

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
September 11, 2017**

The regular meeting of the Perham City Council was called to order by Mayor Meehl at 5:15 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. All members of the Council were present.

Staff present: City Manager Smith, Police Chief Hoaby, Finance Officer Stokke, EDA Director Johnson, Public Works Director Meece and Administrative Assistant Hoeft.

Others present: City Engineer Berube and Building Official Neisen.

**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. Citizens please state your name and address for the record. There were no citizen concerns.

**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 Schmidt 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 Spencer and carried without a dissenting vote, the Council approved the consent agenda as presented.

### **\*APPROVAL OF MINUTES**

Council approved the minutes of the Regular Meeting of the Council held on August 14, 2017 and Special Meeting Minutes from August 30, 2017.

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

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims. Finance Officer Stokke noted the following additions: Kinect Energy in the amount of \$258,340.39; Marco in the amount of \$539.72; Sellin Brothers in the amount of \$371,644.52; and Whisk From Scratch in the amount of \$18.80 bringing the total unpaid claims to \$1,132,062.71.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved payment of the Prepaid and Unpaid City Claims in the amount of \$5,201,389.00 for the month of August.

### **PROPOSED PROPERTY TAX LEVY**

Mayor Meehl stated Council may wish to adopt the Preliminary 2018 Budget and Preliminary Levy for Taxes Payable in 2018 and may wish to schedule the date of Monday, December 11, 2017 at 6:00 pm for the public to comment prior to the adoption of the 2018 Budget and 2018 Tax Levy. City Manager Smith reviewed the 2018 Preliminary Tax Levy and Budget. Smith noted that the City of Perham is required to approve a preliminary levy and budget by September 30 of each year and the City cannot increase the levy amount once it is approved, they can only decrease. A General Fund increase of 26.33% is proposed. Notable causes for the increase include a 2.5% cost of living increase, health insurance premiums increased 37.4%, however, the City is looking at other options to decrease that amount, and the possibility of adding another full-time police officer to fill the vacancy left because of the implementation of a full-time investigator position. A 13.59% decrease in the levy amount for bonds totaling \$71,309.00 was reinvested in the General Capital Fund to help fund future street projects and to help purchase equipment. Special Revenue Funds include two tax abatements for Grow Perham and the HRA for an increase of 1.29%. The Tax Capacity Levy excluding the HRA totaled \$1,416,678 for a total levy increase of 9.98%. The Tax Capacity Growth is estimated at .41%. The Net Tax Capacity Rate is estimated at 51.691%. The Tax Capacity Debt is estimated at 32.00% of the Total Levy. Smith presented examples of how the City taxes will be calculated for both residential and commercial properties.

On a motion by Council Member Schmidt, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2017-30 entitled "Resolution In The Matter Of Establishing The Preliminary Tax Levy For Taxes To Be Collected In 2018 Perham, Minnesota," and hereby designate Monday, December 11, 2017 at 6:00 pm as the date the public can comment on the 2018 Budget and Proposed Levy.

**\*DISGRUNTLED BREWING REQUEST FOR USE OF CITY STREETS**

Council approved a request by Disgruntled Brewing for use of City streets during Disgruntled Daze on September 29 and 30 for a “Fun Beer Run.”

**\*CONTRACTING WITH BRADY MARTZ**

Council approved contracting with Brady Martz to provide auditing services to the City of Perham for a three year period, 2017, 2018, and 2019.

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

Council accepted the PLGC’s Income Statement for July 2017.

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

Council accepted the PACC’s Financial Reports for July 2017.

**\*ACCEPTANCE OF THE CITY’S FINANCIAL REPORTS**

Council accepted the following reports for August, 2017; Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

**CITY ENGINEER MONTHLY UPDATE**

City Engineer gave an update on various projects.

*2015 Improvement Project (3<sup>rd</sup> Ave Southeast)*

Various sub consultants have been notified of items to be completed by Kuechle Underground. The final sprinkler repair items have been addressed and a couple of other minor punchlist items remain. Once completed, we will begin the process of starting to close out the project.

*Wellhead Protection Plan (Update)*

The Wellhead Protection Plan is complete pending approval of the Potential Contaminant Source mapping by the Department of Health. Once the mapping is approved, the plan will be submitted to the State for review. The Council will be asked to approve the plan following the successful review.

*Coney Street East*

The paperwork for the Coney Street East project closeout has started after discussions with the local Minnesota Department of Transportation office. The paperwork for final payment will be

sent to the County and State, and the process is expected to be ready for closeout by the October Council Meeting.

### *Third Street Northeast*

The easterly portion of the roadway has been paved with the base course and local traffic has been utilizing the roadway. The center section, 3<sup>rd</sup> Street from 4<sup>th</sup> to 2<sup>nd</sup> and a portion of 3<sup>rd</sup> and 4<sup>th</sup> Avenue, has had all utilities installed and as of today, the roadway preparation for gravel will start.

Ottertall Aggregate will start removals of 3<sup>rd</sup> Street from County 8 to 2<sup>nd</sup> Avenue today so the only remaining removals are on 2<sup>nd</sup> Avenue and 3<sup>rd</sup> Avenue. Underground Utilities will be completed on Third Street before the contractor moves into the remaining Avenues.

A portion of the project will not be completed in between 4<sup>th</sup> and 5<sup>th</sup> Avenue near the small portion of 2<sup>nd</sup> Street. Based on discussions with neighboring property owners, there may be modifications to the roadway in the area in the near future, so the reconstruction is best left for future phases/construction activities.

### **PERHAM YOUTH HOCKEY ASSOCIATION RINK**

Mayor Meehl stated Council may wish to consider approving a request by the Perham Area Youth Hockey Association (PAYHA) to move forward with plans for a new rink in Arvig Park. Jerry Morberg with the Perham Area Youth Hockey Association was present to answer any questions regarding the request. Morberg noted that they're planning on moving the ice rink from the Perham Area Community Center to Arvig Park as well as constructing a new rink. City Manager Smith explained that the PAYHA also plans to construct a 32 x 32 building which will house the Zamboni, a cooling/refrigeration system for the ice, and a warming house/changing room for the public. Smith reviewed the two agreements which include a Facility Use Agreement and a Memorandum of Understanding. The PAYHA is requesting approval to be located at Arvig Park and for the City to be responsible for the installation of utilities including water and gas. Sewer will not be done at this time. Council Member Johnson inquired about cooling costs and who is responsible for paying for the electricity. Smith noted that the City would be responsible for payment of the utilities. Discussion ensued. Johnson stated that he would make a motion to approve the agreements on the condition that an estimate of the electricity costs is more defined or a cap is put on the amount the City will pay for the utilities.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the Facility Use Agreement and Memorandum of Understanding between the City of Perham and the Perham Area Youth Hockey Association (PAYHA) regarding the usage and maintenance of the outdoor skating rink and warming house facility to be located in Arvig Park on the condition that utility costs will be reviewed after one year.

**\*AIRPORT MAINTENANCE AND OPERATION GRANT CONTRACT**

Council approved Resolution No. 2017-31 entitled "Authorization To Execute Minnesota Department Of Transportation Airport Maintenance And Operation Grant Contract Perham, Minnesota," authorizing the Mayor and City Manager to enter into an Airport Maintenance and Operation Grant Contract with the State of Minnesota.

**\*ACCEPTANCE OF FROLF COURSE DONATION**

Council approved Resolution No. 2017-32 entitled "Resolution In The Matter Of Accepting A Donation For The Frolf Course, Perham, MN," to accept a donation in the amount of \$350.00 made by Dakota Assemblies Inc. to assist the City with maintaining the Frolf Course.

**\*ACCEPTANCE OF SOFTBALL FIELD DONATION**

Council approved Resolution No. 2017-33 entitled "Resolution In The Matter Of Accepting A Donation For The Softball Field, Perham, MN," to accept a donation in the amount of \$600.00 made by the Perham Softball League, to assist the City with maintaining the softball fields.

**INFORMATION AND ANNOUNCEMENTS**

The Perham Area EMS semi-annual meeting is scheduled for Monday, September 25 @ 7:00 pm at the Perham Fire Department meeting room

A Special Council Meeting and the Committee of the Whole is scheduled for Wednesday, September 27 @ 5:15 pm

The League of MN Cities Regional Meeting is scheduled for October 5 in Ottertail

The next regular Council Meeting is scheduled for Monday, October 9 @ 5:15

**ADJOURNMENT**

Mayor Meehl adjourned the meeting at 5:53 pm.

Respectfully submitted by,



Heather Hoelt  
Administrative Assistant

## **SPECIAL COUNCIL MEETING MINUTES**

**September 27, 2017**

Mayor Meehl called the Special Council Meeting to order at 5:17 pm on September 27, 2017 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. Council Members present were Mayor Meehl, Johnson, Schmidt, and Spencer.

Staff members present were: City Manager Smith, Liquor Store Manager Dreger, Finance Officer Stokke, Police Chief Hoaby, Public Works Director Meece, EDA Director Johnson, Librarian Ladwig, and Administrative Assistant Hoeft.

Others present were: City Engineer Berube, Todd Hagen representing Ehlers and Associates, and Steve Melgard, Casey Melgard, and Kelly Melgard representing Steve's Sanitation.

### **Public Hearing/Public Nuisance Property**

Mayor Meehl stated Council may wish to hear comments regarding a public nuisance property owned by Terry Bleichner, located at 225 8<sup>th</sup> St NE, Perham. Police Chief Hoaby explained the new process for handling public nuisance complaints. A letter was sent to Mr. Bleichner on July 27, 2017, giving fifteen (15) days to remove all accumulated garbage and debris. A second letter was sent to Mr. Bleichner on September 12, 2017 after failing to take the appropriate steps to correct the ongoing nuisance and to inform him that the matter would be brought before the City Council on September 27, 2017. Mr. Bleichner did not attend the public hearing. Photos of the property were presented to Council. Hoaby reviewed the Council's options including extending the deadline to comply with the Code of Ordinances or declaring the property a public nuisance, which would allow the Police Department to issue a citation for each day Mr. Bleichner is not in compliance or request a court order to access the property for removal of the accumulated garbage and debris. Discussion ensued. Mayor Meehl closed the public hearing at 5:23 pm.

### **Public Nuisance Property**

Mayor Meehl stated Council may wish to declare the property owned by Terry Bleichner located at 225 8<sup>th</sup> St NE, Perham, a public nuisance property.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council declared 225 8<sup>th</sup> St NE, Perham, a public nuisance property.

### **Public Hearing/Creating TIF District 2-41**

Mayor Meehl stated Council may wish to hear comments regarding the creation of TIF District 2-41 to be located in the Industrial Park for the construction and expansion by Steve's Sanitation. Todd Hagen representing Ehlers and Associates presented an overview of the basic elements of the Tax Increment Financing Plan for Tax Increment Financing District 2-41. The plan includes a resolution to decertify five (5) parcels currently located in Tax Increment Financing District 2-37 to be relocated in TIF District 2-41 and the adoption of an Interfund Loan resolution for

payment of administrative expenditures. Hagen explained that as required by State law, a copy of the fiscal/economic implications of the plan was distributed to the School District as well as the County Auditor thirty (30) days prior to the public hearing and a public hearing notice was printed at least ten (10) days prior to the public hearing on September 7, 2017. Hagen also explained that TIF District 2-41 is a small-city economic development district with a maximum duration of nine (9) years with an estimated annual tax increment of up to \$91,971. EDA Director Johnson noted that the EDA public hearing scheduled for Tuesday, September 26, 2017 was postponed due to a lack of a quorum, however, the Council public hearing fulfills the requirement for both the tax increment as well as approval of the Development Agreement with Melgard Holdings, LLC. It was also noted that a letter written by Dan Werner was received at City Hall prior to the public hearing. The letter stated Mr. Werner's opposition to the City's tax increment financing program as well as State and local taxes in general. There being no further comments, Mayor Meehl closed the public hearing at 5:34 pm.

#### **Eliminating Parcels From TIF District No. 2-37**

Mayor Meehl stated Council may wish to approve a resolution eliminating parcels from TIF District 2-37. City Manager Smith noted the five (5) undeveloped parcels will be relocated to TIF District 2-41.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2017-34 entitled "Resolution Approving The Elimination Of Parcels From Tax Increment Financing District No. 2-37 Within Development District No. 2 Of The City Of Perham."

#### **Approving Resolution Creating TIF District 2-41**

Mayor Meehl stated Council may wish to consider approving a resolution regarding creating TIF District 2-41.

On a motion by Council Member Schmidt, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2017-35 entitled "Resolution Adopting A Modification To The Development Program For Development District No. 2; And Establishing Tax Increment Financing District No. 2-41 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 2-41.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution No. 2017-36 entitled "Resolution

Authorizing An Interfund Loan For Advance Of Certain Costs In Connection With Tax Increment Financing District No. 2-41.”

**Development Agreement For Steve’s Sanitation**

Mayor Meehl stated Council may wish to consider approving a Development Agreement between Steve’s Sanitation and the City of Perham. City Manager Smith explained that the Development Agreement relates to the office expansion of approximately 1,600 square feet and a truck service facility approximately 9,375 square feet. Mayor Meehl inquired whether the agreement will be made with Steve’s Sanitation or Melgard Holdings, LLC. Kelly Melgard noted that the agreement will be made with Melgard Holdings, LLC and Steve’s Sanitation will be leasing from Melgard Holdings, LLC.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the Development Agreement between Melgard Holdings, LLC and the City of Perham.

**Cleaning Contract**

Mayor Meehl stated Council may wish to consider approving a cleaning contract with Tiffany Burge, Honey Bee Cleaning, for the City Hall and Library cleaning services.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the contract with Tiffany Burge, Honey Bee Cleaning, for cleaning services for the City Hall and Library.

**Other Business**

There was no other business.

**Adjournment**

Mayor Meehl adjourned the Special Council Meeting at 5:42 pm.

Respectfully submitted by,



Heather Hoelt  
Administrative Assistant