

February 23, 2012

**CITY COUNCIL AGENDA**

**Tuesday, February 28, 2012**

**4:30 p.m.**

**Council Chambers, 315 N. Broadway**

---

1. Call to Order
2. Additions / Deletions to Agenda
3. Approval of Minutes – 2/14/12
4. Approval of Accounts Payable Listing
5. Improvement Project 77 Final payment - \$9,607.70
6. Liquor Store Report
  - Mercantile on Main
7. Appointment to Park Board
8. Otter Tail County Highway 9 Safety Improvements
  - Resolution Approving County Project Within Municipal Corporate Limits
  - Resolution for Parallel Parking Only
9. WWTF – Draft Facility Plan Project 79
10. Authorization from City Council to City Attorney’s Office to Proceed with Full and Complete Investigation of Personnel Matter
11. Board of Review 4/3/2012 from 2:00 to 3:00 p.m.
12. Adjourn to EDA Meeting
13. Approval of EDA Actions

## CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 02-28-12

The City Council of Pelican Rapids met in regular session at 4:30 p.m., on Tuesday, 02-28-12, in Council Chambers, City Hall. Mayor Ben Woessner, Council Members James Strand, Kevin Ballard, John E. Waller, III, and Steve Foster were present. No one was absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, Liquor Store Manager Bob Leslie, Melanie Michels, Bud Andrews, Kathy Bergren and Joan Ellison of Mercantile on Main, Ltd., and Lou Hoglund of the Pelican Rapids Press were also present.

Mayor Woessner called meeting to order at 4:30 p.m.

Motion by Strand, seconded by Foster to approve the agenda with additions of Plumbers' Registration List Addition of Howard Wrigley and Pelican Rapids Ducks Unlimited Raffle Permit. Motion carried.

Motion by Waller, seconded by Strand to approve the minutes of 02-14-12 as presented. Motion carried.

Motion by Ballard, seconded by Strand to approve the Accounts Payable Listing of 02-28-12 as presented for City bills in the amount of \$43,894.46 and for Liquor Store bills in the amount of \$26,895.10. Motion carried.

Motion by Strand, seconded by Ballard to approve final payment for Improvement Project No.77 in the amount of \$9,607.70 to Mark & Brenda Construction as recommended by City Engineer Bob Schlieman of Ulteig Engineering and Administrator Don Solga. Motion carried.

Liquor Store Manager Bob Leslie reported on the department.

Administrator Don Solga introduced discussion with Mercantile on Main regarding their interest in purchasing the old liquor store at 29 N. Broadway. Solga said that at the last Council meeting Council agreed to consider sale of the building to Mercantile on Main using a contract for deed with no interest.

On behalf of Mercantile on Main, Ltd., (MOM), Joan Ellison presented an offer on the old liquor store building at 29 N. Broadway in the amount of \$275 per month for 80 months for a total of \$22,000.

Council Member Waller said he was willing to sell the building to MOM for the offered price. He said, "I'd like to make this work." Council Member Ballard agreed that he would like to see this go.

Motion by Waller, seconded by Ballard to accept the MOM offer of \$22,000 paid over 80 months at \$275 with no interest.

Council Member Foster said, "\$22,000 is almost giving this building away. We have a responsibility to the City." Foster cited that another buyer is interested. Mayor Woessner said the person who contacted him was more of an inquiry. Solga reviewed the number of inquiries he had and they were all to lease, not buy.

Administrator Don Solga reviewed the efforts the City has made to sell the property, citing state listing service, conversations with local realtors, etc.

Council discussed a covenant that would return the building to the City after the contract period. Council Member Ballard said, "To me it seems unfair to require a covenant on the contract for deed."

Council asked if this building would really be large enough for MOM since it is smaller than the Park Region building which was their first location. "The amount we can afford is more important than the space we'd like to have," Joan Ellison said.

"I think it's the City's job to help businesses," said John Waller.

City Attorney Greg Larson commented that there is value in an incubator business to City, but has Council considered a lease with option to purchase? Administrator Solga asked, "Who pays cost in transferring building." Larson discussed Internal Revenue Service requirements to charge interest. City Attorney Larson said, "Normally instead of jumping into a contract for deed people enter into a purchase agreement."

Administrator Solga reiterated that Council needs to determine who will pay costs for transferring building.

