CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES-12-28-07

The City of Pelican Rapids City Council met in regular session at 3:30 p.m., on Friday, 12-28-07, in Council Chambers, City Hall. Mayor Wayne Runningen, Council Members Ben Woessner, David Gottenborg and John E. Waller, III, were present. Council Member Richard Peterson was absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, City Attorney Greg Larson and Kelley Gorman of the Pelican Rapids Press were also present.

Mayor Runningen called meeting to order.

The following items were added to the agenda: Sewer Fund 2008 Budget; Sewer Rate Recommendation; Water Fund 2008 Budget; Fire Hall Tour Date and Economic Development Zoning Recommendation. No items were deleted.

Administrator Don Solga reviewed the existing Fire Service Agreement and the draft Fire Service Agreement. The current agreement addresses operating expenses by tax capacity and fire fighting hours in each governmental unity. Capital outlay is divided by full share and half share units. The current agreement expires 12-31-09. However, the townships and cities discussed that the new agreement could go into effect 01-01-09 if all entities agreed to it. The draft Fire Service Agreement is modeled after an agreement designed by the League of Minnesota Cities and Minnesota Association of Townships. This makes it attractive to the townships and cities. The proposed agreement would use three components in the formula to allocate costs. These three components would include market valuation, fire fighting calls and population. The City of Pelican Rapids has a larger component of population, but market valuation evens it out. The population component changes allocations to some townships quite dramatically. Townships and cities agreed that a three year agreement would be better than a five year agreement. They agreed that a one year notice to get out of the agreement would be better. Solga preferred a two year average of fire calls; however, the townships preferred a three year average. One item that needs to be addressed is the fire truck purchased in 2007 on a full share/half share basis. An additional change is that the City presently is only paid once a year. The new agreement will call for two payments to the City. The first payment will be based on actual costs for year just completed and the second payment will be an estimate based on the current year's budget. Townships were agreeable to the two payment concept.

City Attorney Greg Larson addressed Council regarding language about fire service charges. He also explained about the indemnification provisions in the service agreement which minimizes exposure and liability on the part of the City.

Administrator Don Solga requested that Council Members take the draft agreement with them and review it and contact him if there are any questions. Council will consider the draft agreement at the meeting on 01-14-07. City Attorney Greg Larson discussed his concerns about the inaccuracy of the population figures for the seasonal population at the lakes. Mayor Runningen said there was discussion about this at the township meeting and the thought was that although the population numbers for seasonal population are not accurate, the higher property valuation somewhat equalizes that.

Council considered the Accounts Payable Listing of 12-28-07. Motion by Waller, seconded by Gottenborg to approve the Accounts Payable Listing of 12-28-07 as presented. Motion passed unanimously.

Motion by Gottenborg, seconded by Waller to approve the following list of Cigarette Licenses: Cynthia Stotesbery at Larry's Supermarket, Jeanne Hovland at Southtown C Store, Galen Teichert at Park Region Co-op, Rick Loerzel at Pelican BP, Patrick Serquina at Pelican Cash-N-Dash and Linda Smuda at Pelican Tobacco. Motion amended by Gottenborg and Waller to include approval of a Cigarette License to Bob Leslie at the Municipal Liquor Store. Motion included approval of a Recreational Game License for 6 games at the VFW Gilmore Weik Post 5252; a Business License for Z & Z Associates for a Mobile Home Park and a Charitable Gambling License for VFW Gilmore Weik Post 5252. Motion also included approval of the following plumbers on the Plumbers' Registration List: Marty Hanson as Pelican Plumbing, Rodney Hanson as Hanson's Plumbing & Heating, Glen Smith as Smith Appliance Repair, Jim King as Jim's Plumbing, Corley B. Benson as Grant's Mechanical and Howard Wrigley as Wrigley Mechanical. Amended motion passed unanimously.

Motion by Waller, seconded by Gottenborg to approve hiring Dalmer Lammers, Layman Jones and Joe Erickson as skating rink attendants at the hourly wages listed on the salary schedule. Motion passed unanimously.

Motion by Waller, seconded by Gottenborg to accept Administrator Don Solga's recommendation to approve a three percent pay increase to city employees, effective 01-01-08. Motion passed unanimously.

Mayor Runningen reminded Council Members that it is time for the Administrator's annual review. Motion by Gottenborg, seconded by Waller to appoint Mayor Runningen and Council Member Woessner to conduct the Administrator's performance evaluation. Motion passed unanimously.

Motion by Gottenborg, seconded by Waller to introduce a resolution accepting the monetary donation to the public library from the Gilman Toso Estate. Motion passed unanimously and resolution declared duly adopted.

Motion by Waller, seconded by Woessner to approve the 2008 Water Fund Budget in the amount of $386,100 as reviewed by Administrator Don Solga. Motion passed unanimously.

Administrator Solga reviewed the 2008 Sewer Fund Budget in the amount of $679,359.51. There are increases in the budget due to increases in the operating supplies, fuel and utilities, and the plant's change in classification from a "B" facility to an "A" facility. This results in more expense in testing. Solga said the City will exercise careful control of expenses. This will limit increases. To cover the 3.8% increase in the budget even with careful control of costs, will require an increase in sewer rates. Administrator Solga recommends the rate increase for commercial and residential customers for usage increase from $1.89 o $1.99 per thousand gallons of water used and a service charge increase from $7.50 to $9.00 per month. The industrial rate for usage will increase from $1.89 to $1.99 per thousand gallons of water used and a service charge increase to $20,545 for the base rate. Motion by Gottenborg, seconded by Waller to approve the 2008 Sewer Fund Budget and the rate increases as reviewed above. Motion passed unanimously.

Fire Chief Trevor Steeves would like to conduct a tour of the Fire Hall at 4:30 p.m. on 01-14-07. Motion by Gottenborg, seconded by Waller to set the 01-14-07 Council meeting to start at 4:30 p.m. at the Fire Hall, 200 S. Broadway, for a tour of the Fire Hall. Meeting will move to Council Chambers at 5:30 p.m. Motion passed unanimously.

Administrator Don Solga reviewed a request to develop housing in an R-2/Industrial Zone on Hwy. 108 West. The Economic Development Corporation (EDC) approved the concept of housing in this location, but requested that Council consider where replacement of lost Industrial Park property could be located. The EDC also requested that Council consider transportation and utilities access to this area. Mayor Runningen discussed the phosphorous reduction plan and the reduction in odor would be a benefit to the community as well as the proposed area. Mayor Runningen said that the Housing Study has prompted a lot of inquiries of Administrator Solga as to where the community is with the study. Council members were not opposed to the concept of housing in this location and were willing to find additional industrial property. They requested that Administrator Solga refer the project to the Planning Commission.

Meeting adjourned at 5:13 p.m.

Glenys Ehlert, CMC
Clerk-Treasurer