

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
February 11th, 2013**

The regular meeting of the Perham City Council was called to order by Deputy Mayor Johnson at 5:19 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, Spencer and Mayor Meehl.

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

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

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

Deputy Mayor Johnson requested all in attendance to rise for the Pledge of Allegiance. Mayor Meehl arrived at this time.

**OATH OF OFFICE**

City Manager Klemm administered the Oath of Office to Council Member James Johnson.

**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 Item 7C Management Agreement be removed from the agenda.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the agenda with the deletion 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. City Manager Klemm requested Item 9C Water Tower Painting be removed from the Consent 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 with the removal of the above noted item.

**\*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 January 14<sup>th</sup>, 2013.

**APPROVAL FOR PAYMENT OF CITY CLAIMS**

Finance Officer Stokke requested the Council consider paying two additional payables: US Energy in the amount of \$676,957.16 and Magney Construction Inc. in the amount of \$1,631,940.73.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved payment of City Claims in the amount of \$2,123,608.25.

**\*CHAMBER OF COMMERCE/2013 MARKETING BUDGET**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Chamber of Commerce's 2013 Marketing Budget and the Marketing and Media Plan.

**\*LOCAL BOARD OF REVIEW**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council scheduled the Local Board of Review for Wednesday, May 1, 2013 from 1:00 to 2:00 pm. It was noted a Council quorum is required.

**\*SENIOR CENTER LEASE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the lease between the City and Mark and Barb Lenius for the Senior Center.

**\*PLANNING COMMISSION MEMBER**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the appointment of Arnie Thompson to the Planning Commission.

**\*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 December 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 the PACC's Financial Reports for December 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 approved the following reports for January 2013: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

**SALE OF FAIRGROUND PROPERTY**

Mayor Meehl stated Council may wish to consider authorizing the sale of Fair Ground property adjacent to Third Avenue SE and establish covenants for the property. City Manager Klemm stated staff would like to take bids for the purchase of the Fairground property which is adjacent to Third Avenue SE. Minimum bid is proposed to be \$150,000, all bids would be subject to approval of the City Council and the City reserves the right to reject all bids. Bid opening will be scheduled for April 3, 2013 at 2:00.

City Manager Klemm stated in the event the second highest bidder desires to raise his/her bid after the bid opening, an auction will be held between the highest bidder and the second highest bidder. The property will be sold subject to certain conditions and restrictions which are included in the Purchase Agreement. The buyer is required to demolish the buildings on the site. Discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized advertising for the sale of the Fairground property adjacent to Third Avenue SE.

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

There were no permits were issued in January, 2013.

**WATER TOWER PAINTING**

Mayor Meehl stated Council may wish to consider ordering plans and specifications for painting of the water tower located near the Elementary and Middle Schools. City Engineer Berube stated the water tower has shown wear in the recent years. The wear can be seen under the bowl of the tower where dirt and other debris has accumulated throughout the years. The interior of the tower was investigated by Liquid Engineering and the results show that the interior should also be recoated.

City Engineer Berube stated the interior was last coated in 1995 and the exterior was recoated in 2003. Approximate cost for the interior coating would be \$150,000 and the exterior with a seven

to ten year replacement would be \$100,000. City Engineer Berube stated a primary and secondary logo should be included with the plans and specifications. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council authorized the preparation of plans and specifications for recoating the exterior and interior of the water tower.

### **2013 IMPROVEMENT PROJECT/ 5:33 - PUBLIC HEARING/THIRD AVENUE SW**

Mayor Meehl stated Council may wish to hear comments regarding proposed improvements on Third Avenue SW between 2<sup>nd</sup> Street SW and 7<sup>th</sup> Street SW; Sixth Street SW between 3<sup>rd</sup> Avenue SW and 4<sup>th</sup> Avenue SW. This hearing is being held in accordance to Chapter 429 of the Minnesota State Statutes. The purpose of this hearing is to provide notifications to the public regarding the proposed improvements, improvement schedules and assessment procedures. Jade Berube, of Apex Engineering Group will be presenting information regarding the proposed project. Following the presentation, time will be provided for questions relating to the proposed project.

City Engineer Berube stated the Third Avenue Southwest project was outlined in the 2010 and 2011 Capital Improvement Plan. In December, the City Council called for a Preliminary Engineer Report and it was received in January. At that time, the Council scheduled the public hearing for tonight. City Engineer Berube stated a public hearing is required by Minnesota Statute 429. The public hearing provides notification to the public and describes the project limits, proposed improvements and the project schedule. The public hearing also informs benefiting properties of assessment procedures and provides a reasonable estimate of the total amount assessed.

