

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
October 10, 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. Council Members present were: Meehl, Johnson, Lehmkuhl and Spencer.

Staff present: City Manager Smith, Police Chief Hoaby, Police Officer Christopherson, Public Works Director Meece, Finance Officer Stokke, EDA Director Johnson, Librarian Ladwig, Liquor Store Manager Dreger, Accounting Clerk Hoeft and Administrative Assistant Nundahl

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

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

CONEY STREET EAST IMPROVEMENT PROJECT/5:15 ASSESSMENT HEARING

Mayor Meehl stated Council may wish to hear comments regarding assessments for the Coney Street East Improvement Project. Mayor Meehl stated the City is required to hold a Public Assessment Hearing to correct any errors or inequities in the assessments. This is in accordance with Minnesota State Statute 429. A Public Hearing was held on January 11th, 2016 to discuss the proposed improvements and provide cost estimates. Any specific questions from property owners will be handled on an individual basis.

City Engineer Berube reviewed the project background and location. Project components include road construction designated as a truck route, curb and gutter, water infrastructure and storm sewer and drainage. Total project costs include water infrastructure at \$79,650, storm sewer and drainage at \$180,000 and street and surface improvements at \$747,512 for a total of \$1,007,162. Financing includes \$157,281 in assessments, \$102,244 in City funds and \$747,638 in grant funds. The assessment rate for water service is \$3,500 and \$32.75 per foot for surface improvements. Assessable footages were reviewed for interior lots, side lots and corner lots. City Engineer Berube stated assessments will be placed on property taxes paid over a term of fifteen years with an interest rate of three and one-half percent (3.5%).

Mayor Meehl opened the public hearing for questions from the audience.

David Lein, 101 11th Avenue SE stated he received notification of the meetings but the notice did not state that 11th Avenue was included in the project. City Engineer Berube stated Coney Street East Improvement Project is the name of the project. The project typically includes other streets, but Coney Street is the major component of the project; this would be similar to the Third Street NE Project which includes several adjoining streets and last year with Third Avenue SE included many side streets. Lein stated because 11th Avenue was not mentioned as part of the project on any documentation, he saw no reason to attend the earlier meeting. Lien stated that if he lived in California and received this notice, he would not have flown to Perham to attend the meeting because nowhere in the advertisements or hearing notices does it state 11th Avenue. Mayor Meehl questioned Lein if he received the notices, Lein stated yes, he received the notice for tonight and he received a notice in January. Mayor Meehl stated if you receive a notice, your property is part of the project and you will be assessed. Council Member Johnson stated staff should add in bold lettering if you receive a notice, your property will be affected.

Mayor Meehl closed the public hearing at 5:29. It was noted, no other written or verbal comments were received.

CONEY STREET EAST IMPROVEMENT PROJECT/ADOPTING THE ASSESSMENT ROLL

Mayor Meehl stated Council may wish to consider adopting the Assessment Roll for the Coney Street East Improvement Project. A short discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2016 – 40 entitled “Resolution In The Matter Of Adopting The Assessment Role For Improvements On Coney Street East From East Main Street To Market Street, Perham, Minnesota”

THIRD STREET NE IMPROVEMENT PROJECT/5:15 IMPROVEMENT HEARING

Mayor Meehl stated Council may wish to hear comments regarding proposed assessments for the Third Street NE Improvement Project. Mayor Meehl stated this hearing is being held in accordance to Chapter 429 of the Minnesota State Statutes. The purpose of this hearing is to provide notifications to the public regarding the proposed improvements, improvement schedules and assessment procedures. Jade Berube, Apex Engineering Group will be presenting information regarding the proposed project. Following the presentation, time will be provided for questions relating to the proposed project.

City Engineer Berube stated this public hearing is held to inform benefitting properties of assessment procedures and to provide a reasonable estimate of the total amount assessed. The project background and project area was reviewed. The project will include sanitary sewer, water infrastructure, storm sewer infrastructure, street, curb and gutter along with sidewalks on

selected streets. Berube reviewed the project components noting the water infrastructure is estimated to cost \$506,000, the sanitary sewer improvements is estimated to cost \$760,000, the storm sewer improvements is estimated to cost \$632,000 and the street improvements is estimated to cost \$1,802,000 for a total project cost of \$3,700,000.

City Engineer Berube stated fifty percent (50%) of the costs associated with the standard street will be assessed, the City assumes the remaining fifty percent (50%). The benefitting industries will pay for pavement oversizing from the residential streets. The City will pay for water mains, hydrants and valves, property owners pay for their private lines. The City pays for sewer mains and manholes and the property owners pay for their private lines. The City pays for all costs associated with storm sewer.

City Engineer Berube stated funding will be pursued through multiple agencies for the improvements but it is anticipated that a portion of the project will be funded through Special Assessments. These are the preliminary estimates for the Special Assessments: water infrastructure is \$90,000, sanitary sewer improvements are \$60,000 and street improvements is \$1,006,000. Estimated rates are: a residential street improvement is \$113.00 per foot, industrial street improvements is \$80 per foot, water service is \$2,295 each and sewer service is \$2,200 each. Assessable footages were reviewed for interior lots, side lots and corner lots. Estimated assessments were reviewed for residential and industrial lots. The Preliminary Project Schedule was reviewed noting construction would most likely begin in 2017.

