

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
July 11, 2016**

The regular meeting of the Perham City Council was called to order by Mayor Meehl at 5:17 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. All Council Members were present.

Staff present: City Manager Smith, Police Chief Hoaby, EDA Director Johnson, Public Works Director Meece, Administrative Assistant Nundahl

Others present: City Attorney Happel, Building Official Neisen, City Engineer Berube

**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. 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. City Attorney Happel requested Council consider a Resolution regarding a Joint Powers Agreement between the State and the City in order to access software for electronic filing and E Charging. Council Member Lehmkuhl stated this issue could be on the Consent Agenda as it has been discussed in the past. Mayor Meehl stated this would be listed as Item \*8F.

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 with the addition of the above noted item.

**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 with the addition of the above noted Item \*8F.

**\*APPROVAL OF MINUTES**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting of the Council held on June 13 and Special Minutes June 29, 2016.

**APPROVAL FOR PAYMENT OF CITY CLAIMS**

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims. Administrative Assistant Nundahl requested the Council consider the following additional claims: Michael Christopherson in the amount of \$303.41, Louise Lund in the amount of \$15.73, MN Department of Administration in the amount of \$1,016.87, Larry Pilman in the amount of \$95.49 and U.S. Energy in the amount of \$252,898.82. These claims would bring the total of Unpaid City Claims to \$1,148,216.98. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the amount of \$1,341,863.66 for June, 2016.

**\*2015 AUDIT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the 2015 Audit as presented by Brady Martz at the Committee of the Whole Meeting held on June 29, 2016.

**\*STUFF THE BUS**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the use of NP Park on August 9<sup>th</sup> for United Way to host a fund raising event, Stuff The Bus.

**\*APPOINTING ELECTION JUDGES**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2016 – 33 entitled “Resolution Appointing Election Judges For The 2016 Primary Election And General Election, City Of Perham, Minnesota”.

**\*HOUSING AND REDEVELOPMENT AUTHORITY**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council appointed Lori Mattfeld to the HRA Board; it was noted

she will be replacing Ehren Zimmerman.

**\*ANNUAL LIQUOR LICENSE RENEWAL/ON SALE AND SUNDAY LIQUOR**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Liquor Licenses (including Sunday Liquor) for Pamela S. Honer d.b.a. SUDS, Brew, Brew LLC, Perham Lakeside Golf Club, and L.A. Hotel Enterprises LLC Grandstay Hotel & Suites (no Sunday liquor) contingent upon all fees and legal requirements being met as required by the City and State of Minnesota's Liquor Control Board.

**\*ANNUAL LIQUOR LICENSE RENEWAL/WINE LICENSE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a Wine License for Jin Hu Perham Restaurant contingent upon all fees and legal requirements being met as required by the City and State of Minnesota's Liquor Control Board.

**\*ANNUAL LIQUOR LICENSE RENEWAL/2:00 AM LICENSE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved 2:00 AM closing time for Pamela S. Honer d.b.a. SUDS contingent upon all fees and legal requirements being met as required by the City and State of Minnesota's Liquor Control Board.

**\*TEMPORARY ON-SALE LIQUOR LICENSES**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Temporary On-Sale Liquor Licenses for the History Art and Cultural Association (HACA) for events at the Pioneer Grounds on the following dates: July 23, 2016, August 20 & 21, 2016, September 10, 2016 and September 17, 2016.

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

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the PLGC's Income Statement for May, 2016.

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

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the PACC's Financial Reports for May 2016.

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

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the following City Financial Reports for June,

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

### **PUBLIC HEARING/MINNESOTA INVESTMENT FUND**

Mayor Meehl stated Council may wish hear comments regarding a request to amend the Grant Contract between Industrial Finishing Services and the City. The Public Hearing was opened at 5:36. City Manager Smith stated under the terms of the Minnesota Investment Fund loan, Industrial Finishing Services is obligated to create twenty new full time equivalent jobs within two years. That two-year clock deadline is approaching and with the turmoil that has been taking place at IFS, layoffs have occurred so they are not going to be able to meet that two-year job creation goal.

City Manager Smith stated the City can request a one-year extension to give IFS additional time to meet that job creation goal. The EDA reviewed this matter and recommended the Council approve the one-year extension. The extension can be extended once. DEED is aware of the situation and is working cooperatively in establishing the extension.

Mayor Meehl closed the public hearing at 5:36. No verbal or written comments were received from the public.

### **ADOPTING A RESOLUTION AMENDING GRANT CONTRACT**

Mayor Meehl stated Council may wish to consider approving a resolution amending the Grant Contract between Industrial Finishing Services and the City.

Council Member Johnson questioned what our options are. City Manager Smith stated Council could request an extension for one year or try to collect the \$200,000 that DEED loaned to IFS. EDA Director Johnson stated the City does not have funds associated with the DEED loan, this matter is between DEED and IFS. At this point, the City will not be expending any funds. Discussion ensued.

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2016 – 34 entitled “Minnesota Investment Fund Program, Resolution Authorizing An Amendment To The Grant Contract Dated August 28, 2014 Between The City Of Perham And The State Of Minnesota Acting Through The Department Of Employment And Economic Development For The Project Entitled City Of Perham; Industrial Finishing Services, Inc.”

### **\*ACCEPTING DONATIONS FOR THE TROLLEY**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2016 – 35 entitled “Resolution In The Matter Of Accepting Donations For The Trolley Project, Perham, Minnesota”.

### **CITY ENGINEER MONTHLY UPDATE**

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

#### ***Third Avenue Southeast (CSAH No. \*) Fox Street, South Street SE, Second Avenue SE, Third Street SW***

City Engineer Berube stated the correction and completion list was sent to the contractor at the end of May. The contractor has addressed a few of the items and intends to complete the remaining ones. Berube stated he spoke with the primary contract with Kuechle today and they will line up a schedule in the near future to address any remaining items.

#### ***Coney Street East Improvements***

City Engineer Berube stated the contract has been awarded to Ottertail Aggregate pending State approval of the grant agreement. The County and local Department of Transportation office have been attempting to reach the Central Office to get an update on the agreement but have not had any luck, they will continue to be contacted multiple times a week to determine the status of the agreement. Upon execution of the grant agreement, the contract will be signed and a preconstruction meeting will be held to determine the contractor’s schedule.

#### ***School Storm Sewer Relocation***

City Engineer Berube stated the proposed Storm Sewer Relocation will be bid on July 26<sup>th</sup> at 10:00 am. Project bids will be reviewed at a Special Council Meeting on the 27<sup>th</sup> of July. If acceptable, the project will be awarded and work will start in August.

### **GOLF CART STORAGE SHED**

Mayor Meehl stated Council may wish to consider accepting the low quote for the construction of a Golf Cart Storage Shed. City Manager Smith reviewed the Project Memo submitted by BHH Partners. During review of the bids, it was determined that two different building types were bid. Vercon provided a proposal based on a wood framed structure which matched the plans and outline specification developed by BHH. Hammers Construction elected to bid out a pre-engineered metal building which was an acceptable option per the specifications for the project.

City Manager Smith stated the bid included the following wording “The Owner reserves the right to accept or reject any or all proposals or parts thereof in the interest of the Owner. They may reject all proposals and rebid or award of the contract to other than the lowest bidder, should they find it to be in their best interest. The Owner may also waive any technicality in the specifications or proposals received that would be in their best interest. The Owner reserves the right to hold all legitimate proposals for a period of thirty (30) days after the date fixed for the opening thereof”.

City Manager Smith stated it is of the opinion of BHH Partners that the pre-engineered metal building would be a “better value” so they are recommending accepting the bid from Hammers Construction noting the City would be getting an upgraded building from the stick-framed structure for about \$3,244 more than the low bidder when you figure in the “add alternate” for the 26 gauge metal panel. In the opinion of BHH Partners, the pricing for the metal building is very competitively priced in order to be close to a wood framed structure. BHH Partners stated they followed direction from the Lakeside Golf Committee to provide an outline specification which would allow bidders to provide the best value for this type of building. BHH Partners is recommending accepting the bid from Hammers Construction for \$177,134.00 for the pre-engineered metal building. This bid is approximately \$25,000 less than the projected cost.

City Manager Smith stated construction costs for this proposed cart storage facility is \$23.80 per square foot which includes all of the electrical service for the facility to accept electric cart charging units. If bids are rejected and the project would need to be “re-bid” BHH Partners estimates additional costs for structural and electrical engineering in a range of \$3,800 to \$5,600. These engineering costs are already included in the design build bids, if the project were rebid, additional engineering would be required for BHH to coordinate the engineer drawings and provide a more detailed set of drawings and specifications.

Council Member Johnson stated the current cart sheds will be demolished because they are located in the proposed parking lot. This is part of the whole plan for the proposed Event Center. Johnson questioned if we can justify not taking the low bid. City Attorney Happel stated the plans and specifications included the waiver and based on BHH Partners memo, the City can justify accepting the bid from Hammers Construction. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, on the recommendation of BHH Partners, the Council accepted the bid submitted by Hammers Construction not to exceed \$177,134.00 for the construction of a Golf Cart Storage Shed; it was noted that because the plans and specifications for this project included the following waiver; ”They may reject all proposals and rebid or award of the contract to other than the lowest bidder, should they find it to be in their best interest. The Owner may also waive any technicality in the specifications or proposals received that would be in their best interest.” the Council can justify the decision to not take the lowest bid submitted.

