

October 7, 2010

CITY COUNCIL AGENDA

Monday, October 11, 2010

5:30 p.m.

Council Chambers, 315 N. Broadway

1. Call to Order
2. Agenda Additions or Deletions
3. Approval of Minutes – 9/28/10
4. Approval of Accounts Payable Listing
5. Police Chief Report
6. Street/Park Superintendent Report
7. Utility Superintendent Report
 - WWTF Change Order No. 8 – Decrease of \$19,862.20
8. Library Report
9. Financial Report
 - 9/30/10 Clerk's Cash & Investments
 - SEC Reporting – Dissemination Agent Agreement
 - 2009 Audit Report – Auditor Dan Rollie
10. Contribution and Support Tourism – Chamber of Commerce – Julie Meyer
11. Liquor Store Report
 - Manager's Report – August & September
 - Project Update
 - Change Orders
 - Pay Request No. 3 - \$115,917.88
 - Liquor Store Signage
12. Improvement Project No. 77 Update
13. WWTF Project Memorandum – Ulteig Engineers

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES - 10-11-10

The City Council of Pelican Rapids met in regular session at 5:30 p.m., on Monday, 10-11-10, in Council Chambers, City Hall. Mayor Ben Woessner, Council Members Richard Peterson, Steve Foster, Kevin Ballard and John E. Waller, III were present. No one was absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, Police Chief Jeff Stadum, Utilities Superintendent Brent Frazier, Street and Park Superintendent Brian Olson, Library Director Annie Wrigg, Liquor Store Manager Bob Leslie, Engineers Bob Schlieman and Seth Lynne of Ulteig Engineers, Auditor Dan Rollie, Everett Ballard and Julie Meyer of the Chamber of Commerce and Lou Hoglund of The Pelican Rapids Press were also present.

Mayor Woessner called meeting to order at 5:30 p.m.

There were no additions or deletions to agenda. Motion by Peterson, seconded by Waller to accept agenda as written. Motion passed unanimously.

Motion by Ballard, seconded by Peterson to approve minutes of 09-28-10 as presented. Motion passed unanimously.

Motion by Waller, seconded by Ballard to approve 10-11-10 Accounts Payable Listing in the amount of \$61,197.07 which includes the addition of \$23.70 for Verizon Wireless for cell phone cover for current City bills, \$3,640 for current Library bills and \$87,542.07 for Liquor Store September bills. Motion passed unanimously.

Police Chief Jeff Stadum presented his report including hours worked, miles driven, 177 ICR's, 3 arrests and 14 tickets with fine money in the amount of \$1,176.99.

Street and Park Superintendent Brian Olson gave his report. The water hydrants were flushed and some sewer mains were cleaned as well as some storm drain work completed. The Wind Mill steps have been completed except for a new handrail.

Utility Superintendent Brent Frazier reported that Wells 5A, 10 and 11 have been sealed. He reported on other areas at the water and wastewater facilities. Administrator Don Solga presented Change Order No. 8 for a \$19,862.20 reduction in the Wastewater Treatment Facility Improvements for P-Management project contract of \$4,304,017 to \$4,284,154.80 to Gridor Construction for construction on the Wastewater Treatment Facility. Motion by Ballard, seconded by Peterson to approve Change Order No. 8 for a Wastewater Treatment Facility contract reduction of \$19,862.20 and authorize Mayor Woessner's signature on same. Motion passed unanimously.

Engineer Bob Schlieman presented a Technical Memorandum – Recommendations for Secondary Treatment Improvements. The Wastewater Treatment Facility (WWTF) uses Rotating Biological Contactors (RBCs) which are older technology. Structural failure of the shafts is a common occurrence and is frequently cited as the primary design deficiency of the RBC treatment system. They are 30 years old and sooner or later they need to be replaced. Administrator Don Solga wanted to look at new treatment possibilities instead of continuing to repair the RBCs at a cost of \$40,000 each time. The City needs to repair a second unit this year.

Engineer Seth Lynne discussed converting the existing final clarifiers to a moving bed bio-film reactor (MBBR). Engineers Lynne and Schlieman recommended that the City of Pelican Rapids convert the existing 26' diameter final clarifiers to MBBRs for improved secondary treatment. The estimated cost is close to \$1 million. Administrator Don Solga said he was shocked by the \$1 million costs. Council and staff questions concerned the high cost of operating blowers, the need to build a blower building, role of final clarifier building, need to fix the RBCs for winter and whether there is any assistance to help with this project. Engineers agreed that there are a number of agencies such as Rural Development, PFA and other avenues available for various types of financial assistance for the project.

Council agreed that the City needs to repair the failed RBC before winter. Motion by Ballard, seconded by Foster to authorize repairs to the RBC. Motion passed unanimously.

Council requested that Ulteig Engineers prepare a cost proposal to prepare a preliminary engineering report on the moving bed bio-film reactor (MBBR) technology and it's use at the wastewater treatment facility instead of rotating biological contactors (RBCs).

Library Director Annie Wrigg says that with the four day school week, Mondays have become a family day at the library and circulation has increased.

Clerk-Treasurer Glenys Ehlert presented information on 09-30-10 checking accounts and investment accounts. She explained that due to a change in the Securities and Exchange Commission rules, the City will be required to complete annual reports for any bonds issued after July 1, 2009. This would include the 2010 A and B Bond Issues. The City's bond consultants, Northland Securities, offers these services to the City at a cost of \$435 for up to three bond issues and \$645 for four or more issues.

Motion by Waller, seconded by Foster to approve the Dissemination Agent Agreement with Northland Securities at a cost of \$435 at the present time to prepare the Annual Reports for bond issues subject to limited continuing disclosure for the City of Pelican Rapids. Motion passed unanimously.

Council Member Peterson asked Ehlert about the Investment Schedule which reports several dollar amounts for the same type of funds, for instance three separate Seal Coat funds. Ehlert explained that each investment was deposited in a CD or money market account when the funds were set aside. So one investment is for 05 and 06 seal coat funds, one is 07 and 08 seal coat funds and one is for 09 seal coat funds for a total of \$58,797.63 set aside from previous budgets for seal coating streets.

Julie Meyers and Everett Ballard were present to discuss support for the Chamber of Commerce. The Chamber is making some changes to their staffing with the bookkeeping position to be split into a separate position from the Chamber Director position. This will allow the Director of the Chamber of Commerce spend time promoting the community and working with businesses to develop membership.

Clerk-Treasurer Glenys Ehlert previously discussed with City Council and the Chamber that the City is permitted to contribute funds to promote the community through advertising and funding visitor information although the City cannot be a member of the Chamber of Commerce.

Everett Ballard reported that the Chamber spent \$13,174 in 2009 for advertising and promoting various events that benefit the whole community. These dollars do not include expenses that benefitted Chamber of Commerce members only like Pelican Bucks.

Julie Meyer and Everett Ballard said the Chamber would like to partner with the City and is looking for funding from the City for promotion and tourist information. Council Member Peterson asked what amount they would be looking for and would that be an annual, reoccurring expense. Meyers and Ballard said they would be looking for \$13,000 as an annual expense. Council Member Peterson and Mayor Woessner said the City is funding the Historic City Hall operating expenses up to \$6,000 in the general fund budget and \$8,000 in debt service.

Administrator Don Solga suggested that the Budget Committee could meet to review the request. He said since the 2011 Preliminary Budget has been set, if Council were to decide to provide additional funding to the Chamber he and the Budget Committee would have to find someplace that wouldn't get the dollars previously budgeted. Council Member Peterson and Mayor Woessner said that \$13,000 wouldn't work. Julie Meyer asked that the City talk about it and think about helping keep these events in place to benefit the community. Council Member Peterson said the City just doesn't have the money to support the Chamber.

Liquor Store Manager Bob Leslie presented the Liquor Store information for August and September. He discussed shelving with the Council. Leslie has a quote for \$7000 for four islands of new shelving. The store also has some used shelving stored at the public works garage and he will inspect it to see if it needs paint. If the shelving needs paint, it would be better to buy new as labor for painting would be more expensive than new shelving.

Administrator Don Solga said he did not receive the necessary information to process the Change Orders on the agenda.

Administrator Solga presented the Liquor Store Project Pay Request No. 3. Motion by Ballard, seconded by Foster to approve Liquor Store Project Pay Request No. 3 in the amount of \$115,917.88 to contractor Sundance Companies, Inc., as recommended by Architect Ronald Dick of Design-7. Motion passed unanimously.

Administrator Don Solga asked Council if they want to consider an electric sign board at the Liquor Store. If they are interested, he will gather the information so they can decide and start the order process. The cost for a one color electronic billboard will be about \$17,000 to \$20,000.

Administrator Don Solga presented information on Utility and Street Improvements for SE 5th Street and Maplewood Drive - Improvement Project No. 77. The pre-construction meeting was last Thursday. The contracts have been signed and work started today.

City Auditor Dan Rollie presented the City of Pelican Rapids 2009 Audit Report. He said that 2009 represented improvements in the City's position in various funds. He offered some historical perspective and said before GASBE 34 took effect governmental funds did not have fixed assets or long term debt. Enterprise funds were separate and comparable to private enterprises. Governmental funds are reported at fund level and reported by converting to a full accrual. The General Fund's fund balance increased by over \$400,000. The State likes to see a fund balance of half the total annual expenditures and the City has more than that as a fund

balance. He commended the City on the fact that actual expenditures were very close to actual budgeted. The budget was only \$9916 below the actual expenditures. Auditor Rollie said, "You seldom see those numbers so close." He reviewed the governmental funds and enterprise funds as well as the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance for various funds.

Administrator Don Solga said, "We're in a better position in 2009 than in 2008 and that was better than 2007 so we're moving in the right direction and we've been able to keep everyone working."

Auditor Dan Rollie recommended continuing to monitor funds in Tax Increment Fund (TIF) No. 1 closely to be sure that there are adequate funds to pay debt obligations when the District expires in 2013. Clerk-Treasurer Glenys Ehlert and Rollie are working with Tax Increment Consultant Nick Skarich to review TIF No. 1.

Mayor Woessner thanked Dan for his report and presentation.

Motion by Ballard, seconded by Peterson to adjourn the City Council meeting at 8:05 p.m.

Glenys Ehlert, CMC
Clerk-Treasurer