

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
September 12, 2016**

The regular meeting of the Perham City Council was called to order by Vice Mayor Johnson at 5:16 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: Johnson, Lehmkuhl, Mattfeld and Spencer. Mayor Meehl arrived at 6:38.

Staff present: City Manager Smith, Police Chief Hoaby, Public Works Director Meece, Finance Officer Stokke, Administrative Assistant Nundahl

Others present: City Engineer Berube, Building Official Neisen

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

CITIZENS CONCERNS

Vice Mayor Johnson 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.

APPROVAL OF AGENDA

Vice Mayor Johnson stated Council Members and Staff may add items to the Agenda which requires Council action. Vice Mayor Johnson stated Mayor Meehl is running late and requested Item 6.B. Golf Course Event Center Bids be moved to the end of the agenda.

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the agenda with the change in the order of the agenda as noted above.

CONSENT AGENDA

Vice Mayor Johnson 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 Mattfeld and carried without a dissenting vote, the Council approved the Consent Agenda as presented.

***APPROVAL OF MINUTES**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting of the Council held on August 8 and Special Meeting Minutes of August 31, 2016.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Vice Mayor Johnson stated Council may wish to approve payment of Prepaid and Unpaid City Claims. Finance Officer Stokke requested Council consider one additional claim from Schmitz Body and Paint in the amount of \$7,105.62 bringing the total of Unpaid Claims to \$845,472.36.

On a motion by Council Member Mattfeld, 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 \$1,098,653.58.

***TEMPORARY ON SALE LIQUOR LICENSE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved a Temporary On-Sale Liquor License for Perham Center for the Arts for an event on Saturday, October 8, 2016.

***TEMPORARY ON SALE LIQUOR LICENSE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved a Temporary On-Sale Liquor License for History Arts & Cultural Association for an event on Saturday, October 22, 2016.

***ST. HENRY'S/ST. PAUL'S SCHOOL MARATHON**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council authorized the use of Arvig Park for the parochial schools to host a fundraising marathon on Saturday, October 1 at 10:00.

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

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

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

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

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

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the following reports for August, 2016: Cash

Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

***LIBRARY BOARD VACANCY**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the appointment of Marcia Nelson to the Library Board; it was noted she will be replacing Kay Peloquin.

CITY ENGINEER MONTHLY UPDATE

Vice Mayor Johnson 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 items on the correction and completion list are slowly being addressed. With Kuechle starting work for the High School Storm Sewer Relocation, it is anticipated that they will be addressing the outstanding items on the list.

Coney Street East Improvements

City Engineer Berube stated aggregate has been placed on the majority of Coney Street and the storm sewer installation crossing Main Street will be completed this week. Concrete construction is tentatively scheduled for next week with paving scheduled for the beginning of October.

City Engineer Berube stated Ottertail Aggregate has requested an extension for the improvement deadline due to the delays in awarding the contract and private utility relocation. It is recommended that the Council authorize City Staff to complete a non-monetary Change Order extending the contract completion date to October 15th.

City Engineer Berube stated paving will have to stop when Offutt starts hauling potatoes off the field. This is expected to take two to three days.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized staff to prepare a Change Order extending the contract completion date to October 15th.

School Storm Sewer Relocation

City Engineer Berube stated Kuechle will be starting the storm sewer installation tomorrow morning on Coney Street. Kuechle intends to complete the project within three weeks of starting the work. The School has also awarded Kuechle the utility construction around the proposed High School. This work will start following the City Project.

Wastewater Treatment Facility

City Engineer Berube stated a plan will be sent to local contractors shortly to modify one of the structures at the Wastewater Treatment Facility. Currently the structure is unable to allow the required wastewater to be transferred from one cell to another due to some blockage in the ten inch pipe. The proposed project will consist of removing an interior wall in the structure along

with adding a valve and overflow opening in the structure to allow for future maintenance. The project will be completed this fall. It was noted, the estimated cost for this project is under \$100,000 so the City can request quotes.

CONEY STREET EAST IMPROVEMENT PROJECT

Vice Mayor Johnson stated Council may wish to consider scheduling the Assessment Hearing for Monday, October 10, 2016 at 5:15 for the Coney Street East Improvement Project. 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 Resolution No. 2016 – 37 entitled “Resolution In The Matter Of Calling For A Public Hearing For Proposed Assessments For Improvements On Coney Street East From East Main Street To Market Street, Perham, Minnesota”.

