

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
July 9th, 2012**

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 Klemm, Finance Officer Stokke, EDA Director Johnson, Police Chief Hoaby, Public Works Director Meece, Liquor Store Manager Dreger and Administrative Assistant Nundahl.

Others present: City Engineer Berube, City Attorney Happel

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

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

**CITIZENS CONCERNS**

Mayor Meehl requested those present to rise if they wanted to address 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. Mayor Meehl stated Item 8C, DEED Grant Application would be moved up on the agenda, immediately following Item 6A, 2011 Audit.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the agenda with 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 Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the Consent Agenda as presented.

### **\*APPROVAL OF MINUTES**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting of the Council held on June 11, 2012.

### **2011 AUDIT**

Mayor Meehl stated Council may wish to consider accepting the 2011 Audit. Tracee Bruggeman from Brady, Martz & Associates was introduced to the Council. Ms. Bruggeman thanked the Council for allowing her to present the audit and thanked the staff for their cooperation during the audit.

Ms. Bruggeman stated the Perham Area Community Center and the Golf Course components were not audited. It was noted, the Minnesota Legal Compliance Audit Guide for Political Subdivisions covers seven categories of compliance to be tested. The results of these tests showed the City complied with the material terms and conditions of the applicable legal provisions. Ms. Bruggeman stated a single audit was conducted due to Federal Grants the City received in 2011. The single audit will need to be conducted again in 2012.

Ms. Bruggeman reviewed the Schedule of Changes in Fund Balances and Net Position for the year ending 2011. Discussion ensued. It was noted, the fund balances increased this past year.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the 2011 Audit as presented.

### **DEED GRANT APPLICATION**

Mayor Meehl stated Council may wish to authorize staff to submit a Grant Application on behalf of Perham Area Community Center. City Manager Klemm stated EDA Director Johnson has been working with PACC Director Nelson and Maintenance Supervisor Turgeon to complete the application. They are applying for \$1,261,920 and if approved, the funds would be used for the field house ceiling and floor, a suspended ceiling in the pool area, a family changing room, second floor makeover and a new aerobics room. The grant is a 1 to 1 match; PACC's match would be \$630,960.

City Manager Klemm stated the proposed improvements are listed in PACC's 5-year Capital Improvement Plan. The matching funds would come from existing capital funds currently held by PACC, City of Perham contribution, fundraising and borrowing against the PACC annual capital contribution of \$36,000.

City Manager Klemm stated the chances are not good in receiving the grant, but it is worth the effort. Funding for the program came from a \$47,500,000 allotment from this last legislative session's bonding bill. It was noted, the City of Wadena has submitted an application for their proposed wellness center. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council authorized staff to submit a grant application to DEED on behalf of the Perham Area Community Center in the amount of \$1,261,920 and approved Resolution No. 2012 – 26 entitled “Resolution In The Matter Of Applying For Financial Assistance From The Department Of Employment And Economic Development”.

#### **APPROVAL FOR PAYMENT OF CITY CLAIMS**

Mayor Meehl stated Council may wish to approve City Claims. Finance Officer Stokke requested Council consider including the following bills: Happel Law Office in the amount of \$1,329.00 and two utility refunds in the amount of \$183.14. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved payment of City Claims in the amount of \$1,515,866.05 for June 2012.

#### **STATION HOUSE/LIQUOR LICENSE**

Mayor Meehl stated Council may wish to consider issuing the Station House an On-Sale Liquor License and a Sunday Liquor License contingent upon all fees and legal requirements being met as required by the City and State of Minnesota’s Liquor Control Board.

Finance Officer Stokke stated Paridons have submitted all of the necessary forms and has paid the associated fees. It was also noted that the property taxes along with the utility bills are up to date. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved issuing the Station House an On-Sale Liquor License and a Sunday Liquor License contingent upon all fees and legal requirements being met as required by the City and State of Minnesota’s Liquor Control Board and subject to a clean background check.

#### **SALE OF WINE RACKS**

Mayor Meehl stated Council may wish to consider selling four wine racks for \$450. City Manager Klemm stated a counter offer was made in the amount of \$500. Klemm requested Council consider a selling price of \$150 per unit. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council rejected the offer of \$500 and authorized staff to re-advertise the four wine racks and sell at a price to be jointly determined between the City Manager and Liquor Store Manager.

#### **\*ELECTION JUDGES**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Election Judges for the Primary and General Election and Resolution No. 2012 – 27 entitled “Resolution Appointing Election Judges For The 2012 Primary Election And General Election, City Of Perham, Minnesota”.

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

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Liquor Licenses (including Sunday Liquor) for Pamela S. Honer d.b.a. SUDS, Mulligans, and Crossings Inn & Suites by Grandstay 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 Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved a 2:00 AM closing time for SUDS 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 Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved a Wine License for Jin Hu Chinese Restaurant contingent upon all fees and legal requirements being met as required by the City and State of Minnesota's Liquor Control Board.

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

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the PLGC's Income Statement for May 2012.

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

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the PACC's Financial Reports for May 2012.

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

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the following reports for June 2012: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and Utility Aging Report.

**ALLEY VACATION/BLOCK 18 NEWCOMB'S 2ND ADDITION**

Mayor Meehl stated Council may wish to consider approving a request to vacate the alley in Block 18, Newcomb's Second Addition, St. Stan's Church. Council Member Lehmkuhl stated the Planning Commission reviewed the request and is recommending the Council vacate the alley in Block 18 of Newcomb's Second Addition.

Council Member Lehmkuhl stated the alley is located between St. Stan's Church and the former parish house. The alley is no long present and with the pending sale of the church to the Center for the Arts, it is necessary to vacate the alley. Any existing easements would be retained. It was noted, the Planning Commission held a public hearing on June 19. No written or verbal

comments were received prior to the hearing or following the hearing. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2012 – 28 entitled “Resolution In The Matter Of Granting The Vacation Of An Alley Between Lots 1 Through 6 And 7 Through 12, Block 18 Newcomb’s Second Addition To The City Of Perham”.

#### **UNITED COMMUNITY BANK PARKING**

Mayor Meehl stated Council may wish to consider accepting payment in lieu of one parking space for United Community Bank’s new location on Main Street. Council Member Lehmkuhl stated the City Code addresses the number of parking spaces needed for each business based upon the size of the building. City Code requires 56 parking spaces or a \$1,500 payment in lieu of for each parking space short in their new location.

Council Member Lehmkuhl stated the site plan was revised in order to come into compliance with the Code. The current site plan is one parking space short. The Planning Commission approved accepting payment of \$1,500 in lieu of the parking space. A short discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved accepting payment of \$1,500 in lieu of one parking space from United Community Bank.

#### **\*ACCEPTANCE OF THE BUILDING PERMIT REPORT**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the Building Permit Report for June 2012.

#### **CITY ENGINEER MONTHLY UPDATE**

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

##### *Third Street Northwest and Lake Avenue*

City Engineer Berube stated construction has been completed with the exception of some minor items remaining. The contractor has been notified of the minor items, seed touch up and topsoil dressing, and will not be paid the final payment until these issues are resolved.

##### *Fifth Avenue Southeast*

City Engineer Berube stated construction of Fifth Avenue has been completed with the exception of some minor items. The sod along the street will need to be watered, as well as the grass in the Fairgrounds and along Coney Street. Minor debris pickup is still needed on the south end of the Fairgrounds. The final payment will not be made until these issues are resolved.

#### **QUIET ZONE**

Mayor Meehl stated Council may wish to consider contracting with SRF Consulting Group to provide a Diagnostic Only or a Quiet Zone Assessment for consideration of a Quiet Zone. City Manager Klemm recommended Council table this issue until the August Council Meeting.

City Manager Klemm stated he would like to bring this issue to the Planning Commission and to the EDA Board later in July to get their recommendations. Klemm noted he may seek funding from the EDA Board to pay for the study. City Manager Klemm also stated he would like additional time to research possible financing mechanisms and finally, the SRF consultant was unable to attend this meeting but hopefully will be able to attend the August meeting. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Quiet Zone issue was postponed to the August Council Meeting.

**\*PARK AND TRAIL LEGACY PLAN**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized supporting a request to disperse more Legacy Funds to Greater Minnesota and approved Resolution No. 2012 – 29 entitled “Resolution In The Matter Of Requesting Additional Funds From The Park And Trail Legacy Plan For Greater Minnesota”.

**\*ACCEPTANCE OF THE MONTHLY POLICE REPORT**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the Monthly Police Report for June 2012.

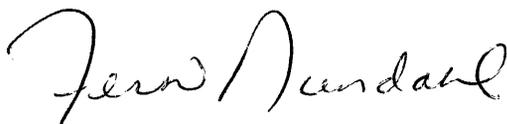
**INFORMATION AND ANNOUNCEMENTS**

Special Council Meeting and Committee of the Whole is scheduled for July 25 at 5:15  
The Household Hazardous Waste is scheduled for Wednesday, July 25 from 10:00 to 2:00.  
The next Regular Council Meeting is scheduled for August 13 at 5:15 pm  
The Primary Election is scheduled for Tuesday August 14  
Tentative Schedule for Budget Meetings at 7:00 am: Wednesday, August 1, Friday, August 10, Friday, August 24, Thursday, August 30 and Friday, September 7  
Filing for Mayor and City Council positions are open from Tuesday, July 31 through Tuesday, August 14.

**ADJOURNMENT**

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

Respectfully submitted by,



Fern Nundahl  
Administrative Assistant