

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
April 11, 2016**

The regular meeting of the Perham City Council was called to order by Mayor Meehl at 5:22 pm in the Council Chambers of the City Administration Building at 125 Second Avenue NE, Perham, Minnesota, all members of the Council having been duly notified of the meeting and the business to be transacted. Council Members present were Meehl, Johnson, Lehmkuhl and Spencer.

Staff present: Police Chief Hoaby, Finance Officer Stokke, EDA Director Johnson, Administrative Assistant Nundahl

Others present: City Attorney Happel, Building Official Neisen, City Engineer Berube, Former City Manager Klemm

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Mayor Meehl requested all in attendance rise for the Pledge of Allegiance.

**CITIZENS CONCERNS**

Mayor Meehl stated Council will recognize citizens who may have items for the Council.

Maggie Fresonke, 458 6<sup>th</sup> Street SW, requested the Council consider allowing chickens within the City limits. Ms. Fresonke stated a number of cities are allowing chickens because they are a public health benefit and they also can provide companionship. Council Member Johnson stated we recently denied a request to allow chickens. Council Member Spencer questioned if a number of people are interested in raising chickens, Ms. Fresonke stated she did not know. Mayor Meehl stated the Council will discuss this subject at a future date.

**APPROVAL OF AGENDA**

Mayor Meehl stated Council Members and Staff may add items to the Agenda which requires Council action.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the agenda as presented.

**CONSENT AGENDA**

Mayor Meehl stated all items listed with an asterisk (\*) will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event, the item will be removed from the general order of business and considered separately in its normal sequence on the agenda.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the Consent Agenda as presented.

**\*APPROVAL OF MINUTES**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting of the Council held on March 14, 2016.

**PUBLIC HEARING/CREATING TIF DISTRICT 2-40**

Mayor Meehl stated Council may wish hear comments regarding creating TIF District 2-40 to be located in Happel Addition for the construction of a coffee shop (Nest) for New Life Farms. Todd Hagen representing Ehlers stated the Council will be asked to consider several Resolutions in the creation of TIF District 2-40.

Todd Hagen stated Otter Tail County and Independent School District No. 549 have been notified of the request and we have not received any comments from either entity. TIF District 2-40 will contain seventeen parcels which are located in Happel Addition, Palubicki Addition and a couple of parcels on East Main Street. The duration of the District will be eight years; the City can expect to receive the first tax increment in 2018. Discussion ensued.

Council Member Lehmkuhl stated the Planning Commission reviewed the request and is recommending the City Council approve it. The Public Hearing was closed. It was noted, no written or verbal comments were received prior to the meeting.

**ELIMINATING PARCELS FROM TIF DISTRICT NO. 2-33**

Mayor Meehl stated Council may wish to approve a resolution eliminating parcels from TIF District No. 2-33. Council reviewed the parcels. A short discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2016 – 21 entitled “Resolution Approving The Elimination Of Parcels From Tax Increment Financing District No. 2-33 Within Development District No. 2 Of The City Of Perham”.

**ELIMINATING PARCELS FROM TIF DISTRICT NO. 2-2**

Council may wish to approve a resolution eliminating parcels from TIF District No. 2-2. Council reviewed the parcels. A short discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2016 – 22 entitled “Resolution Approving The Elimination Of Parcels From Tax Increment Financing District No. 2-2 Within Development District No. 2 Of The City Of Perham”.

### **APPROVING RESOLUTION CREATING TIF DISTRICT 2-40**

Mayor Meehl stated Council may wish to consider approving a resolution regarding creating TIF District 2-40. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2016 – 23 entitled “Resolution Adopting A Modification To The Development Program For Development District No. 2; And Establishing Tax Increment Financing District No. 2-40 Within Development District No. 2 And Adopting A Tax Increment Financing Plan Therefor”.

### **RESOLUTION APPROVING AN INTERFUND LOAN**

Mayor Meehl stated Council may wish to consider approving an interfund loan for advance of certain costs in connection with Tax Increment Financing District 2-40. Finance Officer Stokke recommended the Council consider and advance of up to \$15,000 from the EDA Fund if needed. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Resolution No. 2016 – 24 entitled “Resolution Authorizing An Interfund Loan For Advance Of Certain Costs In Connection With Tax Increment Financing District No. 2-40”.

### **DEVELOPMENT AGREEMENT FOR NEW LIFE FARMS**

Mayor Meehl stated Council may wish to consider approving a Development Agreement between New Life Farms and the City. EDA Director Johnson stated the City received an application for Tax Increment Financing from New Life Farms for a facility they intend to construct in Happel Addition. The EDA Board reviewed the request and is recommending the City Council do the same.

EDA Director Johnson reviewed the Development Agreement. New Life Farms proposes to construct a retail facility approximately 5,700 square feet on Lots 5, 6 and 7 of Block 2, Happel Addition. New Life Farms would be required to create a minimum of one full and one part time job and would be eligible for up to \$114,074 increment for the duration of their agreement. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved a Development Agreement between New Life Farms and the City.

### **APPROVAL FOR PAYMENT OF CITY CLAIMS**

Council may wish to approve payment of Prepaid and Unpaid City Claims. Finance Officer Stokke requested Council consider the following additional claims: U.S. Energy in the amount of \$474,388.89, John Kostynick in the amount of \$753.61, RDO Equipment in the amount of \$433.90 and MN Department of Health in the amount of \$150.00 bringing the total Unpaid Claims to \$861,674.06

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid Claims in the amount of \$1,024,994.27 for the month of March; it was noted that the City's Purchase Policy be reviewed with the Fire Chief to ensure the policy is being followed.

### **SALE OF PROPERTY/DAVID STILL**

Mayor Meehl stated Council may wish to consider selling a portion of a Lot 10, Block 1, Pentagon Gardens to David Still. Finance Officer Stokke stated Stills would like to construct a garage with a breezeway on a portion of Lot 10 that is adjacent to Lot 9. The aerial site map was reviewed. Stokke stated Lot 10 contains a drainage ditch which would remain intact.

Finance Officer Stokke stated the Finance Committee is recommending the sale of 4,080 square feet to Still for \$3,000 plus closing costs. There is a gas line in this area which the City would need to move at the City's expense. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the sale of a portion of Lot 10, Block 1, Pentagon Gardens to David Still for \$3,000.

### **GOLF COURSE/EQUIPMENT PURCHASE**

Mayor Meehl stated Council may wish to consider authorizing the purchase of a disposal from Hanson's Plumbing and Heating in the amount of \$2,261 and a water softener from Essers Plumbing and Heating in the amount of \$2,260. Council Member Johnson stated since these purchases will be installed for the Banquet Room and this is a City facility, Johnson stated he is recommending the City purchase these items. The Golf Course Board is struggling with their wish list and trying to stay within budget. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized the purchase of a disposal from Hanson's Plumbing and Heating in the amount of \$2,261 and a water softener from Essers Plumbing and Heating in the amount of \$2,260; funds will come out of the Liquor Fund.

### **\*SOLID WASTE COLLECTION/TRANSPORTATION LICENSE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council renewed the Solid Waste Collection and Transportation

License to Waste Management of Detroit Lakes and Steve's Sanitation of Perham subject to receipt of applicable fees and required information by the City Office.

**\*ARBOR DAY PROCLAMATION**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized the Mayor to sign the Arbor Day Proclamation and declare May 7, 2016 as Arbor Day in Perham, Minnesota.

**\*AYA TOURNAMENT ON LITTLE PINE LAKE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized the use of Paul Miller Park and the boat landing for the Angler Young Angler Fishing Tournament on August 5 and August 6.

**\*ACCEPTANCE OF PERHAM LAKESIDE GOLF CLUB INCOME STATEMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the PLGC's Income Statement for February, 2016.

**\*ACCEPTANCE OF PERHAM AREA COMMUNITY CENTER'S FINANCIAL REPORTS**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the PACC's Financial Reports for February, 2016.

**ACCEPTANCE OF THE CITY'S FINANCIAL REPORTS**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the following reports for March, 2016; Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

**\*TAX ABATEMENT FOR GROW PERHAM**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council scheduled a public hearing for May 9 to consider Tax Abatement for Grow Perham and approved Resolution No. 2016 -25 entitled "Resolution Calling For A Public Hearing On Proposed Property Tax Abatements For Grow Perham, LLC".