### **UPGRADING 450<sup>TH</sup> AVENUE**

Mayor Meehl stated Council may wish to consider improvements to 450<sup>th</sup> Avenue/11<sup>th</sup> Avenue NE from the railroad tracks to Third Street NE. Public Works Director Meece stated since the quotes came in lower than anticipated, Perham Township would like to make improvements to 450<sup>th</sup> Avenue from the railroad tracks to Mosquito Heights Road. This road is very often as a

short cut to Highway 10 and on Mondays, heavy trucks and trailers use this road to bypass the City going to the stockyards. Meece noted the road was rebuilt about ten years ago.

Council Member Lehmkuhl questioned if Perham Township is interested in tarring this road. Public Works Director Meece stated he did not think they are interested in tarring. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the low quote from Ottertail Aggregate, Inc. to make improvements to 450<sup>th</sup> Avenue from the railroad tracks to Mosquito Heights Road and the City's share is not to exceed \$24,700.

#### **UPGRADING THIRD STREET NE**

Mayor Meehl stated Council may wish to consider improvements to Third Street NE from 7<sup>th</sup> Avenue NE to 450<sup>th</sup> Avenue/11<sup>th</sup> Avenue NE. Public Works Director Meece stated this road is also very heavily used with Tuffy's truck lot and the relocation of the Public Works Facility. Funds for this project would be taken from the Capital Equipment Fund. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the low quote from Ottertail Aggregated, Inc. to make improvement to Third Street NE from Seventh Avenue NE to Eleventh Avenue NE in an amount not to exceed \$12,200.

#### **\*PADDLE BOARD YOGA/PAUL MILLER PARK**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized Lakes Pace, LLC the use of Paul Miller Park to conduct classes on Paddle Boarding on Wednesdays during the month of August.

#### **\*JOINT POWERS AGREEMENT/E CHARGING**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2016 – 36 entitled “Resolution Approving State Of Minnesota Joint Powers Agreements With The City Of Perham On Behalf Of Its City Attorney And Police Department”.

#### **INFORMATION AND ANNOUNCEMENTS**

A Special Council Meeting and the Committee of the Whole is scheduled for Wednesday, July 27 @ 5:15

Filing for City Council starts on August 2 and ends on August 16

Staff Picnic is scheduled for Tuesday, August 16

The next regular Council Meeting is scheduled for Monday, August 8

Primary Election is Tuesday, August 9

Tentative schedule for 2017 Budget Meetings at 7:00 am: Friday, August 5. Friday, August 12, Friday, August 19 and Friday, August 26

**ADJOURNMENT**

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the meeting was adjourned at 5:53 pm.

Respectfully submitted by,



Fern Nundahl

Administrative Assistant

## **SPECIAL COUNCIL MEETING MINUTES**

**July 27, 2016**

Mayor Meehl called the Special Council Meeting to order at 5:17 pm on July 27, 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. Members present were Mayor Meehl, Council Members Lehmkuhl, Johnson, and Mattfeld.

Staff members present were: City Manager Smith, Finance Officer Stokke, Liquor Store Manager Dreger, Police Chief Hoaby, Public Works Director Meece, EDA Director Johnson, and Librarian Ladwig.

Others present were: City Engineer Berube, Building Inspector Neisen, and Elizabeth Wefel of the Coalition of Greater Minnesota Cities.

### **School Storm Sewer Relocation**

Mayor Meehl stated Council may wish to consider accepting the low bid for the relocation of the storm sewer for the High School.

City Engineer Berube stated Eight (8) bids were received at 10:00 am on July 26, 2016. The Engineers Estimate for the construction phase was \$345,000 however; material modifications reduced the estimate to \$325,000.

The low bidder was Kuechle Underground, Incorporated in the amount of \$180,162.00. Kuechle has completed multiple projects in the area throughout the years and is capable of completing the work as specified.

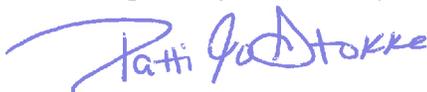
The cost sharing between the City and the School is 41% and 59% respectively.

On a motion by Council Member Lehmkuhl and seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the low bid from Kuechle Underground for the relocation of the storm sewer for the High School.

### **Adjournment**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the meeting was adjourned at 5:20 pm.

Respectfully submitted by,



Patti Stokke  
Finance Officer