

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
February 13, 2012**

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 Johnson, Mattfeld, Spencer and Meehl.

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

Others present: City Engineer Berube, PACC Director Nelson, Building Official Neisen and City Attorney Happel

**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 U.S. Energy Agency Authorization Agreement be added to the agenda as Item 6. L.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Agenda with the addition of the above noted item.

**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 Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the Consent Agenda as presented.

**\*APPROVAL OF MINUTES**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting of the Council held on January 9<sup>th</sup>, 2012.

## **2012 PACC BUDGET**

Mayor Meehl stated Council may wish to approve the 2012 PACC Budget. PACC Director Nelson reviewed the 2012 Budget. It was noted, no major changes were incorporated into the proposed budget. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the 2012 PACC Budget.

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

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

On a motion by Council Member Spencer, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved payment of City Claims in the amount of \$1,129,940.45 for January, 2012.

## **SALE OF REFUNDING BONDS**

Mayor Meehl stated Council may wish to accept the low bid for refunding of certain bonds. Todd Hagen, representing Ehlers stated they received six bids earlier today for crossover refunding of two outstanding Bonds; Series 2005A and Series 2006A.

Todd Hagen reviewed the Bid Tabulation sheet and noted UMB Bank of Kansas City, Missouri submitted the low bid with a true interest rate of 1.5541 percent. It was noted, with this low interest rate, the City will see a net savings of \$303,893. Closing will take place on March 14. Moody's Investors Service rating results were reviewed. Discussion ensued. It was noted, the call dates for the refunded bonds are 2013 and 2014. Bond proceeds will be invested in securities until the call dates so the resolution includes verbiage for an escrow account.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the low bid from UMB Bank of Kansas City Missouri and approved Resolution No. 2012 – 5 entitled "Resolution Authorizing Issuance, Awarding The Sale, Prescribing The Form And Details And Providing For The Payment Of General Obligation Refunding Bonds, Series 2012A".

## **REFUNDING 1999 GOLF COURSE REVENUE BONDS**

Mayor Meehl stated Council may wish to call for a public hearing for February 29<sup>th</sup> and consider advertising for bids to refinance the 1999 Golf Course Revenue Bonds.

Todd Hagen representing Ehlers stated there are several issues to be worked out prior to determining what type of bond the City can sell. A tax-exempt bond would be in the best interest of the City but due to the relationship with Mulligans and the Management Agreement, the City may have to go with taxable bonds. A public hearing is required if the City can proceed with a G.O. Tax Abatement Bond and that is scheduled for Wednesday, February 29<sup>th</sup>. Hagen noted, he would like to negotiate directly with the UMB Bank of Kansas City, Missouri who gave us the lowest bid for the refunding of bonds discussed earlier. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council scheduled a public hearing for Wednesday, February 29, 2012 to hear comments and consider granting an abatement of all or a portion of the City's share of property taxes on properties that benefit from the Perham Lakeside Golf Course and approved staff to work with Ehlers regarding options for refunding the 1999 Golf Course Revenue Bonds; the two funding options include:

1. Advertising for bids with acceptance on March 12 and approved Resolution No. 2012 – 6 entitled “Resolution Providing For The Sale Of \$590,000 General Obligation Tax Abatement Bonds, Series 2012B, Perham Lakeside Golf Course, Perham, Minnesota”;
2. Negotiate directly with UMB Bank of Kansas City, Missouri to obtain a tax-exempt or taxable general obligation bond, a negotiated rate would be available at the February 29<sup>th</sup> Council Meeting.

### **ELECTRIC FRANCHISE AGREEMENT**

Mayor Meehl stated Council may wish to consider implementing fees on Otter Tail Power for providing electric service within the City of Perham. City Manager Klemm reviewed the Ordinance noting that Otter Tail Power requested the effective date to be after July 1<sup>st</sup>.

City Manager Klemm reviewed the fee schedule. It was noted, this fee will cover the cost for street lighting. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Ordinance No. 331 entitled “An Ordinance Implementing An Electric Franchise Fee On Otter Tail Power Company For Providing Electric Service Within The City Of Perham”.

### **\*LOCAL BOARD OF REVIEW**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved scheduling the Local Board of Review for Wednesday, May 2, 2012 from 1:00 to 2:00 pm. It was noted, a Council quorum is required.

### **\*LIQUOR STORE ENERGY IMPROVEMENTS**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized energy improvements, not to exceed \$14,653.08, at Landmark Liquor.

### **\*SUPPLEMENT ORDINANCE**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved adopting a supplement to the Code of Ordinances and Ordinance No. 332 entitled “An Ordinance Enacting And Adopting A Supplement To The Code Of Ordinances For The City Of Perham, Minnesota And Declaring An Emergency”.

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

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the PLGC's Income Statement for December 2011.

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

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the PACC's Financial Reports for December 2011.

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

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

**U.S. ENERGY AGENCY AUTHORIZATION**

Mayor Meehl stated Council may wish to approve an Agency Authorization with U.S. Energy.

Finance Officer Stokke stated U.S. Energy is working to get unsecured credit with Macquarie for the City of Perham. Macquarie is consistently \$.04 - \$.12 lower on natural gas prices than the other suppliers at Emerson. Representatives of Macquarie reviewed our current Agency Authorization Agreement and recommended a couple of changes. The changes were reviewed. It was noted, the original contract with U.S. Energy will not change, just the Agency Authorization Agreement. Discussion ensued.

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the changed to the Agency Authorization Agreement with U.S. Energy.

**ANNEXATION OF CITY-OWNED PROPERTY**

Mayor Meehl stated Council may wish to proceed with annexation of City-owned property located adjacent to and northerly of Clearwater Estates, First Addition. City Manager Klemm briefly reviewed the Ordinance. It was noted, since the property is owned by the City and is not developed, the annexation can be completed by ordinance, a public hearing is not required. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance No. 333 entitled "Annexation Of Parcel Currently Identified As #51000150125002, City Of Perham, County Of Otter Tail, State Of Minnesota, An Ordinance Extending The Corporate Limits Of The City Of Perham, To Include Certain Unincorporated Property Within The Limits Of The City".

## **SECOND AVENUE NE**

Mayor Meehl stated Council may wish to consider dedicating land for a public road and declaring it 2<sup>nd</sup> Avenue NE adjacent Blossoms, Birds and Beyond.

City Manager Klemm stated a thirty-three foot easement exists on the east side of the gravel road adjacent to Blossoms, Birds and Beyond and the Bleichner property. Klemm stated if the City would dedicate thirty-three feet, a sixty-six foot road right-of-way will then exist for the current road. It was noted, the City maintains this road since the annexation of Blossoms, Birds and Beyond. 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. 2012 – 7 entitled “Resolution Pursuant To Minnesota State Statute, Section 412.221 Extending A Public Street, Perham, Minnesota”.

## **\*MINNESOTA TECHNICAL ASSISTANCE PROGRAM**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council agreed to support the Minnesota Technical Assistance Program which provides energy efficiency information and low-cost energy audits for small businesses in rural communities and approved Resolution No. 2012 – 8 entitled “Resolution In The Matter Of Supporting Minnesota Technical Assistance Programs’ Grant Application To United States Department Of Agriculture For An Energy Workshop And On-Site Audit Project”.

## **\*ACCEPTANCE OF THE BUILDING PERMIT REPORT**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the Building Permit Report for January 2012.

## **CITY ENGINEER MONTHLY UPDATE**

Mayor Meehl stated City Engineer will give an update on various projects. City Engineer Berube stated he does not have an update because we do not have any projects at this time. Berube stated he and the City Manager have discussed future projects and if they should be applying for PFA Funding. It was noted, because of the low interest rates right now, the City is in a better position to obtain General Obligation Bonds because they do not required paying prevailing wages. A short discussion ensued.

## **GRANDSTANDS AT KRUEGER FIELD**

Mayor Meehl stated Council may wish to discuss demolishing the grandstands at Krueger Field.

City Manager Klemm stated he received four bids for the demolition of the grandstands and they ranged from \$7,800 to \$19,425. One of the significant price factors was due to transportation and landfilling fees of the green-treated wood. Following several discussions, a member of the Amish community has offered to purchase for a nominal cost, the steel, roof joists and most of the seating materials. It is expected that the main supports and concrete pads will remain which either City staff will clean up or the City can contract the work out.

City Manager Klemm stated he is working with City Attorney Happel and City Insurance Agent Overland to address risk and liability issues. The Bill of Sale will include a "hold harmless" clause. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the sale of grandstand materials for \$10 to William Miller; it was noted, the Bill of Sale is to include a "hold harmless" clause.

**\*RIGHT-OF-WAY/CSAH 34**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved a right-of-way agreement with Otter Tail County for storm water pond in connection with the Highway 10/County State Aid Highway 34 Project.

**\*MN DOT INTERCHANGE RESOLUTION**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved dedicating land for a public road in connection with the Highway 10/County State Aid Highway 34 Project and Resolution No. 2012 – 9 entitled "Resolution Dedicating Land For Road Purposes".

**\*LIFT STATIONS/REPLACING CONTROL PANELS**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized the purchase of control panels that are compatible with the SCADA System for the Pamida and The Link's lift stations; this is a budgeted item.

**\*RUN FOR A CURE**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized the use of Arvig Park for "Run for a Cure" on May 5, 2012.

**\*BEACON REPLACEMENT AT AIRPORT**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized entering into a Grant Agreement with the Office of Aeronautics to assist with replacing the beacon at the Airport and approved Resolution No. 2012 – 10 entitled "Authorization To Execute Minnesota Department Of Transportation Grant Agreement For Airport Improvements Excluding Land Acquisition".

**\*ACCEPTANCE OF THE MONTHLY POLICE REPORT**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the Monthly Police Report for January 2012.

**\*TRANSFERRING OWNERSHIP OF FACILITY**

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved transferring ownership of the Perham Resource Recovery Facility to Prairie Lakes Municipal Solid Waste Authority and Resolution No. 2012 – 11 entitled “Transfer Of Ownership Perham Resource Recovery Facility, Perham, Minnesota”.

**INFORMATION AND ANNOUNCEMENTS**

February 20 is President’s Day, City Offices will be closed.

The Committee of the Whole is scheduled for Wednesday, February 29 at 5:15

The next Regular Council Meeting is scheduled for March 12, 2012 at 5:15 pm

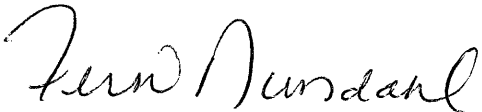
The Local Board of Review is scheduled for Wednesday, May 2 at 1 pm, a Council quorum is required.

The Household Hazardous Waste is scheduled for Wednesday, July 25 from 10:00 to 2:00.

**ADJOURNMENT**

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the meeting was adjourned at 6:20 p.m.

Respectfully submitted by,



Fern Nundahl  
Administrative Assistant