"What commitment does the City want to make to provide a clean property deal?" asked City Attorney Larson referring to title research.

After discussion regarding various considerations, previous motion was rescinded by Ballard and Waller.

City Attorney Greg Larson asked would the contract be for quit claim deed or warranty deed. Larson recommended that he put together a contract for Council's review.

Motion by Waller, seconded by Foster to authorize City Attorney Greg Larson to draw up a draft contract for deed contemplating a conveyance by quit claim deed between the City of Pelican Rapids, seller, and Mercantile on Main, Ltd., purchaser, for the Old Liquor Store building at 29 N. Broadway. The purchase price is \$22,000 paid over a period of 80 months, with no interest, assuming there are no Internal Revenue Service requirements of interest being applied to this transaction. City Attorney Greg Larson will list the expenses that Mercantile on Main, Ltd., will have responsibility to pay during the term of the contract. Transaction will not require the City of Pelican Rapids to pay for any abstracting or title insurance with respect to verification of whether marketable title exists in City. Motion directs City Attorney Larson to address the furnishing of materials and labor for improvements during the term of the contract. Mercantile on Main, Ltd., will pay all costs to transfer property. Voting yes: Council Members Waller, Foster, Ballard and Strand. Voting no: Mayor Woessner. Motion carried.

Motion by Waller, seconded by Ballard to approve Van Holmgren to fill the remainder of Sandy Ireys Park Board term for 2012 and 2013. Motion carried.

Council Members considered the following written resolution, entitled **RESOLUTION APPROVING COUNTY PROJECT WITHIN MUNICIPAL CORPORATE LIMITS**. (A complete text of this resolution is part of permanent public record in the City Clerk's Office.) Voting yes: Mayor Woessner, Council Members Foster, Waller, Ballard and Strand. Voting no: none. Resolution declared duly adopted.

Council Members considered the following written resolution, entitled **RESOLUTION FOR PARALLEL PARKING ONLY ON CSAH 9**. (A complete text of this resolution is part of permanent public record in the City Clerk's Office.) Voting yes: Mayor Woessner, Council Members Foster, Waller, Ballard and Strand. Voting no: none. Resolution declared duly adopted.

Administrator Don Solga reviewed the Draft Wastewater Treatment Facility Plan. The plan outlines needed improvements at a cost of \$5 million construction. Engineering and financing bring the contract price to \$6.1 million. Motion by Strand, seconded by Foster to approve submittal of the Wastewater Treatment Facility Plan to Minnesota Pollution Control Agency and Public Finance Authority. Motion carried.

Motion by Waller, seconded by Strand to set the public hearing for the Wastewater Treatment Facility Plan for Tuesday, 03-27-12, at 5:00 p.m. Motion carried.

Administrator Don Solga said this work will require a sewer rate increase in 2013.

Mayor Woessner announced agenda item Authorization from City Council to City Attorney's Office to Proceed with Full and Complete Investigation of Personnel Matter.

City Attorney Greg Larson said the request is being made by him to investigate a personnel matter that has come to his attention and that he feels an investigation is in the best interest of the City.

Motion by Ballard, seconded by Waller to authorize City Attorney Greg Larson to proceed with full and complete investigation of personnel matter as recommended. Motion carried. Lou Hoglund of the Pelican Press asked what type of personnel matter was being investigated. City Attorney Larson replied that in light of it being a personnel matter, no information is available.

Council will conduct the Board of Review at City Hall on 04-03-12 from 2:00 to 3:00 p.m.

Motion by Strand, seconded by Waller to approve adding Howard Wrigley of Wrigley Mechanical to the Plumbers' Registration List. Motion carried.

Motion by Foster, seconded by Waller to approve a request from Pelican Rapids Ducks Unlimited, Inc., to conduct a raffle on 03-30-12 at the VFW, 29 NW 1<sup>st</sup> Ave. Motion carried.

Motion by Strand, seconded by Ballard to adjourn to the Economic Development Authority (EDA) meeting at 5:50 p.m. Motion carried.

Mayor Woessner reconvened the City Council meeting at 6:23 p.m.

Motion by Foster, seconded by Waller to adjourn the City Council meeting at 6:25 p.m. Motion carried.

Glenys Ehlert, CMC  
Clerk-Treasurer