THIRD STREET NE IMPROVEMENT PROJECT

Vice Mayor Johnson stated Council may wish to consider scheduling the Improvement Hearing for Monday, October 10th at 5:15 for the Third Street NE Improvement Project. City Engineer Berube stated the City applied for funding through the Clean Water and Drinking Water Revolving Funds in the spring of 2016. The draft funding list was released approximately two weeks ago and is up for comment. Due to the lack of an approved Bonding Bill, there are no new projects that have been included on the list. There is a possible Amendment to the list that would go into effect if the Legislature funds the program. If the program is funded, the Perham project will be funded through the Low Interest Loan Program that the City has used in the past.

City Engineer Berube stated if the City wants to proceed with a project, the deadline for the Clean Water Revolving Loan Program requires plans to be completed by the beginning of March. The March deadline would be impossible to reach if the City waits to see whether the legislature funds the program due to the required hearings, survey, design etc. The Public Works Committee is recommending starting the process of calling for the Improvement Hearing in October. If the design is authorized, bidding would take place in early April with an Assessment Hearing in May. Construction would take the entire summer and into the fall.

City Engineer Berube stated the original project limits have been revised. The proposed improvements in the Industrial Park will be removed and future funding options will be pursued. In order to provide a more efficient Truck Route and sanitary sewer improvement, Fifth Avenue to Fourth Street will also be included in the project to connect to Perham Egg. The updated estimate based on the project modifications is \$3,700,000. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 2016 – 38 entitled “Resolution Receiving Report And Calling For A Public Hearing 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”.

GOLF COURSE EVENT CENTER BIDS

Vice Mayor Johnson stated Council may wish to consider accepting certain bids for the construction of the Event Center and authorize re-advertisement of certain bids for the Event Center. John Carlson representing Hammers Construction reviewed the bids that they are recommending the Council accept. Carlson stated three bid packages had to be rejected because the bidders did not submit proper documents.

Carlson stated that the bids came in higher than anticipated. Members of the Golf Course Board determined that they could exclude some of the items previously bid out to reduce the total cost. The Board is recommending these bid packages be rebid: asphalt paving and markings, site concrete work/concrete foundations, framing materials, framing labor, interior finish carpentry labor, interior finish carpentry material, asphalt shingles/siding/trim/windows labor and asphalt shingles/siding/trim/windows material. A lengthy discussion ensued.

On a motion by Mayor Meehl, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the following bids: *2A Excavation/Site Grading/Sitework*, Ottertail Aggregate in the amount of \$30,798, *4A Masonary*, Tichy Stone & Brick in the amount of \$32,700, *7A Insulation, Blown-In, Batt Insulation, Sound Batts And Vapor Barrier*, Expert Insulation in the amount of \$10,115, *7B EIFS*, RW Stucco in the amount of \$19,667, *8A Aluminum Entrance Doors & Glazing*, Red River Glazing in the amount of \$14,727, *9A Acoustical Ceilings*, Dow Acoustics in the amount of \$96,700, *9B Drywall & Painting*, Solo Drywall in the amount of \$48,699.12, *9C Flooring & Base Trim*, Winkles Carpet in the amount of \$69,490, *15A HVAC & Plumbing*, Hanson’s Plumbing and Heating in the amount of \$196,327, *21A Fire Protection Systems*, Nova Fire in the amount of \$53,000, *26A Electrical System*, Mark’s Electric in the amount of \$99,091; all alternates were denied except *A1 (Delete Acoustical Panels*, St. Cloud Acoustics in the amount of -\$122,174.12; and authorized rebidding of the following: asphalt paving and markings, site concrete work/concrete foundations, framing materials, framing labor, interior finish carpentry labor, interior finish carpentry material, asphalt shingles/siding/trim/windows labor and asphalt shingles/siding/trim/windows material.

It was noted, a Special Council Meeting is scheduled for Wednesday, September 28 at 5:15 to review the re-advertised bids.

INFORMATION AND ANNOUNCEMENTS

A Special Council Meeting and the Committee of the Whole is scheduled for Wednesday, September 28 @ 5:15

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

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

ADJOURNMENT

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the meeting was adjourned at 5:52 pm.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant

SPECIAL COUNCIL MEETING MINUTES

September 28, 2016

Mayor Meehl called the Special Council Meeting to order at 5:17 pm on September 28, 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. All Council Members were present.

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

Others present were: City Engineer Berube, Building Inspector Neisen.

PROPOSED PROPERTY TAX LEVY

Mayor Meehl stated Council may wish to adopt the Preliminary 2017 Budget and Preliminary Levy for Taxes Payable in 2017 and may wish to schedule the date of Monday, December 12, 2016 at 6:00 pm for the public to comment prior to the adoption of the 2017 Budget and 2017 Tax Levy. City Manager Smith reviewed the proposed tax levy and noted the proposed increase is 6.84%; this figure includes the HRA levy. Smith stated the Tax Capacity Debt is high but within a couple of years, bonds will be paid off so this figure will be lowered. Smith also stated that the workman's comp premium increased significantly. Discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2016 – 39 entitled “Resolution In The Matter Of Establishing The Preliminary Tax Levy For Taxes To Be Collected In 2017, Perham, Minnesota” and set the date of Monday, December 12th, 2016 at 6:00 pm for the public to comment.

ACCEPTING BIDS FOR THE GOLF COURSE EVENT CENTER

Mayor Meehl stated Council may wish to consider accepting bids for the construction of an Event Center at the Perham Lakeside Golf Course. City Manager Smith reviewed the bids and recommended the Council accept the following: Bid Package #2B, Asphalt Paving and Striping to Howards Driveway in the amount of \$13,900; Bid Package #3A, Concrete Foundation System/Slab on Grade/Sidewalks/Curbs to Andy Pettow Construction in the amount of \$63,356; Bid Package #3B, Exterior Site Concrete to Zayic Concrete in the amount of \$18,000; Bid Package #6A, Rough Carpentry, Finish Carpentry, All L & M to Andy Pettow Construction in the amount of \$41,005; Bid Package #6B, Finish Carpentry, All L & M to Andy Pettow Construction in the amount of \$9,915; Bid Package #6C, Carpentry/Siding/Shingle – Material Only to Hilltop Lumber in the amount of \$148,702.17; Bid Package #7C, Asphalt Shingles, Siding/Soffit/Fascia, Corbrels, Tyvek, Tar Paper to Andy Pettow Construction in the amount of \$22,955 for a total of \$317,833.17.

Council Member Johnson stated they had their Annual Golf Course Board Meeting recently and Board Members are fundraising for additional money. They feel confident they can raise \$81,600 which is the overrun. They also feel they can raise additional money to address the contingency fund and possibly the acoustics. John Carlson from Hammers stated the rejected acoustic bid that included very expensive panels which would cover the entire ceiling area. The Committee is researching other options with possibly less expensive panels or panels strategically placed throughout the ceiling area.

Council Member Lehmkuhl questioned the bar area in the event center. John Carlson stated the bar will be plumbed in until they raise enough funds for a permanent bar. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the following bids: Bid Package #2B to Howards Driveway in the amount of \$13,900; Bid Package #3A to Andy Pettow Construction in the amount of \$63,356; Bid Package #3B to Zayic Concrete in the amount of \$18,000; Bid Package #6A to Andy Pettow Construction in the amount of \$41,005; Bid Package #6B to Andy Pettow Construction in the amount of \$9,915; Bid Package #6C to Hilltop Lumber in the amount of \$148,702.17; Bid Package #7C to Andy Pettow Construction in the amount of \$22,955 for a total of \$317,833.17.

WASTEWATER TREATMENT FACILITY PROJECT

Mayor Meehl stated Council may wish to consider accepting the apparent low quote for the Wastewater Project. City Engineer Berube stated construction bids were received earlier today. Two contractors submitted bids for the proposed structure modifications. City Engineer Berube stated the low bidder is Municipal Service Co. Inc. out of Detroit Lakes, Minnesota in the amount of \$44,800. Tim Bohmer is the President of Municipal Service Co. Inc., and has completed various projects of similar nature in the area throughout the years and is capable of completing the work as specified.

City Engineer Berube stated there is a clog in the pipe between Pond 1 and Pond 2. Valves will need to be installed on both sides of the wall in the building which was constructed in 1974. The ponds will need to be lowered in order to complete this project. At the same time the project is completed, riprap will need to be placed around the ponds. Riprap is estimated to cost \$20,000. 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 bid from is Municipal Service Co. Inc. out of Detroit Lakes, Minnesota in the amount of \$44,800.

SQUAD CAR PURCHASE

Mayor Meehl stated Council may wish to consider the purchase of a new squad car which was budgeted for 2017. Police Chief Hoaby stated the lease on the current squad runs out in December so they will be down to one squad. In order to get the new squad in January, it was recommended that we place the order now so that the vehicle can be in production in December with delivery in January. The price of the squad is the same as the last squad purchased although

the various options have increased in price. The squad will be up-fitted in January. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized the purchase of a new squad car from Nelson Auto Center in Fergus Falls, Minnesota in the amount of \$27,334.95; this amount does not include a number of options that will need to be completed in January of 2017.

ADJOURNMENT

With no further business to discuss, Mayor Meehl adjourned the meeting at 5:48 pm.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant