

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
September 13, 2010**

The regular meeting of the Perham City Council was called to order by Mayor Meehl at 5:15 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 Johnson, Mattfeld and Mayor Meehl. Council Member Lehmkuhl arrived at 5:30 p.m. City Attorney Happel was present.

Staff present: City Manager Klemm, Public Works Director Meece, Finance Officer McCall, EDA Director Johnson, Police Chief Hoaby and Administrative Assistant Nundahl.

Others present: Building Official Neisen, City Engineer Berube

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Meehl requested all in attendance to rise for the Pledge of Allegiance.

CITIZENS CONCERNS

Mayor Meehl stated audience members may address the Council at this time. No one approached 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 Mattfeld 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. Mayor Meehl stated Item 6.E. Perham Lakes Lions will be removed from the Consent Agenda

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the consent agenda with the removal of the above noted item, Perham Lakes Lions.

APPROVAL OF MINUTES

Mayor Meehl stated Council may wish to consider approving the minutes of the Regular Meeting of the Council held on August 9 and Special Minutes on August 25. Council Member Mattfeld stated in the August 9th meeting minutes, a correction is needed under the JOBZ Application. It was noted, Council Member Lehmkuhl made the motion.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the minutes of the August 9th meeting with the following correction under the JOBZ Application which should read: "On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 2010 – 41 entitled "A Resolution Approving The Job Opportunity Building Zone Application For Industrial Finishing Service" and approved the Special Minutes held on August 25th, 2010.

APPROVAL FOR PAYMENT OF CITY CLAIMS

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved payment of City Claims in the amount of \$1,443,213.19 for the month of August, 2010.

PROPOSED PROPERTY TAX LEVY

Mayor Meehl stated Council may wish to adopt the Preliminary 2011 Budget and Preliminary Levy for Taxes Payable in 2011 and may wish to schedule the date of Monday, December 13th, 2010 at 6:00 pm for the public to comment prior to the adoption of the 2011 Budget and 2011 Tax Levy.

City Manager Klemm reviewed the levy noting an 8.03% increase over the levy last year, about half of the increase is due to debt service payments. City Manager Klemm stated it is hard to set the levy without knowing if government aid is going to be cut or not. It was also noted, the proposed levy can be decreased but cannot be increased.

Discussion ensued. City Manager Klemm stated a public hearing is scheduled for Monday, December 13th, 2010 at 6:00 pm to hear comments from the public regarding the proposed levy and budget for 2011.

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the proposed levy and budget and Resolution No. 2010 – 44 entitled "Resolution In The Matter Of Establishing The Preliminary Tax Levy For Taxes To Be Collected In 2011 And Approval Of The Proposed 2011 Budget, City Of Perham".

FINANCING OF THE AIRPORT PROJECT

Mayor Meehl stated Council may wish to consider financing the City's share of the Airport Project. City Manager Klemm stated the City was awarded a grant from the Minnesota Department of Transportation Office of Aeronautics for 80% of the project costs in the amount of \$540,000. The remaining \$135,000 will be the City share.

City Manager Klemm stated the Water Fund has sufficient funds to make a loan. Klemm recommended a ten year term loan at 2.5% interest. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved a ten year loan with an interest rate of 2.5% from the Water Fund to the Capital Projects Fund in the amount of \$135,000 to cover the City share of the Airport Reconstruction Project.

***SALVATION ARMY/HEATSHARE AGREEMENT**

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council authorized staff to enter into an agreement with Salvation Army to participate in the HeatShare Program.

PERHAM LAKES LIONS/ACCEPTING DONATION OF BUILDING

Mayor Meehl stated Council may wish to consider accepting the newly constructed building located at 602 4th Avenue NW, being donated by Perham Lakes Lions. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the donation of a building from Perham Lakes Lions with gratitude and approved Resolution No. 2010 – 45 entitled “Resolution In The Matter Of Accepting A Donation From Perham Lakes Lions, Perham, Minnesota”.

PERHAM LAKES LIONS/LEASE AGREEMENT

Mayor Meehl stated Council may wish to consider approving a lease agreement between the City and Perham Lakes Lions for the building located 602 4th Avenue NW. The Lease Agreement was reviewed.

Gary Simpson, President of the Perham Lakes Lions questioned if the Club would be responsible for maintenance of the whole building. City Manager Klemm stated they would be responsible for their portion of the building and the City would maintain the balance of the building.

Gary Simpson questioned payment of special assessments and taxes. City Manager Klemm stated at this time, there aren't any assessments or taxes, but in the future if road improvements were made or if the building would be taxed, the Lions would need to pay their share of the costs.

Alana Hermann questioned if the Council would waive the building permit fee. City Manager Klemm stated 80% of the fee is given to the Building Official, the City retains 20% for administrative purposes. Discussion ensued. Building Official Neisen stated he would give a \$50 donation to the Perham Lakes Lions.

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved refunding \$60 of the building permit fee to Perham Lakes Lions.

Gary Simpson questioned if the Lease could be extended for twenty years versus the ten years as is currently written. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the twenty-year Lease Agreement between the Perham Lakes Lions Club and the City of Perham.

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

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the PLGC's Income Statement for July 2010.

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

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the PACC's Financial Reports for July, 2010.

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

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the following reports for August 2010: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

CONDITIONAL USE PERMIT

Mayor Meehl stated Council may wish to consider approving a Conditional Use Permit to permit utilizing permanent makeup techniques at 330 West Main, Suite E. Council Member Lehmkuhl stated the Planning Commission held a public hearing regarding the request and no comments were received for or against. The Planning Commission recommended approval of the Conditional Use Permit subject to Ms. Nelson maintaining all the required state licensing.

