

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
October 12, 2015**

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 Lehmkuhl, Mattfeld, Spencer and Mayor Meehl.

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

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

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

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

**CITIZENS CONCERNS**

Mayor Meehl stated the Council will recognize citizens who may have items for the Council.

***Smart Rural Community Showcase Award***

Shaun Carlson, Senior Manager of IT at Arvig stated Perham was selected for the Smart Rural Community Showcase Award and has been nationally recognized as a Smart Rural Community by the National Telephone Cooperative Association. A Smart Rural Community is designated when a City meets or beats technology in cities of the same size or larger. Perham may have better technology than Fargo and/or Minneapolis. Several businesses testified for this award including; Perham Health, KLN, the Chamber, Boys/Girls Ranch and the Fire Department. It was noted that this award is National. Carlson presented signs with the Smart Rural Community logo to City Manager Klemm.

***Perham Egg Update***

Tim Wacker and Troy Thompson updated various activities at Perham Egg. Wacker stated in 2009, new owners took over the plant which had 32 employees, currently they have 54 employees. Due to the avian bird flu, poultry facilities will have to diversify their operations noting some facilities are still closed. Perham Egg is expanding their operations and they are in the process of ordering new equipment.

**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 Lehmkuhl, 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.

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 September 14, 2015.

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

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the amount of \$2,276,405.43.

#### **\*TEMPORARY ON SALE LIQUOR LICENSE**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved a Temporary On-Sale Liquor License for the Perham Center for the Arts for an event on Saturday, October 24, 2015.

#### **\*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 August, 2015.

#### **\*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 August, 2015.

#### **\*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 September, 2015: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

## **HAK TIF DEVELOPMENT AGREEMENT**

Mayor Meehl stated Council may wish to enter into a Development Agreement between the City and HAK. City Manager Klemm stated the Harrison Family Limited Partnership has been the owner of the former Dean's Grocery Store for many years. This past year, the Harrison Family partnered with Darren Kelderman in ownership of the building and created a new entity, HAK of Perham, LLC. Kelderman is the owner of Pizza Ranch in Perham, Wadena and others.

City Manager Klemm stated the former Dean's property currently sits in an old redevelopment TIF District 2-2 which has about \$13,000 annually that can be used by a redevelopment project. District 2-2 expires in 2016. City Manager Klemm stated according to the TIF application submitted by HAK, \$130,000 is being spent on infrastructure and parking lot improvements. These costs are TIF eligible expenses. City Manager Klemm recommended the City grant \$50,500 of TIF pooling dollars, dollars from TIF 2-2 and TIF 2-19, to HAK. The TIF Agreement would be similar to the subsidy granted to the Goose Gang, Salon on Second and the Hardee's sign removal project.

Jeff Harrison stated design for Pizza Ranch will use approximately 6,000 square feet which will leave approximately 14,000 for another tenant. They are ready for construction as soon as the City Council grants approval. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved granting \$50,500 of TIF pooling dollars to HAK of Perham LLC and approved a Development Agreement.

## **CITY ENGINEER MONTHLY UPDATE**

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

### ***Third Avenue SE, Fox Street, Fourth Street SE, Second Avenue SE, Third Street SW***

City Engineer Berube stated paving remains at various locations around the project. A portion of Fox Street was completed a few weeks ago as the contractor had extra bituminous material at the end of the day after working on Third Avenue SE. The remaining portion of the roadway is scheduled for late this week. When the paving crew comes back into town, they will also be completing the tie-ins at various driveways.

City Engineer Berube stated paving of the Main Street intersection will also be completed this week, after grading, the traffic signal wiring can be completed. The new traffic signal poles will be installed tomorrow. The new street light material is being delivered to the site and will be installed over the next couple of weeks.

City Engineer Berube stated the thermoplastic crosswalks have been installed along various locations with Coney Street, Main Street and a crossing at Fifth Street remaining. The contractor is planning on coming into town next week to complete this work.

***Safe Routes to School***

City Engineer Berube stated the contractor has re-applied seed and fertilizer to various locations along the project. This will be reviewed prior to closeout of the project.

***Perham Airport, Crack Seal and Seal Coat***

City Engineer Berube stated painting of the resurfaced portions has not been completed. They are working with ASTECH on the schedule for these improvements.

***Victory Estates Phase 1 – Street and Utility Improvements***

City Engineer Berube stated a correction and completion list is currently being compiled for the Victory Estates project.

**SAFE ROUTES TO SCHOOL**

Mayor Meehl stated Council may wish to consider approving a change order for the Safe Routes To School Project. City Engineer Berube stated additional work was done by Dr. Hamann's house and by the Elementary School. Also, due to the 2015 Street Improvement Project and detours, this project was delayed. A short discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Change Order #1, increasing the project cost \$5,673.75, for the Safe Routes To School Project.

**SERVICE LINE REPLACEMENT/PAVING COSTS**

Mayor Meehl stated Council may wish to consider paying the paving costs associated with service line replacement work. City Manager Klemm stated the cost of replacing a homeowner's water and/or sewer line can become an instant financial burden for residents.

City Manager Klemm stated on the average, a water or sewer lines are replaced under the street two to three times per year and paving costs are between \$2,000 to \$3,000 per incident. Discussion ensued regarding the service line warranty program. City Manager Klemm recommends the Council alleviate some of the financial burden by paying the paving costs associated with the service line replacement. Further discussion ensued.

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved paying the paving costs associated with the service line replacement.

**\*PERHAM EGG/SIGNIFICANT INDUSTRIAL USER AGREEMENT**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved amending the Significant Industrial User Agreement between Perham Egg and the City.

## **INFORMATION AND ANNOUNCEMENTS**

The League of MN Cities Regional Meeting in Battle Lake, October 21

Hydrant Flushing will take place October 25 – November 6

The Committee of the Whole is scheduled for Wednesday, October 28

The next regular Council Meeting is scheduled for Monday, November 9

Wednesday, November 11 is Veteran's Day

City Manager Klemm stated the Open House for the Public Works Facility is scheduled for Friday, October 30<sup>th</sup> from 7:30 to 10:00. Pancakes and sausage will be served. It was also noted, Tom Glander's retirement party is scheduled for Thursday, October 29<sup>th</sup> from 11:00 to 1:00.

## **ADJOURNMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer, and carried without dissenting vote, the meeting adjourned at 5:54 p.m.

Respectfully submitted by,



Fern Nundahl  
Administrative Assistant

## **SPECIAL COUNCIL MEETING MINUTES**

**October 28, 2015**

Mayor Meehl called the Special Council Meeting to order at 5:24 on October 28, 2015 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. All Council Members were present.

Staff members present were: City Manager Klemm, Public Works Director Meece, Finance Officer Stokke, Librarian Ladwig, Police Chief Hoaby, Liquor Store Manager Dreger, Administrative Assistant Nundahl.

Others present: City Engineer Berube, Building Official Neisen

### **DNR STOCKING OF MUSKIES IN AREA LAKES**

Mayor Meehl stated Council may wish to hear comments from Rod Osvald regarding stocking of muskies in area lakes. Rod Osvald stated he opposes the stocking of muskies for a number of reasons. Large muskies are detrimental to other more popular game fish such as walleyes, crappies and sunfish. The City of Perham and surrounding areas rely on tourists; a majority of these tourists are families, families that fish. If the number of popular game fish decreases, so will our tourism.

Osvald stated several of our local lakes are located within the Otter Tail River chain. If any of these lakes are stocked with muskies, muskies will migrate to every lake in the chain. Due to current muskie fishing regulations, lakes can become overrun by muskies as they naturally populate and stocking continues to increase their population. More and more, we are hearing about the spread of invasive species. Muskie fishermen tend to jump from lake to lake which further increases the risk of spreading invasive species.

Rod Osvald stated The Otter Tail River chain is a premier waterfowl production area and the stocking of muskies in this ecosystem is counter intuitive to promoting waterfowl production.

Rod Osvald stated the DNR is holding a Town Hall meeting tomorrow evening regarding stocking lakes with muskies. Osvald would like to have a letter from the City opposing this matter. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized staff to prepare a letter of opposition to the stocking of muskies in area lakes.

**ADJOURNMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the meeting was adjourned at 5:47.

Respectfully submitted by,



Fern Nundahl  
Administrative Assistant