

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
July 11, 2011**

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. All Council Members and City Attorney Happel were present.

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

Others present: 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 of those present to rise if they wanted to address the Council. No one responded.

APPROVAL OF AGENDA

Mayor Meehl stated Council Members and Staff may add items to the Agenda which requires Council action. Council Member Johnson requested time to discuss the SHIP Grant Report. City Manager Klemm requested the "Natural Gas Management Services" be removed from the agenda.

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

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.

Council Member Lehmkuhl requested the Annual Liquor License Renewal/2:00 am License be removed from the Consent Agenda

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the Consent Agenda as presented with the above noted item being removed from the Consent Agenda

***APPROVAL OF MINUTES**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the minutes of the Regular

Meeting of the Council held on June 13, minutes of the Special Meetings held on June 22 and June 29, 2011.

APPROVAL FOR PAYMENT OF CITY CLAIMS

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved payment of City Claims in the amount of \$9,578,782.71 for the month of June 2011.

AUTHORIZE SALE OF BONDS

Mayor Meehl stated Council may wish to consider authorizing the sale of bonds to assist with financing of the 5th Avenue SE Project and the Third Street NW/Lake Avenue Project.

City Manager Klemm stated, due to the State Shutdown, financing options are uncertain at this time. PFA Funding and the State Credit Enhancement Program can't be completed until the State is up and running, Klemm noted we could do an interim short-term bond but with fees and associated costs, this may cost the City more in the end. Discussion ensued regarding financing options. It was noted, Ehlers and Associates recommended the City proceed with a General Obligation Improvement Bond.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2011 – 33 entitled “Resolution Providing For The Sale Of \$1,010,000 General Obligation Improvement Bonds, Series 2011 A”

LAND TRADE

Mayor Meehl stated Council may wish to consider trading land in Clearwater Addition with land in East Park owned by Perham Capital Company. City Manager Klemm stated when utilities were installed in Clearwater Estates, First Addition, Perham Capital Company was interested in trading land they owned east of East Park Addition with some land in Clearwater. At that time, they could not come to an agreement on what was a comparable swap in land value.

City Manager Klemm stated discussions have started again because Grow Perham is looking to build more multi-family complexes in Clearwater. The City has a large lot adjacent to the existing apartments that is zoned RM and we have other land that is conducive to being rezoned RM. The property in East Park is directly north of the Industrial Park and would provide the City with some flexibility and options for future expansion. Klemm noted, the purchase would be subject to construction of apartments. Discussion ensued regarding value of property in Clearwater and the land in East Park, both are estimated at \$210,000.

Council Member Lehmkuhl stated additional apartments would give the City a larger tax base.

City Attorney Happel is associated with Grow Perham. Happel stated many employees who work in Perham, do not live in Perham because of the lack of housing. Members of Grow Perham realize that with construction costs, you cannot break even with apartment buildings, but these people are willing to take a hit to keep people in Perham.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved trading parcels in Clearwater First Addition (Lot 1, Block 3; Lots 1, 2, and 3, Block 6; land adjacent to the lots on Block 6) with forty-two (42) acres of land owned in East Park by Perham Capital; the sale is subject to the construction of apartment buildings.

***2011 BUDGET FOR TOURISM BOARD**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the 2011 Marketing Budget for the Tourism Board.

***2010 AUDIT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the 2010 Audit as presented at the Committee of the Whole Meeting held on June 22, 2010.

***ANNUAL LIQUOR LICENSE RENEWAL**

***ON SALE/SUNDAY LIQUOR**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved renewing the Liquor License (including Sunday Liquor) for Pamela S. Honer d.b.a. SUDS, Mulligans, Crossings Inn & Suites by Grandstay and the Brew (Station House) contingent upon all fees and legal requirements being met as required by the City and State of Minnesota's Liquor Control Board.

2:00 AM LICENSE

Mayor Meehl stated Council may wish to consider approving 2:00 AM closing time for SUDS contingent upon all fees and legal requirements being met as required by the City and State of Minnesota's Liquor Control Board.

Council Member Lehmkuhl questioned if the 2:00 am closing should be revoked because of the number of fights recently. Police Chief Hoaby stated until this last disturbance, the number of calls to this establishment has decreased significantly over the last year. Hoaby has been working with the owners and the incidents have decreased. If someone is involved in a fight, they are banned from the bar.

Discussion ensued. Council directed Police Chief Hoaby to continue working with the owners and give them a warning regarding the consequences if disturbances continue.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved a 2:00 AM closing time for

SUDS contingent upon all fees and legal requirements being met as required by the City and State of Minnesota's Liquor Control Board.

***WINE LICENSE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved renewing a Wine License for Jin Hu Chinese Restaurant contingent upon all fees and legal requirements being met as required by the City and State of Minnesota's Liquor Control Board.

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

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

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

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

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

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the following reports for June 2011: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

STREET/ALLEY VACATION

Mayor Meehl stated Council may wish to consider vacating certain streets and alleys for the proposed Tuffy's expansion. Council Member Lehmkuhl stated the Planning Commission held public hearings and no comments were received by the public. The Planning Commission recommended approval of the street and alley vacation subject to maintaining utility easement. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2011- - 34 entitled "Resolution In The Matter Of Granting The Vacation Of Streets: Second Street NW Between First Avenue North And Fourth Avenue NW, Second Avenue NW Between Second Street NW And Third Street NW, Third Avenue NW Between Second Street NW And Third Street SW, Perham, Minnesota" and Resolution No. 2011 – 35 entitled "Resolution In The Matter Of Granting The Vacation Of An Alley Between Lots 1 Through 6 And Lots 7 Through 12 Of Block 1, Newcomb's Addition, Perham, Minnesota".

REZONING BLOCKS 19 & 20, NEWCOMB'S 2nd ADDITION

Mayor Meehl stated Council may wish to consider rezoning Pointe Properties and the vacant lot adjacent to Highway 8, Blocks 19 & 20, Newcomb's 2nd Addition.

Council Member Lehmkuhl stated the Planning Commission held a public hearing and one comment was received noting they would prefer R1 or R2 zoning versus a multi-

family zoning. The Planning Commission recommended approval of the zoning from R2 to Residential Four Family. It was noted, Block 19 has two-nine unit apartments and is zoned R2 with a conditional use permit. Donald Meyer owns Block 20 and requested rezoning because he is considering constructing an adult foster care facility. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance 323 entitled "Rezoning Of Blocks 19 And 20, Newcomb's Second Addition, An Ordinance Revising Ordinance Number 286 Entitled Land Use (Zoning), City Of Perham".

REZONING MEYER/HEIKKENEN PARCELS

Mayor Meehl stated Council may wish to consider rezoning the Meyer/Heikkenen property recently annexed into the City. Council Member Lehmkuhl stated the Planning Commission held a public hearing and one comment was received, Donald Meyer, owner of one of the lots, was upset about the annexation and the rezoning. The Planning Commission recommended approval of the zoning from Open to Industrial.

Building Official Neisen stated that prior to Donald Meyer splitting the 5 acre parcel, the City forwarded a letter to Meyer and to the Township expressing their disapproval. Shortly after the sale, the new owner changed the previous office building into residential property. Neisen stated Meyer contacted EDA Director Johnson regarding the annexation and rezoning and Meyer understands why the City is rezoning. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Ordinance No. 324 entitled "Rezoning Of Property Recently Annexed Into The City Of Perham, An Ordinance Revising Ordinance No. 286 Entitled Land Use (Zoning), City Of Perham, Minnesota".

REZONING PERHAM COMMUNITY ALLIANCE PARCEL

Mayor Meehl stated Council may wish to consider rezoning the parcel recently annexed into the City owned by Perham Community Alliance Church.

Council Member Lehmkuhl stated the Planning Commission held public hearings and no comments were received by the public. The Planning Commission recommended approval of the rezoning. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Ordinance No. 325 entitled "Rezoning Of Property Recently Annexed Into The City Of Perham, An Ordinance Revising Ordinance No. 286 Entitled Land Use (Zoning), City Of Perham, Minnesota".

***ACCEPTANCE OF THE BUILDING PERMIT REPORT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the Building Permit Report for June 2011.

CITY ENGINEER MONTHLY UPDATE

City Engineer will give an update on various projects.

Fifth Avenue Southeast

City Engineer Berube stated the City Council awarded the Fifth Avenue Southeast Project to J & J Excavating on June 29th, 2011. The Project includes Public Facilities Authority Funding for a portion of the improvements and the documentation has been sent to PFA for finalization of the loan for the Project.

The PFA Loan Officer has indicated that he will run through the paperwork and prepare the final documents. The loan cannot be finalized until the State Shutdown is resolved.

Third Street Northwest and Lake Avenue

The City Council awarded the Third Street Northwest Project to Feldt Plumbing, L.P. on June 29th, 2011. A preconstruction meeting for the improvements is scheduled to review the contract and determine the schedule for the improvements. Construction will commence this week. It was noted, the sanitary sewer permit was not approved prior to the State Shutdown.

Discussion ensued regarding closing the Third Street NW and First Avenue North intersection. Traffic will be detoured to Second Avenue and a temporary four-way stop will need to be on Main Street. Bongards and Tuffy's will be notified of the detour so that they can direct their trucks on alternate routes.

7TH AVENUE NE/3RD STREET NE INTERSECTION

Mayor Meehl stated Council may wish to consider removing yield signs on 7th Avenue NE and installing stop signs on 3rd Street NE. Police Chief Hoaby stated the Public Works and Safety Committee has discussed this issue a couple of times. Traffic counts were completed in June and show significant more use of 7th Avenue NE versus Third Street NE.

Police Chief Hoaby stated 7th Avenue NE is designated a truck route and will be used more in the future. Hoaby also noted, there are trees that are obstructing vision on 7th Avenue NE. The Public Works and Safety Committee is recommending removing the yield signs currently controlling 7th Avenue NE and install stop signs on 3rd Street NE on both the east and west side of the intersection. Discussion ensued.

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved removing yield signs on 7th Avenue NE and installing stop signs on 3rd Street NE.

SHIP GRANT REPORT

Council Members Johnson and Lehmkuhl reported they received a number of phone calls regarding the article in the paper summarizing the SHIP Report. Council Member Johnson stated the report was a recommendation made by Community Growth Institute, the City is under no obligation to follow his recommendations. Johnson stated the Council is not recommending medians with trees be installed in the middle of our streets or that all of our streets are going to be made smaller. The Council will continue to explore options to make our City safe for vehicle, bicycle and pedestrian traffic. Council Member Lehmkuhl stated Perham is known for its wide streets and large lots. Council Member Mattfeld stated she was disappointed with the report noting we hired them to provide us with options for safer bike routes and we received a report on smaller streets.

Mayor Meehl stated smaller streets do cost less to construct and maintain. City Manager Klemm stated the City's debt service is high at 40%, most of which is due to improvement projects..

Discussion ensued regarding the current bike path and the proposed bike path. Park Board Chairperson Neisen stated that signage has been installed. Striping of streets is expensive but will be done in certain areas. Coney Street is not designated as a current bike path but will be when Paul Lake Road is completed because that project includes a bike path. No action taken.

***2011 CRACK SEALING**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the low quote for the 2011 Crack Sealing Project from Barga Inc. not to exceed \$22,063.35.

***ACCEPTANCE OF THE MONTHLY POLICE REPORT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the Monthly Police Report for June 2011.

INFORMATION AND ANNOUNCEMENTS

The Household Hazardous Waste is scheduled for Wednesday, July 27

The Committee of the Whole is scheduled for July 27 at 5:15

The Regular Council Meeting is scheduled for August 8 at 5:15 pm

Tentative Schedule for Budget Meetings at 7:00 am: Tuesday, August 2, Thursday, August 11, Friday, August 19, Friday, August 26, Friday, September 2 and Friday, September 9

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the meeting was adjourned at 6:30 p.m.

Respectfully submitted by,



Fern Nundahl

Administrative Assistant