Mayor Meehl opened the public hearing for comments/questions.

Jeff Baker, 233 5th Avenue NE questioned if he was going to get assessed for just the street improvements? City Engineer Berube stated no, he will also have water and sewer services. Baker stated his assessment of \$15,000 will be half of what his property is valued at and he doesn't need water or sewer services as they are working good. He can't afford the assessment and questioned why they would need to pay interest on the assessment. City Manager Smith stated because we have to finance the project, the City will need to pay interest; costs for the project are passed unto the benefitting property owner. Baker stated the City is doing this project for the industries, not the residents.

Curt Osterfeld, 240 7th Avenue NE stated we need the storm sewer in this area. Osterfeld questioned if his property will be affected. City Engineer Berube stated no, not at this time. A notice was sent just in case.

Jeff Guck, 401 2nd Street NE stated his property gets water run-off from Bongards and he knows that the improvements will help. Baker questioned if these improvements will increase the value of his house, he estimates his assessment to be \$16,000. City Engineer Berube stated we will be

sending the storm water run-off in the opposite direction so that his property does not flood after rain events. Industries are supposed to take care of their storm water, but Bongards is bottle necked with residential property surrounding their facility. Berube stated Baker's assessment will be for water and sewer services along with street improvements. The City pays for storm water costs. Berube also stated assessments in neighboring communities are much higher than Perham's. On a standard 100 foot lot, neighboring communities assessments are typically \$25,000 to \$28,000. Guck questioned if Bongard's has talked about purchasing properties in this area. City Manager Smith stated they have mentioned it, but he has not heard any details.

Merle Thompson, 625 3rd Street NE stated he is still paying on the last assessment for Third Street and they paid the Township before that. Thompson stated their services come from the north and questioned if they are going to be replaced? City Engineer Berube stated no, their water and sewer services would not be replaced. Berube stated when figuring out the assessments, they will be taking into consideration the life-span of the street so a portion of street costs will be reduced for these three properties. Thompson stated, heavy trucks will age the road quickly.

Mayor Meehl closed the public hearing at 6:00. It was noted, Merle Thompson submitted a letter regarding the proposed project but no other written or verbal comments were received.

THIRD STREET NE IMPROVEMENT PROJECT/RESOLUTION ORDERING PLANS AND SPECS

Mayor Meehl stated Council may wish to consider ordering plans and specifications for the Third Street NE Improvement Project. Council Member Lehmkuhl questioned how is the City going to fund the project. City Engineer Berube stated the City applied for low interest funds but the legislature did not approve a bonding bill in 2016. Berube stated if Council approves proceeding with this project, the Plans and Specifications will be available in March to submit to the State should a bonding bill be approved in 2017. A short 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. 2016 – 41 entitled "Resolution Ordering Improvements And Preparation Of Plans For Improvements On Third Street NE From First Avenue North To Seventh Avenue NE, Second Avenue NE From Second Street NE To Third Street NE, Third Avenue NE From Second Street NE To Third Street NE, Fourth Avenue NE From Second Street NE To Third Street NE, Fifth Avenue NE From Second Street NE To Fourth Street NE, Fourth Street NE from Fifth Avenue NE to Perham Egg, Second Street From Fourth Avenue NE To Fifth Avenue NE, Perham, Minnesota".

CITIZENS CONCERNS

Mayor Meehl stated Council will recognize citizens who may have items for the Council. Citizens please state your name and address for the record. No one addressed the Council

TOWARDS ZERO DEATHS

Becky Putzke stated she is the liaison for Police Departments participating in the program “Towards Zero Deaths”. “Towards Zero Deaths” is a program that promotes traffic safety. This quarter, they would like to recognize the Perham Police Department because of the outstanding work they have done with the Program. Ms. Putzke presented Police Chief Hoaby a Stalker Radar. Police Chief Hoaby stated that all of his officers participate in the program. Hoaby noted Mike Christopherson does all of the paperwork associated with the program including the scheduling. Council Member Johnson stated that he is very proud of our Police Department.

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 Johnson, seconded by Council Member Spencer 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.

On a motion by Council Lehmkuhl, 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 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 September 12 and Special Meeting Minutes of September 28, 2016.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims. Finance Officer Stokke requested three additional claims be considered for payment: US Energy in the amount of \$271,866.51, US Bank in the amount of \$450.00 and US Bank in the amount of \$450.00 bringing the total unpaid claims to \$1,392,138.83.

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 \$1,521,300.81.

