

February 21, 2008

CITY COUNCIL AGENDA

Tuesday, February 26, 2008

4:30 p.m.

City Hall, Council Chambers

1. Call to Order
2. Additions / Deletions to Agenda
3. Approval of Accounts Payable Listing
4. Liquor Store Report
5. Improvement Project No. 72 Public Hearing - 6:00 p.m.
6. Bond Sale Resolution - Refunding 98 & 99 Bonds
7. West Central Initiative Update – Brianna McAleer
8. Teen Center
9. Former Fire Hall Options
10. Event Center Liquor License
 - A. Consider Ordinance Change to Increase Number of Liquor Licenses
 - B. City Attorney’s Recommendation on Event Center Liquor License
11. Tax Increment Financing Request
12. Open House Honoring Police Chief Scott Fox – 3/28/8 from 2:00-5:00 p.m.

CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES -02-26-08

The City Council of Pelican Rapids met in regular session at 4:30 p.m., on Tuesday, 02-26-08, in Council Chambers, City Hall. Mayor Wayne Runningen, Council Members David Gottenborg, Ben Woessner and John E. Waller, III were present. Richard Peterson was absent.

Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, City Attorney Greg Larson, Library Director Annie Wrigg, Street and Park Superintendent Brian Olson, Brianna McAleer, Kim Embretson, Salley Huynh, Mikayla Jensen, Ashley Phan, Felix Barragan, Ben Barragan, Liquor Store Manager Bob Leslie, Brenda Brand, Renato Molina, Janet Restad, Margaret Engebretson, Steven Engebretson, Arlene Tweeton, Leon Tweeton, Aaron Jaeger, LouAnn Schleske, Harold and Marge Engebretson, Marietta Vhnoutka, Barbara and Landis Erickson, Staci Markgraf, Curt Markgraf, Brian L. Evenson and Kelley Gorman of the Pelican Rapids Press were also present.

Mayor Runningen called meeting to order.

Bond Sale Resolution for Refunding 1998 and 1999 Bonds was deleted from the agenda. New Firefighters, Fire Hall Meeting Room Policy and Water and Sewer Extension for Northeast part of City were added to the agenda.

Brianna McAleer and Kim Embretson were present to present a report on West Central Initiative (WCI). The organization has provided \$32,000 in grants to Pelican Rapids in past two years. One grant was an Early Childhood Initiative Grant for playground equipment. Another provided a retraining program for West Central Turkeys, LLC to focus and keep the jobs that are already here with retraining. WCI also provided grant money for the Pelican Rapids Housing Study. Brianna McAleer is also working on an infrastructure study with three area cities. Mayor Runningen thanked them for working in the community. Brianna McAleer also thanked community for their contributions to WCI.

Ashley Phan provided an update on the Teen Center. The Youth Crew has expressed an interest in working together on the business plan. The group is gathering information on funding. As an example the DL Center has fees of \$10.00 per year. Member policy is being developed. "We've set up a lot of projects and we are working on them," Ashley explained. They've been checking out other sites. They've talked to Mr. Marsh, a teacher at the school who is willing to work with the group on building plans. The building class might be able to accomplish the construction as a class project. A community banker suggested working with Moorhead State to develop a business plan. They are going to take a look at the Barnesville Teen Center and the group has found some successful groups through the City Clerks' List Serve. The DL Teen Center would like to meet with them as well as Pat Peterson with the Boys and Girls Club.

Liquor Store Manager Bob Leslie presented information on liquor store inventory turns ratios. The Liquor Store's gross profit as a percentage of sales is a tad higher than area comparisons while the net profit is a little lower than area comparisons. Administrator Don Solga and Leslie recently attended the Minnesota Municipal Beverage Association conference and gathered a great deal of valuable information, especially about inventory turns ratios and cycle inventories. They also learned that the store's inventory software will be able to provide more information.

Council considered the Liquor License Ordinance. Mayor Runningen discussed that the City presently permits two on-sale intoxicating liquor licenses and both licenses have been issued. One of the questions before the Council is whether to increase the number of on-sale licenses

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that are available. Council indicated that they had no objection to increasing the number of on-sale licenses.

Motion by Gottenborg, seconded by Woessner to introduce the following ordinance, entitled, **ORDINANCE NO. 08-02, entitled AN ORDINANCE TO AMEND CHAPTER 6, LIQUOR, WINE AND BEER PART 0. INTOXICATING LIQUOR (ALL TYPES) LICENSING AND PART 3. BEER LICENSING.** (A complete text of this Ordinance is part of permanent public record and is on file in the City Clerk's office.) Motion passed unanimously and the Ordinance was declared duly adopted and in force upon publication.

City Attorney Greg Larson presented information that he researched regarding intoxicating liquor licenses. The City is only permitted to issue licenses to clubs, motels, restaurants and bowling centers. The legislature has said the license holder will have appropriate facilities to regularly serve meals to the general public. It depends on Mr. Molina's business plan and the discretion of the City Council as to whether his plan meets the license requirements. The City needs to make explicit findings that Mr. Molina's business plan meets the license requirement. Perhaps Mr. Molina's facility would offer unique service to the community. Mayor Runningen said, "My feeling is that if Mr. Molina is not being exclusive in serving groups of people, then I believe he is serving the general public." City Attorney Greg Larson's concern is the City's ability to adequately justify the decision so the City would not be construed as acting arbitrarily. "My biggest concern is whether it can reasonably meet the standard that meals be regularly served to the public," said Larson. Mayor Runningen suggested that Administrator Don Solga, Clerk Treasurer Glenys Ehlert and possibly the City Attorney meet with Mr. Molina regarding his business plan.

Motion by Waller, seconded by Gottenborg to approve the Accounts Payable List of 02-26-08 as presented. Motion passed unanimously.

Motion by Waller, seconded by Gottenborg to authorize hiring Jed Miller and Jason Fahje as firefighters at the current pay schedule. Motion passed unanimously.

There will be an Open House honoring Police Chief Scott Fox on his retirement on 03-28-08 from 2:00 to 5:00 p.m. at City Hall.

Pursuant to due call and public notice thereof, a public hearing was held at 6:00 p.m., on 02-26-08 to consider the making of an improvement on Golf Course Road – from Hwy 59 to the north approximately 400 feet; 3rd Avenue NE – from 1st Street NE to 3rd Street NE; 2nd Avenue NE – from the Pelican River to 3rd Street NE; 2nd Street NE – from the Pelican River to 3rd Avenue NE; 3rd Street NE – from the Pelican River to 3rd Avenue NE; 1st Street SW – from 10th Avenue SW to 5th Avenue SW and 10th Avenue SW – from 2nd Street SW to Hwy 59.

Purpose of the Public Hearing: it is a requirement of Minnesota Statute and it provides information on the proposed improvement to abutting property owners regarding project construction and costs to be assessed.

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Engineer Gary Nansen reviewed the three components of the proposed project. He recommended soil borings and evaluation, an inventory of all underground utilities should be conducted to assess for any deficiencies and if sub-grade soils are not suitable for road fill curb and gutter replacement should be considered to allow for sub-grade correction of underlying soils.

Estimated project costs and financing: 40% assessed to benefitting properties; 60% cost incurred by City; curb and gutter replacement incurred by City and new curb and gutter will be assessed to benefitting properties.

Proposed Project Schedule:

Engineering Report	01-29-08
Public Hearing	02-26-08
Project Plans and Specifications	March thru April, 2008
Receive Bids	June, 2008
Begin Construction	July, 2008
Assessment Hearing	October, 2008

The City Council may proceed with the project tonight to authorize design and bid documents for bidding. If the bids come in too high or there are other problems, the City Council may decide to reject all bids and not go forward with the project.

Aaron Jaeger, representing Lake Area Docks property owner Donovan Rasmussen, questioned plans to deal with erosion coming from frontage road onto Golf Course Road. Jaeger said July construction would be fine for them as their busier season is March, April, May and June. Brian Evenson, owner of Birchwood Golf Course, said July is their busiest time and for them construction in August would be better. Evenson also pointed out that he owns the majority of the property on the south side of the road, but his business entrance is not located on this road.

Barbara Erickson is in Section C and she objects to the 40/60 split because they already paid for the road once. They have traffic from elevator, Evenson Trucking and the school. They do not have an alternative way to access their property during construction. Mayor Runnigen said the City determined the 40% assessed to property owners and 60% paid by the City as a whole during the first major reconstruction project because people throughout the City have paid for their first street construction by 100% assessments.

Leon Tweeton said there are only two houses served by the block of Second St. NE and he doesn't feel the road needs replacing.

Marge Engebretson said the lots are different sizes on the dead end portion of Second St. NE.

Gary Nanssem said this situation is probably similar to the cul de sak and benefit could be calculated according to a formula.

Brian Evenson asked if curb and gutter would be required. Gary Nansen said replacing the bituminous section will not solve the problem. Evenson said, "I'll be paying a hundred percent

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of this solution. I probably have 350 ft. of the 400 ft.” Mayor Runningen asked, “How valuable is that road to your business?” Evenson replied that it is valuable access to his business. Council Member Gottenborg commented that he is not sure if that road is the best place to spend city money since there are so few benefitted properties. Administrator Solga said the road will need money spent on it to repair it and deal with the drainage problem. The street department presently has to scoop up the gravel off Hwy 59 after every rain.

Janet Restad on 10th Ave. SW asked about the right of way footage. Engineer Nansen said the size of the lot determines the assessment.

