

Approved Minutes
November 16, 2016

**NEW YORK MILLS CITY COUNCIL
REGULAR MEETING
October 11, 2016
5:00 p.m.**

CALL TO ORDER AND DETERMINATION OF A QUORUM

The regular meeting of the New York Mills City Council was called to order at 5:01 p.m. in the Council Chambers of the City Hall Building at 28 Centennial 84 Dr., New York Mills, Minnesota, all members of the Council having been notified of the meeting and the business to be transacted.

Members Present Gerber, Maki, Roder, Hoaby, and Oakland

Members Absent None

Staff Present City Clerk Darla Berry, Administrative Assistant Jenny Geiser, Administrative Assistant Cheri Kopveiler, Liquor Store Manager Joan Koep, Police Chief James Gritz,

Guests Present NYM Dispatch Reporter Connie Vandermay, City Treasurer Al Berube, City Attorney Dennis Happel, Apex Engineer Mike Weber, Jessica Gible, Latham Hetland, Officer Landyn Saewert, Rosa Kawlewski, Tim Vaughn, Dave Braukmann, Jerry Larson, Dale Jokela

Call to Order The meeting was called to order at 5:01 p.m. A quorum was present.

Additions, Changes or Deletions to Agenda and Approval of Final Agenda

A motion was made by Maki and seconded by Oakland to approve the agenda. The motion carried without a dissenting vote.

Approval of Minutes A motion to approve minutes from the September 13, 2016, regular meeting was made by Roder and seconded by Maki. The motion carried without a dissenting vote.

Updates/Consent Agenda – Mayor Gerber noted the updates and consent agenda items:

- a. September 15, 2016 Letter from Cultural Center
- b. August 22, 2016, Letter from MPCA
- c. October 5, 2016 – Memos from Otter Tail County re: Winter Maintenance Resolution, Winter Maintenance Material Pick Up Times and Contact Persons, and 2017 Seal Coat and 2017 Traffic Marking Projects
- d. Fall 2016 Edition – Someplace Safe Newsletter

A motion was made by Hoaby and seconded by Roder to approve the consent agenda. The motion carried without a dissenting vote.

Department Reports

Liquor Store Report - Joan Koep included a report in the packet, which she referred to as she addressed the Council. She noted that they are trying out some new bar events based on feedback from customers, including Bar Trivia and Pool tournaments. However, there has been little response to date – people are not signing up. She will keep trying to get these events going. Joan reported that she needs to hire more staff; Assistant Manager Huff will be taking a medical leave in November. Expenses were high in September, primarily due to there being a third pay date that month. Koep reported that she is trying to stay on top of the gross profit margins, which is 41% overall but 59% in the store.

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A motion was made by Roder and seconded by Oakland to approve the Liquor Store Report. The motion carried without any dissent.

Fire Department Report – Chief Brasel’s report was in the packet.

A motion was made by Hoaby and seconded by Roder to approve the Fire Department report. The motion carried without a dissenting vote.

Police Report – James Gritz addressed the Council. He went through the items in his report. He explained that the City of Deer Creek asked that we increase the fee by 2.5% instead of the 5% we had proposed. He recommended that the Council approve this lower amount. Recently James has refused to pay a billing from City Attorney Dennis Happel for his continuing education in regards to training he was required to have for e-charging. As a prosecuting attorney the State required Happel to have the training. Gritz opined that Happel should not bill us for this. Also the City of Perham was similarly billed and they also do not feel they should pay it. It has amounted to two charges to us of \$140 each, so a total of \$280. He provided this background as he will be departing the meeting after his report and Happel had not yet arrived.

A motion was made by Hoaby and seconded by Maki to approve the Police report along with a 2.5% increase in the Deer Creek contract. The motion carried without a dissenting vote.

