

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
December 10, 2012**

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 Mattfeld, Lehmkuhl, Spencer and Mayor Meehl.

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

Others present: City Attorney Happel, City Engineer Berube and 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. City Manager Klemm requested the Council consider approving the 2013 Membership Packages for the Lakeside Golf Course.

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

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 Spencer 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 Spencer and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting of the Council held on November 13th, 2012.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to consider payment of City Claims. Finance Officer Stokke requested Council consider one additional claim to US Energy in the amount of \$484,337.76. A short discussion ensued.

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved payment of City Claims in the amount of \$1,442,349.92 for the month of November, 2012.

GOLF COURSE DEBT RESTRUCTURING

Mayor Meehl stated Council may wish to consider assisting the Golf Course with restructuring their debt. City Manager Klemm reviewed the memo that was discussed at the Committee of the Whole.

City Manager Klemm stated the City can be a participant in a corrective plan by assuming some of the debt and also forgiving some of the debt that is owed by the Golf Course. The corrective plan includes three items involving the City: 1. The City could use the \$40,000 budgeted in 2012 for a new well to pay off the equipment loan. 2. The City could forgive assessments of \$88,449; it was noted, the debt service fund can utilize some tax increment dollars to make up the difference. 3. The City could assume the \$180,000 loan owed to United Community Bank for the Clubhouse project; the loan can be put on an interest-only payment until payments can be taken over by the City in 2016 when the equipment bonds are paid off. City Manager Klemm stated this plan would save the Golf Course \$41,830 in 2013. The remaining budget shortfall would need to be made up by the Golf Course through rate increases, cost containments, hole sponsorships and other fundraisers. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the City's participation in the corrective plan for the Golf Course as noted above.

PERHAM LAKESIDE GOLF CLUB/2013 MEMBERSHIP PACKAGE

Mayor Meehl stated Council may wish to consider approving the membership rates for the Golf Course.

City Manager Klemm reviewed the proposed 2013 Membership Packages as recommended by the Golf Course Board. It was noted, the Gold Membership rates increased slightly and the Silver and Bronze Membership rates had a higher increase.

Council Member Spencer questioned how do these rates compare to other courses? City Manager Klemm stated the Gold Membership is similar to Blueberry Pines and the other two packages are higher, but we also have twenty-seven holes. City Manager Klemm stated overall, we are fairly comparable for single memberships and maybe a little higher on couple memberships. Discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the 2013 Membership Packages for the Perham Lakeside Golf Club.

REQUEST FOR FUNDING/EOT HISTORY MUSEUM

Mayor Meehl stated Council may wish to consider assisting the East Otter Tail County History Museum with funding and finding a new director. Karen Crabtree, the Board's Vice President spoke briefly reiterating discussions held at the Committee of the Whole. Ms. Crabtree stated that Board Members are going across the State asking financial assistance from VFWs. Ms. Crabtree stated the Board plans on housing a "Center for Veterans" and if this is possible, they may be eligible for other funds and grants.

Lina Belar, the current Director, thanked the Council for all they have committed to both museums. Both museums are outstanding museums and the community will pull together to keep them going. Ms. Belar spoke of the number of local people who have contributed to the exhibits and how proud they are of that. Both of these museums have potential to draw people from across the world and asked the Council to keep that in mind when making their decision.

Mayor Meehl stated the Finance Committee discussed this at their meeting last week. MMCDC sent a letter with stipulations regarding various financial matters and a timeline in which the stipulations need to be completed. Mayor Meehl stated these things need to be rectified prior to the City Council making any commitments. The City Council also requested information at the Committee of the Whole Meeting. Members of the Finance Meeting recommended this matter be tabled until the January 14th Council Meeting. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council tabled this matter to a later date.

CLEARWATER FIRST ADDITION/LOT PRICING

Mayor Meehl stated Council may wish to consider adjusting the price of lots in Clearwater First Addition and a special assessment on one lot in Clearwater First Addition.

City Manager Klemm stated the rates for lots have remained the same since 2008. The recommended lot prices would increase \$500 and the new rates would be effective March 1, 2013. City Manager Klemm recommended Lot 1, Block 5, the lot price should increase \$7,000 and the assessment should be reduced \$7,000. Discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved increasing lot prices in the amount of \$500 in Clearwater First Addition and adjusting the assessment and lot price in the amount of \$7,000 for Lot 1, Block 5, Clearwater First Addition.

***FINANCING WASTEWATER TREATMENT FACILITY PROJECT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the issuance and sale of a General Obligation Wastewater Revenue Note in the amount of \$3,247,633 to assist with financing of the Wastewater Treatment Facility Project and approved Resolution No. 2012 – 46 entitled “Resolution Relating To \$3,247,633 General Obligation Wastewater Revenue Note, Series 2012C; Authorizing The Issuance And Sale, Fixing The Form And Details Thereof And Providing For The Security Therefor”.

***APPROVAL OF AN ASSESSMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized staff to forward a delinquent utility bill to Otter Tail County Auditor’s office to be assessed and approved Resolution No. 2012 – 47 entitled “Resolution In The Matter Of Assessing Unpaid Utility Services, City Of Perham”.

***DELINQUENT UTILITY ACCOUNTS**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized writing off uncollectible utility accounts and approved Resolution No. 2012 – 48 entitled “Resolution In The Matter Of Writing Off Uncollectible Utility Account Balances, Perham, Minnesota”.

***2013 CITY COUNCIL MEETING SCHEDULE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the schedule for Council Meetings to be held in 2013.

***2013 CIGARETTE LICENSE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the Mayor and City Manager to sign licenses for the applications submitted for Cigarette Licenses contingent upon receipt of fees by the City Office.

***NP PARK**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the use of NP Park by the Cub Scouts; it was noted the Cub Scouts are doing a fundraiser for the Food Shelf on December 15th.

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

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the PLGC’s Income Statement for October, 2012.

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

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted PACC’s Financial Reports for October, 2012.

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

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the following reports for November 2012: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

***FIRE DEPARTMENT/2013 OFFICERS**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the following Officers for 2013 for the Fire Department: Chief/Mark Schmidt, 1st Assistant/Mark Ebeling, 2nd Assistant/Kelly Melgard, 3rd Assistant/Vance Bachman, 4th Assistant/Jon Ebeling, Head Engineer/Jeremie Schossow, Assistant Engineer/Matt Hendrickx, Assistant Engineer/John Merkins, Assistant Engineer/Clayton Trautman and Department Secretary/John Kostynick.

PACC BONDING PROPOSAL RESOLUTION

Mayor Meehl stated Council may wish to consider approving a resolution regarding requesting funds for PACC improvements in the 2013 Bonding Bill. City Manager Klemm stated 2013 is not a bonding year but since Governor Dayton did not get the bonding that he wanted in 2012, people think that he may have

another bonding bill this year and if so, we want to get our name on that list for funds for the Community Center.

City Manager Klemm stated the PACC is twenty-three years old and needs to make improvements to the existing facility and needs to expand to meet the needs of their members. The request will be for \$2,567,700 and includes the following projects; field house roof re-insulation, field house flooring replacement, pool suspended ceiling replacement, ADA family changing rooms, cardio/fitness and free weight area improvements, cardio/fitness/aerobics addition and parking lot improvements. The various projects were discussed.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 2012 – 49 entitled “Resolution In The Matter Of Applying For State Bonding For Perham Area Community Center”.

***DECERTIFYING TAX INCREMENT FINANCING DISTRICT 2-20**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved decertifying Tax Increment Financing District 2-20 and Resolution No. 2012 – 50 entitled “Being A Resolution Approving The Decertification Of Tax Increment Financing District No. 2-20 Of The City Of Perham”.

***DECERTIFYING TAX INCREMENT FINANCING DISTRICT 2-21**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved decertifying Tax Increment Financing District 2-21 and Resolution No. 2012 - 51 entitled “Being A Resolution Approving The Decertification Of Tax Increment Financing District No. 2-21 Of The City Of Perham”.

***DECERTIFYING TAX INCREMENT FINANCING DISTRICT 2-23**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved decertifying Tax Increment Financing District 2-23 and Resolution No. 2012 - 52 entitled “Being A Resolution Approving The Decertification Of Tax Increment Financing District No. 2-23 Of The City Of Perham”.

***REMOVING PARCELS FROM TAX INCREMENT FINANCING DISTRICT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved removing two parcels from TIF District 2-19 and Resolution No. 2012 – 53 entitled “Resolution Approving The Elimination Of A Parcel From Tax Increment Financing District No. 2-19 Within Development District No. 2 Of The City Of Perham”.

***ACCEPTANCE OF THE BUILDING PERMIT REPORT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the Building Permit Report for November, 2012.

