

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
December 8, 2014**

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. All Council Members were present.

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

Others present: City Engineer Berube, City Attorney Happel, 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 the Council will recognize citizens who may have items for the Council.

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 Johnson, seconded by Council Member Lehmkuhl 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 Mattfeld, 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 Mattfeld, 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 November 10, 2014.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to consider approving payment of Prepaid and Unpaid City Claims. Finance Officer Stokke requested Council consider one additional claim for U.S. Energy in the amount of \$712,054.63 bringing the total for Unpaid Claims to \$1,064,501.76.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer, and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the total amount of \$1,384,415.54 for November 2014.

***DELINQUENT UTILITY ACCOUNTS**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved writing off uncollectible utility accounts and approved Resolution No. 2014 – 40 entitled “Resolution In The Matter Of Writing Off Uncollectible Utility Account Balances, Perham, Minnesota”.

***2015 CITY COUNCIL MEETING SCHEDULE**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved the schedule for Council Meetings to be held in 2015.

***2015 CIGARETTE LICENSE**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the 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.

***TRANSPORTATION AGREEMENT**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council authorized extending the Transportation Agreement with Productive Alternatives for two years, 2015 and 2016.

***TEMPORARY ON-SALE LICENSE**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved a Temporary On-Sale Liquor License for Perham Center for the Arts on January 15, 2015.

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

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council accepted the PLGC’s Income Statement for October, 2014.

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

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council accepted the PACC's Financial Reports for October 2014.

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

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

***2015 OFFICERS**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved the following as Officers for the Fire Department: Fire Chief/Mark Schmidt, 1st Assistant/Mark Ebeling, 2nd Assistant/Kelly Melgard, 3rd Assistant/Vance Bachman, 4th Assistant/Jon Ebeling, Head Engineer/Jeremie Schossow, Assistant Engineer/Matt Hendrickx, Assistant Engineer/John Merkins, Assistant Engineer/Clayton Trautman and Department Secretary/John Kostynick.

***RENAMING A PORTION OF EAST CONEY STREET**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved renaming a portion of East Coney Street to comply with Otter Tail County's GIS standards and approved Resolution No. 2014 – 41 entitled "Resolution In The Matter Of Approving Renaming A Portion Of East Coney Street, Perham, Minnesota".

***DECERTIFYING TAX INCREMENT FINANCING DISTRICTS**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved decertifying TIF District 2-10 (Station House) with Resolution No. 2014 – 42 entitled "Being A Resolution Approving The Decertification Of Tax Increment Financing District No. 2 – 10 Of The City Of Perham" and decertifying TIF District 2-11 (Main Street Express) with Resolution No. 2014 – 43 entitled "Being A Resolution Approving The Decertification Of Tax Increment Financing District No. 2 – 11 Of The City Of Perham".

***TAX INCREMENT FINANCING DISTRICT 2-19**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved removing two parcels from TIF District 2-19 due to the maximum TIF amount being met; these parcels belong to Goose Group, Inc, the former Antiques and Compatibles and approved Resolution No. 2014 – 44 entitled "Resolution

Approving The Elimination Of Two Parcels From Tax Increment Financing District No. 2-19 Within Development District No. 2 Of The City Of Perham”.

CITY ENGINEER MONTHLY UPDATE

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

Perham Airport – Hangar Apron Improvements

City Engineer Berube stated the project is nearly complete and turf verification is required prior to final completion. Following the completion of the turf verification, paperwork will be completed for closure of the project.

Third Avenue Southeast (CSAH No. 8), Fox Street and Fourth Street SE

City Engineer Berube stated design has commenced for the utility portions of the reconstruction of Third Avenue SE, Fox Street and Fourth Street SE. In addition to the Third Avenue SE corridor, survey has been completed for Second Avenue SE and Third Street SW. Project plans and specifications are nearly 30% complete to date. It is anticipated that the plans will be 90% complete by the February Council Meeting. It was noted a Bike Path (8 – 10 foot bituminous path) will be included in this project. One path will be located on the north side of Coney Street from the old Dean’s building to the Middle School. The other path will be located on the east side of Second Avenue SE from Coney to the School crossing.