LED LIGHTS/LIBRARY AND LIQUOR STORE

Mayor Meehl stated Council may wish to consider accepting the low quotes for the installation of LED lights in the Library and Liquor Store. Mayor Meehl questioned why is there such a difference in the two quotes for the Library? City Manager Smith stated Ideal Energy's business is retrofitting lights and by specializing in this area, they order large quantities of inventory and can receive discounts. Since they also specialize, their quote for labor is lower. Smith stated he has compared the proposals and they are bidding on the same quantities. It was noted, Ideal Energy would give a discount if both the Liquor Store and Library contracted with them. At this point, the quote from JC Electric is lower than Ideal Energy's quote for the Liquor Store. Liquor Store Manager Dreger stated he would prefer to go with JC Electric since they have done projects for the Liquor Store before and are familiar with the store.

Liquor Store Manager Dreger stated he spoke with a representative from Otter Tail Power; they are familiar with this company and felt they are a reputable company. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized entering into a contract with J.C. Electric to retrofit lighting at Landmark Liquor not to exceed \$7,587.84; it was noted, Ottertail Power's rebate is quoted to be \$3,584.80 leaving a net payment of \$4,003.04 for the retro fit project.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized entering into a contract with Ideal Energy to retrofit lighting at the Perham Public Library not to exceed \$9,915.00; it was noted, Ottertail Power's rebate is quoted to be \$3,666.60 leaving a net payment of \$6,248.40 for the retro fit project.

***HOUSING AND REDEVELOPMENT AUTHORITY**

On a motion by Council Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the appointment of Jaclyn Ziemke to the HRA Board; she will be replacing Steve Peloquin.

***PARK AND RECREATION BOARD**

On a motion by Council Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the appointment of Tom Tomporowski to the Park and Recreation Board; he will be replacing Kevin Nelson.

***FUNDRAISING EVENT**

On a motion by Council Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the use of Arvig Park on October 22 to host "Run Home" a 5k race; it was noted, proceeds will be donated to Someplace Safe in Perham and the Wetterling Foundation.

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

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

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

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

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

On a motion by Council Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the following City Financial Reports for September 2016: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

CITY ENGINEER MONTHLY UPDATE

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

Third avenue Southeast (CSAH No. 8), Fox Street, Fourth Street SE, Second Avenue SE, Third Street SW

City Engineer Berube stated Kuechle has completed the items on the correction and completion list that could be completed by their forces. They are coordinating with their subcontractors to complete the remaining items on the list.

Coney Street East Improvements

City Engineer Berube stated the final lift of bituminous pavement was completed today. Opening of the road to traffic is tentatively planned for Wednesday. Signs are to be installed and reinstalled along with striping in the near future. Temporary signs will be installed by Wednesday morning until permanent signage can be completed. Turf Establishment will also be completed in the near future through a dormant seeding process.

School Storm Sewer Relocation

City Engineer Berube stated the Storm Sewer Relocation is substantially complete. Minor cleanup and touchup is all that remains at the site.

Wastewater Treatment Facility

City Engineer Berube stated the contracts have been received from the contractor for the proposed work. Upon final execution by the City, they will be sent back to the contractor and the work may commence.

WASTEWATER TREATMENT PONDS/RIPRAP

Mayor Meehl stated Council may wish to consider accepting the low quote for the installation of riprap on Pond #1. Public Works Director Meece stated the pond has damage due to the high water levels that were caused by the clogged pipe between the two primary ponds.

Public Works Director Meece stated the repair will consist of placing rip rap around the top edges of the dikes. The rip rap will be from the top of the dike down three feet and it will take approximately 200 yards to complete the project. Meece recommended accepting the low estimate submitted by Ottertail Aggregate. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the low estimate from Ottertail Aggregate in the amount of \$11,000.

CONDITIONAL USE PERMIT/549 SCHOOL DISTRICT

Mayor Meehl stated Council may wish to consider approving a Conditional Use Permit for School District 549 to allow the construction of a school in a Residential Two Family Zoning District. Council Member Lehmkuhl stated the Planning Commission reviewed the request and is recommending the City Council approve it. A short 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. 2016 – 42 entitled “Resolution In The Matter Of Granting A Conditional Use Permit To Independent School District 549, City Of Perham, Minnesota”.

***SUPPORTING RECYCLING COLLECTION GRANT**

On a motion by Council Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved supporting a MPCA Environmental Assistance Greater Minnesota Recycling Collection Grant being written by Otter Tail County’s Solid Waste Department to provide carts for single sort curbside recycling and authorized submitting letters of support.

INFORMATION AND ANNOUNCEMENTS

League of MN Cities Regional Meeting, Fergus Falls, October 12th

Hydrant Flushing will take place from October 23 – November 4

The Committee of the Whole is scheduled for Wednesday, October 26 @ 5:15

The General Election is November 8th; polls are open at 7:00 am

Veteran’s Day is Friday, November 11th

The next regular Council Meeting is scheduled for Monday, November 14

The CGMC Fall Conference is November 17th & 18th in Alexandria

ADJOURNMENT

With no further business to discuss, the meeting was adjourned at 6:21 pm.

Respectfully submitted by,



Fern Nundahl

Administrative Assistant