

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
December 12, 2016**

The regular meeting of the Perham City Council was called to order by Mayor Meehl at 5:16 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, Spencer, Lehmkuhl and Mattfeld

Staff present: City Manager Smith, Finance Officer Stokke, EDA Director Johnson, 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. No one addressed the Council.

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 Lehmkuhl, seconded by Council Member Johnson 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 Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the consent agenda as presented.

***APPROVAL OF MINUTES**

The Council approved the minutes of the Regular Meeting of the Council held on November 14, and Special Council Meeting Minutes on November 30, 2016.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims.

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 City Claims in the amount of \$1,337,198.81 for November 2016.

***DELINQUENT UTILITY ACCOUNTS**

The Council approved Resolution No. 2016-46 entitled "Resolution in the Matter of Writing Off Uncollectible Utility Account Balances Perham, Minnesota" to write off uncollectible utility accounts for the following funds: Gas \$5,141.97, Water \$112.06, Sewer \$140.22, Recycling \$32.31 and Storm Sewer \$12.06.

***2017 CITY COUNCIL MEETING SCHEDULE**

Council approved the following schedule for Council Meetings to be held in 2017: January 9, February 13, March 13, April 10, May 8, June 12, July 10, August 14, September 11, October 9, November 13, and December 11.

***2017 CIGARETTE LICENSE**

Council approved and authorized the Mayor and City Manager to sign licenses for the applications submitted for Cigarette Licenses contingent upon receipt of fees by the City Office.

***WELLNESS PILOT PROGRAM PERSONNEL POLICY**

Council approved a Wellness Pilot Program policy made available by Lakes Country Service Cooperative in which eligible employees will be provided with step trackers necessary to complete Wellness Programs made available through the Wellness Institute. Participation in the Pilot Program by employees is completely voluntary.

***DELINQUENT FIRE RESPONSE BALANCE**

Council approved Resolution No. 2016-47 entitled "Resolution in the Matter of Writing Off Uncollectible Fire Response Balance Perham, Minnesota" to write off an uncollectible fire response balance in the amount of \$1,000.00.

***ACCEPTANCE OF TROLLEY DONATIONS**

Council authorized Resolution No. 2016-48 entitled "Resolution in the Matter of Accepting Donations for the Trolley Perham, MN" to accept donations for the trolley.

***ACCEPTANCE OF DOG PARK DONATIONS**

Council authorized Resolution No. 2016-49 entitled "Resolution in the Matter of Accepting Donations for the Dog Park Perham, MN" to accept donations for the Wardale dog park.

***TEMPORARY ON-SALE LIQUOR LICENSE**

Council approved a Temporary On-Sale Liquor License for Perham Center for the Arts for an event on January 6, 2017.

***SQUAD CAR LEASE BUY-OUT**

Council authorized a lease buy-out in the amount of \$7,500 for the current squad car.

***EDUCATION REIMBURSEMENT**

Council approved reimbursement of educational expenses to the City Manager according to the City's Educational Assistance Policy.

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

Council accepted PACC's Financial Reports.

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

Council accepted PLGC's Income Statement.

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

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

***2017 OFFICERS**

On the recommendation of the Fire Department, Council approved the following as Officers for the Fire Department: Fire Chief/Mark Schmidt, 1st Assistant/Mark Ebeling, 2nd Assistant/John Kostynick, Captain/Jon Lehman, Captain/Jon Ebeling, Captain/Jeremie Schossow, Captain/Matt Johnson, Assistant Engineer/Matt Hendrickx, Assistant Engineer/Steve Felt, Assistant Engineer/Clayton Trautman, and Department Secretary/Melissa McCleary.

AMENDING ZONING ORDINANCE

Mayor Meehl stated Council may wish to consider amending the Zoning Ordinance Section 31, Subdivision 8, Signs, to District Permitting Off-Premise Signs. City Manager Smith explained that currently off-premise signs are not allowed. The amendment would allow off-premise signs only in the Highway Commercial (HC) Zoning Districts. Signs must maintain 300 ft. from any residential property and must be at least 250 ft. apart from one another. City Manager Smith stated that the intent of the original ordinance was to prevent "traveling billboards." He also stated that this amendment stems from a year-long struggle working with MNDOT on their sign requirements. Council Member Lehmkuhl noted that the Planning Commission, which held a meeting on November 29, 2016 to discuss changing the wording of the Ordinance from "they are not allowed" to "Off premise signs are allowed only in the Highway Commercial (HC) Zoning Districts," recommended Council approve the amendment. Council Member Johnson questioned how the City will handle non-compliant signs. City Manager Smith responded that signs that are currently non-compliant are mobile and owners will be notified of the violation and if they're not removed, there will be a fine process. Building Official Neisen explained other aspects of the sign ordinance including how it pertains to non-profit organizations. Discussion ensued.

On a motion by Council Member Lehmkuhl seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Ordinance #394 amending Zoning Ordinance 31, Subdivision 8, Signs, to District Permitting Off-Premise Signs.

VACATION OF A PORTION OF 8TH AVENUE SE

Mayor Meehl stated Council may wish to consider vacating a portion of 8th Avenue SE as requested by Main Street Storage LLC to facilitate the construction of additional storage units. City Manager Smith explained the Planning Commission held a public hearing to discuss the request on November 29, 2016. Ross Olson with Main Street Storage was in attendance. Main Street Storage currently owns property on both sides of the Street. They requested the vacation in the interest of future expansion. No one else appeared nor was any communication against the proposed vacation received. City Manager Smith expressed concern after the recommendation that no one from Strata Corporation was in attendance, as he later found out that notification was mailed to their corporate office who neglected to inform the local plant. City Manager Smith spoke with a local representative from Strata Corporation regarding actual road usage numbers and the impact the street vacation would have on them. Mayor Meehl also expressed concern regarding the impact of future development of other businesses including a possible warehouse expansion of Strata Corporation in that area and that it may not be in the best interests of the City to approve the street vacation at this time. Council Member Lehmkuhl explained that the vehicle usage numbers they were given at the public hearing were lower than those later given by Strata Corporation and also given the fact that no one from Strata was in attendance, he recommended the Council deny the request. Discussion ensued.

On a motion by Council Member Lehmkuhl seconded by Council Member Johnson and carried without a dissenting vote, the Council denied vacating a portion of 8th Avenue SE as requested by Main Street Storage LLC.

VACATION OF A PORTION OF 2ND STREET NE

Mayor Meehl stated Council may wish to consider vacating a portion of 2nd Street NE as requested by Kit Masters/Swan Machine in connection with their purchase of four (4) lots on the north side of this platted but not constructed street. City Manager Smith pointed out that 2nd Street is platted out to continue through 9th Street all the way to 450th. There is currently no development or utilities in that area. The purchase of the 4 lots is contingent on the approval of the street vacation request. The vacation includes one acre of property that's included in the purchase of the lots. Council Member Lehmkuhl explained that the Planning Commission made the recommendation at a public hearing held on November 29, 2016 due to the expansion plans of Kit Masters/Swan Machine and no one appeared in opposition to the request. 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. 2016-50 entitled "Resolution in the Matter of Granting the Vacation of a Portion of 2nd Street NE Perham Industrial Park Third Addition Perham, Minnesota" to vacate a portion of 2nd Street NE.

ANNEXATION OF A PART OF PAUL MILLER PARK

Mayor Meehl stated Council may wish to consider annexing a parcel owned by the City located in Paul Miller Park. Council Member Lehmkuhl explained it recently came to light that this small parcel is not within City Limits. State Statue 414.033 Subdivision 2 allows a municipality to annex property owned by the municipality by ordinance. There are no public hearing requirements. As a courtesy, a letter was sent to Perham Township on November 7, 2016 notifying them of the plan to annex this parcel. There are no taxes on this parcel so there is no monetary loss to Perham Township.

On a motion by Council Member Lehmkuhl seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance #395 to annex a part of Paul Miller Park.

EXTENSION OF PERHAM RECREATIONAL TRAIL

Mayor Meehl stated Council may wish to consider encouraging the County to create a trail segment that connects Arvig Park trail from Paul Miller Park (City limits) to the County 51 Little Pine Bridge. Council Member Johnson expressed support for the extension stating it would make it safer for pedestrian usage.

On a motion by Council Member Johnson seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 2016-51 entitled "Resolution Calling for Extension of Perham Recreational Trail."

***DECERTIFY TIF DISTRICT 2-2**

Council approved Resolution No. 2016-52 entitled "Being a Resolution Approving the Decertification of Tax Increment Financing District No. 2-2 of the City of Perham" decertifying TIF District 2-2 which contains businesses along Main Street, the former Dean's building and the Palubicki Subdivision.

CITY ENGINEER MONTHLY UPDATE

City Engineer will give an update on various projects.

Coney Street East Improvements

A Correction and Completion List will be completed in the Spring for the items that were not completed this Fall.

Third Street Northeast

Survey is complete by Compass. Meetings have been held with Bongards and Perham Egg to discuss traffic and utilities. One more meeting will be held with Tuffy's this week to discuss their truck traffic to and from their trailer lots. Design is progressing and planned to be ready for approval at the February Council Meeting.

***ACCEPTANCE OF SOIL BORING PROPOSALS**

City Engineer Berube discussed the soil boring proposals received from Terracon and Braun Intertec. It is Berube’s recommendation to accept the lower proposal from Terracon to let them complete the geotechnical evaluation outlined in their proposal, as they have done a variety of work for the City in past years. The goal is to have the soil boring evaluation complete for Council approval by February 2017.

2017 FEE SCHEDULE

Mayor Meehl stated Council may wish to consider approving the 2017 Fee Schedule. Finance Officer Stokke noted the sewer rate changes as follows:

Sewer Rates:

Residential/Commercial		.0220/cft
Industrial	Flow > 5 million gal/mo	.0195/cft
	Flow < 5 million gal/mo	.022/cft
	BOD	.205/lb
	Solids	.08/lb

Finance Officer Stokke also noted the impact these changes would have on a normal residential utility bill using her own bill as an example, that it would only increase .63/month.

On a motion by Council Member Johnson seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Ordinance #396 setting the 2017 Fee Schedule.

INFORMATION AND ANNOUNCEMENTS

The Christmas Pot Luck Party is scheduled for December 14 at 11:30
City Offices will be closed on Monday, December 26 and Monday, January 2
Retirement Open House for Fern Nundahl scheduled for January 5, 2017 from 3-5 p.m.
The next regular Council Meeting is scheduled for Monday, January 9, 2017
Mayor Meehl also noted an upcoming retirement party for the Mayor of Battle Lake and an 80th birthday party for the Mayor of Vining

6:00 P.M. – PUBLIC COMMENT/TAX LEVY AND BUDGET

Mayor Meehl stated Council may wish to hear comments regarding the proposed 2017 Tax Levy and 2017 Budget and opened the public hearing at 6:00 p.m. City Manager Smith reviewed the proposed levy and noted the levy increase of 2.97% over the 2016 Levy or \$757,897. The debt levy is increasing 10.28% over 2016 due to increases in principle payments for outstanding improvement bonds, a \$10,000 increase in debt incurred at the Golf Course and \$5,500 associated with the tax abatement for Grow Perham for an overall 6.3% increase. Items contributing to the increase were an increase in workers compensation, which doubled from 2016 and health insurance. There was also an increase in the Police budget due to the hire of another part-time officer to fill in for a full-time officer who will be taking on investigation duties. The

levy breakdown is as follows: Debt at 40.1%, General Fund at 27.4%, Library at 10.4%, Fire at 8.7%, Capital at 6.4%, EDA at 5.1%, HRA at 1.5% and Tax Abatement 0.4%.

City Manager Smith also reviewed the Tax Capacity increase of 21.08%. This was mainly attributed to the decertification of TIF District 2-2. This increase results in a substantial decrease to the tax rate, even with the 6.3% levy increase, the 2017 tax rate is 46.637% versus last year's rate of over 51%. The negative side of the TIF decertification is a possible reduction in LGA funding. Several other charts were reviewed. Discussion ensued.

It was noted, no written or verbal comments were received prior to the meeting and no one commented at the hearing.

ADOPTION OF 2017 LEVY AND BUDGET

Mayor Meehl stated Council may wish to adopt the 2017 Budget and 2017 Levy.

On a motion by Council Member Johnson seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Resolution No. 2016 – 53 entitled “Resolution In The Matter Of Establishing The Tax Levy For Taxes To Be Collected In 2017 And Approving The 2017 Budget, Perham, Minnesota” to adopt the 2017 Budget and Levy.

ADJOURNMENT

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the meeting was adjourned at 6:18 p.m.

Respectfully submitted by,



Heather Hoelt
Administrative Assistant