

City of Ottertail
July 21, 2016
7:00 PM

Council present: Mayor Myron Lueders, Ron Grobeck, Jill Carlson, and Darold Woessner.
Absent: Heather Rosenthal.

Staff present: City Clerk/Treas., Elaine Hanson; Maintenance/Zoning Coordinator, Loren Hawes; Fire Chief Stuart Fleischauer.

Others present: Traci Ryan, Ryan Development Consultant; Bob Schlieman, Apex Engineering; Phil Isaacson, Great Plains Fire; Tim Burke, Ed Smith, Bruce Hurt; Kellie Kringle; Bruce Carr; Tom & Caryn Avelsgaard; Mike Avelsgaard; Troy Thorson, Fireman; Chad Koenen, Citizen's Advocate, official paper; Heidi Kratzke, independent reporter.

A variance hearing was called to order by Mayor Myron Lueders. The Pledge of Allegiance was recited by all present.

A variance from the subdivision ordinance was requested by Tim Burke and Mike Kerzman of BK Heating & AC. The variance would allow Burke and Kerzman to split a commercial lot on Hwy 108 at 237 Main St. W. One lot has BK Heating and AC the other is Squeaky Clean Carwash. The lot split will allow the two businesses to run independently of each other. No other comments were offered from members of the audience. A motion to close the hearing was made by Grobeck and seconded by Carlson. All voted in favor. Carried. Hearing was then closed a 7:05 p.m.

Regular meeting of the Ottertail City Council was called to order following the public hearing. Additions and were made to the Consent Agenda and payables. A motion to approve consent agenda and payables items was made by Carlson and second by Grobeck. Motion carried.

- a. Minutes June 16th Regular; Special Meetings of June 20th & 22nd.
- b. **Resolution #2016-12** Acknowledge donation from Rod & Gun for handicapped bathrooms at Pelican Bay.
- c. **Resolution #2016-13** Contract with Council Member for watering tank.
- d. **Resolution #2016-14** Renewal for Optional 2 AM Liquor for OSCAL, INC. (the Otter Supper Club)
- e. **Resolution #2016-15** Adopting Assessments for Unpaid Water bills.
- f. Quarter End/Month End Financials
- d. Payables of \$121,343.74.

PRESENTATIONS/PUBLIC FORUM:

Bob Schlieman, Apex Engineering reported on the Downtown Project. Schlieman reminded the council of some of the issues his firm is having with MnDOT. It appears the city may need to wait until next year to see this project proceed.

Motion by Woessner and second by Carlson to approve application for removing 3 street lights in the downtown area in preparation of the project for Otter Tail Power. All voted in favor, carried.

Amended **Resolution #2016-11 Approving Increase in Water Base Rates** in a motion by Grobeck and second by Carlson. All voted in favor, carried.

Motion to authorize purchase of a movable radar speed sign to be placed in various places in the City was made by Carlson and second by Woessner. All voted in favor, carried.

Public Forum: Persons attending questioned the need for the ordinance for restrictive covenants on the Otter's Tail or that portion of Empire 4th Addition and Woessner's Island Addition. After some discussion it was decided to withdraw the call for public hearing on this Ordinance.

Motion to approve the proposal for TIF Services from Traci Ryan of Ryan Development Consulting LLC was made by Woessner and second by Carlson. All voted in favor, carried. The services will include 13 steps

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OLD BUSINESS:

through the process of developing TIF (Tax Increment Financing) for a number of projects including the contemplated purchase at Thumper Pond; as well as single family TIF for Happy Acres and Deer Run Estates.

Motion to adopt **Resolution 2017-17 Calling for a Public Hearing on the Proposed Establishment of Housing Tax Increment Financing District No. 1-3 Within Development District No. 1 and the Proposed Adoption of a Tax Increment Financing Plan and Exhibit A** was made by Carlson and second by Woessner. All voted in favor, carried. The public hearing will take place on Thursday, September 15, 2016 at 7:00 p.m. at City Hall pursuant to MN Statutes Sections 469.124 through 469.134 and 469.174 through 469.1799.

Ryan then reviewed the Tax Abatement Application that was made by Thumper Pond at the June 22nd special meeting and the amounts of abatement for the water park reconstruction. In a joint effort with Nick Leonard, Otter Tail County and Brad Stevens, Thumper Pond, a plan to abate \$106,500 in taxes for the City with \$60,500 are to be repaid and for the County \$148,500 with \$84,500 are to be repaid. As noted in the memo from Ryan, the city could potentially see an increase in its tax rate approximately .94% on existing real estate tax. The City, as recommended, would take the lead and ask for a public hearing from the County to move forward with the abatement which would provide for some of the loss of business issues Thumper Pond has had because of the collapse of the roof of the water park. It was also noted that abatement assistance would be repaid in full and cancelled if at any time if any insurance settlement is reached. A motion was made by Woessner and second by Carlson to adopt **Resolution #2016-16 Calling for a Public Hearing on the Proposed Property Tax Abatements for Thumper Pond Resort, LLC and attachments A & B** with a recommendation to have Otter Tail County move forward with the request. The public hearing will be held on August 18, 2016 at City Hall pursuant to MN Statutes §469.1812 through 469.1815 at the request of Thumper Pond. All voted in favor, carried.

To consider an offer and/or counter offer for the purchase of real property identified as PID#74000110012001 Thumper Pond and as authorized by MN Statutes §13D.05 Subd. 3, Carlson moved to close the regular meeting and open a closed meeting. Woessner seconded. All voted in favor, carried.

Mayor Lueders reopened the regular meeting at 8:25 p.m. A motion was made by Grobeck and second by Woessner to enter into a purchase agreement with Thumper Pond Resort to purchase the Thumper Pond parcel referenced for \$150,000 which includes \$1,500 earnest money. All voted in favor, carried. Schlieman from Apex Engineering, as requested, provided a Preliminary Engineering Report which outlined estimated costs for the City to make improvements to infrastructure on the property should it decide to move forward after the City has done its due diligence as outlined in the purchase agreement. A motion was made by Grobeck and second by Woessner to accept the PER as presented. All voted in favor, carried.

Representing the fire department, Chief Fleischauer and fire dept. member, Troy Thorson, along with Phil Isaacson, a representative from Grand Forks Fire Apparatus, appeared before the council to answer any question regarding purchase of a new fire pumper. Grobeck motioned to move forward on the purchase. Clerk Hanson reported that no one from the townships had contacted the officer regarding the letter outlining the township's annual cost for an estimated \$479,000 pumper. Fleischauer said he talked with Amor and they were prepared to pay their total cost up front and that Leaf Lake and Otter Tail have "set dollars away. Another motion was made by Grobeck to purchase a new pumper not to exceed \$500,000, seconded by Woessner. Voting in favor of motion Grobeck, Carlson and Woessner. Lueders opposed. Motion carried. It was noted that council should review the specs.

An quote of \$3900 for a PER on Elm Street was provided by Schlieman, but after some discussion it was decided to table the project until the council made some decisions on what, if any, assessments would be considered.

A motion was made by Woessner and second by Carlson to **approve Resolution #2016-18 Approving Variance and Lot Split Application made by BK Heating and A/C**. All voted in favor, carried.

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To consider changes in the Zoning Map, adding language for an Interim Use Permit and adopting an ordinance to opt-out of the Temporary Dwelling statute **Resolution 2016-19 Calling for a Public Hearing to Receive Public Comment on the Proposed Amendment of Chapter 151 Adding and Amending Regulations to Title XV: Land Use, Chapter 151: Zoning** was approved omitting the Ordinance Enforcing Restrictive Covenants on Empire 4th Addition and Woessner's Island Addition in a motion made by Carlson and seconded by Woessner. The public hearing will take place on the 18th day of August, 2016 in the Council Chambers and the clerk will publish and post notice thereof. All voted in favor, carried. It is noted that property owners of the Otter's Tail additions will be sent minimum set-back requirements and other conditions that are required by the City's zoning ordinance and the Shore Land ordinances required of all lakeshore property owners.

NEW BUSINESS:

Motion by Grobeck and second by Woessner to transfer \$ 25,283.32 from the Community Development Fund (Loan Pool) to the General Fund thus closing that fund. All voted in favor, carried.

A letter written to Mr. Tommy Stiles of Henning, MN from Jim Skoog, the State Ombudsman was provided regarding his complaints of the City's Landscape Partnership Grant.

Woessner motioned and Carlson seconded to approve **Resolution #2016-20 Calling for a Public Hearing to Receive Public Comment on the Conditional Use Permit Application Filed by RD Holdings, LLP and Zoning Application by Verizon Wireless to Erect a Wireless Communications Tower**. All voted in favor, carried. The public hearing will be held on August 18, 2016 in the Council Chambers at approximately 7:00 p.m. The Clerk will publish and post notice thereof. Pursuant to the Zoning Ordinance, all persons that own property within one-quarter (1/4) mile of the affected site will be notified in writing.

Jerry Martin appeared before the council to request some signage changes on Cozy Oak Rd W and E. Martin proposed the City to remove the stop signs on Cozy Oak East and replace with yield signs and also to place 30 mph speed signs on both the East bound and West bound sides of Cozy Oak W. Martin will check with Otter Tail Township for the speed sign on their side. Motion was made by Grobeck and second by Carlson to comply with Martin's request. All voted in favor, carried.

Motion by Carlson and second by Woessner to approve quote for software support from Neptune in the amount of \$1502.36 for the water department. All voted in favor, carried.

Motion by Carlson second by Grobeck to approve 3.2 Beer Off-Site Permit for Hoot-n-Holler in conjunction with the Rod & Gun Demo Derby on the Friday before Otter Fest (August 12th). All voted in favor, carried.

Zoning Permits:

- a. Scott & June Smith (114 Willow Rd) 10'x14' shed and approach.
- b. Jay & Laurel Tumberg (320 MN Hwy 78 S)
- c. Darold Woessner (108 Bayview Rd) 2 sheds 36'x60

Correspondence/Meetings/Trainings/FYI-reminders

Clerk read a thank you from Tony Woletzka, MnDOT Landscape Partnership Grant. With no other business to discuss the council adjourned at 8:30 p.m. with a motion by Woessner and second by Rosenthal. Meeting adjourned.

Respectfully submitted,

Elaine Hanson, MCMC
Clerk-Treasurer

Myron Lueders, Mayor