CITY ENGINEER MONTHLY UPDATE

Mayor Meehl stated the City Engineer will give an update on various projects. City Engineer Berube stated he was happy to be working with the City of Perham again. Berube stated he is in the process of updating the City maps.

2013 STREET AND PARKING LOT IMPROVEMENT PROJECT

Mayor Meehl stated Council may wish to consider authorizing City Engineers prepare a Preliminary Engineering Report for the Third Avenue SW between 2nd Street SW and 7th Street SW; Sixth Street SW between 3rd Avenue SW and 4th Avenue SW; and the parking lot between 1st Avenue North and 3rd Avenue North running adjacent and parallel to the railroad tracks. Council Member Spencer questioned if improvements need to be made to qualify for the quiet zone, will necessary improvements be incorporated in with this project. City Manager Klemm stated if improvements can be included, they will be.

City Manager Klemm stated parking lot assessments will be spread throughout the Downtown Business District. Discussion ensued. It was noted, the public hearing will be held in February.

On a motion by Council Member Spencer, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 2012 -54 entitled "Resolution In The Matter Of Ordering Preliminary Engineering Report 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 North Running Adjacent And Parallel To The Railroad Tracks, Perham, Minnesota".

SOCIAL HOST ORDINANCE

Mayor Meehl stated Council may wish to consider adopting the Social Host Ordinance adopted by Otter Tail County. City Attorney Happel stated he reviewed the proposed ordinance and recommends the Council approve it.

Police Chief Hoaby stated per State Statute, a person can be charged with purchasing alcohol for minors but the law is vague with charging property owners who knowingly allow minors to drink on their property. In order to be charged, the property owner needs to be aware that there is a party and that they did nothing to stop it. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance No. 342 entitled "Social Host Ordinance".

***CONTRACTING WITH COUNTY FOR LINE STRIPING**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized contracting with the County for line striping in the City and approved Resolution No. 2012 – 55 entitled "Contract With Otter Tail County For Traffic Marking, Perham, Minnesota".

***PIONEER GROUNDS LEASE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a one-year lease with the East Otter Tail County Historical Society to manage the Pioneer Grounds.

***ACCEPTANCE OF THE MONTHLY POLICE REPORT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the Monthly Police Report for November 2012.

2013 BUDGET AND LEVY/PUBLIC HEARING – 6:00 PM

Mayor Meehl opened the public hearing regarding the proposed 2013 Tax Levy and 2013 Budget at 6:02 pm. City Manager Klemm reviewed the proposed levy and noted the levy increase is one percent over the 2012 levy. The levy breakdown is as follows: General Fund at 36%, Debt Service at 34%, Library at 10%, Capital Improvements and Fire are both at 8%, EDA at 3% and HRA is at 1%.

City Manager Klemm reviewed the General Fund Expenditures which is as follows: Public Safety/Police is 42%, General Government is 18%, Public Works/Streets is 17% Park and Recreation is 16%, Airport is 5% and Senior Services is 2%. City Manager Klemm reviewed several other charts. Discussion ensued regarding estimated market value, homestead exclusion and taxable market value and how they affect property owners taxes. Discussion ensued.

It was noted, no written or verbal comments were received prior to the meeting and no one commented at the hearing. Mayor Meehl closed the public hearing at 6:22.

ADOPTION OF 2013 LEVY AND BUDGET

Mayor Meehl stated Council may wish to adopt the 2013 Final Tax Levy and Budget. A short discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the proposed levy and budget for 2013 and adopted Resolution No. 2012 – 56 entitled “Resolution In The Matter Of Establishing The Tax Levy For Taxes To Be Collected In 2013 And Approving The 2013 Budget, Perham, Minnesota”.

2013 FEE SCHEDULE

Mayor Meehl stated Council may wish to approve the 2013 Fee Schedule. City Manager Klemm stated that the proposed Fee Schedule did not change since the last budget meeting. A short discussion ensued.

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance No. 343 entitled “Ordinance Setting The 2013 Fee Schedule, City Of Perham, Minnesota”.

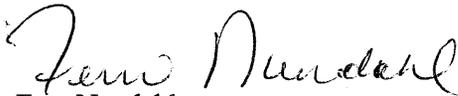
INFORMATION AND ANNOUNCEMENTS

The Holiday Pot Luck Party is scheduled for Wednesday, December 19 at 11:30
The City Offices will be closed Tuesday, December 25 and Tuesday, January 1
The next regular Council Meeting is scheduled for Monday, January 14, 2013

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the meeting was adjourned at 6:24 p.m.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant