

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES**

**June 8, 2015**

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 were present.

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

Others present: City Attorney Happel, City Engineer Berube

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

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

**CITIZENS CONCERNS**

Mayor Meehl stated the 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 Lehmkuhl, seconded by Council Member Mattfeld 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 11, 2015.

### **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 approving the following additional claims which total \$571,011.46: Mark Ebeling for \$795.00, Fergus Falls Daily Journal for \$194.70, Hammers Construction for \$125,115.00, Hammers Construction for \$56,628.55, Norton Printing for \$49.50, RDO Equipment Co., for \$25,995.53 and U.S. Energy for \$362,233.18. A short discussion ensued.

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the amount of \$2,512,026.59 for May 2015.

### **PACC CAPITAL PROJECTS**

Mayor Meehl stated Council may wish to approve capital improvement projects which costs are estimated at \$80,800, the City's share would be estimated at \$26,933. City Manager Klemm stated the proposed projects are: 24/7 security cameras and door access hardware for \$31,300, water heater for \$20,000, wading pool safety changes for \$5,000, LED bulbs/lighting \$13,500 and motion sensors for \$11,000.

Council Member Lehmkuhl questioned if we have money set aside for these projects. City Manager Klemm stated yes, we include this in the budget.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved projects noted above and approved payment of the City's share estimated to be \$26,933.00.

### **\*HARRIER HALF MARATHON & 5K**

On a motion by Council Member Johnson, seconded by Council Member Spencer, and carried without a dissenting vote, the Council authorized the use of Arvig Park and the bike trail for the Harrier Half Marathon & 5K to be held on July 25<sup>th</sup>.

### **\*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 2015.

### **\*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 2015.

### **\*ACCEPTANCE OF THE CITY'S FINANCIAL REP**

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 2015: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report.

### **THE MEADOWS TOWNHOMES**

Mayor Meehl stated Council may wish to approve a resolution supporting The Meadows as affordable family housing. The resolution was reviewed.

City Manager Klemm stated in addition to the City, several people and businesses are providing letters of support for this project. It was noted, this project does meet the needs as listed in the Housing Study. Council Member Johnson questioned if a public hearing will be held to consider the Conditional Use Permit? City Manager Klemm stated yes; the area is zoned R-4 and this project is allowed with a Conditional Use Permit which requires public hearings. 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. 2015 – 41 entitled “A Resolution In Support Of A Proposal By Meadows Housing LLLP For The New Construction Of The Meadows As Affordable Family Housing In The City Of Perham, Minnesota”.

### **THE MEADOWS TOWNHOMES DEVELOPMENT AGREEMENT**

Mayor Meehl stated Council may wish to consider approving a Development Agreement with “The Meadows Townhomes”. City Manager Klemm stated he is still working on the Development Agreement but it is similar to assisted living units in Clearwater Estates.

City Manager Klemm stated analysis of the project shows the development could generate up to \$148,220. The agreement would be for fifteen years with a 90%/10% split. The Tax Increment Financing District is in place. Discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the Development Agreement with Meadows Townhomes, LLLC.

### **CITY ENGINEER MONTHLY UPDATE**

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

*Third Avenue Southeast (CSAH No. 8), Fox Street, Fourth Street SE, Second Avenue SE, Third Street SW*

City Engineer Berube stated construction of the underground utilities on Third Street Southwest will be completed within the next couple of days. Rough grading will start early next week on the roadway and boulevards with curb to be completed soon after the grading. Another addition to the 3<sup>rd</sup> Street project includes construction beyond 8<sup>th</sup> Avenue. During construction, it was discovered that old, undersized cast iron water main still existed beyond 8<sup>th</sup> Avenue on 3<sup>rd</sup> Street. Excavation will occur on this remaining 150 foot stretch of 3<sup>rd</sup> Street east of 8<sup>th</sup> Avenue. Temporary water will be provided to those residents affected.

City Engineer Berube stated removals on Fourth Street/Second Avenue SE, Phase 1, began last week and the milling of the pavement began today. Underground utilities will begin shortly after the completion of the utilities on Third Street Southwest with the Sanitary Sewer on Fourth Street Southeast near the Fairgrounds.

City Engineer Berube stated Phase 4 and 5 of Third Avenue Southeast are open to traffic. The concrete sidewalk and driveways on the east side of the roadway will more than likely be completed within the next week and a half, along with a minor sewer extension north of the Knuttila Building.

City Engineer Berube stated a meeting is scheduled with the contractor to review the timeline for the project.

#### ***Perham Airport, Crack Seal and Seal Coat***

City Engineer Berube stated Astech is reviewing their schedule to determine a preconstruction meeting date and time along with a construction schedule for the improvements.

#### ***Fourth Street SE, Street and Utility Improvement.***

City Engineer Berube stated the bids are currently being held until the proper security can be obtained as required within the Development Agreement. Bids can be held per the contract until June 27. If the contract is not awarded by that time, a negotiation may be required with the contractor to complete the work, as it falls outside of the bid retention timeframes.

### **TOWN BORDER STATION**

Mayor Meehl stated Council may wish to accept the apparent low bid for the Town Border Station. City Manager Klemm stated two bids were received on Friday, May 29 which was the deadline. One bid was received on Monday, June 1.

City Manager Klemm stated Arvig Construction submitted a bid for \$732,800.00 and MN Limited submitted a bid for \$1,391,000.00. The estimate for the project was between \$600,000 and \$900,000. Lake Superior Consultants reviewed both bids and spoke with them to clarify items. The Project Budget was reviewed. City Manager Klemm noted Lake Superior Consultants will be providing oversight to the project along with on-site management. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the low bid from Arvig Construction not to exceed \$732,800.00 for the Town Border Station Project.

### **SAFE ROUTES TO SCHOOL**

Mayor Meehl stated Council may wish to accept the apparent low bid for the Safe Routes to School Project. City Engineer Berube stated three bids were received earlier today. Central Specialties submitted a bid in the amount of \$263,272.00, Hough, Inc. of Detroit Lakes submitted a bid in the amount of \$258,661.30 and Ottetail Aggregate, Inc. submitted a bid of \$224,307.00. It was noted the Engineer's estimate was \$223,496 and the Grant is for \$235,000.

Council Member Johnson questioned if the Contractor has to follow the Federal Wage Scale. City Engineer Berube stated yes. Ottetail Aggregate would like to start construction within three weeks. Prior to construction, we need to obtain approval from MN DOT, Otter Tail County and Federal approval for the grant. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council accepted the bid for the Safe Routes to School Project from Ottetail Aggregate, Inc. for \$224,307.00 and approved Resolution No. 2015 – 42 entitled “Resolution In The Matter Of Accepting The Bid For The Safe Routes To School (SP 056-591-007), Perham, Minnesota”.

### **ROTARY PROJECT/DOG PARK**

Mayor Meehl stated Council may wish to approve the location of a Dog Park in Arvig Park. City Manager Klemm stated the Dog Park is Rotary's President, Chuck Hofius's project. The exact location has not been determined yet. City Manager Klemm stated he will be meeting with others to determine the site.

City Manager Klemm stated the City will be responsible for extending a water line to the location. The balance of the project will be completed by the Rotary members. The park will be fenced in and will have a shelter with picnic tables and benches. City Attorney Happel stated the Perham Foundation will be paying for the majority of the supplies, approximately \$60,000. The park will be named after John Wardale and his wife who made a substantial donation to the Perham Foundation. Discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved setting aside land in Arvig Park for a Dog Park.

## **INFORMATION AND ANNOUNCEMENTS**

A Special Council Meeting is scheduled for Wednesday, June 17<sup>th</sup> at 5:15

Turtle Fest is scheduled for June 18 - 21

Special Council Meeting and the Committee of the Whole is scheduled for Tuesday, June 23

The 2015 LMC Annual Conference is scheduled for June 24 – 26 in Duluth

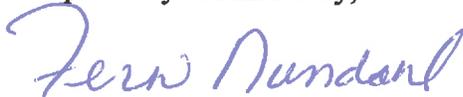
The Household Hazardous Waste Pick Up is scheduled for June 24<sup>th</sup> from 10:00 to 2:00

The next regular Council Meeting is scheduled for Monday, July 13

## **ADJOURNMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without dissenting vote, the meeting adjourned at 5:50 p.m.

Respectfully submitted by,



Fern Nundahl

Administrative Assistant

## **SPECIAL COUNCIL MEETING MINUTES**

**June 17, 2015**

Mayor Meehl called the Special Council Meeting to order at 5:18 on June 17, 2015 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 Council Members were present.

Staff members present were: City Manager Klemm, EDA Director Johnson, Finance Officer Stokke, Librarian Ladwig, and Administrative Assistant Nundahl.

### **LIBRARY RE-CONSTRUCTION PROJECT**

Mayor Meehl stated Council may wish to accept the apparent low bid for the Library Reconstruction Project. City Manager Klemm stated two bids were received yesterday and earlier today, the bids were reviewed with representatives from BHH Partners. The low apparent bid was submitted by W. Gohman Construction.

City Manager Klemm reviewed the Project Memo submitted by the architects for the project, Tony Stoll and Bill Holti. Following are their recommendations:

*Alternate # 1, New Stone Veneer, Accept*

This would provide all new full depth field stone veneer for the entire perimeter wall of the facility. Add amount: \$0.00

*Alternate #2, New Architectural Precast Parapet Wall Caps, Do Not Accept*

This Alternate was provided for the City for new walls caps during bidding phase of the project if for some reason the existing wall caps could not be salvaged for reuse.

*Alternate #3, Fluid Applied Infiltration Barrier, Accept*

Per discussions with the Judd Allen Group, it was highly recommended that a fluid applied infiltration barrier be provided instead of a fabric style infiltration barrier. Add amount: \$10,846.00

*Alternate #4, Provide 4" Minimum Thickness Of Spray Applied Rigid Foam Instead Of 5" In Base Bid, Accept*

This alternate would remove 1" of spray applied rigid from the exterior wall cavity. Estimated "R-value" with this option would be R-28, current codes required R-21. Deduct amount: \$5,398.00

*Alternate #5, EIFS Exterior Option, Do not accept*

This alternate has a very attractive deduct amount but will drastically change the current exterior look of the facility.

*Alternate #6, Add Downspouts At Roof Overflow Drains, Accept*

Downspouts should be added to get moisture away from the exterior stone cladding during moderate to heavy rain events. These would help detour moisture away from the wall cavity. Add amount: \$2,494.00

*Alternate #7, 4' High Pressure Treated Sheathing At The Base of Wall, Accept*

Acceptance of this alternate provides additional protection from decay at the base of the wall. With the additional infiltration barrier, flashing, etc. Add amount: \$1,526.00

*Alternate #7, Provide 2" Rigid Foam Insulation At Base Of CMU Foundation Wall, Do not accept.*

Pricing for this alternate was provided with concerns on thermal bridging from the exterior foundation into the building and issues that might be caused because of this. We would not accept this alternate based on cost of \$13,972.00.

City Manager Klemm stated the base bid is \$557,627; on the recommendation of the deletion and addition of the alternates by BHH Partners, the total contract price would be \$567,095.00. The Project Budget and Funding Sources were reviewed. Discussion ensued regarding the stone exterior and if alternate sidings should be considered. Librarian Ladwig stated the Library Board would like to keep the stone exterior and they would consider fundraising if needed. It was noted, the stone exterior is unique. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson, a motion was made to accept the contract from W. Gohman Construction with the above noted additions and deletions of the alternatives for a total contract amount of \$567,095 except Alternate #5 will be considered during the project if costs exceed the estimated figures, Council Member voting in favor were Johnson, Lehmkuhl, Mattfeld and Spencer, Mayor Meehl voted nay.

**ADJOURNMENT**

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the meeting was adjourned at 5:45.

Respectfully submitted by,



Fern Nundahl  
Administrative Assistant

## **SPECIAL COUNCIL MEETING MINUTES**

**June 23, 2015**

Mayor Meehl called the Special Council Meeting to order at 5:17 on June 23, 2015 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 Council Members were present.

Staff members present were: City Manager Klemm, Public Works Director Meece, Finance Officer Stokke, Librarian Ladwig, Police Chief Hoaby, Liquor Store Manager Dreger and Administrative Assistant Nundahl.

Others present: City Engineer Berube

### **2015 GENERAL OBLIGATION BONDS**

Mayor Meehl stated Council may wish to consider accepting the low bid for the 2015 General Obligation Bonds. Todd Hagen representing Ehlers and Associates stated six bids were received with the lowest bid submitted by United Bankers' Bank out of Bloomington, Minnesota along with Midwest Bank out of Detroit Lakes and United Community Bank out of Perham. The bond will be \$4,086,032.45 with a true interest rate of 2.3988%. Hagen stated the high bid was at 2.78% and the savings between the high and low bid is \$112,000.

Todd Hagen stated the issue size was decreased by \$115,000 due to the receipt of a premium bid, reduction of underwriter's discount, reduction in costs of issuance, \$10,000 reduction in the TBS cost, \$20,000 reduction in the Victory Estates non-assessable portion and offset by a \$22,581 cash contribution from water and sewer. It was noted that Moody's rating continues to be A1.

City Manager Klemm stated we still have two PFA loans to finalize. At this time, we do not know the interest rates but we believe that they may be 1.5%. City Manager Klemm stated that even with the low interest rate, we will have a levy increase this year although it may not be as large as we originally thought. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the low bid from United Bankers' Bank out of Bloomington, Minnesota for \$3,935,000 General Obligation Bonds, Series 2015A with a true interest rate of 2.3988% and approved Resolution No. 2015 – 43 entitled "Resolution authorizing issuance, awarding sale, prescribing the form and details and providing for the payment of \$4,050,000 general obligation bonds, series 2015A".

### **TAX FORFEITED PROPERTY WITHIN CITY LIMITS**

Mayor Meehl stated Council may wish to discuss tax-forfeited land located at 610 1<sup>st</sup> Avenue South. City Manager Klemm stated we received notification that this property is designated as Tax Forfeited Land and the Council can approve listing the parcel for either a public sale or a private sale to adjacent property owners or request conveyance of the parcel to the City for either

an authorized public use or an authorized public purpose. City Manager Klemm stated a public use or purpose would be to construct a public building on the property or use it for a public parking lot. At this location, it would probably not be an ideal location for anything that the City would be interested in. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 2015 – 44 entitled “Resolution In The Matter Of Tax Forfeited Land, 610 First Avenue South, Perham, Minnesota”; notifying the County that they should put the parcel up for public sale

#### **LITIGATION INVOLVING “FLUSHABLE WIPES”**

Mayor Meehl stated Council may wish to consider participating in the class action litigation involving “flushable” wipes. City Manager Klemm stated the City of Wyoming has started a class action lawsuit against Proctor & Gamble regarding their disposable wipes which has caused numerous problems with their wastewater treatment facility. A number of cities have incurred expenses associated with the removal of flushable wipes from their lift stations. The wipes need to be removed by hand from the sewer screens.

Public Works Director stated we have seen the flushable wipes because they do not deteriorate, but to date, they have not been a huge concern but they are a nuisance. City Manager Klemm stated if we join the lawsuit, we are not particularly looking for a settlement, but that Proctor & Gamble and other companies change their marketing strategies; these should not be marketed as flushable. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized staff to join the class action lawsuit.

#### **ADJOURNMENT**

With no further business to discuss, Mayor Meehl adjourned the meeting at 5:41.

Respectfully submitted by,



Fern Nundahl  
Administrative Assistant