

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
JUNE 13, 2011**

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 and City Attorney Happel were present.

Staff present: City Manager Klemm, Public Works Director Meece, Finance Officer Stokke, EDA Director Johnson, 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 stated at this time, Council will recognize citizens who have items for the Council.

Mayor Meehl recognized Gary Senske representing Perham Lions. Mr. Senske updated Council with the various activities scheduled for Turtle Fest. A number of vendors have registered for the event and they will not have enough room to house all of the vendors in NP Park. Discussion ensued regarding closing 3rd Avenue SW from Main to 2nd Street SW for additional vendors. After further discussion, Council authorized closing the parking lot adjacent and north of NP Park to house the additional vendors.

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 Lehmkuhl, 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 May 9, minutes of the Special Meeting held on May 25, 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 \$1,264,645.71 for the month of May, 2011.

FRANCHISE AGREEMENT

Mayor Meehl stated Council may wish to consider approving a Franchise Agreement with Arvig Communication Systems. City Manager Klemm briefly reviewed the Franchise Agreement noted it is non-exclusive. A section has been added for collection of Franchise Fees if we so desire in the future. 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. 317 entitled "An Ordinance Granting A Cable Communications Franchise To Tekstar Cablevision, Inc. DBA Arvig Communication Systems, Perham, MN".

***TEMPORARY ON-SALE LIQUOR LICENSE**

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a temporary on-sale Liquor License for St. Henry's Catholic Church on August 14, 2011.

***TEMPORARY ON-SALE LIQUOR LICENSE**

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a temporary on-sale Liquor License for the Perham Lions who will be assisting with the 100 Year Celebration of the United Community Bank on June 15, 2011.

***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 April 2011.

***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 April 2011.

***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 May,

2011: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

5:30 PUBLIC HEARING/MODIFICATION TO THE DEVELOPMENT PROGRAM

Mayor Meehl stated Council may wish to hear comments regarding a proposed modification to the Development Program for Development District No. 2 and the proposed establishment of Tax Increment Financing District No. 2-34. The public hearing opened at 5:32.

Todd Hagen from Ehlers stated TIF District No. 2-34 will include the three City blocks north of the current Tuffy's facility and one parcel off-site. The off-site parcel is owned by Frank's Auto Body who is interested in an expansion project. The District will include 27 parcels and will have a twenty-five year life span. Tuffy's is anticipating construction of a new office building in 2011 and a new warehouse in 2012.

Mr. Hagen stated Otter Tail County, the School District and the Hospital District were notified of the proposed modification to District No. 2. No comments were received from any of the above.

The Budget was reviewed. The project costs total is \$5,379,000, interest is \$5,243,000 for a total of \$10,622,000. The project is proposed to be financed by a pay-as-you-go note. Discussion ensued. It was noted, no verbal or written comments were received prior to the public hearing. The hearing was closed at 5:41.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution No. 2011 – 25 entitled "Resolution Adopting A Modification To The Development Program For Development District No. 2; And Establishing Tax Increment Financing District No. 2-34 Therein And Adopting A Tax Increment Financing Plan Therefor".

City Manager Klemm recommended the Council adopt an interfund loan for financing various costs associated with this TIF District. It was noted, a \$15,000 limit would be applied.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2011- 26 entitled "Resolution Authorizing An Interfund Loan For Advance Of Certain Costs In Connection With Tax Increment Financing District No. 2-34".

ANNEXATION OF VARIOUS PROPERTIES

Mayor Meehl stated Council may wish to approve annexation of the following properties: Meyer/Heikkenen property adjacent to Industrial Park, parcels owned by Community Alliance Church and St. Henry's Cemetery.

Council Member Lehmkuhl stated City Council held a public hearing on February 14, 2011 regarding the annexation of various properties. On February 23, 2011, the Minnesota Office of Administrative Hearings notified Perham Township of the City's intent to annex various properties and they had ninety days to appeal the request. No written or verbal comments have been received from any of the property owners or

Perham Township. The Planning Commission reviewed the annexations and is recommending the City Council approve them. 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. 318 entitled "Annexation Of Parcels Known As The Meyer/Heikkenen Property Adjacent To The Industrial Park Into The 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 Properties Abutting The City Of Perham".

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance No. 319 entitled "Annexation Of A Parcel Currently Owned By Perham Community Alliance Church, Adjacent To Pentagon Garden Estates Into The 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 Properties Abutting The City Of Perham".