City Manager Klemm noted effective January 1, 2011, state regulations change and Ms. Nelson will need to apply for a temporary permit while apprenticing for 200 hours. Ms. Nelson stated she will be working in a shop out of town until she fulfills the required time and she is able to obtain her own license. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the request for a Conditional Use Permit and Resolution No. 2010 – 46 entitled "Resolution In The Matter Of Granting A Conditional Use Permit To Allow For The Operation Of A Permanent Makeup Salon At 330 West Main Suite E (PID #77000150020000), City of Perham, Minnesota".

***ACCEPTANCE OF THE BUILDING PERMIT REPORT**

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the Building Permit Report for August 2010.

CITY ENGINEER MONTHLY UPDATE

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

Clearwater First Addition

City Engineer Berube stated a punch list was sent to the contractor on August 16th. Upon completion of the punch list items, the project will be closed. It was noted, street signs

have been installed. The speed limit signs have been ordered and as soon as they arrive, they will be installed.

First Avenue South

City Engineer Berube stated the project is complete with the exception of some minor punch list items. The punch list was sent to the contractor today and will be completed in the near future. It was noted, the catch basins will be lowered.

Third Street Northwest/Sixth Avenue Northwest/Pinewood Circle

City Engineer Berube stated minor concrete replacement will be completed this month when the subcontractor is in the area. Upon completion of the concrete, the project will be finalized.

New Creation Lutheran Church

City Engineer Berube stated all underground utilities have been constructed to the new facility. Turf and minor touchup work remain at the site.

Runway 12/30 Reconstruction

City Engineer Berube stated the contractor has started the reconstruction of the runway at the airport. Bituminous has been removed and shaping has started on the runway. New bituminous paving is planned for next week barring any weather related delays.

LOCATING CONTRACT

Mayor Meehl stated Council may wish to consider terminating the locating agreement with Precision Locating. City Manager Klemm reviewed the working history with Precision Locating noting it was a new business in 2009.

City Manager Klemm stated recently, the City has experienced two gas main hits and several other incidents which are significant safety issues. A letter has been sent to Precision Locating regarding our concerns. City Manager Klemm recommended the Council solicit request for proposals and the City could accept a proposal based on price, qualifications and previous work experience. Precision Locating could submit a proposal and this would also give them time to improve their work.

City Attorney Happel stated this matter maybe a liability issue for the City and we should verify that employees of Precision Locating are properly trained and re-qualified. John Schornack, representing Precision Locating, stated he feels pretty confident that he can perform the locating duties. It was noted, he met with City Staff and mapping questions were clarified. It was also noted, that he was out of town when the two incidents occurred noting an in-experienced employee did the locates.

Council Member Lehmkuhl stated he has a problem with the incorrect locates. Being on the Fire Department, he has witnessed some scenes he does not want to go through again. Lehmkuhl stated he does not have confidence with this company. Lehmkuhl questioned if the current staff could take over locating until proposals were received. Public Works Director Meece stated we would have to hire additional people or put in a lot of overtime.

Public Works Director Meece stated Schornack is qualified to perform the locating duties, he has taken the same training as the current Public Works Staff has taken. The City is required to investigate after a hit and these hits were a direct cause due to missed

locates. This is unacceptable work. It was noted, Office of Pipeline safety could issue the City a fine because of the hits and the Operating Manual requires the locator to re-qualify following a hit.

John Schornack requested the Council consider extending the contract with Precision Locating at least until January 2011. This will give the company time to prove that they are qualified. Schornack stated if the company makes another mistake, Precision Locating will terminate the contract immediately if the City so chooses.

Council Member Johnson stated he has no problem with letting Precision Locating do the work, but this is a safety issue and our confidence level is not real high at this time. A lengthy discussion ensued. City Manager Klemm stated staff would solicit proposals.

No action taken.

ADMINISTRATIVE OFFENSES/ADMINISTRATIVE CITATIONS FOR TRAFFIC

Mayor Meehl stated Council may wish to consider adopting a resolution authorizing administrative citations for certain traffic offenses.

Police Chief Hoaby stated the State regulates these citations and sets the fee. The administrative citation does not go on your record and is typically \$60 versus a regular ticket costing \$135 and more. The state would receive \$20 and the City retains \$40; \$20 can go into the General Fund and \$20 would be used for law enforcement. Police Chief Hoaby recommended the Council adopt the program. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkühl and carried without a dissenting vote, the Council approved Resolution No. 2010 – 47 entitled “A Resolution Authorizing Administrative Citations For Certain Traffic Offenses Pursuant To Minn. Stat. 169.999, City Of Perham”.

ADMINISTRATIVE PENALTIES

Mayor Meehl stated Council may wish to consider adopting a resolution authorizing administrative offense penalties. City Manager Klemm stated this resolution would amend current fees and delete the traffic offenses which were covered under the Administrative Citations. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 2010 – 48 entitled “Resolution Adopting Administrative Offense Penalties”.

***SEVERE WEATHER RESPONSE PLAN**

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the Severe Weather Response Plan.

***EMERGENCY OPERATIONS PLAN**

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved a revised Health and Medical section for the Emergency Response Plan.

***AIRPORT HANGAR/GORDON ASSIGNMENT OF LEASE**

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved an assignment of lease for a private hangar at the Perham Municipal Airport.

***ACCEPTANCE OF THE MONTHLY POLICE REPORT**

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the Monthly Police Report for August 2010.

INFORMATION AND ANNOUNCEMENTS

LMC Regional Meeting in Dalton on Thursday, September 23

The Committee of the Whole Meeting is scheduled for Wednesday, September 29 at 5:15

The next regular Council Meeting is scheduled for October 11 at 5:15 pm

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the meeting was adjourned at 6:40 p.m.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant