

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
November 14, 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 and Lehmkuhl arrived at 5:34 pm

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

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 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 Johnson seconded by Council Member Spencer 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 October 10, 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 Spencer, 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 \$1,022,617.60 for October 2016.

CANVASS VOTES FOR CITY ELECTION

Mayor Meehl stated the Council may wish to consider canvassing the votes for the City Election and declare results. Mayor Meehl congratulated Council Members Johnson and Spencer on their reelection to another four year term. Mayor Meehl was also reelected to another two year term.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2016 – 43 entitled “Resolution Certifying Results Of The 2016 General Election, Perham, Minnesota”. City Manager Smith presented Certificates of Election to Mayor Meehl and Council Members Johnson and Spencer.

***SUPPLEMENT TO THE CODE OF ORDINANCES**

The Council approved adopting Supplemental Ordinance 390 entitled “An Ordinance Enacting And Adopting A Supplement To The Code Of Ordinances For The City Of Perham, Minnesota And Declaring An Emergency,” which includes Ordinances 373 to 389.

***GOBBLE WOBBLE 5K**

The Council approved authorizing the use of the Arvig Bike Path for the Gobble Wobble 5K fundraising event scheduled for Thanksgiving Day, November 24, 2016.

***LIABILITY COVERAGE**

The Council approved accepting liability coverage limits of \$1,500,000 from the League of Minnesota Cities Insurance Trust for 2017 and will not waive the statutory tort limits.

***APPROVAL OF VARIOUS ASSESSMENTS**

The Council authorized various assessments be forwarded to Otter Tail County and approved Resolution No. 2016 – 44 entitled “Resolution In The Matter Of Assessing Various Charges For City Services, Perham, Minnesota”.

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

The Council approved to accept the PLGC’s Income Statement for September 2016.

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

The Council approved to accept the PACC’s Financial Reports for September 2016.

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

The Council approved to accept the following City Financial Reports:

Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report for October 2016.

ANNEXATION GREAT RIVER ENERGY

Mayor Meehl stated that the Council may wish to consider annexing a parcel owned by Great River Energy located at the corner of 450th Street and County Highway 51. At the October 18, 2016 Planning Commission meeting a public hearing was held regarding the annexation. This parcel is 60 percent bordered by the City and such, per statute, could have been annexed without a public hearing however, as a courtesy to Perham Township the hearing was held. It was the recommendation of the Planning Commission that the City Council approve annexation of this property. Discussion ensued.

On a motion by Council Member Johnson seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance 391 entitled “Annexation Of A Parcel Currently Identified As PID 51000110097001 Into The City Of Perham, County Of Otter Tail, State Of Minnesota An Ordinance Extending The Corporate Limits Of The City Of Perham To Include Certain Unincorporated Properties Abutting The City Of Perham.”

ANNEXATION OF AIRPORT

Mayor Meehl stated the Council may wish to consider annexing the Perham Municipal Airport. At the October 18, 2016 Planning Commission meeting a public hearing was held regarding the annexation of the Perham Municipal Airport. This property is owned by the City and such, per statute, could have been annexed without a public hearing however, as a courtesy to Perham Township the hearing was held. No one was in opposition of the annexation at the hearing nor was any correspondence regarding the annexation received. It was the recommendation of the Planning Commission that the City Council approve annexation of the airport. City Manager Smith explained that there are four to five parcels owned by the City at the Airport that are unique in that there are private hangars on these parcels whose owners pay property taxes. Private hangar owners have been informed of the annexation and no concerns have been raised. A five year property tax reimbursement agreement will be made with Perham Township. Discussion ensued.

On a motion by Council Member Spencer seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Ordinance 392 entitled “Annexation Of A Parcel Currently Identified As Perham Municipal Airport County Of Otter Tail, State Of Minnesota An Ordinance Extending The Corporate Limits Of The City Of Perham, To Include Certain Unincorporated Property Abutting The Limits Of The City Pursuant To Minnesota Statute 414.0033 Subdivision 2 Section 1.”

REZONING OF THE AIRPORT PROPERTY

Mayor Meehl stated the Council may wish to consider rezoning the Airport property from Open to Light Industrial. At the October 18, 2016 Planning Commission meeting re-zoning of the airport was discussed. Airports are a permitted use in Light Industrial (LI) Zoning Districts. No one from the public appeared in opposition of the re-zoning. It was the recommendation of the Planning Commission that the City Council approve re-zoning the airport from Open (O) to Light Industrial (LI). Discussion Ensued.

On a motion by Council Member Spencer seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Ordinance 393 entitled "Rezoning City Of Perham, Minnesota Perham Municipal Airport An Ordinance Revising Ordinance No. 286 Entitled Land Use (Zoning) City Of Perham."

VARIANCE REQUEST/LAKESIDE COUNTRY CLUB

Mayor Meehl stated the Council may wish to consider approving a variance request for twelve less parking spaces than is required by the zoning ordinance for the Lakeside Country Club. The Planning Commission recommended approval of the Variance due to the fact that there is available parking, although not paved, that will more than meet the necessary requirements. City Manager Smith explained that additional parking is available on the maintenance/cart shed "parking lot" and "kid's course." The Variance will have little impact on green space.

On a motion by Council Member Johnson seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2016-45 entitled "Resolution In The Matter Of Granting A Variance To City Of Perham/Perham Lakeside Golf Club/Lakeside Tap Perham, Minnesota."

SALE OF INDUSTRIAL LOTS TO KIT MASTERS, LOTS 1 THROUGH 4

Mayor Meehl stated Council may wish to consider selling Lots 1 – 4, Block 3, Perham Industrial Park 3rd Addition to Kit Masters: these lots are west of the current location. In a presentation given by City Manager Smith, he explained that the four lots to be purchased are contiguous to the property already owned by Kit Masters. They plan to construct a 32,000 sq. ft. building to expand services and storage. They would like to begin construction this Fall.

In a motion by Council Member Johnson seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the sale of Lots 1-4, Block 3, Perham Industrial Park 3rd Addition to Kit Masters.

SALE OF INDUSTRIAL LOTS TO KIT MASTERS, LOTS 7 THROUGH 10

Mayor Meehl stated Council may wish to consider selling Lots 7 - 10, Block 2, Perham Industrial Park 3rd Addition to Kit Masters: these lots are north of the current location. In a

presentation given by City Manager Smith, he explained that the purchase agreement is contingent upon the City of Perham vacating the road Right of Way for 2nd Street from 9th Avenue NE to 450th Avenue NE. These lots would be for future development.

In a motion by Council Member Spencer seconded by Council Member Johnson and carried without a dissenting vote to approve the sale of Lots 7-10, Block 3, Perham Industrial Park 3rd Addition to Kit Masters and begin the street vacation process.

CITY ENGINEER MONTHLY UPDATE

Mayor Meehl stated 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 an updated correction list has been sent to Kuechle outlining the remaining work to be completed. The last items on the list involved coordinating with their subcontractors to complete.

Coney Street East Improvements

City Engineer Berube stated Coney Street East has been open to traffic for approximately a month. There are items on an internal correction and completion list that are currently being reviewed by the contractor.

Wastewater Treatment Facility

City Engineer Berube stated Municipal Service Company has completed the work on the Wastewater Treatment Structure Modifications. Final payment will be issued at the December meeting pending approval of all paperwork.

Third Street Northeast

City Engineer Berube stated the survey is 90% complete by Compass. Minor additional items may be required before freeze up and design is currently progressing. The intent is to have the design ready for approval at the February Council Meeting.

EXTENDING RECYCLING CONTRACT

Mayor Meehl stated Council may wish to consider extending the recycling contract with Steve's Sanitation for six months. City Manager Smith explained that this is an extension of the existing contract and will allow the County time to hear back regarding their grant application for implementing Single Stream recycling. Upon approval of the grant request, the City will sign a Letter of Intent with the County for recycling services.

In a motion by Council Member Spencer seconded by Council Member Johnson and carried without a dissenting vote to approve the six month recycling contract extension with Steve's Sanitation.

INFORMATION AND ANNOUNCEMENTS

The CGMC Fall Conference is November 17th & 18th in Alexandria. City Manager Smith will be attending.

The City Office will be closed on November 24 and 25 for Thanksgiving

The Parade of Lights is scheduled for Friday, November 25 at 5:30

A Budget Meeting is tentatively scheduled for Wednesday, November 30 at 4:30. A Special TIF Council Meeting may also be scheduled for this date.

The next regular Council Meeting is scheduled for Monday, December 12

The City Holiday Pot Luck is scheduled for Wednesday, December 14

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 5:36 pm.

Respectfully submitted by,

A handwritten signature in blue ink, appearing to read "Heather Hoelt", with a long horizontal flourish extending to the right.

Heather Hoelt

Administrative Assistant

SPECIAL COUNCIL MEETING MINUTES

November 30, 2016

Mayor Meehl called the Special Council Meeting to order at 5:16 pm on November 30, 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. Council Members present were Mayor Meehl, Council Members Lehmkuhl, Johnson and Spencer.

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

Others present were: Trent Swanson, representing Kit Masters/Swan Machine.

TIF DEVELOPMENT AGREEMENT FOR SWAN LEASE/KIT MASTERS

Mayor Meehl stated Council may wish to consider approving a development agreement between Swan Lease/Kit Masters and City of Perham.

Swan Lease, LLC has requested tax increment financing for a 32,000 sf expansion they propose in the Perham Industrial Park. Swan Lease is the real estate holding company for Kit Masters and Swan Machine. Trent Swanson stated that the expansion will create a minimum of 3 jobs. The building will mainly be used for storage and a reallocation of current resources as well as a new product line in the future. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the development agreement between Swan Lease/Kit Masters and City of Perham.

ADJOURNMENT

With no further business to discuss, Mayor Meehl adjourned the meeting at 5:19 pm.

Respectfully submitted by,



Heather Hoeft
Administrative Assistant