City Engineer Berube reviewed the following:

- Project Area
- Project Components, improvement include water, sanitary sewer, street and drainage improvements
- Street improvements with curb and gutter and street widths of 50 feet and/or 44 feet
- Reconstruction of sidewalks; replacement, additional and/or removal

City Engineer Berube stated the estimated total project cost is \$1,011,000 which includes street width of 50 feet; 44 foot streets would reduce estimated cost \$45,000 and removal of all sidewalks south of Third Street would reduce the estimated cost \$35,000. Estimated assessments for a 44 foot street are \$321,000 and the City share is \$645,000. Estimated assessments for sanitary sewer services is \$1,400 each, water services is \$1,725 each, 44 foot street and sidewalk is \$86.75 assessable foot and 44 foot street without sidewalks is \$81.75 assessable foot. City Engineer Berube explained the assessable footage.

City Engineer Berube reviewed the project schedule noting if the project proceeds, bids would be received in May and an Assessment Hearing would be scheduled in June. After the Assessment Hearing, the Council may award the bid and construction would begin in June.

The following comments were received:

Pastor Phil Holtan, Calvary Lutheran Church, 619 3<sup>rd</sup> Avenue SW

Holtan stated Calvary Lutheran Church has diagonal parking on the east side of the street. He would like the streets to be 50 foot to continue with diagonal parking.

Roman Walz, 259 4<sup>th</sup> Street SW

Walz questioned if they have a 44 foot street, who owns the additional footage. City Manager Klemm stated it remains part of the City's road right-of-way. Walz stated after heavy snowfalls, 50 foot streets are not that wide. Walz stated he would prefer 50 foot streets and wants a sidewalk for people to walk on rather than walking in the streets. Walz questioned the assessments. City Manager Klemm stated the City will defer assessments for the elderly and handicapped if they meet certain requirements. Walz questioned if he will be able to get out of his driveway during construction. City Engineer Berube stated the contractor will contact residents on the days that you may not have access to your house; if you need to leave, they will assist you.

Julie Kempenich, 510 3<sup>rd</sup> Avenue SW

Kempenich stated she would prefer 44 foot wide streets and would like a sidewalk on the other side of the street.

Rand Stolee, Calvary Lutheran Church, 619 3<sup>rd</sup> Avenue SW

Stolee stated there have been a number of sewer backups in this area and questioned if the reconstruction would prevent some of the backups. City Engineer Berube stated yes, with the construction of the lift station in the area and lowering the main, it will alleviate many of the problems. Stolee stated the majority of the sidewalks are not maintained during the winter months; he felt that sidewalks are not needed. Stolee questioned if a property owner has damages during construction, who is liable? City Engineer Berube stated typically, the contractor is liable.

Lisa Green, 343 3<sup>rd</sup> Avenue SW

Green stated during heavy rains, they have a lot of ponding in the back yard, will that be taken care of? City Engineer Berube stated yes, storm sewer improvements will be made. Green stated they prefer 50 foot streets and no sidewalks.

Steve Sheets, Schoenberger Funeral Home, 254 3<sup>rd</sup> Avenue SW  
Sheets stated he prefers 50 foot streets and sidewalks.

Log Cabin Enterprises, Chris Laudenbach  
Laudenbach stated he had a new water service installed during the 2<sup>nd</sup> Street Project and questioned if he would be charged for it again. City Engineer Berube state no.

Gary Ebeling, 344 6<sup>th</sup> Street SW  
Ebeling stated he is in favor of the 50 foot streets all the way down Third. Ebeling stated his sewer is down only 4 feet and questioned if he will have a problem. City Engineer Berube stated no. Ebeling stated there is a lot of ponding during heavy rains and re-emphasized the need for storm sewer. City Engineer Berube stated storm sewers are going to be replaced.

John Turgeon, 713 3<sup>rd</sup> Avenue SW  
Turgeon stated he is out of the project area and questioned what the time frame is for reconstruction of his street. City Manager Klemm stated it is not scheduled at this time.

Pastor Phil Holtan, Calvary Lutheran Church, 619 3<sup>rd</sup> Avenue SW  
Holtan questioned if we will lose more trees if the road is 50 foot wide. City Engineer Berube stated yes, expect to lose three to four trees per block and sometimes more. They always lose some trees due to underground service lines.

The public hearing was closed at 6:04. No other comments were received prior to the meeting.

### **2013 IMPROVEMENT PROJECT/ 6:05 - PUBLIC HEARING/PARKING LOT**

Mayor Meehl stated Council may wish to hear comments regarding proposed improvements on parking lot between 1<sup>st</sup> Avenue North and 3<sup>rd</sup> Avenue NW running adjacent and parallel to the railroad tracks. This hearing is being held in accordance to Chapter 429 of the Minnesota State Statutes. The purpose of this hearing is to provide notifications to the public regarding the proposed improvements, improvement schedules and assessment procedures. Jade Berube, of Apex Engineering Group will be presenting information regarding the proposed project. Following the presentation, time will be provided for questions relating to the proposed project.

City Engineer Berube stated the Downtown Parking Lot Project was outlined in the 2010 and 2011 Capital Improvement Plan. In December, the City Council called for a Preliminary Engineer Report and it was received in January. At that time, Council scheduled the public hearing for tonight. City Engineer Berube stated a public hearing is required by Minnesota Statute 429. The public hearing provides notification to the public and describes the project

limits, proposed improvements and the project schedule. The public hearing also informs benefiting properties of assessment procedures and provides a reasonable estimate of the total amount assessed.

City Engineer Berube reviewed the project area and estimated costs. The storm sewer cost is estimated to be \$20,000 and street improvements are estimated to be \$218,000. Assessments will follow a similar process used in other the Downtown Streetscapes Improvement Projects. The improvement district will be broken into tiers. Tier 1 will be adjoining properties; Tier 2 is properties within one block of the project and Tier 3 are all other properties. Assessments will be calculated based on two components: footage of the short side of the lot and percentage of off-street parking provided by the property per the City's ordinance.

City Engineer Berube stated estimated assessable costs are \$125,500 and the City share is \$112,500. Estimated assessments rates for Tier 1 are \$90 per assessable foot, Tier 2 is \$45 per assessable foot and Tier 3 is \$30 per assessable foot. It was noted, BNSF will be charged for drainage improvements. Estimated assessments for each Tier were reviewed.

City Engineer Berube reviewed the project schedule noting if the project proceeds, bids would be received in May and an Assessment Hearing would be scheduled in June. After the Assessment Hearing, the Council may award the bid and construction would begin in September and be finished in October. City Manager Klemm stated the assessment would be set for ten years and the interest would be calculated on the bond rate plus one percent.

The following comments were received:

Scott Wallace, 245 West Main

Wallace questioned if some of this work was done within the last couple of years. City Engineer stated about six years ago, improvements were made behind Ma's Little Red Barn because they were experiencing major drainage issues. Wallace questioned how the "Downtown Parking District" came to be. City Manager Klemm stated it is the same area used for several projects including Main Street, First Avenue South, Second Street and other improvement projects. Wallace stated he will be paying for the last improvement project until 2020 and would prefer this project wait until then. City Manager Klemm stated it is up to the Council if the project is to proceed this year or at a future time. If the bids are higher than expected, the Council has the option at that time to stop the project.

Telephone conversations took place earlier with the Manager of Service Foods, Michael Hamann and Mark Murdock. These discussions involved the location of the project, assessments/tiers and project schedule. No other comments were received. The public hearing was closed at 6:18.

### **2013 IMPROVEMENT PROJECT/ RESOLUTION ORDERING PLANS AND SPECS**

Mayor Meehl stated Council may wish to consider ordering plans and specifications for the 2013 Improvement Project. Council Member Lehmkuhl stated most of the comments received tonight were in favor of keeping the fifty foot streets and those who have sidewalks want to keep them and those that don't have sidewalks, would prefer not to have them. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved proceeding with the project which includes fifty foot streets and an alternate that includes sidewalks on the southeast side of Third Avenue SW and approved Resolution No. 2013 – 5 entitled “Resolution Ordering Improvements And Preparations Of Plans For 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”.

### **\*SALE OF VEHICLES**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the sale of the following vehicles to the high bidders: 2004 Ford F150 XL to the City of Glyndon for \$5,000 and a 2000 Ford F350XL to Steve Baumgart for \$8,100.

### **\*TREE ORDINANCE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council adopted an ordinance regulating the planting and maintenance of trees and other woody vegetation on public and private property within the City; Ordinance No. 344 entitled “Ordinance Regulating Tree/Shrub Planting and Maintenance, City Of Perham, Minnesota.

### **\*EMERALD ASH BORER MANAGEMENT PLAN**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council adopted an Emerald Ash Borer Management Plan.

### **\*HOUSEHOLD HAZARDOUS WASTE MOBILE COLLECTION**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized staff to host a Hazard Waste Mobile Collection on Friday, July 12 from 10:00 to 2:00.

### **\*LOCATING AGREEMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Locating Agreement between the City and Citi Lites.

**\*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 January 2013.

**INFORMATION AND ANNOUNCEMENTS**

The City Offices will be closed on Monday, February 18 for Presidents' Day

The Committee of the Whole is scheduled for Wednesday, February 27 at 4:00

The Perham Hospital District Annual Meeting is scheduled for Wednesday, February 27 at 5:30

The next regular Council Meeting is scheduled for Monday, March 11<sup>th</sup>

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

**ADJOURNMENT**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the meeting was adjourned at 6:28 p.m.

Respectfully submitted by,



Fern Nundahl  
Administrative Assistant