Marietta Vohnoutka questioned about the assessment calculation regarding a platted street. She also asked about access for the ambulance because her husband is very ill and has required an ambulance in the past. In previous projects each property owner had access each night. Nansen said they would want to notify the contractor that emergency services might be required.

Landis Erickson asked about an overlay instead of a reconstruction. Mayor Runningen said that 20 to 25 years is the normal life of a street. “An overlay might have extended the life of the street 10 years ago, but presently it needs reconstruction,” Nansen replied.

Mayor Runningen said assessments have been for 15 to 20 years depending on the bond rates and information received at the assessment hearing.

Mayor Runningen explained that after this hearing, the Council will decide whether to proceed with plans and specs.

Motion by Gottenborg, seconded by Woessner to close the hearing. Motion passed unanimously.

Council Member Gottenborg said he was inclined to let this project go forward with plans and specs. “Perhaps it would be nice not to have to do any of this; however, we are charged with maintaining the infrastructure,” he continued.

Administrator Solga said these are the next ones that need work – they are the worst ones without water and sewer work required.

Council Member Woessner said, “These roads have lasted ten years past the expectation. If we don’t do some of these projects now when interest rates are lower, we’ll have a huge project later.”

Motion by Gottenborg, seconded by Waller to introduce **RESOLUTION ORDERING IMPROVEMENT AND PREPARATION OF PLANS FOR IMPROVEMENT PROJECT NO. 72.** (A complete text of this resolution is part of permanent public record in the City Clerk’s office.) Motion passed unanimously and resolution declared duly adopted.

Nansen said he anticipates having the plans and specs back to the City Council on 04-29-08.

Council Member Gottenborg announced that this project is his project and he will remove himself from the Council during these discussions now and in the future. Agenda Item 15 is the

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Water and Sewer Main Extensions to the north east part of the City. Engineer Gary Nansen said they have looked at three different alternatives to serving property on 5th Ave. NE and 1st St. NE. One alternative is from Highway 59 and a second alternative is along 1st St. NE. These have limited service areas. There is a lift station at 3rd Ave. NE and 3rd St. NE. This lift station provides a third option to proceed across private property from the lift station to 5th Ave. NE and back to 1st St. NE. This would have the larger service area. Administrator Don Solga said he agreed that Option 3 will be the best option in the long term because it gives us the largest service area for future development. David Gottenborg is proposing to develop a professional building on the corner of 5th Ave. and 1st St. NE. He said he was looking at a May 1st start date and occupying the building by September 30th.

Council discussed the costs and benefits of providing for future development versus serving existing buildings on 1st St. NE. Council Member Woessner said he was more excited about providing water and sewer to existing buildings.

Motion by Woessner, seconded by Waller to introduce the following resolution, entitled **RESOLUTION ORDERING PREPARATION OF REPORT ON IMPROVEMENT PROJECT NO. 73.** (A complete text of this resolution is part of permanent public record in the City Clerk's office.) Mayor Runningen, Council Members Woessner and Waller voted yes. No one voted no. Motion carried and resolution declared duly adopted.

Council Member Gottenborg rejoined the meeting.

Brian Evenson addressed Council about Golf Course Road Improvement and the cost to his business for improving a road that serves the Industrial Park and other property. Evenson said, "I have 300 ft. abutting the road, but I don't even have a driveway accessing that property."

Former Fire Hall options were reviewed by Administrator Solga. To date there have been no inquiries to purchase the building. The 5th grade girls' basketball team would like to place a temporary basketball hoop in the building through April. Council discussed the need for a building use policy before permitting use by various groups. Council Member Gottenborg suggested referring the former fire hall to the Facility Committee. Motion by Waller, seconded by Gottenborg to refer the building to the Facilities Committee. Motion passed unanimously.

Fire Hall Meeting Room policy has not been established. A township has requested to hold their annual meeting in the meeting room at the Fire Hall. Motion by Gottenborg, seconded by Waller to allow Pelican Township to use the Fire Hall meeting room this one time for their annual meeting at no charge. Discussion involved parking. Motion passed unanimously.

Council Member Gottenborg removed himself from the Council table.

The City Council reviewed a request for a Tax Increment Financing (TIF) District from David Gottenborg, DC, for construction of a clinic office building.

Motion by Woessner, seconded by Waller to approve the preliminary TIF request from David Gottenborg and to direct Tax Increment Consultant Dick Asleson to work with David

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Gottenborg to develop a TIF Plan and Agreement. .) Mayor Runningen, Council Members Woessner and Waller voted yes. No one voted no. Motion carried.

Council Member Gottenborg rejoined the meeting.

Meeting adjourned at 8:50 p.m.

Glenys Ehlert, CMC
Clerk-Treasurer