

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
September 13, 2021**

The regular meeting of the Perham City Council held both in person in the Council Chambers at Perham City Hall, 125 Second Avenue NE, Perham, MN 56573 and electronically via Zoom was called to order by Mayor Meehl at 5:20 pm with 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, Spencer and Schmidt.

Staff present: City Manager Smith, Finance Officer Stokke, EDA Director Murdock, Police Chief Gritz, Public Works Director Schossow and Administrative Assistant Hoeft.

Others present: City Engineer Berube, Shawn Sweere, and Steve Skauge with Productive Alternatives

**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.

*Shawn Sweere – Perham Township*

Shawn Sweere representing Perham Township was in attendance to inform Council that there were road agreements with the City that had expired. The Township Clerk will be sending the updated agreements to City Manager Smith for review.

**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 9, 2021.

## **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 additional claims: BHH Partners for \$2,984.32 and \$9,759.81; Forum Communications for \$322.18; Jobs HQ for \$452.90; and T-Mobile for \$57.40 bringing the total Unpaid Claims to \$1,565,936.39.

On a motion by Council Member Schmidt, seconded by Council Member Spencer, and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the amount of \$2,281,331.32 for August 2021.

## **\*GAMBLING PERMIT**

Council approved the Premise Permit Application and Resolution 2021 – 41 entitled “Resolution In The Matter Of Approving Premises Permit Application Turn In Poachers,” to allow Turn in Poachers to conduct gambling at Perham Lakeside Golf Course for an event on October 9, 2021.

## **\*ACCEPT GOLF COURSE DONATION**

Council approved Resolution 2021 – 42 entitled “Resolution In The Matter Of Accepting A Donation For The Golf Course, Perham, MN,” to accept a \$2,500.00 donation for the Golf Course from Fort Dodge Community Foundation.

**\*ACCEPT RIFLE RANGE DONATION**

Council approved Resolution 2021 – 43 entitled “Resolution In The Matter of Accepting A Donation For The Rifle Range, Perham, MN,” to accept a \$6,000.00 donation for the Rifle Range from the MN Deer Hunters Association.

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

Council accepted the PACC’s Financial Reports for July 2021.

**\*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 for August 2021.

**APPROVE MAHUBE-OTWA LEASE AGREEMENT**

Mayor Meehl stated Council may wish to approve a lease agreement with Mahube-OTWA for the purpose of Head Start and childcare program-related activities at 773/775 NE Fifth Street.

On a motion by Council Member Johnson, seconded by Council Member Schmidt, and carried without a dissenting vote, the Council approved the lease agreement with Mahube-OTWA for the purpose of Head Start and childcare program-related activities at 773/775 NE Fifth Street.

**APPROVE PURCHASE AGREEMENT**

Mayor Meehl stated Council may wish to approve a purchase agreement with Keith and Jennifer Carlson for the sale of a lot in the Industrial Park Third Addition.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the purchase agreement with Keith and Jennifer Carlson for the sale of Lot 8, Block 5, Perham Industrial Park Third Addition, Otter Tail County, Minnesota.

**APPROVE PURCHASE AGREEMENT**

Mayor Meehl stated Council may wish to approve a purchase agreement with Marotz Investments LLC for the sale of a lot in the Industrial Park Third Addition.

On a motion by Council Member Schmidt, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved the purchase agreement with Marotz Investments, LLC for the sale of Lot 10, Block 5, Perham Industrial Park Third Addition, Otter Tail County, Minnesota.

**APPROVE PURCHASE AGREEMENT**

Mayor Meehl stated Council may wish to approve a purchase agreement with JOLD Enterprises, LLC for the sale of a lot in the Industrial Park Third Addition.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer, and carried without a dissenting vote, the Council approved the purchase agreement with JOLD Enterprises, LLC for the sale of Lot 12, Block 5, Perham Industrial Park Third Addition, Otter Tail County, Minnesota.

**PRODUCTIVE ALTERNATIVES REZONING**

Mayor Meehl stated Council may wish to approve a request from Productive Alternatives to rezone a parcel located in Paine’s Addition from Park (P) to Residential (R-2).