Safe Routes To School

City Engineer Berube stated the project memorandum has been updated and sent to MnDOT for final approval. Design survey will commence within the week so that the improvement design components can commence.

City Shop – East Park Site

City Engineer Berube stated utility extensions and grading is complete pending the verification of turf and other final quantity reviews. Paperwork will be finalized when these items are verified.

Perham Airport – Crack Seal and Seal Coat

City Engineer Berube stated design survey will commence shortly for the Crack Seal and Seal Coat at the Airport. It is anticipated that the project will be completed late spring/early summer prior to the busy season.

VICTORY ESTATES

Mayor Meehl stated Council may wish to consider authorizing the preparation of a Preliminary Engineering Report for Victory Estates. City Engineer Berube stated the overall development of Victory Estates will be phased into three to four portions of the development. The first phase will consist of the extensions of street and utilities southeast one block from the intersection of Fourth Street and Eighth Avenue. Future phases were discussed.

City Engineer Berube stated total estimated costs for the project is \$150,000; estimated costs for sanitary sewer is \$33,000 water infrastructure is \$40,000, street and surface improvements is

\$77,000. Berube reviewed the differences regarding assessments for new projects and a typical reconstruction project. The breakdown is as follows:

Item	Assessable	City	Total Cost
Sanitary Sewer and Services	\$30,000	\$3,000	\$33,000
Water Infrastructure and Services	\$37,000	\$3,000	\$40,000
Street and Surface Improvements	\$58,250	\$18,750	\$77,000
Total Estimated Project Costs	\$125,250	\$24,750	\$150,000

City Engineer Berube reviewed the preliminary assessment estimates for the adjoining property owners.

Council Member Lehmkuhl stated at the last Council Meeting, the Council approved the Developers Agreement, Covenants and other documents. As of today, the Developer has not returned any of the signed documents and no contact has been made with him. Lehmkuhl stated he did not feel the City should proceed until proper paperwork has been returned to the City. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council tabled action on this item until the January Council Meeting.

***TOWN BORDER STATION**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved entering into an agreement with Lake Superior Consulting to provide engineering and design services for the regulator station.

***EAST CONEY STREET/GRANT APPLICATION**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council authorized staff to submit an application for funding for the reconstruction of Coney Street and approved Resolution No. 2014 – 45 entitled “Resolution In The Matter Of Applying For Funding For Local Road Improvement Program Funding, Perham, Minnesota”.

***PERHAM TO PELICAN RAPIDS REGIONAL TRAIL**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved supporting Otter Tail County to submit an application for Transportation Alternatives Program funding for a portion of the proposed Bike Trail and approved Resolution No. 2014 – 46 entitled “Resolution Of Support For The Perham To Pelican Rapids Regional Trail Tap Application, Perham, Minnesota”.

5:42: MAYOR MEEHL RECESSED THE MEETING

2014 BUDGET AND LEVY

6:02 PM - PUBLIC COMMENT/TAX LEVY AND BUDGET

Mayor Meehl stated Council may wish to hear comments regarding the proposed 2015 Tax Levy and 2015 Budget. Mayor Meehl noted no one was present for comments.

Finance Officer Stokke reviewed the 2015 Final Tax Levy and Budget with a power point presentation. The following charts were reviewed: 2015 Final Tax Levy, 2015 Levy Breakdown, Percentage of Increase in Tax Levy, Change in Tax Capacity, Tax Levy vs Tax Capacity, Tax Rates, Comparison with Other Cities in Otter Tail County, Residential and Commercial Tax Calculation, Residential and Commercial Property Examples for Taxes Payable in 2015, Breakdown of the Total Tax Bill, Value of City Taxes and the Comparison to Other Services. It was noted, the 2015 Tax Levy increased 2%. Discussion ensued.

ADOPTION OF 2015 LEVY AND BUDGET

Mayor Meehl stated Council may wish to adopt the 2015 Budget and Levy. 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. 2014 – 47 entitled “Resolution In The Matter Of Establishing The Tax Levy For Taxes To Be Collected In 2015 And Approving The 2015 Budget, Perham, Minnesota”.

2015 FEE SCHEDULE

Mayor Meehl stated Council may wish to approve the 2015 Fee Schedule. A short discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance No. 367 entitled “Ordinance Setting The 2015 Fee Schedule, City Of Perham, Minnesota”.

INFORMATION AND ANNOUNCEMENTS

The Christmas Pot Luck Party is scheduled for Wednesday, December 17 at 11:30

Special Council Meeting on Thursday, December 18 @ 5:15

City Office will close at noon on December 24th and be closed on December 25

City Office will close at 3 on December 31 and be closed on January 1

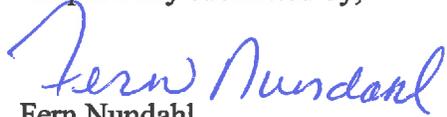
The next Regular Council Meeting is scheduled for Monday, January 12 at 5:15 pm

2015 Leadership Conference in Brooklyn Center is scheduled for January 30 & 31

ADJOURNMENT

On a motion by Council Member Spencer, seconded by Council Member Mattfeld, and carried without dissenting vote, the meeting adjourned at 6:08 p.m.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant

SPECIAL COUNCIL MEETING MINUTES

December 18, 2014

Mayor Meehl called the Special Council Meeting to order at 5:15 on October 30, 2014 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. All Council Members were present.

Staff members present were: City Manager Klemm, EDA Director Johnson, Finance Officer Stokke, Librarian Ladwig and Administrative Assistant Nundahl.

Others present were: Building Official Neisen

INTERIM USE ORDINANCE

Mayor Meehl stated Council may wish to approve an Interim Use Ordinance. City Manager Klemm stated State Statute authorizes the City to adopt a zoning ordinance of this type. The ordinance would include the definition of Interim Use as follows: A temporary use of property until a particular date, until the occurrence of a particular event or until zoning regulations no longer permits. The definition of Temporary Workforce Housing is as follows: Housing units that are modular in nature used to house temporary workers participating in an organized workforce program employed by a single employer.

City Manager Klemm stated an Interim Use has a definite end time versus a Variance and Conditional Use Permit which are permanent. Council Member Lehmkuhl stated an example where an Interim Use Permit might be authorized is someone purchased a lot and requested to build a garage; current zoning would not allow this because the house has to be built first. With an Interim Use Permit, the City could allow a garage be constructed with a condition that a house be constructed within two years. If the house is not constructed within that time frame, the City has the right to enforce the removal of the garage.

City Manager Klemm stated the Permit can be revoked if the conditions of the Permit are violated. Council Member Johnson questioned if the permit can be extended. City Manager stated yes, extensions can be granted but they will go through the same process as the original request, Public Hearing and review by Planning Commission with a recommendation to the Council. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the Interim Use Ordinance and Ordinance No. 368 entitled "An Ordinance Amending Ordinance 286 Regulating Land Use (Zoning)".

INTERIM USE PERMIT REQUEST

Mayor Meehl stated Council may wish to approve a request from KLN for an Interim Use Permit. Fred Sailer representing KLN reviewed KLN's relationship with Global Workforce. Global Workforce has been in existence for about 35 years. They have a lengthy process for

selecting potential workers. Besides Global Workforce completing an interview, the Department of Labor, Homeland Security and KLN Human Resources also completes an interview and approves each worker. Their visa through this program is good for ten months. KLN is completing their first year and it has been a great experience for all involved. If the workers violate terms of their contract or any law, they are sent home at their expense. The current contract is for five years. Building Official Neisen stated Bergens from Detroit Lakes has been contracting with Global Workforce for a number of years and is very satisfied with the employees they receive.

Kevin Keil representing KLN stated they would prefer to hire full-time year-long workers, but they are having a hard time recruiting. It was noted, they are recruiting people from Pennsylvania for work in Perham.

Fred Sailer stated the modular units are constructed in Rochester, Minnesota and have been inspected by the State of Minnesota. They are one-room efficiency apartments and each unit has a sprinkling system. All utilities will be put in by KLN.

Conditions for the Permit were reviewed and they are as follows:

1. The modular units are constructed based on the plans that were submitted and meeting the construction designs as described in their Request For Interim Use dated November 25, 2014;
2. The modular units are one story;
3. Screening and fencing are constructed per the Memorandum of Agreement dated March 11, 2014;
4. Temporary housing is limited to workers in a Federally approved work force program and the modular units will be removed from the property within six months after KLN Family Brands no longer participates in said program or December 31, 2019, whichever occurs earlier;
5. Additional parking will be provided if parking overflows onto the street.

Fred Sailer stated the workers will work from March 1 until December 31 and questioned if other workers could rent the units January and February. It was noted, as long as the workers are in a federally approved work force program, they will comply with the Permit. Council Member Lehmkuhl questioned if the fencing/screening could be completed by June 1. Kevin Keil stated they will work on it as soon as possible, but did not guarantee the June 1 deadline.

Robbianne Schultz, 322 4th Avenue NW, questioned where the site was. Building Official Neisen stated west of the Food Shelf and north of the former Walz house. A site map was provided to Ms. Schultz. 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. 2014 – 48 entitled “Resolution In The Matter Of Granting An Interim Use Permit To Allow For Work Force Housing, City Of Perham, Minnesota”.

LIBRARY PROJECT

Mayor Meehl stated Council may wish to consider approving a proposal for architectural services for the Library Project. City Manager Klemm stated we have received the Grant Documents from the State so the City can proceed with the Library Renovation Project.

City Manager Klemm stated BHH Partners submitted a proposal for the Design and Construction Document Phase and the Bidding Phase in the amount of \$16,900. Tony Stoll representing BHH Partners reminded Council that the renovation figures were completed in October of 2013. Since then, costs have increased. Stoll said that he would welcome a second opinion of the contract documents which Judd Allen is willing to do for \$1500. Stoll also noted that he has taken out the liability waiver noting he feels confident that the proposed renovation will work.

Discussion ensued regarding the stone exterior and costs. It was noted, the stone could be placed on the front sides with an alternative finish on the back sides. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the Proposal for Architectural Services for Exterior Renovation of the Perham Public Library from BHH Partners.

EXTENDING THE CLOSURE OF THIRD STREET NW

Mayor Meehl stated Council may wish to consider extending the closure of Third Street NW to January 23, 2015 due to continued construction. Council Member Lehmkuhl stated he spoke with Jon Ebeling and they are very close to end of this construction project. Due to a delay, they are requesting an extension of the street closure.

Council Member Lehmkuhl stated Tuffy's should be responsible for snow removal during the extension. Following the closure, they will also need to remove all debris and repair the street if needed. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the extension until January, 23, 2015 on the condition that Tuffy's is responsible for snow removal from 1st Avenue North to Lake Street during this time and prior to opening of the street, Tuffy's is responsible for debris cleanup and repair of the street if needed.

DEFERRING ASSESSMENT FOR HAPPEL ADDITION

Mayor Meehl stated Council may wish to consider assessing three lots in the Happel Addition in 2015 and four lots in 2016. City Manager Klemm stated in November, the Council approved various assessments including assessments in the Happel Addition. Following that meeting, the Developers contacted the City and requested deferring some of the assessments. City Manager Klemm reminded the Council, the bonds are for twenty years with ten years left, in order to pay the bonds, we need to collect the assessments. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved deferring assessments of three lots in the Happel Addition in 2015 and four lots in 2016.

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the meeting was adjourned at 6:06.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant