events at the City of Detroit Lakes Pavillion. Right now the City doesn't have this type of liquor license available. Mayor Runningen suggested that the Council could authorize city staff to look into the options if they were interested in doing so. Motion by Peterson, seconded by Waller to authorize city staff to have City Attorney Greg Larson review state and city liquor ordinances regarding an event center liquor license. Motion passed unanimously.

Gary Nansen and John Olson of Ulteig Engineering were present to discuss the street improvement project for the following streets:

- Golf Course Road – from Hwy 59 to the north approximately 400 feet
- 3rd Avenue NE – from 1st Street NE to 3rd Street NE
- 2nd Avenue NE – from the Pelican River to 3rd Street NE
- 2nd Street NE – from the Pelican River to 3rd Avenue NE
- 3rd Street NE – from the Pelican River to 3rd Avenue NE
- 1st Street SW – from 10th Avenue SW to 5th Avenue SW
- 10th Avenue SW – from 2nd Street SW to Hwy 59

Nansen recommended that the City conduct an inventory of water shut-offs prior to starting the project. A proposal of engineering services that would be involved would include an estimate of $525,000 to $570,000 in construction costs and engineering costs of about 20% of the construction. "We came up with an hourly number with a cost not to exceed, depending on what portions of the project City staff could accomplish," Nansen explained. Administrator Solga said, "In 2005 we bonded about $315,000 to do seven blocks. Obviously asphalt costs and other costs have gone up." New construction will be 100% assessed. A reconstruct project was recently assessed at 40% to the property owners and 60% to the City.

Motion by Gottenborg, seconded by Peterson to introduce the following resolution, entitled **RESOLUTION ORDERING PREPARATION OF REPORT ON IMPROVEMENT PROJECT NO. 72.** (A complete text of the foregoing resolution is part of permanent public record in the city clerk's office.) Motion passed unanimously.

Utilities Superintendent Brent Frazier and Liquor Store Manager Bob Leslie arrived at 6:10 p.m.

Engineer Nansen presented information about a Capital Improvement Plan (CIP). This is a long range plan for water, wastewater and storm water infrastructure; streets and transportation related improvements, airports, parks, maintenance equipment, fire department and buildings. Benefits are that improvements are identified, planned for and community can begin financial preparations. Costs for a simple, initial CIP could be about $3,000 to $3,500. Administrator Don Solga said it would be good to get the information out to the public ahead of time. It would help the Council and the staff. Mayor Runningen said it would be helpful to people looking at buying property to know what is planned.

Liquor Store Manager Bob Leslie presented his daily productivity report. Leslie said he needs to have product to make the sales and he has turned over $40,000 to the City in 2007. Council Member Peterson said the CPA says the inventory is too high. Mayor Runningen said the issue is more that the Council doesn’t want inventory that is sitting there. If the items are moving, it’s different than if it is just sitting there. Administrator Don Solga said he and Bob need to determine what the inventory should be and then explain to the Council why it needs to be there. Administrator Solga also said the amount of space for people to move around may limit the amount of inventory. Council Member Gottenborg said Bob needs to identify a dollar number that he needs to have; Council needs to have accountability. Mayor Runningen said again that Council needs to be assured that the store doesn’t have inventory that isn’t moving.

Manager Bob Leslie said he will try to reduce inventory to less than $120,000 by the end of the year.

Motion by Waller, seconded by Woessner to hire Michelle Evans at $7.21 per hour as a part time liquor store employee. Motion passed unanimously.

Liquor Store Inventory will be 02-01-07. Administrator Don Solga and a Liquor Store employee will inventory the store.

Utilities Superintendent Brent Frazier reported on his department and the bids on Well No. 15.

Mayor Runningen and Frazier said they are announcing that sadly, former city employee Stanford (Bud) Miles died and the funeral is Wednesday, 12-12-07, in Pelican Rapids.

Administrator Don Solga reviewed the Coalition of Greater Minnesota Cities request for funds to fight the proposed phosphorous rule. However, the City will still need to proceed with the project. No action was taken.

Clerk-Treasurer Glenys Ehlert reported on 11-30-07 financial reports and bond and interest payments. Discussing a new tax increment financing consultant, Ehlert recommended Northland Securities due to their knowledge of the community and past service as the City’s bond consultants. Motion by Gottenborg, seconded by Waller to accept Ehlert’s recommendation based on the City’s 20 plus year financial relationship with Northland Securities as the City’s financial consultants for bond work and appoint Dick Asleson, Sr. Vice President of Northland Public Finance and Northland Securities, Inc., as the City’s tax increment financing consultants. Motion passed unanimously.

Administrator Don Solga reviewed the Community Sign advertising income and expenses. He recommended that the City reduce the sign contract amount. Motion by Peterson, seconded by

Gottenborg to authorize City Administrator Don Solga to renegotiate the community sign contracts, reducing a three year contract from $5500 to $3,000. Motion passed unanimously.

Council considered the 2008 Budget for the General Fund. No public comments were received at the Truth in Taxation hearing. Motion by Gottenborg, seconded by Waller to accept the 2008 Budget as proposed and presented and certify the General tax levy in the amount of $576,860.30 and the Special tax levy in the amount of $96,425 to the Otter Tail County Auditor for the 2008 levy. Motion passed unanimously.

Administrator Don Solga reported on the Planning Commission's recommendation to enter into an agreement with Cooper and Lisa Stewart regarding their gift of property to the City of Pelican Rapids for a City Park as part of the City of Pelican Rapids Linear Park system called the River Trail Park. Motion by Waller, seconded by Peterson to agree to accept the Planning Commission's recommendation to accept the gift of property from Cooper and Lisa Stewart for a City Park with the conditions presented, subject to review and approval by City Attorney Greg Larson. Motion passed unanimously.

Motion by Waller, seconded by Peterson to certify an unpaid utility bill in the amount of $166.11 for parcel no.76000270041000 to Otter Tail County Auditor for collection with the real estate taxes. Motion passed unanimously.

Council discussed the Pelican Rapids 125th Anniversary Celebration which will be in 2008.

Motion by Waller, seconded by Gottenborg to adjourn the City Council meeting to the Economic Development Authority meeting at 8:03 p.m. Motion passed unanimously.

City Council meeting reconvened at 8:12 p.m. Motion by Gottenborg, seconded by Waller to authorize Economic Development Authority's actions to approve the Accounts Payable Listing of 12-10-07, to approve the minutes of 11-27-07 as presented and to authorize Board President Runningen to sign the Certificate of Substantial Completion as recommended by Engineer Ron Dick. Motion passed unanimously.

Meeting adjourned at 8:14 p.m.

Glenys Ehlert, CMC
Clerk-Treasurer