**\*RENAMING 450<sup>TH</sup> STREET**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved renaming a portion of 450<sup>th</sup> Street to 17<sup>th</sup> Street NW; the portion that will be renamed is located between Highway 8 and Highway 51 and Resolution No. 2016 – 26 entitled "Resolution In The Matter Of Approving Renaming Of Streets, Perham, Minnesota".

## **CITY ENGINEER MONTHLY UPDATE**

Mayor Meehl stated the City Engineer will give an update on various projects.

### ***Third Avenue Southeast (CSAH No. 8), Fox Street, Fourth Street SE, Second Avenue SE, Third Street SW***

City Engineer Berube stated a Correction and Completion List will be prepared and sent to the Contractor. A number of items have already been noted such as crosswalks, turf, sprinkler repair etc. Concrete review will require the walking of the entire project to verify any cracking of the surface. The walk will also include the review of turf, any adjustments required to underground improvements and any outstanding repairs from last summer.

### ***Safe Routes To School***

City Engineer Berube stated the Correction and Completion List for the Safe Routes to School project will also be completed in the near future and will be sent to the Contractor.

### ***Coney Street East Improvements***

City Engineer Berube stated the Coney Street East Improvements have been approved by the County and have been sent to MnDOT for final review. Following MnDOT's approval, the project will be advertised for bids. We are expecting bid opening mid-May. The project will take approximately eight to ten weeks. Due to timing, the Assessment Hearing will take place in the fall following the completion of the project.

## **\*BONGARDS' SIGNIFICANT INDUSTRIAL USERS AGREEMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved amending the Significant Industrial Users Agreement between Bongards' and the City.

## **\*2016 SEAL COAT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the specifications for the 2016 Seal Coat Project and authorizes staff to obtain quotes.

## **INFORMATION AND ANNOUNCEMENTS**

A Special Council Meeting is scheduled for Tuesday, April 19 at 5:00

The Local Board of Review is scheduled for Wednesday, April 27<sup>th</sup> from 1:00 to 2:00; a Council quorum is required

Carpeting will be replaced in the Library May 2 – 7; the Library will be closed during this time

City Manager Interviews is scheduled for Friday, May 6 and Saturday, May 7

The next Regular Council Meeting is scheduled for Monday, May 9 at 5:15 pm

The Household Hazardous Waste is scheduled for Wednesday, July 6

**ADJOURNMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the meeting was adjourned at 6:04 pm.

Respectfully submitted by,



Fern Nundahl

Administrative Assistant

## **SPECIAL COUNCIL MEETING MINUTES**

**April 19, 2016**

Mayor Meehl called the Special Council Meeting to order at 5:00 pm on April 19, 2016 in the Council Chambers located at 125 Second Avenue NE, all members of the Council having been duly notified of the meeting, and the business to be transacted. Members present were Mayor Meehl, Council Members Johnson, Lehmkuhl and Spencer.

Staff members present were: Finance Officer Stokke, Administrative Assistant Nundahl.

### **City Manager Finalists**

Mayor Meehl stated Council may wish to review resumes submitted by candidates for the City Manager position. Mayor Meehl stated our goal is to narrow the field to five finalists with two alternates. Resumes were individually reviewed. Discussion ensued.

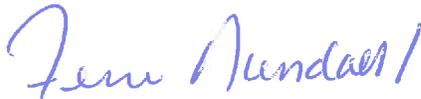
On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote the finalists for the City Manager position are Jonathan Smith, Heidi Tumberg, Sarah Helleckson, Gail Leverson and Joseph Hatch; alternates are Jason Peters and Tobin Lay.

Administrative Assistant Nundahl reviewed the Interview Schedule and Council questions.

### **Adjournment**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the meeting was adjourned at 6:58 pm.

Respectfully submitted by,



Fern Nundahl  
Administrative Assistant

## SPECIAL COUNCIL MEETING MINUTES

April 27, 2016

Mayor Meehl called the Special Council Meeting to order at 1:00 pm on April 27, 2016 in the Council Chambers located at 125 Second Avenue NE, all members of the Council having been duly notified of the meeting, and the business to be transacted. Members present were Mayor Meehl, Council Members Johnson, Lehmkuhl and Spencer.

Staff members present were: Finance Officer Stokke, Administrative Assistant Nundahl.

Others present were: County Assessors Doug Walvatne, Francine Gleason and Dawn Swisher.

### Local Board of Review

Assessor Gleason stated the base rate for the building schedule increase eight percent county-wide. Decks, bathroom fixtures, open porches, fireplaces, concrete driveways, gazebos and a number of other miscellaneous items were reviewed and put into new classifications. By doing this, values throughout Otter Tail County are more consistent and similar to adjoining counties. Gleason reminded Council that the State requires the value set by Otter Tail County, needs to stay between ninety to one-hundred five percent of the selling price. With the adjustment to the building schedule, Otter Tail County will meet that requirement.

#### Randy Radar

Gleason stated that an addition was built in 2009 and was valued separately; the addition should have been blended with the age of the house. On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized decreasing the value of the house for Parcel # 77000990402000 (\$45,300) for Randy Radar.

#### Eugene Malikowski

Gleason stated the valuation for the bare lots increased because the classification was corrected from commercial to residential. This adjustment along with the building schedule increase, the market value increased significantly. It was noted, the market value on these lots are comparable to other bare lots within the City. Gleason recommended changing the legal description to include the vacated street and basing the market value on front foot versus square foot; this should prevent some confusion for the property owner in the future. On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized a decrease in market value for Parcel #77000990235007 (\$1,900) and #77000990235006 (\$2,200) for Eugene Malikowski.

#### David Howey

Gleason stated the evaluation increased from \$105,800 to \$122,200; it was noted, the house is older and due to time constraints, she has not been able to inspect the interior of the house. On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried

without a dissenting vote, the Council authorized no change for Parcel # 77000990727000 for David Howey.

#### Perham HRA

Gleason stated the HRA purchased this parcel and removed the house in 2015. The valuation will need to be decreased to show the value of the land only. On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized decreasing the value of the property showing land only on Parcel # 77000990760000 for Perham HRA. NOTE: following the meeting, County Assessor Gleason stated staff had previously corrected the error, no changes were made.

#### Larry Refsland

Gleason stated that a number of years ago, this property had an adjustment of 15% which was removed this year. Following an inspection of the property, the interior is dated and should have a 5% reduction. On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized a reduction for Parcel # 77000990733000 (\$10,500) for Larry Refsland.

#### Felicia Singer

Gleason stated that this is classified as non-homestead because the owner missed the deadline. Also the owner wanted to split the lots but that cannot be done because the house sits on both lots. On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized no change for Parcel # 77000990743000 and #77000990743000 for Felicia Singer.

#### Steve and Charlotte Henry

Gleason stated that the Henry's recently purchased the property for \$195,000 and OTC values the house at \$199,000; they wanted the value reduced to match the purchase price. On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized no change for Parcel # 77000990993000 for Steve and Charlotte Henry.

#### Wade and Jodi Sjolie

Gleason stated a clerical error was made on this parcel; the house being built is on the lot next door. On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council noted a clerical error and authorized a correction for Parcel # 77000991481000 (\$16,800) for Wade and Jodi Sjolie.

#### Kari Honer

Gleason stated a clerical error was made on this parcel; it was classified as commercial and should have been classified as residential. On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council noted a clerical error and authorized a correction for Parcel # 77000991416000 (\$181,200) for Kari Honer.

Kari Honer

Gleason stated a clerical error was made on this parcel; it was classified as commercial and should have been classified as residential. On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council noted a clerical error and authorized a correction for Parcel # 77000991429000 for Kari Honer.

Dorothy Johnson

Johnson stated her taxes increased approximately \$1000 and wondered why; the tax statement was reviewed. It was noted, she has an assessment and the school levy both activated this year. No action taken.

Perham Capital Cp. LLC

Gleason stated the house that was previously thought to be on Sjolie's property is located on this property, a correction will be made on Parcel #77000991482000.

County Assessor Doug Walvatne stated he met with Tuffy's representatives and their attorneys regarding the Tax Petition. Walvatne stated that the attorneys were not aware of the tax increment financing benefits that they are receiving. Walvatne stated with the amount of the benefits they are receiving, Tuffy's is in a better position with the valuations as they are today. Walvatne stated many large retailers nationwide are filing petitions; as soon as their benefits stop, they want the valuations lowered.

### **Adjournment**

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the meeting was adjourned at 2:23 pm.

Respectfully submitted by,



Fern Nundahl  
Administrative Assistant