

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
February 10, 2014**

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 Meehl, Johnson, Mattfeld and Spencer.

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

Others present: City Engineer Berube, Building Official Neisen, 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 stated Council will recognize citizens who may have items for 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.

On a motion by Council Member Mattfeld, seconded by Council Member Johnson 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 Johnson, 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 Johnson, 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 13, 2014.

PUBLIC HEARING/REFINANCING OF REVENUE BONDS FOR PRODUCTIVE ALTERNATIVES

Mayor Meehl stated Council may wish to hear comments regarding refinancing Revenue Bonds for Productive Alternatives and authorizing the City of Fergus Falls to host the issuance of the bonds. Mayor Meehl opened the Public Hearing at 5:17.

Kent Mattson, representing Productive Alternatives and the City of Fergus Falls stated Productive Alternatives is refinancing some of their current debt and is proposing construction of a new Facility. Since they have a Facility in Perham which is included in the refinancing, a public hearing must be held here. The City of Fergus Falls is acting as a conduit for this project. The City of Perham will not be held responsible for any debt.

The Public Hearing was closed at 5:19. It was noted, no written or verbal comments were received prior to the hearing.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 2014 – 4 entitled “Resolution Giving Host Approval To The Issuance Of Revenue Bonds (Productive Alternatives, Inc. Project).”

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to approve payment of City claims. Finance Officer Stokke requested Council consider three additional claims: Charles Johnson in the amount of \$72.79, Mark Schmidt in the amount of \$467.71 and US Energy in the amount of \$1,007,933.19.

On a motion by Council Member Spencer, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved payment of claims for January 2014 in the amount of \$1,446,286.04.

2014 BUDGET/PERHAM LAKESIDE GOLF COURSE

Mayor Meehl stated Council may wish to approve the 2014 Budget for the Perham Lakeside Golf Course. City Manager Klemm stated per the Management Agreement, Council needs to approve their budget and the membership rates annually. The budget was reviewed. City Manager Klemm reviewed the rates and noted that the rates are the same as in 2013. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the 2014 Budget and Membership Rates for Perham Lakeside Golf Course.

2014 BUDGET/PERHAM AREA COMMUNITY CENTER

Mayor Meehl stated Council may wish to approve the 2014 Budget for the Perham Area Community Center. The budget was reviewed.

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the 2014 Budget for the Perham Area Community Center.

QUIET ZONE

Mayor Meehl stated Council may wish to determine if the City should proceed with a Quiet Zone. City Manager Klemm stated the Public Works and Safety Committee requested additional time to review the options for a Quiet Zone. They would like to lower the proposed costs but still maintain the safety features. In the spring, Council and staff could visit each crossing to evaluate their options. The Committee would also like to meet with the industries to get their opinions. Discussion ensued. It was noted, this issue would be tabled to a later date.

MEMORANDUM OF AGREEMENT

Mayor Meehl stated Council may wish to consider approving a Memorandum of Agreement between the City and Barrel O Fun for the sale of the Public Works Facility. City Manager Klemm stated he would like the Planning Commission to review the Agreement prior to the Council approving it. The Planning Commission will meet on February 18. It was noted, the Council would review this matter at the March Council Meeting.

SENIOR CENTER LEASE

Mayor Meehl stated Council may wish to consider approving the lease between the City and Mark and Barb Lenius for the Senior Center. City Manager Klemm stated he met with Mark Lenius who is in agreement to extend the Senior Center Lease for thirty days. This would give Staff and Council time to address a possible new site for the Center. It was noted, this issue would be tabled to the March Council Meeting.

***CHAMBER OF COMMERCE/2014 MARKETING BUDGET**

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Chamber of Commerce's 2014 Marketing Budget.

***LOCAL BOARD OF REVIEW**

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council scheduled the Local Board of Review for Wednesday, April 30, 2014 from 1:00 to 2:00 pm. It was noted; a Council quorum is required.

***DONATION TO EAST OTTER TAIL COUNTY FAIR**

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved donating \$1000 from the Liquor Fund to the East Otter Tail County Fair.

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

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the PLGC's Income Statement for December, 2013.

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

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the PACC's Financial Reports for December 2013.

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

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the following reports for January 2014: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

MINNESOTA HOUSING PARTNERSHIP GRANT

Mayor Meehl stated Council may wish to accept a grant for a comprehensive housing study for the cities of Perham and New York Mills; the grant was approved up to \$10,000 and is a 50/50 split.

City Manager Klemm reviewed the Grant Agreement. The timeframe set forth by the Grant was reviewed. It was noted, Minnesota Housing Partnership will provide up to forty hours of technical assistance. City Manager Klemm stated this is a two-fold issue: accepting the grant and accepting a proposal for the housing study along with funding of the study. Discussion ensued.

On a motion by Council Member Mattfeld, seconded by Council Member Johnson and carried without a dissenting vote, the Council agreed to accept the \$10,000 grant from the Minnesota Housing Partnership and authorized staff to enter in the Minnesota Housing Partnership Sustainable Community Engagement Fund Agreement.

City Manager Klemm stated the City received two proposals for comprehensive housing studies. Maxfield Research, Inc. submitted a proposal in the amount of \$14,870 excluding travel expenses not to exceed \$550. This company completed our last housing study in 2007. Community Partners Research, Inc submitted a proposal in the amount of \$19,000. This company just completed a housing study for the City of Detroit Lakes. City Manager Klemm stated the agreement with the City of New York Mills is a 60/40 split with Perham paying 60% of the study after the grant is applied. It was noted, the City of New York Mills is scheduled to meet on Thursday to determine if they will proceed with the project.

City Manager Klemm stated the Gas Fund could pay \$3000 and staff will be requesting HRA to pay the balance of the project. HRA would also determine which proposal to accept. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved transferring \$3000 from the Gas Fund to help finance the housing study and authorized the HRA to select the company to complete the comprehensive housing study pending their approval to pay the balance of the City's share of the housing study.

***SALE OF INDUSTRIAL LOTS/J&L NUTRITION CONSULTANTS**

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved selling Lots 4 and 5, Block 4, Industrial Park Second Addition to Joe and Lori Doll, aka J & L Nutrition Consultants.

CITY ENGINEER MONTHLY UPDATE

Mayor Meehl stated City Engineer will give an update on various projects. Engineer Berube presented the Council with a plaque from Tnemec for runner-up for the Water Tower Painting Project.

AIRPORT HANGAR

Mayor Meehl stated Council may wish to approve Plans and Specifications and advertise for bids for the proposed Airport Hangar. City Engineer Berube stated this project is broken down into two projects: site work including the Hangar Apron and the construction of the hanger. Due to the scope of the site work, this project will be sent to local contractors for quotes. The improvements are estimated to have a total project cost of \$85,000. Quotes will be accepted until Monday, March 24th at 2:00 pm. The completion date for the site work including the hangar apron is June 1.

City Manager Klemm stated the estimated costs for the construction of the hangar is \$243,000. BHH Partners drafted plans and specifications for the hangar. If approved, bids will follow the same time frame as the quotes with the bid opening on March 24th at 2:00. Construction of the hangar should be completed by August 1. Financing options were reviewed. It was noted, hangar rent should cover the loan payments. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Plans and Specifications for the construction of an Airport Hangar and authorized the advertisement for bids.

INFORMATION AND ANNOUNCEMENTS

Presidents' Day is February 17

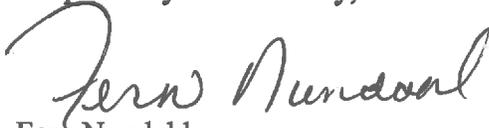
The Committee of the Whole is scheduled for Wednesday, February 26 at 4:00 p.m.

The next regular Council Meeting is scheduled for Monday, March 10th

ADJOURNMENT

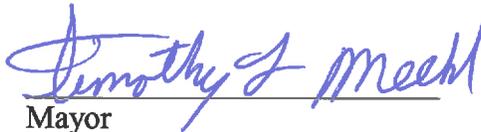
On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the meeting was adjourned at 5:47 p.m.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant

ATTEST:



Mayor

3-13-14
Date