MINUTES

PELICAN RAPIDS CITY COUNCIL

PUBLIC LIBRARY

FEBRUARY 12, 1996

7 P.M.

The Pelican Rapids City Council met in regular session on 2-12-96, at 7 p.m., in the Pelican Rapids Public Library meeting room.

Present: Acting Mayor Wayne Runningen, Councilmembers Phil Stotesbery, Paulette Nettestad, and LeRoy Martens. Absent: Mayor James O. McDonald.

Also present: Administrative Assistant Richard A. Jenson, Deputy Clerk-Treasurer Glenys Ehlert, Utility Supt. Brent E. Frazier, Street Supt. Vernon Benson, Police Chief Greg Ballard, City Attorney Scott Dirks, Walt Hartman, tax increment advisor, Gary Peterson of Pelican Rapids Press, Tom Augustine of Larson-Peterson & ASC, and Joe Merz, a private housing consultant.

Administrative Assistant Richard A. Jenson reviewed Lake Region Electric Cooperative's (LREC) request for water and sewer main extension from 11th Ave SE to south boundary of west forty acres belonging to LREC. Also in project are curb, gutter and pavement. Estimated costs are watermain-$61,800, sanitary sewer main-$101,800, storm sewer-$60,600 for a total cost of $224,200.

Motion by Stotesbery, seconded by Nettestad to introduce RESOLUTION RECEIVING REPORT AND CALLING HEARING ON LREC IMPROVEMENT PRJ. NO. 61. (A complete text is part of permanent public record in the city clerk's office.) Voting yes: Councilmembers Stotesbery, Nettestad, and Martens. Voting no: None. Abstaining: Acting Mayor Runningen. Motion carried and resolution declared duly adopted.

Council reviewed Larson-Peterson & ASC's proposed schedule for project design and construction of an elevated water storage facility for city. Jenson showed various examples of elevated storage facilities.

Joe Merz reviewed past efforts to bring low and moderate housing to Pelican Rapids. Charles Reisenberg, of Fergus Falls current housing project, is available to work with Merz for housing in Pelican Rapids if current project with St. Croix Valley Homes does not go forward.

Jenson presented the pay equity report as developed by City Attorney Scott Dirks and Mayor McDonald.

Motion by Stotesbery, seconded by Martens to approve the 1995 Pay Equity Report. Motion passed unanimously.

Acting Mayor Runningen turned meeting over to Councilmember Nettestad.

Pursuant to due call and published notice thereof a public hearing was opened at 7:30 p.m. by Acting Mayor Nettestad. No members of public were opposed to LREC project. Dan Elton of LREC spoke in favor of project. Hearing was closed.

Motion by Martens, seconded by Stotesbery to introduce the following resolution; RESOLUTION NO. 96-0212 LREC TIF. RESOLUTION MODIFYING MUNICIPAL DEVELOPMENT DISTRICT NO. 2 AND ESTABLISHING TAX INCREMENT FINANCING ECONOMIC DEVELOPMENT DISTRICT NO. 5 AND APPROVING THE MODIFIED MUNICIPAL DEVELOPMENT DISTRICT PLAN AND TAX INCREMENT FINANCING PLAN RELATING THERETO. Vote was called for Resolution No. 96-0212 LREC TIF.

(A complete text is part of permanent public record in the city clerk's office.) Voting yes: Acting Mayor Nettestad, Councilmembers Stotesbery and Martens. Voting no: None. Abstaining: Councilmember Runningen. Motion carried and resolution declared duly adopted.

Jenson reported that the Planning Commission met and discussed LREC's proposed development in reference to city's comprehensive plan. Project was found in compliance with the city's comprehensive plan and the PC passed a resolution approving same.

Walt Hartman, tax increment advisor, discussed that LREC project is an eligible district. It will last nine years. He has researched how much tax increment would be available. Project should generate $295,000 annually in tax increments. The requested list submitted by LREC was examined and found to be eligible. For the LREC project total of $1,449,000, nine years at 6 % amortizes and requires $213,000 in tax increments per year. This would leave a total of $558,000 or $87,000 per year difference between LREC's requirements and total increment generated which would be available for city water tower. City will need to contribute $12,000 to tax increment district to avoid a reduction in Local Government Aid.

City Attorney Scott Dirks told councilmembers, "Tonight the plan will provide mechanism to implement district. This is not the Development Agreement." He said the Development Agreement is being negotiated at this time. Several items to work out are: 1. How the tax increments will be handled. 2. Job creation required. 3. Language about city approving project change orders.

General Manager Dave Weaklend of LREC thanked Jenson and Mayor McDonald for attending Fergus Falls hearing on tax increment financing and getting tax increment financing legislation regarding Legal Government Aid reduction clarified.

Acting Mayor Runningen resumed the chair.

Motion by Martens, seconded by Stotesbery to authorize Larson-Peterson & ASC to proceed with plans and specifications and soil borings for water tower construction and investigate a couple of the most popular tower designs.

Motion by Stotesbery, seconded by Nettestad to approve minutes of 12-3-95, 1-8 and 1-25-96 as presented. Motion passed unanimously.

Motion by Nettestad, seconded by Martens to approve payment of the 2-12-96 accounts payable list as presented with Kimball Midwest bill adjusted by $297 credit. Motion passed unanimously.

Police Chief Ballard presented his department's report. He reported that 24 hour coverage is working well.

Street Supt. Vernon Benson was welcomed by City Council. He reported on his departments' activities. He said the payloader engine went down and after investigation and consultation with

Jenson and Runningen it was decided to order a new engine and have city crew install it. Estimated cost for engine is $6,500. Benson said he plans to develop a vehicle replacement plan.

Utilities Supt. Brent E. Frazier reported on the water and sewer departments. Well No. 5A is not pumping to capacity. Thein Well is chlorinating it and will acid treat it tomorrow. He said the Wastewater Treatment Facility (WWTF) Expansion No. 2 substantial completion date was 2-1-96, but the plant is not ready.

Council reviewed the Liquor Store Report.

Council reviewed the Financial Reports prepared by administrative staff and thanked them for the variety of reports.

Microbrewery restaurant has been discussed with City Developer Skip Carpenter. Council discussed possibilities of offering a restricted number of on-site strong beer licenses.

Community Center Committee has requested $800 to assist in printing brochures and initial fund raising efforts.

Motion by Nettestad, seconded by Stotesbery to donate $800 to Community Center Committee. Motion passed unanimously.

Motion by Stotesbery, seconded by Martens to set Street Supt.'s salary at 80% of other department head's salary for one year. Motion passed unanimously,

Council discussed other personnel issues and evaluations of salaried employees.

Motion by Martens, seconded by Nettestad to appoint Council Committee of Nettestad and Stotesbery to develop and recommend an evaluation process. Motion passed unanimously.

Frazier thanked Gary Peterson for editor's note about good work by street department responding to 1-18-96 blizzard.

Meeting adjourned at 9:50 p.m.

Glenys Ehlert, CMC Deputy Clerk-Treasurer