April 6, 2011

CITY COUNCIL AGENDA

Monday, April 11, 2011 **5:30 p.m.** **Council Chambers, 315 N. Broadway**

1. Call to Order

2. Agenda Additions or Deletions

3. Approval of Minutes – 3/29/11

4. Approval of Accounts Payable Listing

5. Police Chief Report

6. Street/Park Superintendent Report
   - Proposal for Preliminary Engineering Report – SE 5th Street – Ulteig
   - Truck Replacements

7. Utility Superintendent Report

8. Library Report

9. Financial Report

10. USDA Rural Development Fire Truck Public Hearing – 6:00 p.m.

11. TIF 8 Gottenborg C-Clinic
    - Job Goal
    - Plan Correction

12. Liquor Store Pay Request – Indigo Signworks - $2,299.00
– Sundance - $5,000.00

13. Industrial Park Lot Transfer Consideration – Jason Stetz

14. Culvert Bridge – OTC No. L5805

15. City Hall Building Purchase

16. Certify Unpaid Utility Bill to Otter Tail County Auditor

17. EDC Annual Meeting – 4/14/11 - 7:00 p.m. at LREC

18. State Wide Tornado Drill – 4/14/11 - 1:45 p.m. and 6:55 p.m.

19. Review Safe Routes to School for Consideration on 4/26/11

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES - 04-11-11

The City Council of Pelican Rapids met in regular session at 5:30 p.m., on Monday, 04-11-11, in Council Chambers, City Hall. Mayor Ben Woessner, Council Members James Strand and John Waller, III, were present. Council Members Steve Foster and Kevin Ballard were absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, Police Chief Scott Jeff Stadum, Street and Park Superintendent Brian Olson, Utilities Superintendent Brent E. Frazier, Library Director Annie Wrigg, Fire Chief Trevor Steeves, Liquor Store Manager Bob Leslie, Wayne Runningen, David Gottenborg, Lou Hoglund of the Pelican Rapids Press, Marlan D. Peterson, Paul Restad, Les Rotz, Dennis Carlblom, David L. Johnson, Jason Stetz and Nicki Stetz were also present.

Mayor Ben Woessner called meeting to order.

There were no additions or deletions to the agenda. Motion by Strand, seconded by Waller to approve the agenda as presented. Motion passed unanimously.

Council reviewed the 03-29-11 Council meeting minutes. Motion by Waller, seconded by Strand to approve the 03-29-11 Council meeting minutes as presented. Motion passed unanimously.

Council reviewed the 04-11-11 Accounts Payable Listing. Motion by Strand, seconded by Waller to approve the 04-11-11 Accounts Payable Listing as presented in the amount of $72,420.22 for City bills, $3,715.08 for library bills and $56,536.56 for liquor store. Motion passed unanimously.

Police Chief Jeff Stadum presented his report regarding hours worked, miles driven, complaints received, fines collected and departmental training. The new car is in service and is working well.

Street and Park Superintendent Brian Olson reported on various items. The 2004 plow truck hit a manhole during March plowing and did extensive damage. The same manhole was hit during October plowing. This spring, Olson says he will lower that manhole. Skating rink closed in early March. The warming house was painted. Superintendent Olson presented a picture of the Veterans' Memorial River Park recognition sign as proposed by the Park Board.

Superintendent Olson presented information about a Proposal for Preliminary Engineering Report for SE 5th Avenue. Administrator Solga said the project is a little different in that some properties front on SE5th Avenue and SE 4th Avenue. Motion by Waller, seconded by Strand to accept the Proposal for Preliminary Engineering Report for SE 5th Avenue and authorize Administrator Don Solga to sign the contract on the City's behalf. Motion passed unanimously.

Superintendent Olson reviewed the Park and Street Departments' truck replacements. These vehicles fall under the City's replacement schedule and funding will come from street equipment funds and general capital equipment funds the City has invested. Motion by Waller, seconded by Strand to approve purchase of two Ford trucks: a 2011 F250 at a cost of $26,193.70 plus taxes and license and a 2011- 4 Door Ranger at a cost of $21,355.64 plus taxes and license. Motion passed unanimously.

Utility Superintendent Brent Frazier reported on various maintenance items at the water and wastewater facilities. He said that the lagoon is turning over this week with the spring thaw.

Library Director Annie Wrigg presented her report. With winter people coming back, the Library has busy schedule. Due to Legacy money, Library will be able to host CLIMB Theater on Saturday, 04-30-11 at 2:00 p.m., at the library. They will present "Return to Honor", helping communities welcome home our newest Veterans. New York Times bestselling author Ellen Hopkins will be at the library 05-02-11 at 2:00 p.m., and then at the Pelican Rapids High School Fine Arts Auditorium at 7:00 p.m. that night.

Clerk-Treasurer Glenys Ehlert read the public hearing notice regarding the City of Pelican Rapids application for funding with the USDA-Rural Development community facility program, for the purpose of financing a fire truck. Pursuant to due call and published notice thereof, Mayor Ben Woessner called the Fire Truck Public Hearing to order at 6:00 p.m. Administrator Don Solga reviewed the truck details, grant and loan details. The loan must be for 12 years and the current interest rate is 4.375%. These rural development funds are very competitive, and there is no guarantee that the City will be awarded the funds. Fire Chief Trevor Steeves said he is having the plans reviewed by a third party. They plan to make specs as generic as possible to attract as many bidders as possible. The $265,000 estimate is a “do not exceed” price. It’s a basic truck. There would be a 270 day period to build the truck.

David Johnson asked about other grants. Fire Chief Trevor Steeves and Administrator Solga agreed that the City will pursue other grants to reduce the cost to the fire department.

Paul Restad asked about various pieces equipment.

Administrator Don Solga said if the City receives the USDA grant and the City Council decides to use funds from the sale of the old fire hall to help pay for the new truck, the City would finance $175,000. The City could keep the payment at about $30,000 per year, prepaying the loan without penalty to save interest. Chief Steeves and Administrator Solga discussed the truck replacement schedule and the City’s position that they do not want to replace more than one truck at a time.

Motion by Strand, seconded by Waller to close the public hearing at 6:15 p.m.

Manager Bob Leslie said the Liquor Store Open House is going quite well. He said he has some applications on hand and he needs to look at hiring for the summer schedule.

Mayor Woessner introduced discussion on Tax Increment Financing (TIF) District 8 - C Clinic. Administrator Don Solga reviewed that when TIF District 8 was created, the parcel number used for the documents was that of the larger parcel of land that presently belongs to State Bank. The development activity in the TIF District resulted in the creation of a new parcel identification number (76000-22-0022-004) for the property included in the TIF District. The boundaries of this parcel number are identical to the boundaries of the TIF District as depicted in the TIF Plan. A resolution to correct the parcel number has been drafted by the City’s tax increment consultant.

Motion by Waller, seconded by Strand to introduce the following written resolution, entitled **RESOLUTION APPROVING MODIFICATION TO THE TAX INCREMENT**

FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 8. (A complete text of the foregoing resolution is part of permanent public record in the city clerk's office.) Motion passed unanimously and resolution declared duly adopted.

Administrator Don Solga read David Gottenborg's request that the City agree to a modification in the Development Agreement that would change the TIF District job goals from a full time requirement to a combination of part time positions that add up to 40 hours per week. Motion by Strand, seconded by Waller to introduce the following written resolution, entitled **RESOLUTION AUTHORIZING MODIFICATION OF DEVELOPMENT AGREEMENT**. (A complete text of the foregoing resolution is part of permanent public record in the city clerk's office.) Motion passed unanimously and resolution declared duly adopted.

Administrator Don Solga introduced a proposed project in the Industrial Park on Block 1, Lot 9. Developer Jason Stetz said his goal is to be up and running by September 1st. The business is a meat locker plant in a 20 x 60 building. All livestock would be contained inside the building. He isn't going to have livestock there for a long period of time due to costs of feeding. This is preliminary discussion. Administrator Solga said the agreement would need to address what kind of time frame Stetz would have to get the building on the lot; what happens if he changes his mind and who will pay legal fees. The Planning Commission has found the use to be in line with the City's Comprehensive Plan. Motion by Strand, seconded by Waller to approve land transfer of Block 1, Lot 9 of the Industrial Park for this project, subject to Jason Stetz obtaining project financing and development of an acceptable transfer agreement for the land. Motion passed unanimously.

Clerk-Treasurer Glenys Ehlert presented the Financial Reports of 03-31-11, including the Clerk's Recap of Checking and Savings Account, 2011 Investment Schedule and 2011 Investment Yearly Worksheet. Relative to the Council's approval to purchase the two street department vehicles, Administrator Don Solga pointed out the Street Equipment Investments in the amount of $28,000 plus the 2011 budget of $15,000 for equipment for a total of $43,000 set aside specifically for street department equipment. Additional funds are also invested in the 2009 Capital Equipment Funds as reflected on the Investment Yearly Worksheet.

Administrator Solga reviewed a pay request for the liquor store sign. Motion by Waller, seconded by Strand to approve the payment to Indigo Signworks in the amount of $2,299.00 for the liquor store sign. Motion passed unanimously.

Administrator Solga said that Sundance, Inc., has submitted a pay request in the amount of $5,431.53 for work already done. David Gottenborg asked if a subcontractor could come back and file a lien against the liquor store building. Administrator Solga said he did have a discussion with one of the subcontractors about filing a lien. After discussion of the City's concerns regarding certain work, the lien has not been filed. Motion by Strand, seconded by Waller to accept the recommendation of Administrator Solga and Architect Ron Dick to approve a payment to Sundance, Inc., in amount of $5,431.53 for liquor store construction. Motion passed unanimously.

Reporting on the Culvert Bridge L5805, Administrator Solga said he advised the County that the City preferred working on the Culvert Bridge in 2014. This would give the City additional time to budget for the work. Two 16x6 ft. box culverts would provide flexibility on width and elevations with bike lane. Otter Tail County has Interstate Engineering, Inc., do all the bridge engineering work for County so they would be doing the bridge work and the City would pay for it. The City will consider who will engineer the parking lot repairs. Otter Tail County said they could have some design work by the end of this year.

During discussion of the parking lot behind the businesses near the culvert bridge, former mayor Wayne Runningen and former council member and present Park Board Member Dave Gottenborg provided information on the previous paving project components. Gottenborg commented that the Comprehensive Plan designated that there would be a walkway by The Rapids Café. Everyone agreed that providing for pedestrian traffic as well as bicycles, cars and trucks was important.

Regarding the Council's consideration of the purchase of City Hall building, Administrator Don Solga reported on his walk through the upper part of City Hall building with Building Inspector Ron Dick. Ron Dick said there would be room for 300 to 500 people depending on the configuration of the event area. The number of people will affect the code requirements. Over 300 will require sprinkling the building. City would also need a building evacuation plan. Restrooms would need some work to meet accessibility standards and increase the number of fixtures. Dick provided a rough estimate of $420,000 for updates to exterior, roof, siding, windows, HVAC, and interior walls, lights, ceiling restrooms, doors, etc. This estimate was based on lump sum numbers or square footage. It does not include any architectural fees, or any hazardous materials abatement or testing. Nor does it include any kitchen equipment. Honeywell provided a rough estimate of $250,000 to $400,000 to separate heating and cooling systems between the two levels of the building and install new air handler, boiler, AC, variable volume zone and temperature control systems, based on 12 zones. If the City opens the upper level up into one main room, the zones and costs would be reduced. The total numbers for remodeling this building plus cost to buy could be at $700,000. It would probably cost the City $800,000 to $900,000 to build a new building for city offices, police station and event center.

Administrator Solga said he thinks remodeling this building is the least expensive option.

Council Member Strand said he doesn't see the City getting an event center if we build new. Mayor Woessner said, "The event center is what we'd like, but there are other agencies looking for offices." Strand asked, "What would be the cost for the roof, HVAC, insulation?" David Gottenborg said the insulation has to be done because the sun warms one part of the building and then air conditioning is running at the same time as heat is called for in other areas. Administrator Solga said the variable zone would address this. Mayor Woessner said "We know we can't continue to rent City Hall for what we're paying now and we're not building any equity." "Our rent will go up," Mayor Woessner concluded.

Former Council Member Gottenborg said, "When we moved up here, we had no council chambers. We were meeting at the library. I don't think I ever expected it to last this long. I don't see the City in this position for 20 years. I think the City needs to go into something long term."

"I think we need to invest in our community. If we don't, no one will," said Street and Park Superintendent Brian Olson.

Administrator Solga said he has only had positive comments. Mayor Woessner said three business owners have said the City needs to do this. Motion by Waller, seconded by Strand to proceed with the purchase of City Hall Building by accepting State Bank's proposal of a purchase price of $150,000. Motion passed unanimously.

Motion by Strand, seconded by Waller to approve certifying an unpaid utility bill in the amount of $96.08 to County Auditor Wayne Stein for collection with real estate taxes for Parcel No. 76000990183000. Motion passed unanimously.

City Council discussed and requested posted notice that they will be attending the Economic Development Corporation's annual meeting on 04-14-11, 7:00 p.m., Lake Region Electric Cooperative.

The City of Pelican Rapids will be participating in the state wide Tornado Drill on 04-14-11. Administrator Solga reminded the Council that they should review Safe Routes to School Draft Report and address Engineer Bob Schlieman regarding any changes. Schlieman will prepare the final draft for presentation to the Council on 04-26-11.
Motion by Strand, seconded by Waller to adjourn the meeting at 7:25 p.m. Motion passed unanimously.

Clerk-Treasurer Glenys Ehlert, CMC