

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
June 12, 2017**

The regular meeting of the Perham City Council was called to order by Mayor Meehl at 5:18 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 were present.

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

Others present: City Engineer Berube and Kelly Melgard representing Steve's Sanitation.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Meehl requested all in attendance rise for the Pledge of Allegiance.

CITIZENS CONCERNS

Mayor Meehl stated Council will recognize citizens who may have items for the Council. Meehl instructed citizens to please state their name and address for the record.

Eugene Malikowski, 470 5th Avenue NW, had a concern regarding the lack of dust control of the parking lots at Shearers. Meehl stated that according to a 2009 zoning agreement with Barrel O' Fun, now Shearers, it stated that they were responsible for dust control of the parking lots. Malikowski noted that dust control had been done on the street in front of his house, but the parking lots hadn't been done and there had been high winds the previous weekend. Mayor Meehl noted that the issue would be addressed with Shearers.

APPROVAL OF AGENDA

Mayor Meehl stated Council Members and Staff may add items to the Agenda which requires Council action. Meehl noted that it was decided at the morning Finance Meeting that Consent Agenda items, Engineer's Report and Recycling Contract under Parks, Public Works and Public Safety, would be moved to the regular agenda for discussion.

On a motion by Council Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the agenda with the suggested changes.

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 Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the consent agenda as presented.

***APPROVAL OF MINUTES**

The Council approved the minutes of the Regular Meeting of the Council held on May 8, 2017 and Special Minutes of May 31, 2017.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims. Finance Officer Stokke requested Council consider the following additional claims: Apex Engineering in the amount of \$399.00; Apex Engineering in the amount of \$163.75; Apex Engineering in the amount of \$5,548.93; Emergency Response Solutions in the amount of \$150.00; Hemmelgarn Builders in the amount of \$12,553.00; MN Dept of Labor in the amount of \$100.00; Municipal Service Company, Inc. in the amount of \$2,650.00; Smoke-Eater's Publication in the amount of \$224.00; Swansons' Repair in the amount of \$1,442.35; and Verizon Wireless in the amount of \$12.70 bringing the total unpaid claims to \$1,059,918.51.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved payment of the Prepaid and Unpaid City Claims in the amount of \$1,631,790.53 for the month of May.

APPROVAL OF JOINT POWERS AGREEMENT

Mayor Meehl stated Council may wish to approve a Joint Powers Agreement between the State of Minnesota and the City of Perham on behalf of its Prosecuting Attorney and Police Department. City Manager Smith explained that this agreement is similar to last year's agreement with the addition of Jeffrey Skonseng as an Authorized Prosecuting Attorney. Skonseng has been taking on the prosecuting responsibilities from current City Attorney, Dennis Happel. Adding Skonseng to the agreement will allow him to access the State's criminal justice data communications network.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution No. 2017-20 entitled "Resolution Approving State of Minnesota Joint Powers Agreements With The City Of Perham On Behalf Of Its City Attorney And Police Department."

***2016 AUDIT**

Council accept the 2016 Audit as presented by Brady Martz at the Committee of the Whole Meeting held on May 31, 2017.

***USDA LOAN PAYOFF**

Council approved the payoff of a 1999 G.O. Improvement USDA loan in the amount of \$215,900 principal and \$4,218.24 interest for a total of \$220,118.24.

***PREMISE EXTENSION FOR BREW**

Council approved the extension of Brew's premise in conjunction with events during Turtle Fest.

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

Council accepted the PLGC's Income Statement for April 2017.

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

Council accepted the PACC's Financial Reports for April 2017.

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

Council accepted the following reports for May, 2017; Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

***LOT SALE TO HADLEY HOUSE**

Council approved the sale of Lot 18 Block 2 in the Clearwater First Addition to Hadley House.

***SALE OF LOTS TO STEVE'S SANITATION**

Council approved the sale of two lots in the Industrial Park to Steve's Sanitation.

CITY ENGINEER MONTHLY UPDATE

City Engineer gave an update on various projects.

Coney Street East

Turf has not fully been re-established for the project. When this is completed, we will work with the Minnesota Department of Transportation requirements for paperwork to close out the project.

2015 Improvement Project (3rd Ave Southeast)

Kuechle has again put the paving contractor on notice regarding the manhole and valve adjustments required by the contract. There are some other minor items that Kuechle has informed the sub-contractors of that will also be addressed during the busy construction season.

Third Street Northeast

A Preconstruction Meeting was held on Tuesday morning with the Contractor and Industries along the project. The improvements will start Monday the 12th with removals and the underground is planned for Tuesday. The first phase is tentatively planned to be completed within about a month, with two crews coming into town to work on the utility improvements.

Wellhead Protection Plan (Update)

The Wellhead Protection Committee continues to work with various stakeholders on the update of the plan. The committee will be meeting throughout the summer until the plan is complete this fall.

Capital Improvement Plan Update

Various items are coming into play in regards to the Capital Plan Update. A letter was sent to the Public Facilities Authority early this month requesting placement for funding of Second Avenue Southwest and First Avenue North (County 8). This updated project will be included on the updated CIP which will be worked on throughout the summer.

Council Member Lehmkuhl noted that Tuffy's will not be closing County 8 for demolition.

With the start of phase one of the Third Street Northeast project, discussion ensued regarding the need for stop signs at the intersection of Main Street and Second Ave NE during Turtle Fest. Engineer Berube stated that they are working on alternate truck routes to keep the truck traffic downtown to a minimum during Turtle Fest. Based on the discussion held, City Manager Smith noted that it is probably too late for this year to implement stop signs and it will be considered for next year's Turtle Fest.

RECYCLING CONTRACT

Mayor Meehl stated Council may wish to consider approving the Contract for Recycling Collection Services with Steve's Sanitation. City Manager Smith noted that the Recycling Contract is similar to previous contracts with the addition of the single stream recycling program, which will include the distribution of ninety-five gallon containers. A picture of what can and can't be recycled will be included in the cover. Containers will be distributed the week of June 26, 2017. Pick-ups will be the second and fourth Thursday and Friday of each month, with the first pick-ups on July Thirteenth and Fourteenth. Pick-up of yard waste will remain the same on Wednesdays. Brush pick-up will now be done by City employees once a month. Spring clean-up will remain the same. Kelly Melgard with Steve's Sanitation noted that rigid plastics are not allowed. Steve's Sanitation will notify homeowners that are recycling incorrectly. They will also be keeping track of recycling use as he expects it to increase with the single sort recycling. Council Member Johnson questioned whether the County will still have their recycling roll-offs. City Manager Smith stated that the County roll-offs will still be available. Smith also stated that

the City of Perham is the first in the County to implement this single sort recycling program with the City of Fergus Falls beginning in August or September of this year. Mayor Meehl questioned whether Steve's Sanitation will be delivering the recycling to Fergus Falls or if the County will be picking it up. Melgard stated that the County is still willing to pick it up. Smith noted that transfer station solutions are still being worked out. Meehl also questioned how the containers will be tracked and what will keep people from taking them when they move. Melgard stated that Steve's Sanitation will bill homeowners for stolen or damaged containers, but that it's a rare occurrence. Smith also noted that according to the grant, the City is not allowed to charge for the first container, but is able to charge for any additional containers and that there will be a note in the container stating that it's the property of the City of Perham and the homeowner is responsible for any damages, other than by snowplows. Replacement containers will be at the cost of the homeowner.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the Recycling Contract with Steve's Sanitation.

INFORMATION AND ANNOUNCEMENTS

City Manager Smith and Mayor Meehl will be attending the League of MN Cities Conference June 14-16

Turtle Fest is scheduled for June 14 - 18

Special Council Meeting and Committee of the Whole is scheduled for Wednesday, June 28 @ 5:15

The Household Hazardous Waste Day is scheduled for Wednesday, June 28 from 10 - 2

Recycling Single Sort Program begins July 1st. The first pick-ups will be Thursday and Friday, July 13th and 14th.

The next regular Council Meeting is scheduled for Monday, July 10 @ 5:15

ADJOURNMENT

Mayor Meehl adjourned the meeting at 5:49 pm.

Respectfully submitted by,



Heather Hoelt
Administrative Assistant

SPECIAL COUNCIL MEETING MINUTES

June 28, 2017

Mayor Meehl called the Special Council Meeting to order at 5:16 pm on June 28, 2017 in the Council Chambers located at 125 Second Avenue NE, all members of the Council having been duly notified of the meeting, and the business to be transacted. All Members were present.

Staff members present were: City Manager Smith, Liquor Store Manager Dreger, Finance Officer Stokke, Librarian Ladwig, EDA Director Johnson, and Administrative Assistant Hoeft.

Others present were: City Engineer Berube and Todd Hagen representing Ehlers.

Bond Sale Approval

Mayor Meehl stated Council may wish to approve the sale of the \$2,740,000 General Obligation Improvement Bonds that will be issued to finance the costs associated with the Third Street Northeast project. Todd Hagen representing Ehlers presented the Sale Day Report to Council. Hagen stated that Ehlers received five bids by the bid closing time of 10:00 a.m. The low bid of 2.4284% was received by UMB Bank, N.A. from Kansas City, Missouri. The bids were reviewed.

Mr. Hagen reviewed Moody's underlying bond rating of A 1 and the Credit Enhancement rating of Aa2. Hagen also explained that the receipt of a premium bid and reduction of underwriter's discount created \$170,000 more proceeds to be available for project costs. City staff agreed to use all the premium to reduce the size of the issue and to not increase the net proceeds for the project, reducing the principal amount to \$2,570,000. The closing date will be August 1, 2017.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the City Council approved Resolution No. 2017-21 entitled "Resolution Authorizing The Issuance, Awarding The Sale, Prescribing The Form And Details And Providing For The Payment Of \$2,570,000 General Obligation Improvement Bonds, Series 2017A."

Sale of Clearwater Lots

Mayor Meehl stated Council may wish to approve the sale of lots three and four, block two, Clearwater First Addition to Joe Rice. City Manager Smith explained that the lots are on the same block as Hadley House and the Meadows. The intent is to build single family homes. Rice has requested first right of refusal on four additional lots.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the City Council approved the sale of lots three and four, block two, Clearwater First Addition to Joe Rice.

TIF for Hadley House Expansion

Mayor Meehl stated Council may wish to approve a request from Matt and Jessica Johnson to consider tax increment financing for the expansion they are contemplating to their assisted living

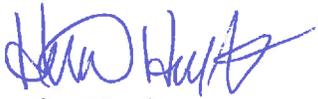
facility, Hadley House. The EDA approved the request at their July 27, 2017 meeting and recommended that the Council approve entering into the tax increment financing development.

On a motion by Council Member Schmidt, seconded by Council Member Johnson, and carried without a dissenting vote, the City Council approved entering into a tax increment financing development with Matt and Jessica Johnson related to an expansion to Hadley House, with maximum increment eligibility of \$197,108.

Adjournment

Mayor Meehl adjourned the Special Council Meeting at 5:34 pm.

Respectfully submitted by,

A handwritten signature in blue ink, appearing to read "Heather Hoelt", written in a cursive style.

Heather Hoelt
Administrative Assistant