

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
May 13, 2013**

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, Police Chief Hoaby, EDA Director Johnson, Public Works Director Meece, Finance Officer Stokke and Administrative Assistant Nundahl.

Others present: City Engineer Berube, Building Official Neisen

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 he would like to add to the agenda a Handicap Ramp for the Tuffy Stadium and move the 2013 Improvement Project for open discussion under the City Engineer Monthly Update.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the agenda with the addition of the above items.

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 Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Consent Agenda as presented.

***APPROVAL OF MINUTES**

On a motion by Council Member Mattfeld, 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 April 8, and Board of Review Minutes held on May 1, 2013.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Finance Officer Stokke stated she found a clerical error on the invoice submitted by Alexandria Technical College noting the correct total should read \$1,275.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved payment of City Claims in the amount of \$1,747,864.28 for April 2013.

WATER TOWER LEASE

Mayor Meehl stated Council may wish to consider leasing space on the water towers and noted the City has received two requests: Wi-Fly Wireless and A Better Wireless. It was noted, A Better Wireless withdrew his request.

City Manager Klemm stated the Finance Committee reviewed this issue and recommended the Council proceed with the request. It was noted, the rent would be \$350 per tower for a total of \$700 per month. City Manager Klemm stated rates vary greatly from city to city. The proposed lease agreement runs for five years.

City Attorney Happel stated he has reviewed the document and it appears to be a standard agreement. Discussion ensued. It was noted, staff will need to secure the City's water source by putting padlocks on all doors.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved a Water Tower and Building Space Lease Agreement with Wi-Fly Wireless subject to background checks on employees who will be on-site.

LIVESTOCK BUILDING/FAIRGROUND DONATION

Mayor Meehl stated Council may wish to consider assisting with financing of the Livestock Building at the Fairgrounds. City Manager Klemm stated the Finance Committee reviewed this matter and recommended a donation of \$30,000. Discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved a \$30,000 donation to the East Otter Tail Agricultural Society to be earmarked for the construction of the Livestock Building.

FAIRGROUND LEASE

Mayor Meehl stated Council may wish to consider a lease extension with the Fair Board. It was noted, the Fair Board is requesting a perpetual lease on the fairground property.

Pete Zavadil and Karen Gorentz, representing the EOT County Agricultural Society, were in attendance. Mr. Zavadil stated the Fair Board is making a \$100,000 investment and they need assurance that the fair will be allowed to continue at the current site. Ms. Gorentz stated in 2012, the Fair Board spent \$173,000 in Perham and the fair draws 15,000 people into town. The Board

is trying to secure a thirty-year loan and the current lease expires in 2018. The lending institution wants the lease to run through the term of the loan. Discussion ensued regarding the City possibly loaning funds for the building project.

City Attorney Happel stated cities can support the Agricultural Society with a donation but he does not recommend a perpetual lease which would limit future Councils. Council Member Lehmkuhl stated he does not believe that the fairgrounds will be moved at this point considering the recent construction of Tuffy Stadium. Mayor Meehl stated the fair has been at the same location since 1910, we don't expect to it to move. Council Member Johnson stated we need to look at the Fair Board and City as a partnership. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council tabled the issue to a future meeting.

TUFFY STADIUM/HANDICAP RAMP

City Manager Klemm stated they have received three quotes for the construction of handicapped ramps for the Tuffy Stadium. All three quotes ranged between \$10,000 and \$15,000. Klemm noted this project should proceed as soon as practical considering games have been scheduled.

Discussion ensued regarding outstanding bills for the project. Klemm noted that he would contact the School and the Athletic Association to see if they will assist with financing of this project.

On a motion by Council Member Johnson, seconded by Council Member Spencer, the Council approved spending up to \$15,000 for the construction of handicapped ramps for the Tuffy Stadium; Council Members Johnson, Mattfeld, Spencer and Meehl voted aye, Council Member Lehmkuhl abstained from voting.

PERHAM AREA COMMUNITY CENTER/CEILING & FLOOR

Mayor Meehl stated Council may wish to consider authorizing repair of the Field House ceiling and the floor in the main gym not to exceed \$200,000. City Manager Klemm stated Council approved this project last year but when the project was bid, only one bid was received and the PACC Board rejected it.

City Manager Klemm stated the Tri-Board recently met to review the proposed project. It is estimated, ceiling repairs will come in at \$165,000 and the new floor will cost \$110,000 for a total of \$275,000. The Tri-Board has \$300,000 on hand, but they do not want to spend their reserves down that low. The Tri-Board authorized spending up to \$200,000; \$165,000 for the ceiling and \$35,000 for the new flooring. PACC would need to get donations for the balance. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized the Tri-Board to spend up to \$200,000 for Field House roof repairs and new flooring and fund raise for additional funds to complete the projects.

***TEMPORARY 3.2 LIQUOR LICENSE**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a 3.2 Liquor License for Perham Lions for Turtle Fest events scheduled for June 21 and 22 with June 23 as an alternate date contingent upon all fees and legal requirements being met as required by the City.

***TURTLE FEST/STREET CLOSURE**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a request to close 2nd Avenue SW from 2nd Street SW to Main Street on Thursday, June 20th for Arvig.

***SUPPLEMENT ORDINANCE**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved adopting a supplement to the Code of Ordinances, Ordinance No. 347 entitled "An Ordinance Enacting And Adopting A Supplement To The Code Of Ordinances For The City Of Perham, Minnesota And Declaring An Emergency".

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

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted PLGC's Income Statement for February and March, 2013.

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

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted PACC's Financial Reports for March 2013.

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

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the following reports for April, 2013: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

***CREATING TIF DISTRICT 2 – 37/IFS**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council scheduled a public hearing and approved Resolution No. 2013 – 15 entitled "Resolution Calling For A Public Hearing By The City Council On The Proposed Modification To The Development Program For Development District No. 2, The Elimination Of Parcels From Tax Increment Financing District No. 2-2, The Elimination Of Parcels From Tax Increment Financing District No. 2-33, And The Proposed Establishment Of Tax Increment Financing District No. 2-37 Therein And The Adoption Of The Tax Increment Financing Plan Therefor".

***TIF DISTRICT NO. 2-32/OVERLAND INSURANCE**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council scheduled a public hearing on the proposed modification to the Development Program for Development District No. 2, the proposed adoption of a Modification to Tax Increment Financing Plan for the reduction in size of TIF District No. 2-32 and approved Resolution No. 2013 – 16 entitled “Resolution Calling For A Public Hearing By The City Council On The Proposed Modification To The Development Program For Development District No. 2 And The Proposed Modification Of Tax Increment Financing District No. 2-32 Therein And The Adoption Of The Tax Increment Financing Plan Therefor”.

***ACCEPTANCE OF THE BUILDING PERMIT REPORT**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the Building Permit Report for April 2013.

2013 IMPROVEMENT PROJECT

Mayor Meehl stated Council may wish to consider scheduling a Public Hearing to review proposed assessments for Third Avenue SW between Second Street SW and Seventh Street SW and Sixth Street SW between Third Avenue SW and Fourth Avenue SW and the parking lot between First Avenue North and Third Avenue North.

City Engineer Berube stated ten bids were received on May 9 and R.L. Larson Excavating, Inc. out of St. Cloud submitted the low bid in the amount of \$867,626. Berube noted estimated costs were \$997,750. R.L. Larson has completed multiple projects in the area and most recently, they completed the Clearwater Estates, First Addition Project in Perham. The project includes fifty foot streets, two blocks of sidewalks on the west side of 3rd Avenue from 2nd Street to 4th Street and sidewalks on the east side of 3rd Avenue throughout the project area.

City Manager Klemm requested Council to schedule the assessment hearing for June 10. Assessment notices will be sent to adjoining property owners and the Downtown Parking District. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2013 – 17 entitled “Resolution In The Matter Of Calling For A Public Hearing For Proposed Assessments For Improvements On Third Avenue Southwest Between Second Street Southwest And Seventh Street Southwest And Sixth Street Southwest Between Third Avenue Southwest And Fourth Avenue Southwest And The Parking Lot Between First Avenue North And Third Avenue Northwest Running Adjacent And Parallel To The Railroad Tracks, Perham, Minnesota”.

WATER TOWER PROJECT

Mayor Meehl stated Council may wish to consider accepting a bid for the Water Tower Project. City Engineer Berube stated six bids were received on May 7 and the apparent low bid was submitted by Champion Coatings, Inc. from Savage Minnesota in the total amount of \$133,000, \$130,000 for the base bid and \$3,000 for the additive alternate. It was noted, Champion Coatings completed three towers in Iowa and one in East Grand Forks within the last year. City Engineer Berube stated Champion Coatings has the ability to complete the work as specified and it is recommended that the contract be awarded to them.

City Engineer Berube stated the tower must be recoated by the end of August with final paperwork completed by the end of September. Champion has indicated that they will begin the recoating in the middle of July to allow for a reasonable timeframe deterring the potential for delay due to unfavorable weather.

Discussion ensued regarding copy rights of the yellowjacket emblem.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved awarding the project to Champion Coatings, Inc. out of Savage, Minnesota the contract to recoat the water tower with the yellowjacket emblem not to exceed \$133,000 contingent on copy right approval with the emblem.

WILDFLOWER TRAIL

Mayor Meehl stated Council may wish to consider accepting quotes for the construction of the Wildflower Trail in Clearwater Estates, Perham Health's Wellness Trail and the planting of wildflowers.

City Engineer Berube stated the Wildflower Trail will be a continuation of the trail along County 34 that was constructed last year and will connect to both ends of the Wellness Trail. The constructed trail will end at 9th Street SW and will continue toward the school in the form of painted lines on the roadway. The Wildflower Trail will be bid in the form of an Invitation to Bid, based on the estimated project cost. Three to four contractors will be selected to receive the bidding documents and bids will be received on May 21. City Engineer Berube stated plans and specifications are complete for the Wellness Trail. The Wellness Trail will wrap around the Perham Health Campus and will be approximately $\frac{3}{4}$ of a mile long. The trail will connect to the Wildflower Trail and Coney Street at both ends. Due to the components of the Grants that will be utilized to fund both the Wellness and the Wildflower Trail, the project must be complete by the end of June. The estimated construction cost for the Wildflower Trail is \$75,000 and the estimate for the Wellness trail is \$80,000.

City Manager Klemm stated the City received a \$95,000 grant which has a 75/25% match. It was noted, Perham Health will be responsible for costs associated with the Wellness Trail. EDA Director Johnson stated the wildflowers or native plantings are estimated to run about \$15,000. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved construction of the Wildflower Trail, Wellness Trail and the planting of wildflowers not to exceed \$190,000 and approved Resolution No. 2013 – 17 entitled “Resolution In The Matter Of Accepting Bids For The Construction Of The Wildflower Trail, Wellness Trail And Wildflower Plantings, Perham, Minnesota”.

STOP SIGNS/THIRD STREET NW & LAKE AVENUE

Mayor Meehl stated Council may wish to consider removing the stop signs on Third Street NW and installing a stop sign for south bound traffic on Lake Avenue. Council Member Lehmkuhl stated the Public Works and Safety Committee reviewed this request and recommended the City Council approve. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the installation of a stop sign for south bound traffic on Lake Avenue and removing the stop signs on Third Street NW.

PERHAM MUNICIPAL AIRPORT/DAY TO DAY OPERATIONS

Mayor Meehl stated Council may wish to discuss day-to-day operations and the installation of surveillance cameras of the Perham Municipal Airport. The meeting minutes from the Airport Board Meeting from April 19 and May 10 were reviewed. It was noted, the Airport Board voted to leave the security system at the Airport as long as the City has full operational control of it. The City Attorney stated that the City has the legal authority to have a security system at the airport. Discussion ensued.

City Manager Klemm stated Rich McCrady operates a flight school, Lakes Aviation, LLC. dba Wings Flight Training, out of the arrival/departure building at the airport. McCrady has flight training equipment inside of the building and with students flying in and out, the security system is in place to documents their hours. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council declared the security system should stay at the Perham Municipal Airport as long as the City has full operational control of the system.

Mayor Meehl stated the City Council does not normally approve sub-leases. This is considered a part of day to day operations and is handled by the City Manager. The City Manager is

designated as the Manager of the Airport and it is his duty to oversee what is happening at the airport. All leases are to state that there will be no sub-leasing and sub-leases are to be approved by the City Manager. Discussion ensued. It was noted, the City Council authorized McCrady to use the arrival/departure building for his flight school in September of 2012. City Manager Klemm requested the Council approve an annual lease.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council declared the approval of sub-leases to be part of the City Manager's job duties and approved the Lease Agreement between the City and Lakes Aviation.

***MPCA VIOLATIONS/PENALTIES**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the payment of penalties for violations with the Wastewater Treatment Facility and enter into a Stipulation Agreement and approved Resolution NO. 2013 – 18 entitled “Resolution In The Matter Of Municipal Wastewater Treatment Facility, Stipulation Agreement SDS Permit No. MN0024473, City Of Perham, Minnesota”.

***2013 SEAL COAT PROJECT**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the low quote from Morris Sealcoat and Trucking in the amount of \$50,050.00 for the 2013 Seal Coat Project.

***2013 RUBBER CRACK SEALING PROJECT**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the low quote for the 2013 Rubber Crack Sealing Project.

***EMS PROCLAMATION WEEK**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council declared May 19 through May 25 as Emergency Medical Services Week.

***ESTABLISHING FEES FOR USE OF BALL FIELD**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved charging \$125 per day for tournaments at the ball field and noted youth tournaments would be exempt.

***ACCEPTANCE OF THE MONTHLY POLICE REPORT**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the Monthly Police Report for April 2013.

INFORMATION AND ANNOUNCEMENTS

City Wide Clean-Up day is scheduled for May 18th

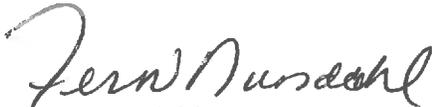
Arbor Day Tree Plantings was re-scheduled to May 18th

The next regular Council Meeting is scheduled for Monday, June 10

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the meeting was adjourned at 6:47 p.m.

Respectfully submitted by,

A handwritten signature in cursive script that reads "Fern Nundahl".

Fern Nundahl

Administrative Assistant