

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
August 14, 2023**

The regular meeting of the Perham City Council held both in person in the Council Chambers at Perham City Hall, 125 Second Avenue NE, Perham, MN 56573 and electronically via Zoom was called to order by Mayor Meehl at 5:15 p.m. with all members of the Council having been duly notified of the meeting and the business to be transacted. Council Members present were Meehl, Lehmkuhl, Spencer, Schmidt, and Meyer.

Staff present: City Manager Smith, Public Works Director Schossow, EDA Director Murdock and Administrative Assistant Hoeft

Others present: City Engineer Berube, Jodi Roy from Back on the Rack, and Mark Schmidt

Others present via Zoom: Elizabeth Vierkant and City Attorney Winters

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

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

**CITIZENS CONCERNS**

Mayor Meehl stated Council will recognize citizens who may have items for the Council. Citizens were asked to please state their name and address for the record.

Jodi Roy, owner of Back on the Rack, requested that Council consider passing a Vagrancy Ordinance. Recently, a family with young children has been seen in the area begging for money. Several people and organizations in the area have attempted to provide the family with food, however, they only want money. Roy was concerned about the welfare of the children and has contacted both the Perham Police Department and Otter Tail County, who suggested that Perham pass a Vagrancy Ordinance.

City Manager Smith stated that he was aware of the situation and has been working with Police Chief Gritz on a draft ordinance.

**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 Schmidt, seconded by Council Member Meyer 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 Lehmkuhl, seconded by Council Member Meyer and carried without a dissenting vote, the Council approved the consent agenda as presented.

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

Council approved the minutes of the Regular Meeting of the Council held on July 10, 2023 and Special Council Meeting held on July 26, 2023.

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

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims. The following additional claims were added: Braun Intertec for \$7,343.09; Hammers Construction for \$15,000.00; Perham Pivot & Pump for \$1,628.64; and State of Minnesota for \$355.31 bringing the total Unpaid City Claims to \$1,827,775.70.

On a motion by Council Member Schmidt, 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 \$2,383,213.07 for July 2023.

### **APPROVE WATER AND SANITARY SEWER ASSESSMENT PROGRAM**

Mayor Meehl stated Council may wish to approve a water and sanitary sewer assessment program.

On a motion by Council Member Meyer, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the water and sanitary sewer assessment program.

### **APPROVE INSURANCE CLAIM POLICY**

Mayor Meehl stated Council may wish to approve an insurance claim policy.

Mark Schmidt, 601 Pine Cone Drive, experienced a sewer back-up in his basement on July 2, 2023. His claim was denied by the League of Minnesota Cities Insurance Trust (LMCIT) after an investigation determined that the City had satisfied its duty to exercise ordinary and reasonable care in the operation of its sanitary sewer system and lift station. The likely cause of the sewer back-up was grease in the lift station well.

Schmidt asked the Council to reconsider paying for a portion of the damages resulting from the sewer back-up. Schmidt's homeowner's policy only paid \$5,000, leaving Schmidt to cover the remaining \$18,000 in damages.

City Attorney Winters recommended Council accept and follow the decision of LMCIT and adopt a policy that states the City will not move from their findings and that going outside of the LMCIT decision could lead to further liability issues that may not be covered by LMCIT.

City Manager Smith noted that the City has SIU agreements in place with the industries in Perham and oftentimes they're penalized for exceeding their limits. The fines are used to offset increased maintenance costs. Smith also noted that penalties will likely be increased for 2024.

Council requested that Smith reach out to the insurance adjustor with LMCIT again for further clarification on why Schmidt's previous sewer claim was approved and this one was denied and if anything can be done to hold industries accountable for such events in the future.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council agreed to table the adoption of the insurance claim policy until the September Council Meeting when further clarification of the claim denial may be available.

#### **\*APPROVE LODGING TAX COMMITTEE FUNDING REQUESTS**

Council approved funding requests from Boy Scout Troop 321 for Lights in the Pines for \$2,500 and the Perham Events Committee for the Lights in the Holiday event for \$1,000 contingent upon receiving updated event budget worksheets and required documentation.

#### **\*ACCEPT DISC GOLF DONATION**

Council approved Resolution 2023 - 32 entitled "Resolution In The Matter Of Accepting A Donation For The Disc Golf Course, Perham, MN," to accept a \$500.00 donation made by Brushmark Signs for the Disc Golf Course.

#### **\*ACCEPT PICKLEBALL DONATIONS**

Council approved Resolution 2023 - 33 entitled "Resolution In The Matter of Accepting Donations For The Pickleball Courts, Perham, MN," to accept the following pickleball

donations: \$50.00 from Charles and Margaret Saunders, \$50.00 from Laurie Krueger, \$50.00 from Julie Kay Solien-Ferron, \$20.00 from Lynn Tobkin, \$100.00 from Linda Drewes, \$20.00 from Mike and Jill Miller, \$20.00 from Richard and Roberta Miller, \$50.00 from Michael and Shari Kaiser, \$40.00 from Rhonda Bernu, and \$100.00 from an anonymous donor.

**\*ACCEPT POLICE DEPARTMENT DONATION**

Council approved Resolution 2023 – 34 entitled “Resolution In The Matter Of Accepting A Donation For The Police Department, Perham, MN,” to accept a \$10.00 donation made by Marlowe Hahn for the Police Department.

**\*ACCEPT FIRE DEPARTMENT TRAINING DONATION**

Council approved Resolution 2023 – 35 entitled “Resolution In The Matter Of Accepting A Donation For The Fire Department, Perham, Minnesota,” to accept a \$1,000.00 donation made by Neil J Delaney for Fire Department training.

**\*FIRE DEPARTMENT**

Council authorized the use of alcohol at the Perham Emergency Services Building for August 23, 2023 in conjunction with the Fire Department summer picnic.

**\*APPROVE TEMPORARY LIQUOR LICENSE**

Council approved a temporary liquor license for Saint Paul’s Lutheran Church for an event on September 9, 2023.

**\*APPROVE TEMPORARY LIQUOR LICENSE**

Council approved a temporary liquor license for Perham Rotary Club for an event on October 7, 2023.

**\*ACCEPT PACC DONATION**

Council approved Resolution 2023 – 36 entitled “Resolution In The Matter Of Accepting A Donation For The Perham Area Community Center Construction Project, Perham, MN,” to accept a \$2,000.00 donation from Plunkett’s Pest Control for the PACC.

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

Council accepted the PACC’s Financial Reports for June 2023.

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

Council accepted the following reports: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report for July 2023.

**APPROVE EDA OPPORTUNITY GRANT AWARD**

Mayor Meehl stated Council may wish to approve awarding an Opportunity Grant to the City of Perham for the Prairie’s Edge Development.

On a motion by Council Member Schmidt, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved awarding an Opportunity Grant to the City of Perham in the amount of \$100,000 to be used for the installation of public utilities including street, curb/gutter, sewer, water, storm sewer and sewage lift station to service 38 new single - family lots and future expansions in the Prairie’s Edge Development.

**APPROVE EDA OPPORTUNITY GRANT AWARD**

Mayor Meehl stated Council may wish to approve awarding an Opportunity Grant to Destination Deliveries.

On a motion by Council Member Meyer, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved awarding an Opportunity Grant to Destination Deliveries in the amount of \$13,771.50 for the replacement of windows.

**APPROVE EDA OPPORTUNITY GRANT AWARD**

Mayor Meehl stated Council may wish to approve awarding an Opportunity Grant to Curt Osterfeld.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved awarding an Opportunity Grant to Curt Osterfeld in the amount of \$100,000 for updates to an existing building at 240 NE 7<sup>th</sup> Avenue and construction of a new building at 720 NE 3<sup>rd</sup> Street in Perham.

**CITY ENGINEER MONTHLY UPDATE**

City Engineer Berube gave an update on various projects.

*2022/2023 Project*

Concrete construction has been the major focus over the course of the past three weeks. Today, the contractor started the concrete roadway section between the railroad tracks on County 8 near

downtown. This work will continue through tomorrow, before the contractor can return to the Southwest section to complete remaining concrete improvements.

Ottertail Aggregate will be continuing with the placement and shaping of aggregate on Pinewood Lane and all other streets behind the concrete construction. The arrival of Central Specialties is anticipated over the course of the next week and a half, to begin paving roadways that are ready for the new surface. All work is to be substantially completed by September 1.

### *Prairie's Edge Phase 3*

Plans and specifications have been advertised with bids set to be received on August 24. Currently, there are twenty plan holders with twelve listed as potential prime bidders. The completion date for the underground utilities is December of 2023, with the surface improvements set to be completed by early July 2024. The proposed schedule and lack of current bidding opportunities has resulted in a number of additional potential bidders.

A Special Council Meeting will be held prior to Committee of the Whole on August 30 to review the bids and determine the next steps on the project.

### *Main Street Project*

The survey is complete and with the plans for Prairie's Edge out for bid, staff has shifted over to the design of the Main Street Utility Improvements. Streetscape alternatives are anticipated to be the primary upcoming discussions over the course of the next two months. Public involvement and planning sessions will also occur during the fall to provide information to affected businesses and property owners along the project.

### **APPROVE PUBLIC WATER ACCESS COOPERATIVE AGREEMENT**

Mayor Meehl stated Council may wish to approve a Public Water Access Agreement between the State of Minnesota and City of Perham.

On a motion by Council Member Schmidt, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Public Water Access Agreement between the State of Minnesota and City of Perham.

### **APPROVE MAIN LIFT STATION PUMP PURCHASE**

Mayor Meehl stated Council may wish to consider authorizing the purchase of pump for the Main Lift Station (fairgrounds).

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council authorized the purchase of a pump for the Main Lift Station at the fairgrounds.

## **VIKING SHIPPER ALLIANCE PARTICIPATION**

Mayor Meehl stated Council may wish to approve the City of Perham's participation in the Viking Shipper Alliance intervention.

City Manager Smith stated that the City, working with Kinect Energy, is expecting an 83 ½ % rate increase from Viking Gas Transmission (VGT) for transportation and/or storage of natural gas. Along with six other large users, the City of Perham plans to file a petition with the Federal Energy Regulatory Commission (FERC) against the rate increase. The investment in the petition is \$28-30,000 with significant savings if successful.

On a motion by Council Member Schmidt, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved participation in the Viking Shipper Alliance.

## **\*APPROVE 1894 STREET CLOSURE REQUEST**

Council approved a request by 1894 to close Second Street SW from Sixth to Seventh Avenue SW on August 26 from 9:00am to 5:00 pm for a car show.

## **INFORMATION AND ANNOUNCEMENTS**

A Special Council Meeting and Committee of the Whole are scheduled for Wednesday, August 30 @ 5:15

The City Offices will be closed on Monday, September 4 in observance of Labor Day

The next regular Council Meeting is scheduled for Monday, September 11 @ 5:15 pm

## **ADJOURNMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Meyer and carried without a dissenting vote, Mayor Meehl adjourned the meeting at 6:17 pm.

Respectfully submitted by,



Heather Hoelt  
Administrative Assistant

ATTEST:

  
Mayor

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## **SPECIAL COUNCIL MEETING MINUTES**

**August 30, 2023**

Mayor Meehl called the Special Council Meeting to order at 5:15 pm on August 30, 2023 in the Council Chambers located at 125 Second Avenue NE and via Zoom, all members of the Council having been duly notified of the meeting, and the business to be transacted. Council Members present were Meehl, Lehmkuhl, Spencer, Schmidt and Meyer.

Staff members present: City Manager Smith, Finance Officer Stokke, EDA Director Murdock, Liquor Store Manager Dreger, Public Works Director Schossow, and Administrative Assistant Hoeft.

Others present: City Engineer Berube, Joe Esser, Justin Scallon, Otter Tail County Commissioner Bucholz and Elizabeth Vierkant.

### **Approve Esser Development Agreement**

Mayor Meehl stated Council may wish to approve a Development Agreement with Esser Development.

On a motion by Council Member Schmidt, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Development Agreement with Esser Development.

### **Approve JDS Enterprises Development Agreement**

Mayor Meehl stated Council may wish to approve a Development Agreement with JDS Enterprises.

On a motion by Council Member Schmidt, seconded by Council Member Meyer and carried without a dissenting vote, the Council approved the Development Agreement with JDS Enterprises.

### **Accept Bid/Prairie's Edge Third Addition**

Mayor Meehl stated Council may wish to consider accepting the low bid for improvements to Prairie's Edge Third Addition.

*City Engineer Berube gave the following update for Prairie's Edge Third Addition:*

Construction bids were received at 10:00 am on Thursday, August 24. Twelve contractors submitted bids for the proposed improvements. The Bid Tabulation was given to Council. The final Engineer's estimate for the construction phase of the project was \$2,060,544.

The low bidder for the project is R.L. Larson out of St. Cloud with a bid of \$1,624,051.55. R.L. Larson has been the low bidder on four projects over the past six years and has completed numerous projects throughout the years with the City. They have the ability to complete the work as specified.

The range of bidding from the twelve bidders was \$1,624,051.55 to \$2,376,847.84.

In addition to the project bids, the City will be direct purchasing pumps and controls for the new pumping station that will service the development and other future areas outside of the City's current limits. The pricing for pumps, controls, and wiring is an additional \$125,000 for the project. The City Council will consider approving the additional amount at the September City Council meeting.

It is recommended that the Developer's Agreement with the property owners be finalized and the City Council award the bid to the lowest responsible bidder. R.L. Larson is currently working on a street and utility reconstruction in Detroit Lakes and anticipates coming to town when contracts are finalized and materials can be delivered.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution 2023 – 37 entitled "Resolution In The Matter Of Accepting The Bid For Prairie's Edge Third Addition Street And Utility Improvements, Perham, Minnesota," to accept the low bid of \$1,624,051.55 from R.L. Larson out of St. Cloud pending signed and finalized Development Agreements with Joe Esser and Justin Scallon of JDS Enterprises.

#### **Adjournment**

On a motion by Council Member Lehmkuhl, seconded by Council Member Meyer and carried without a dissenting vote, Mayor Meehl adjourned the Special Council Meeting at 5:23 pm.

Respectfully submitted by,



Heather Hoeft  
Administrative Assistant

ATTEST:

  
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Mayor