

July 10, 2008

CITY COUNCIL AGENDA

**Monday, July 14, 2008**

**5:30 p.m.**

**Council Chambers, 315 N. Broadway**

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1. Call to Order
2. Agenda Additions or Deletions
3. Approval of Minutes
4. Approval of Accounts Payable Listing
5. Police Chief Report
6. Utility Superintendent Report
7. Street/Park Superintendent Report
8. Library Report
9. Financial Report
  - Mid Year Budget Comparison of 6-30-08
  - Project 72 & 73 Bond Sale 7-29-08
  - 2009 Budget Committee
10. Airport
  - Resolution for Airport Improvement State Grant Agreement
  - Ordinance Change Request Regarding Business License
11. Water-WWTF Bid Report
  - Significant User Agreement
12. Public Transit Update
13. West Central Initiative Endowment Funding
14. VFW Temporary Beer Garden License Request for 7-19-08
15. Park Land Appraisal

## CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 07-14-08

The City Council of Pelican Rapids met in regular session at 5:30 p.m., on Monday, 07-14-08, in Council Chambers, City Hall. Mayor Wayne Runningen, Council Members David Gottenborg, Ben Woessner, Richard Peterson and John E. Waller, III were present. No one was absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, City Engineer Pat Reinsnour, Police Chief Jeff Stadum, Street and Park Superintendent Brian Olson, Utilities Superintendent Brent E. Frazier, Library Director Annie Wrigg and Kelley Gorman of the Pelican Rapids Press were also present.

Mayor Runningen called meeting to order.

There were no additions or deletions to the agenda.

Motion by Waller, Woessner to approve minutes of 06-09-08 and 06-24-08 as presented. Motion passed unanimously.

Motion by Peterson, seconded by Woessner to approve Accounts Payable List of 07-14-08 as presented. Motion includes payment of Liquor Store and Library bills. Motion passed unanimously.

Police Chief Jeff Stadum recommended that Bjorn Conroy be appointed as a part time police officer. He reported on the department's activities during the past month. Mayor Runningen thanked Police Chief Stadum and the department for their work during the 125<sup>th</sup> Celebration and Turkey Festival this past weekend.

Motion by Waller, seconded by Peterson to appoint Bjorn Conroy as a part time police officer at Step 1 of the police part time salary schedule as recommended by Chief Stadum. Motion by Waller, seconded by Peterson to introduce the following resolution, entitled **RESOLUTION DESIGNATING POLICE OFFICER FOR PUBLIC EMPLOYEES POLICE AND FIRE PLAN**. Motion passed unanimously and resolution declared duly adopted.

Utilities Superintendent Brent Frazier reported that In Control was present to conduct semi-annual service work in the water and wastewater control systems. He reported Well No. 15 is on line and being pumped in rotation with Well No. 12 and 13. Superintendent Frazier reported on several other items at the Wastewater Treatment Facility.

Street and Park Superintendent Brian Olson reported on streets including that dust guard has been applied, chain saw training and striping parking spaces downtown. He reported that employees did a great job getting the parks ready for the 125<sup>th</sup> Celebration and Turkey Day. Superintendent Olson said the pool is going great this year and Pool Manager Anne Peterson is doing a great job.

He reported that one lifeguard could not be employed. He also recommended hiring Danielle Kuperas as a new lifeguard. Motion by Peterson, seconded by Woessner to hire Danielle Kuperas as a lifeguard at the beginning rate of pay for lifeguards on the salary schedule. Motion passed unanimously.

Superintendent Olson reported that the Historical Monument has been repaired by Bradco Restoration and it really looks great now. He recommended capping it so moisture doesn't get back in there. Olson continued, "A flagpole would finish it off very nicely."

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Council agreed. Mayor Runnigen reported that a big branch came down on the picnic tables at Peterson Park and asked if tree trimming was in the plans. Olson said he would take care of it.

Library Director Annie Wrigg reported on the library. Jerrilyn Baker retired 06-30-08.

Clerk-Treasurer Glenys Ehlert presented financial reports for 06-30-08. She also presented the Mid-Year Budget Comparison of 06-30-08. Ehlert said the Bond Sale for Project 72 and 73 is scheduled for 07-29-08.