Council Member Lehmkuhl stated the Planning Commission had held a Public Hearing and recommended Council approval on the matter. There were two members of the public in attendance who were in favor of the request by Productive Alternatives.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved Ordinance 421 entitled “Revising Land Use (Zoning) Ordinance No. 286 For Rezoning Certain Property In Paine’s Addition To The City Of Perham, Minnesota,” to rezone a parcel located in Paine’s Addition from Park (P) to Residential (R-2).

**PRODUCTIVE ALTERNATIVES CONDITIONAL USE PERMIT**

Mayor Meehl stated Council may wish to approve a request from Productive Alternatives for a Conditional Use Permit for the purpose of relocating their current programming to the property located in Paine’s Addition.

- Productive Alternatives fully executes the purchase of the property
- Productive Alternatives installs off-street parking in coordination with an agreement with the City for shared use with the Fairgrounds. The playground, which was previously going to be removed for parking, will remain.
- No retail business may operate nor any production of products for resale.
- Productive Alternatives will work directly with the City to alleviate any traffic congestion or flow issues that arise.

Steve Skaug representing Productive Alternatives noted he believes the property is the right setting, building, and location for their programming and they will make good use of the space while being good neighbors.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt, and carried without a dissenting vote, the Council approved Resolution 2021 – 44 entitled “In The Matter Of Granting A Conditional Use Permit To Productive Alternatives, Inc., For Certain Property In Paine’s Addition, Perham, MN,” for the purpose of relocating their current programming to the property located in Paine’s Addition.

### **PRODUCTIVE ALTERNATIVES VARIANCE**

Mayor Meehl stated Council may wish to approve a request from Productive Alternatives for a Variance from the provisions of the City’s Land Use (Zoning) Ordinance No. 268, Section 15, Subd. 7, to exceed the maximum lot coverage on the property located in Paine’s Addition.

City Manager Smith stated the Variance is needed to exceed the thirty percent (30%) residential impervious surface maximum by about fourteen percent (14%). The proposed garage will add an additional 1,760 square feet of impervious, as well as an additional 650 square feet of new property to be purchased from the Fair Board, bringing the total impervious surface to fifty-one percent (51%). The Variance is also contingent upon an agreement with the City to establish the additional land for shared parking and any additional stormwater created from the expansion.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson, and carried without a dissenting vote, the Council approved Resolution 2021 – 45 entitled “In the Matter Of Granting A Variance To Productive Alternatives, Inc., For Certain Property In Paine’s Addition, Perham, MN,” to exceed the maximum lot coverage on the property located in Paine’s Addition.

### **APPROVE DEVELOPMENT AGREEMENT**

Mayor Meehl stated Council may wish to approve a Development Agreement between the City of Perham and Grow Perham, LLC.

City Manager Smith stated a tax increment financing district was created earlier this year requiring income guidelines for the development.

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

## **CITY ENGINEER MONTHLY UPDATE**

City Engineer Berube gave an update on various projects.

### **Westwind Fourth Addition**

Wear course paving and turf establishment has been completed over the past month. A correction and completion list is being prepared to outline remaining items on the project. It is anticipated that closeout of the project will be completed this fall.

### **Ninth Street Southwest**

The mill and overlay was completed in the middle of August over the course of a couple of days. Final payment to Howards Driveway was included in the Council's payables.

### **2022 Project**

The topographic survey is scheduled for later this month for the 2022 project areas. The County Highway Department had previously surveyed the majority of County 8 from Main Street out of town, but additional survey will be needed to tie in the existing water and sewer infrastructure along the roadway. Design is expected to run through March of 2022.

## **INFORMATION AND ANNOUNCEMENTS**

A 2022 Budget Meeting is scheduled for Wednesday, September 22 @ 5:15 pm

The Library's 100<sup>th</sup> Anniversary Open House is scheduled for Thursday, September 23 from 4:00 – 7:00 pm

A Special Council Meeting and Committee of the Whole are scheduled for Wednesday, September 29 @ 5:15 pm

The next regular Council Meeting is scheduled for Monday, October 11 @ 5:15 pm

## **ADJOURNMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer, and carried without a dissenting vote, Mayor Meehl adjourned the meeting at 5:42 p.m.

Respectfully submitted by,



Heather Hoelt  
Administrative Assistant

ATTEST:



Mayor





**SPECIAL COUNCIL MEETING MINUTES**  
**September 29, 2021**

Mayor Meehl called the Special Council Meeting to order at 5:15 pm on September 29, 2021 in the Council Chambers located at 125 Second Avenue NE and via Zoom, 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, Spencer, and Schmidt.

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

Others present: City Engineer Berube, City Attorney Tom Winters, and PACC Director Leigh Shebeck

Present via Zoom: Taylor Beiswenger and Elizabeth Vierkant

**Proposed Property Tax Levy**

Mayor Meehl stated Council may wish to adopt the Preliminary 2022 Budget, Preliminary Levy for Taxes and HRA Levy Payable for 2022 and may wish to schedule the date of Monday, December 13, 2021 at 6:00 pm for the public to comment prior to the adoption of the 2022 Budget and 2022 Tax Levy.

City Manager Smith presented an overview of the 2022 Preliminary Tax and Budget. Highlights of the presentation included:

- The City of Perham is required to approve a preliminary levy and budget by September 30 of each year and that amount is not final, however, the preliminary levy sets a maximum for the final levy. The percent of increase/decrease in the levy is not directly proportionate to the property tax increase/decrease and the preliminary levy and budget are prepared with the most up to date figures available at the time of preparation.
- The budgeted fund types discussed included the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Enterprise Funds.
- The General Fund increased 37.9% due to a 9% increase in health insurance rates, a 3% cost of living increase for all employees as well as a step scale adjustment to stay competitive and increase starting wages. The addition of a new full-time police officer and maintenance and building improvements to City Hall also contributed to the large increase.
- Economic Development increased 16.56% due to additional economic programming that may be reduced with funds from the American Rescue Plan (ARP).
- Library, Fire and Capital Funds remained steady at 8.18%, .42%, and 1.89%
- The 2021 Proposed Operating Levy amount of \$1,342,725 is an increase of 21.07% over the Final Operating Levy amount of \$1,109,075 in 2021.

- The 2021 Proposed Debt amount of \$409,408 is a decrease of 7.88% from \$444,411 in 2021. Special Revenue Funds include two Tax Abatements for Grow Perham and the HRA for an increase of 13.39%.
- The Tax Capacity Levy excluding the HRA totaled \$1,773.639 for a total levy increase of 12.96%.
- The Tax Capacity Growth is estimated at -2.08% and the Tax Rate increased to 56.441%. The decrease in Tax Capacity Growth is due to a Net Tax Capacity law change declaring power transmission lines are no longer subject to our local tax rate, rather a blended County rate. The four (4) parcels in Perham have an assessed value over \$9.3 million with a net Tax Capacity of over \$186,000. If these parcels would not have changed, the City's Net Tax Capacity would have increased 2.83% and the tax rate would have changed from the proposed 56.441% to 53.93%.

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, Council approved Resolution 2021 – 46 entitled “Resolution In The Matter Of Establishing The Preliminary Tax Levy For Taxes To Be Collected In 2022, Perham, Minnesota.”

#### **Approve Subdivision Replat**

Mayor Meehl stated Council may wish to consider approving the subdivision replat of Lots 1-9, Block 4, Clearwater Second Addition (Meadow View Homes).

City Manager Smith reviewed the area of the subdivision replat and noted the current nine (9) lots, which will consist of owner-occupied twin homes, will become eight (8) lots and will be subdivided into 16 lots. The Planning Commission had held a public hearing with no opposition from neighbors in the area.

On a motion by Council Member Lemkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution 2021 – 47 entitled “In The Matter Of Granting A Subdivision Request To Foltz Properties LLC For A Replat Of Lots 1-9, Block 4, Clearwater Second Addition (Proposed As Meadow View Homes).”

#### **Adjournment**

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

Respectfully submitted by,

  
Heather Hoelt

Administrative Assistant

ATTEST:

  
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Mayor