

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
March 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. All Council Members were present.

Staff present: City Manager Klemm, Police Chief Hoaby, EDA Director Johnson, 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. Bob Beseman, 545 3rd Street SW, requested the Council consider improvements to the underground utilities on 3rd Street SW. He, along with neighbors has experienced problems with their sewer lines. Beseman stated the sewer main is clay tiles and is about 50 years old.

City Manager Klemm stated the Council will be updating the Capital Improvement Plan this year and will consider that project.

APPROVAL OF AGENDA

Mayor Meehl stated Council Members and Staff may add items to the Agenda which requires Council action. Mayor Meehl requested the following items be added to the agenda: Proclamation designating National Donate Life Month and Frozen Water Service Lines.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Agenda with 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.

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the Consent Agenda as presented.

***APPROVAL OF MINUTES**

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting of the Council held on February 10, 2014.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to consider payment of City claims. Finance Officer Stokke requested Council consider two additional claims: Trans World Systems in the amount of \$82.03 and US Energy in the amount of \$1,429,933.44 bringing the total of unpaid claims to \$1,724,415.87.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved payment of City claims in the amount of \$1,956,042.85.

WATER TOWER LEASE

Mayor Meehl Council stated Council may wish to consider entering into a Lease Agreement with Wi-Fly Internet Services. City Manager Klemm stated the Council originally approved the Lease Agreement in May, 2013 and since then, there has been little contact. In January, a Lease Agreement was emailed to them and we had no response. On February 10, a letter was mailed to Mr. Schacher stating he had to come before the Council to obtain another Lease approval and give an update of the project. Following receipt of that letter, the City Manager stated he received a phone call from Mr. Schacher's attorney.

Joseph Irby, attorney for Tim Schacher and his business partner stated they had several reasons for the delay. Primarily, the south water tower was painted last summer so they were unable to install equipment. They also were working on details with the internet provider to broadcast better signals and get connections. Then winter set in; when installing cable, the weather needs to be consistently above freezing. Tim Schacher stated he has a good working relationship with the City of Frazee and hopes that goes the same for Perham. Discussion ensued.

Council Member Lehmkuhl questioned if they plan to install equipment for the ham radio club? Schacher stated yes. The Lease was reviewed noting various items Wi-Fly Internet Services would need to return along with the signed Lease.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved a Lease Agreement with Wi-Fly Internet Services, LLC contingent on receiving all documents listed in the Lease Agreement.

MEMORANDUM OF AGREEMENT

Mayor Meehl stated Council may wish to consider approving a Memorandum of Agreement between the City and KLN Holdings for the sale of the Public Works Facility. City Manager Klemm reviewed the agreement between the City and KLN. The agreement allows the City to retain ownership of the area containing the bike path and 5th Avenue NE. The Agreement requires KLN to close the access currently located on 5th Avenue NE and utilize the entrance on Lakeside Drive only. It also requires the construction of privacy fencing on the north, east, and west boundaries, and plant trees as buffering in various locations.

City Manager Klemm stated the Planning Commission has reviewed the issue and will proceed with a public hearing to rezone the area if the Agreement is approved. The area will be zoned Light Industrial. It was noted, Light Industrial does not allow any type of housing.

Eugene Malikowski stated the City Garage should not be relocated, Barrel O Fun's trucks and trailers should move to the east side of the City. Malikowski stated the truck route is great except that it should follow through on both ends and not zigzag, it should go past the storage sheds on the west end and not go by the incinerator on the east end.

Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the Memorandum of Agreement between the City and KLN Holdings, LP.

LITTLE PINE LAKE/MURRAY LEASE AGREEMENT

Mayor Meehl stated Council may wish to consider entering into a Lease Agreement with Robert Murray. Robert Murray stated in 2002, he hired a Delineator/Surveyor to locate the north and south property lines. In 2005, he located the stake indicating the south property line and in 2007, the garage was built. Murray is in the process of selling his property and found out that the garage sits on City property.

City Manager Klemm stated the Park Board reviewed the matter and is recommending the Council enter into a ten-year lease. The lease payment was established by estimating the amount of taxes and the estimated value of the garage. A new legal description has been completed. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a Lease Agreement with Robert Murray.

3.2 BEER LICENSE RENEWALS

Mayor Meehl stated Council may wish to approve 3.2 Beer Licenses subject to receipt of applicable fees and required information by the City Office. City Manager Klemm requested the Council consider a request from the Historical and Cultural Association to obtain a 3.2 On-Sale. It was also noted, the Perham Pirates Baseball Club, the East Otter Tail County Agricultural

Society along with the Historical and Cultural Association would have to provide liquor liability insurance because they hold events on City property. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved 3.2 Liquor Licenses for Perham Pirates Baseball Club, East Otter Tail County Agricultural Society, Dean's Country market, Westside Services, Perham BP, Service Foods, Main Street Express, Jin Hu Chinese Restaurant and Historical and Cultural Association; Promenade Ballroom is approved for 3.2 and Wine License subject to receipt of applicable fees and required information including liability insurance certificate.

***2 AM LIQUOR LICENSE**

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved a 2:00 AM closing time for Brew, LLC d.b.a. Brew Ales & Eats contingent upon all fees and legal requirements being met as required by the City and State of Minnesota's Liquor Control Board.

***2013 BUDGET AMENDMENTS**

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council amended the 2013 budget due to the addition of approved projects during the 2013 budget year and approved Resolution No. 2014 – 5 entitled "Resolution In The Matter Of Amending The 2013 Budget".

***SOMEPLACE SAFE FUNDRAISING EVENT**

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized a fundraising event for Someplace Safe on Friday, April 25 in NP Park.

***NORTHWOODS ASSEMBLY OF GOD**

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized the use of the City Hall Park on Good Friday for a "Live Passion Drama and Walk" to Northwoods Assembly of God's Church.

***LADY SLIPPER GARDEN CLUB**

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized the use of NP Park on Saturday, June 7 to Lady Slipper Garden Club for a plant sale; the sale will start at 8:00 and will continue until sold out.

***ARVIG RELAY FOR LIFE 5K RUN OR WALK**

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized the use of the bike path and facilities at the softball fields on Saturday, May 3, 2014 from 6:00 am to noon for a 5k run/walk to raise funds for the East Otter Tail American Cancer Society.

***SENIOR CENTER LEASE**

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried

without a dissenting vote, the Council approved the lease between the City and Mark and Barb Lenius for the Senior Center.

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

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the PLGC's Income Statement for January, 2014.

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

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the PACC's Financial Reports for January 2014.

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

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

PROCLAMATION DECLARING NATIONAL DONATE LIFE MONTH

Mayor Meehl stated he received a request from the Mayor of Princeton to declare the month of April as National Donate Life Month. Mayor Meehl read the proclamation.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council declared April as National Donate Life Month and authorized the Mayor to sign a proclamation.

FROZEN WATER SERVICE LINE

Mayor Meehl stated Council may wish to consider approving a credit for residents who run water to prevent freezing service lines.

City Manager Klemm stated due to continuous extreme cold weather this winter, the frost table is lower than previous years and this may result in frozen water service lines in some areas. Residents have been notified if their water temperature drops to 37 degrees, they should consider running water, the stream should be the size of a pencil or fill one 8 oz. cup in 17 seconds. It was noted, forty-three residents have notified the City Office that they are running water and about 10 service lines are froze. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a credit of up to \$55.00 on the March and April bill for residents who have notified the City that they are running water to prevent freeze-ups.

VACATION OF THE CUL-DE-SAC ON 9TH AVENUE NE

Mayor Meehl stated Council may wish to discuss a request from Industrial Finishing Services (IFS) to vacate the cul-de-sac on 9th Avenue NE. EDA Director Johnson stated IFS needs to install an oxidizer as part of their expansion. The oxidizer will be used to meet MPCA air emission standards and it will cost \$1,500,000. It is approximately 70 X 35 feet and weighs 90 tons. IFS feels additional expansions are in their future and wants to install the oxidizer so it doesn't get in the way of future expansions as well as their stormwater pond needs. The site that works best is the east side of the current expansion. It was noted, future expansions will happen to the south and west of the current facility. EDA Director Johnson stated if the oxidizer is placed on the east side, it would extend into the street approximately 5 feet.

EDA Director Johnson stated staff has discussed this matter and will be recommending the City vacate 9th Avenue NE south of 1st Street NE to the tip of the cul-de-sac. By vacating this section, we would not have a dead-end street. In order for the 80 foot right-of-way to be fully owned by IFS, AWS would need to deed their 40 feet to IFS and IFS would need to grant an easement to AWS for continued access. AWS would also need to combine Parcels 11 and 15 into one parcel to avoid any future possibility of land-lock access issues. The City would also need to deed their 40 feet adjacent to Lot 12 to IFS. It was noted, an easement for underground utilities would need to be drafted. Discussion ensued. No action taken.

***NATIONAL LIBRARY WEEK**

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council declared the week of April 13th as National Library Week and authorized the Mayor to sign a proclamation.

CITY ENGINEER MONTHLY UPDATE

Mayor Meehl stated the City Engineer will give an update on various projects. City Engineer Berube stated quotes will be received for site work at the Airport on March 24th. Site work is to be completed by June 1. Bids for the hangar will be accepted until March 25th.

FLIGHT TRAINING DONATION

Mayor Meehl stated Council may wish to consider accepting a donation for Flight Training for the Police Department. Richard McCrady representing Wings Flight Training stated he would like to donate three flight training scholarships to the City. McCrady stated they currently have 20 students participating in their classes.

Mr. McCrady stated the recipients would be responsible for the following:

- The application for a student/medical certificate requiring a physical by an aviation medical examiner.
- FAA Written Exam and Practical Flying Test with a Designated Pilot Examiner.
- Excess costs for aircraft time and/or instructor time beyond that which is provided.

Wings Flight Training would provide up to 46 hours of Cessna aircraft time, up to 50 hours of instructor time for flying and the online ground school. McCrady stated getting people out flying is good advertisement for his business.

Police Chief Hoaby stated these services would not be used regularly but in certain emergency situations, it would be very helpful, such as Search and Rescue or large fires such as the one near Menahga last year.

City Manager Klemm stated if approved, this would fall under the City's Educational Assistance Program noting any costs beyond the donation, would be paid by the Employee. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council accepted the three Flight Training Scholarships from Wings Flight Training.

INFORMATION AND ANNOUNCEMENTS

A Special Council Meeting/Committee of the Whole is scheduled for Wednesday, March 26th

The next regular Council Meeting is scheduled for Monday, April 14th

The Local Board of Review is scheduled for Wednesday, April 30th at 1 pm, a Council quorum is required.

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the meeting was adjourned at 6:32.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant

SPECIAL COUNCIL MEETING MINUTES

March 26, 2014

Mayor Meehl called the Special Council Meeting to order at 5:16 on March 26, 2014 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. Council Members present were Meehl, Lehmkuhl, Mattfeld and Spencer.

Staff members present were: City Manager Klemm, EDA Director Johnson, Police Chief Hoaby, Liquor Store Manager Dreger, Finance Officer Stokke, Fire Chief Schmidt, Librarian Ladwig and Administrative Assistant Nundahl.

Others present were: City Engineer Berube, Building Official Neisen.

AIRPORT APRON

Mayor Meehl stated Council may wish to consider accepting quotes for the excavation and apron at the Perham Municipal Airport. City Engineer Berube stated construction bids were received at 2:00 on Monday, March 24th. Three contractors submitted bids for the proposed resurfacing. The Bid Tabulation was reviewed. It was noted, the Engineer's estimate was \$72,000.

City Engineer Berube stated the low bidder is Howards Driveway, Inc. out of Menahga, Minnesota who submitted a bid of \$68,764.20. Howard's has completed multiple projects around the City throughout the years. Most recently, they completed the Wildflower and Wellness Recreational Trails.

City Engineer Berube stated the project will be partially funded by the Minnesota Department of Transportation Aeronautics Division. Based on the breakdown of the different components and funding percentages for each component, MnDOT will be financing 54.09% of the total improvements, approximately \$37,200 and the City's share will be approximately \$31,550.

Discussion ensued. It was noted, Otter Tail Aggregate will be subcontracting and completing the site work while Howards Driveway will be doing the slab work. On the recommendation of the City Manager, acceptance of the quote was tabled until the Airport T Hangar was discussed.

AIRPORT T HANGAR

Mayor Meehl stated Council may wish to consider accepting bids for the construction of a T Hangar at the Perham Municipal Airport. City Manager Klemm stated four bids were received at 10:00 am on March 25th. The apparent low bid was received from Bristlin Construction out of Detroit Lakes, Minnesota in the amount of \$216,270.00. An estimate for the T-Hangar was \$243,000.

Discussion ensued with regards to the reliability of the contractor. It was noted, this company built the current hangars at the Airport and the new liquor store in Detroit Lakes. BHH Partners also noted that they were a reliable company. Building Official Neisen explained that this project

was bid out as a Design Build which means the specifications states the building must be a certain size, certain gauge of steel must be used, the number of size of doors. The only way the bid would change figures is if the City initiated a change order. Further 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 Bristlin Construction from Detroit Lakes, Minnesota in the amount of \$216,270.00 subject to review of their bid by the City Manager and Building Official.

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the alternate bid for the 6" gutter and downspouts on the north side of the facility in the amount of \$5,828.00

AIRPORT APRON

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the low quote from Howards Driveway in the amount of \$68,764.20 for the site work and cement slab.

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the meeting was adjourned at 5:38 pm.

Respectfully submitted by:



Fern Nundahl

Administrative Assistant