Council discussed budget preparation for 2009. Motion by Woessner, seconded by Waller to appoint Gottenborg and Peterson to the 2009 Budget Committee. Motion passed unanimously.

Administrator Don Solga and Clerk-Treasurer Glenys Ehlert said the Airport Taxiway Rehabilitation Project is moving forward. The next step is to approve the grant agreement with the State of Minnesota for the project. Motion by Peterson, seconded by Waller to introduce the following written resolution, entitled **RESOLUTION FOR AUTHORIZATION TO EXECUTE MINNESOTA DEPARTMENT OF TRANSPORTATION GRANT AGREEMENT FOR AIRPORT IMPROVEMENT EXCLUDING LAND ACQUISITION**. (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.

Council discussed a request to reduce the Airport Business License fee from \$1500. The business operator also suggested changing requirement from a non-refundable license fee to a deposit. Motion by Peterson, seconded by Woessner to decline to change airport license fee. Motion passed unanimously.

Administrator Don Solga said the bus in Pelican Rapids is struggling to gain riders. Every other location where the Otter Express operates is experiencing an increase in riders. Only two or three people ride the bus a couple of days a week in Pelican Rapids. The riders say that other people don't ride because they have other ride options. "I don't think they do a very good job of marketing the bus," Solga said. A morning and evening commute route is operating from Henning to Fergus Falls. Solga said he has suggested a free ride day that the City helps fund, but he hasn't had a response to date.

Administrator Solga recommended continuing to donate funds to the West Central Initiative Endowment Funding. A suggestion was \$10,000 over a period of three to five years. The matter was referred to the Budget Committee.

Motion by Peterson, seconded by Woessner to approve VFW Beer Garden Temporary Malt Liquor License for Saturday, July 19<sup>th</sup>, subject to rules and provisions attached to application. Motion passed unanimously.

Administrator Solga said the City approached the owners of Creamery Apartments to contribute a parcel of land to the Veteran's Memorial River Park. The owners requested that the City pay for an appraisal of the property rather than relying on the Otter Tail County evaluation. Council discussed the bike path. There was no action taken on request that City pay for an appraisal.

## **CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES – 07-14-08**

Administrator Solga presented information on the Wastewater Treatment Facility Improvements for Phosphorous Management Cost Breakdown and Building Cost Breakdown relative to the bids received in June. The intent is not to award the project tonight.

Six firms submitted bids ranging in cost for the base bid from \$4,745,000 to \$5,715,447. Alternates, engineering and financing costs bring project costs to \$7,319,900, according to a cost breakdown prepared by Engineer Pat Reinsour.

Engineer Pat Reinsour discussed the various parts of the project. He said bids are valid for 60 days. Rice Lake Construction has the apparent low base bid and has submitted correspondence to the City about language in the bid specs and bid form. The bid specs state that the award will be based on the low bidder on the base bid. Reinsour said the addendum with the bid form that the contractors and sub-contractors used stated the award would be based on the sum of the base bid and alternates selected.

Engineer Reinsour continued with review of bid alternates for standby generator, primary clarifier mechanism and 2 million gallon bio-solids tank. Administrator Don Solga and Reinsour have met with representatives of West Central Turkeys, LLC (WCT) regarding the Support Agreement, the size of the bio-solids tank and amending the Significant Industrial User (SIU) Agreement for lower flows.

Council Member Gottenborg said his questions are about the size of the storage tank and is it necessary that all these buildings be constructed? West Central Turkeys (WCT) put in a 90,000 gallon tank. Reinsour said, "The 2 million gallon tank is sized to hold the sludge that WCT is permitted to give us." "Pat is obligated to size the project to take the sludge that is permitted," Mayor Runnigen stated. "The fact that we are removing phosphorous with alum doubles the amount of sludge that is created," Reinsour continued.

Administrator Solga said that WCT is considering a support agreement that would allow the City to borrow money at a lower interest rate.

Engineer Pat Reinsour said WCT is open to discussion about relinquishing 200,000 of the 600,000 flow permitted by the Significant Industrial User Agreement.

Administrator Solga says they are waiting for information from WCT before making a recommendation to Council regarding the wastewater phosphorous removal project.

"I think there may be important reasons that the City will need to request an extension from Minnesota Pollution Control Agency (MPCA) and possibly do a redesign of the project based on changes to the Significant Industrial User Agreement," Solga said.

Mayor Runnigen questioned what the additional engineering would cost and if it is even possible to get an extension and accomplish the engineering. Reinsour replied that the difficult work has been accomplished and it is very possible to request an extension and get the work done.

Council discussed adjourning this meeting to a later date.

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Council Member Peterson questioned that if the City changes the size of the tank, it will mean other changes and the project needs to be rebid. He said, “Isn’t it worth our effort to contact MPCA to see if they are open to an extension for re-bidding?”

“This project was much more costly than we expected and we’re working on ways to reduce the burden to the community,” Administrator Solga said.

Motion by Peterson, seconded by Waller to adjourn this meeting to Tuesday, 07-22-08, at 5:00 p.m. to consider WWTF Improvements for Phosphorous Management Project Update and Water Plant Control Improvements. Motion passed unanimously.

7:35 p.m.

Glenys Ehlert, CMC  
Clerk-Treasurer

## **CITY OF PELICAN RAPIDS COUNCIL MEETING MINUTES -07-22-08**

The City Council of Pelican Rapids met in continued session at 5:00 p.m., on Tuesday, 07-22-08, in Council Chambers, City Hall. Mayor Wayne Runnigen, Council Members Ben Woessner, Richard Peterson and John E. Waller, III were present. Council Member Gottenborg was absent. Administrator Don Solga, Clerk-Treasurer Glenys Ehlert, Utilities Superintendent Brent Frazier and Engineer Pat Reinsnour were also present.

Mayor Runnigen reconvened the 07-14-08 meeting.

Administrator Don Solga reported on meetings with West Central Turkeys, LLC, (WCT) regarding the Significant Industrial User Agreement (SIU) and the support agreement. Potential savings to WCT in reducing the size of the final clarifier would be \$120,000. Both parties agreed that it isn’t worth changing the SIU agreement for those savings. Discussions touched on possibility of reducing the size of the storage tank from 2 million gallon tank to 1 million gallon tank without changing the SIU.

Engineer Pat Reinsnour said that the City and Industry together presently create only two-thirds of the wastewater permitted at this time at the mechanical plant and are producing one tenth of the sludge expected. The City hauled sludge about five or six times in the past year for a total of 300,000 gallons of sludge. On the bio-solids portion of the phosphorous removal bid, based on the computations on present loadings, a 1 million tank would work and City could rebid the 2 million gallon tank on the alternate.

Engineer Reinsnour reported that the City previously had installed aerators in the ponds. These were disabled due to maintenance on the floating aeration system.

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Engineer Reinsnour explained that wastewater comes from WCT to anaerobic lagoons and they haven't been working properly. By-pass valve will hopefully solve odor problem at the mechanical plant. The question before the Council is: Does it make sense to install a system at a cost of \$850,000 for aeration when the odor problem has gone away at the ponds?

Administrator Don Solga: We are trying to reduce odors through the installation of a system to bypass the lagoons. If we're just dealing with the aeration, do a change order to contractor after awarding contract. This would have to be approved by Minnesota Pollution Control Agency (MPCA) and the Public Facilities Authority (PFA).

Mayor Runningen: It was designed to have aeration. We're not adding anything new.

Administrator Solga: If we change the project, we have potential savings of \$365,000 on tank; \$175,000 for backup power and \$850,000 for aeration.

Mayor Runningen: I'd like to put the aeration in to give Superintendent Frazier more flexibility.

Council Member Peterson said he does not want to spend money on aeration when we don't know if that will solve the odor problem.

Engineer Reinsnour said that the aeration does restore more pond storage. He commented that the City could enter into an agreement with the successful contractor and do the aeration at the end of project which would give City an extra year.

Council discussed various items.

Motion by Peterson, seconded by Woessner to adjourn the meeting at 6:58 p.m. Motion passed unanimously.

Glenys Ehlert, CMC  
Clerk-Treasurer