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance No. 320 entitled "Annexation Of A Parcel Currently Owned By St. Henry's Church Into The 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 Properties Abutting The City Of Perham".

REZONING THREE BLOCKS ON 2ND STREET NW

Mayor Meehl stated Council may wish to consider rezoning certain parcels from residential to industrial to allow a proposed expansion for Tuffy's.

Council Member Lehmkuhl stated the Planning Commission held a public hearing on May 17, 2011 and reviewed what took place at that meeting. 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. 321 entitled "Rezoning Of Block 1 And Block B Of Newcomb's Addition And Blocks 14 And 16 Of The Original Plat Of 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 Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the Building Permit Report for May 2011.

CITY ENGINEER MONTHLY UPDATE

Mayor Meehl stated City Engineer Berube will give an update on various projects.

Fifth Avenue Southeast

City Engineer Berube stated plans and specifications are out for bid. The bid date is June 28th at 3:00 pm. The project is not slated to start construction until after the East Otter Tail County Fair, July 25th. Berube stated a portion of the funding will be made through

the State's Public Facilities Authority. Details regarding the impacts of the potential government shutdown will have to be verified prior to award of the contract.

Third Street Northwest/Lake Avenue

City Engineer Berube stated Plans and Specifications are out for bid. The bid date for the Third Street NW and Lake Avenue Project is June 27th at 1:00 pm. Details regarding the impacts of the potential government shutdown will have to be verified prior to award of the contract.

TRUCK ROUTE ORDINANCE

Mayor Meehl stated Council may wish to consider approving an ordinance designating a truck route through the City. City Council Member Lehmkuhl stated the Public Works and Safety Committee reviewed the Ordinance and map and is recommending approval. The Committee also discussed placement of stop and yield signs and requested the Public Works Department to put up counters to determine which streets are being used and how much.

Council Member Lehmkuhl stated staff will need to forward the ordinance and maps out to various industries so that the drivers are aware of the restrictions.

Eugene Malikowski stated Lake Avenue should be included in the TIF District for funding. City Manager Klemm stated TIF District funds will be used to offset construction costs for Tuffy's.

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. 322 entitled "An Ordinance Limiting The Use Of Certain Public Streets And Designating Certain Streets As Truck Routes In The City Of Perham, Minnesota".

LAND PURCHASE FOR WWTF

Mayor Meehl stated Council may wish to authorize the purchase of 10.3 acres from RDO for the proposed expansion of the Wastewater Treatment Facility. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the purchase of 10.3 acres from RDO not to exceed \$25,000.

PACC PROPOSED FIELD HOUSE PROJECT

Mayor Meehl stated Council may wish to authorize expending one-third of the costs for roof repairs on the Field House. City Manager Klemm stated field house improvements are estimated to be \$135,000 or \$45,000 per entity. Spray foam will be used which will help with acoustics. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized field house improvements not to exceed \$135,000 at the Perham Area Community Center; funds will come from the Liquor Store.

***SALE OF VEHICLES/MISC. ITEMS**

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the sale of vehicles and misc. items to the highest bidders.

***ACCEPTANCE OF THE MONTHLY POLICE REPORT**

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the Monthly Police Report for May 2011.

INFORMATION AND ANNOUNCEMENTS

The League of Minnesota Cities Annual Conference and Marketplace is scheduled for June 15 – 17.

Local Board of Review Training Sessions are scheduled at 12:30:

- Monday, June 20th, Holiday Inn, St. Cloud
- Monday, June 27th, Bigwood Event Center, Fergus Falls
- Wednesday, June 29, Northern Lights Casino, Walker

A Special Meeting and the Committee of the Whole is scheduled for June 22 at 5:15

A Special Meeting is scheduled for June 29 at 5:15

Land Use Planning Workshop in Little Falls is scheduled for June 30

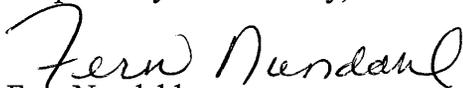
The Regular Council Meeting is scheduled for July 11 at 5:15 pm

The Household Hazardous Waste is scheduled for Wednesday, July 27

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the meeting was adjourned at 6:08 p.m.

Respectfully submitted by,



Fern Nundahl

Administrative Assistant