EDA Report

Julie Gerber reported that the last EDA meeting was held on September 21. There was not a quorum present so while there was some discussion on various items there could be no official actions taken. Discussion covered recent requests made by the partners of Hometown Synergies to remove the utility charges on their building. The Revolving Loan Fund balance totaled \$169,631.66, with \$145,909.15 the EDA balance and \$23,772.51 the MIF fund balance. An update on Country View was provided with numerous parties expressing interest as of late. Mark Hanson provided an update on EDA loan policy guidelines he has been working on. He also updated the group on the status of the Daycare in the County Building. An update was given regarding the Sugar Creek Woodworking matter, with auction results presented by Onward Online Auction representative Cameron Wedde. There were 36,000 shares of the auction. The auction was visited by 4100 viewers. There were 30 winning bidders, with 5 of those from out of state. The auction yield gross revenues of about \$41,000 but after commission and fees for the removal, clean up, and auction preparation work on the equipment the next proceeds to the EDA totaled about \$32,500. Thanks to Ken Hendrickx for providing a site where the equipment was moved and stored until sold.

A motion was made by Roder and seconded by Oakland to approve the EDA report. The motion carried without a dissenting vote.

Public Forum – 5:30 p.m.

At 5:36 p.m., Mayor Gerber asked whether anyone present wished to address the council. Dave Braukman spoke. He noted that he was addressing a matter that he as well as other people living in his area had spoken to him about. He noted that it was reported that the City was planning some type of reduction or reduced assessments for the upcoming Miller Street Project. As the owner of a rather large lot on Cornwell, he and his neighbors agreed that the City should not give a break to Miller Street property owners as he and his neighbors were not getting a break on their large lot assessments. He noted that his comments were based on “talk” on the street that he had heard. Mayor Gerber thanked him for his comments and asked if anyone else wished to speak. Hearing from no one, the Public Forum concluded at 5:40 p.m.

Public Requests - NONE

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Public Works Report – Kyle Mattson was absent from the meeting but included a written report in the Council packet. Berry noted that the absence was due to a gas line being moved over at the Lund Boat factory to make way for a building addition. This project began at 4:00 p.m. and would continue until completed, so Mattson would not be done in time to come up to this meeting. Berry noted that Kyle's report included information about snow removal plans for the upcoming winter season. A decision should be made on authorizing Mattson to go view snowplows and issue a down payment check should the truck be a good investment. Also the Council should authorize a full purchase price for a snow plow truck, estimated at \$8,000 plus any sales tax and/or delivery charges. Berry noted that such a purchase should qualify for exemption from sales tax. Some discussion ensued.

A motion was made by Maki and seconded by Roder to approve the Public Works report and to authorize Mattson to negotiate and purchase a snow plow truck for a price of no more than \$8000 plus sales tax plus reasonable delivery charges, and authorizing that a \$2000 down payment be issued towards the negotiated price. The motion carried with Ayes cast by Gerber, Roder, Maki, and Hoaby, and a Naye vote cast by Oakland.

Administration Report – Berry addressed the council next. She noted that she had added one item to the report since the draft packet had been distributed. She explained this matter listed as item 12. She asked the council if they had any questions for her on anything else in her report. Hoaby then mentioned the proposed office hours change. After some discussion, the Council decided that the change could be made and adjustments made as warranted by public response.

A motion was made by Hoaby and seconded by Roder to approve the Administration report as presented along with the new office hours of 8 to 4:30 Monday thru Friday. The motion carried without a dissenting vote.

Old Business

Update on Nicholson Property – Dennis Happel addressed the City Council. He provided documentation showing that the City does indeed now own the subject property, and so his work is done. The Council can now decide how to resolve this. Berry then updated the council on the actions she had taken following Council directives at the September council meeting. After two adjacent property owners expressed interest in being considered, she invited them to submit their proposals and plans for the property. She advised one of the two of delinquent utilities and taxes that needed to be brought current in order for him to be considered. Both submitted plans which were included in the packet for Council review. Some discussion ensued. Details of how a transfer might occur were discussed, included a contract for deed that would be tied to some performance measures.

A motion was made by Oakland and seconded by Roder to sell the Nicholson property to Jessica Gible for \$1, with the City to pay the second half property taxes and remove all outstanding assessments on the property, and the City to include an abstract, with a contract for deed to be entered into that would require that Gible clean up the property to the City's satisfaction within one year and remain current on all bills owed to the City, with a warranty deed being issued after the final performance. The motion carried without a dissenting vote.

Proposed 2017 Miller Street Project – In order to reschedule the public hearing on this matter, the following resolution was presented for consideration:

RESOLUTION NO. 10-11-2016

RESOLUTION CALLING FOR A PUBLIC HEARING FOR MILLER STREET AND STORMWATER IMPROVEMENTS

The City of New York Mills is an equal opportunity provider and employer.

NEW YORK MILLS, MINNESOTA

WHEREAS, pursuant to Resolution No. 08-11-2016 adopted on August 11, 2016, a report has been prepared by Apex Engineering Group with reference to the proposed street, stormwater, and drainage improvements to Miller Street between CSAH 67 and Walker Avenue, and this report was received by the council on September 13, 2016.

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost effective and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

WHEREAS, the report was adopted and a Public Hearing was called for to occur on the 11th day of October, 2016, in the council chambers of the city hall at 6:00 p.m.

WHEREAS, that hearing date was postponed as the paperwork was not completed within the deadlines required, and needs to be rescheduled.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of New York Mills, Minnesota:

1. The Council will consider the improvement of such streets in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429.
2. A Public Hearing is now scheduled for the 15th day of November, 2016, in the council chambers of the city hall at 6:00 p.m. on such proposed improvement and the clerk shall give mailed and published notice of such hearing and improvement as required by law.

Adopted by the City Council on this 11th day October 2016.

Julie L. Gerber, Mayor

ATTEST:

Darla Berry, City Clerk

A motion was made by Roder and seconded by Hoaby to approve Resolution No. 10-11-2016 as presented. The motion carried without a dissenting vote.

2015 Project Update – Apex Engineer Mike Weber addressed the council. He explained two change orders that were included in the packet. The final completion date is being extended from October 1, 2016, to June 16, 2017, as fall paving deadlines could not be met. Waiting until spring is good as it allows the pavement to go through the freeze thaw cycle prior to the final overlay being done.

A motion was made by Roder and seconded by Maki to approve the payment and change orders as presented on the 2015 U/S Rehabilitation Project. The motion carried without a dissenting vote.

Assessment Hearings on 2015 U/S Project – Mike Weber explained to the Council how the hearings would be presented. He noted that the assessment worksheets were completed based on decisions made at the September regular Council Meeting. Thus far, there have been only two area taxpayers that have phone the engineers about their proposed final assessments. The project will likely come in about \$150,000 below estimates, and the proposed final assessment amounts are lower than the amounts that were projected earlier on in the project. For example, original estimates were for assessments of about \$12,800 on a 50’ lot, with the finals coming in at about \$11,940 on a 50’ lot. The engineers will give a presentation going over the project and how rates were determined. Then the program is turned back to the City Council and Mayor for questions and comments. First the meeting will be open to questions, for which answers are generally provided. Stay on topic and don’t stray to other matters. After the questions segment, comments are then taken where the council just hears from the audience with comments. Just listen and thank for comments.

New Business

Decertification of TIF Districts 1-1 and 1-2 – Berry noted these districts will be decertified by year end. The following resolutions were presented for consideration:

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 10-11-2016a

**RESOLUTION APPROVING THE DECERTIFICATION OF
TAX INCREMENT FINANCING DISTRICT NO. 1-1
OF THE CITY OF NEW YORK MILLS**

WHEREAS, on April 3, 1991, the City of New York Mills (the "City") created its Tax Increment Financing District No. 1-1 (the "District") within its Municipal Development District No. 1 (the "Project"); and

WHEREAS, as of December 11, 2007, the final payment was made per the Developer Agreement to Parkview Apartments, and as of December 6, 2012, the final payment was made per the Developer Agreement also to Parkview Apartments on behalf of White Gable Apartments, and there are no other obligations remaining through the required decertification date of 12/31/2016; and

WHEREAS, the City desires by this resolution to cause the decertification of the District after which all property taxes generated within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED by the City Council that the City's staff shall take such action as is necessary to cause the County Auditor of Otter Tail County to decertify the District as a tax increment district and to no longer remit tax increment from the District to the City effective December 31, 2016.

DATED: October 11, 2016

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Julie Gerber, Mayor

ATTEST:

Darla Berry, City Clerk

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 10-11-2016b

**RESOLUTION APPROVING THE DECERTIFICATION OF
TAX INCREMENT FINANCING DISTRICT NO. 1-2
OF THE CITY OF NEW YORK MILLS**

WHEREAS, on November 15, 1990, the City of New York Mills (the "City") created its Tax Increment Financing District No. 1-2 (the "District") within its Municipal Development District No. 1 (the "Project"); and

WHEREAS, as of December 11, 2007, the final payment was made per the Developer Agreement to Finalandia Apartments, and as of December 6, 2012, the final payment was made per the Developer Agreement also to New York Mills Partners II for Summer Place Apartments and Garden View Apartments, and there are no other obligations remaining through the required decertification date of 12/31/2016; and

WHEREAS, the City desires by this resolution to cause the decertification of the District after which all property taxes generated within the District will be distributed in the same manner as all other property taxes.

NOW THEREFORE, BE IT RESOLVED by the City Council that the City's staff shall take such action as is necessary to cause the County Auditor of Otter Tail County to decertify the District as a tax increment district and to no longer remit tax increment from the District to the City effective December 31, 2016.

DATED: October 11, 2016

Julie Gerber, Mayor

ATTEST:

Darla Berry, City Clerk

A motion was made by Hoaby and seconded by Oakland to approve Resolution No. 10-11-2016a and Resolution No. 10-11-2016b as presented. The motion carried without a dissenting vote.

Barn Donation – Upon receipt of a donation for the Barn, Resolution No. 10-11-2016c was presented for consideration:

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 10-11-2016c

**RESOLUTION ACKNOWLEDGING CASH DONATION TO THE CITY OF NEW YORK MILLS FOR THE
BARN AT THE SCULPTURE PARK FROM THE LUMBER DEPOT**

WHEREAS, the City of New York Mills has received a cash donations of \$2,000 from the Lumber Depot for The Barn project.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEW YORK MILLS, MINNESOTA THAT: the City Council of the City of New York Mills acknowledges and accepts the cash donation of \$2,000 from the Lumber Depot.

Adopted this 11th day of October, 2016, by the City Council of the City of New York Mills.

Julie L. Gerber, Mayor

Darla Berry, City Clerk

A motion was made by Roder and seconded by Hoaby to approve Resolution No. 10-11-2016c as presented. The motion carried without a dissenting vote.

Lund Park Donations – Upon receipt of one donation for Lund Park, Resolution No. 10-11-2016d was presented for consideration:

**CITY OF NEW YORK MILLS,
MINNESOTA**

RESOLUTION NO. 10-11-2016d

**RESOLUTION ACKNOWLEDGING CASH DONATION TO THE CITY OF NEW YORK MILLS FOR
LUND PARK SOFTBALL FIELD IMPROVEMENTS
FROM THE NEW YORK MILLS LIONS CLUB**

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WHEREAS, the City of New York Mills has received a cash donation totaling \$4,000 from the New York Mills Lions Club for improvements being made at the Lund Park Softball fields.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF NEW YORK MILLS, MINNESOTA THAT: the City Council of the City of New York Mills acknowledges and accepts the cash donation of \$4,000 from the New York Mills Lions Club.

Adopted this 11th day of October, 2016, by the City Council of the City of New York Mills.

Julie L. Gerber, Mayor

Darla Berry, City Clerk

A motion was made by Oakland and seconded by Maki to approve Resolution No. 10-11-2016d as presented. The motion carried without a dissenting vote.

Future Meeting Dates – A Special Assessment Public Hearing and Special Meeting are scheduled for Tuesday, October 18, 2016, at 6:00 p.m., and the next regular meeting is scheduled for Tuesday, November 15, 2016, at 4:30 p.m. Also a Public Hearing for the 2017 Miller Street Project is scheduled for 6:00 p.m. on Tuesday, November 15, 2016.

Payment of Claims -- Mayor Gerber noted the bills are as in the packet with no additional items noted other than the second half taxes due and payable on the Nicholson property.

A motion was made by Hoaby and seconded by Maki to approve the payment of bills including the second half real estate taxes on the Nicholson property. The motion carried without a dissenting vote.

Financial Reports – There was no discussion.

A motion was made by Roder and seconded by Hoaby to approve the financial reports. The motion carried without a dissenting vote.

Adjournment

A motion was made by Maki and seconded by Oakland to adjourn. The motion carried without a dissenting vote.

The meeting was adjourned at 6:18 p.m.

Respectfully submitted by,



Darla Berry
City Clerk