

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
May 9, 2016**

The regular meeting of the Perham City Council was called to order by Mayor Meehl at 5:16 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. Council Members present were Meehl, Johnson, Lehmkuhl and Spencer.

Staff present: Police Chief Hoaby, Finance Officer Stokke, EDA Director Johnson, Public Works Director Meece, Administrative Assistant Nundahl

Others present: City Attorney Happel, Building Official Neisen, 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 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 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 Lehmkuhl 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 Lehmkuhl and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting of the Council held on April 11 and Special Minutes of April 19 and April 27, 2016.

TAX ABATEMENT FOR GROW PERHAM/PUBLIC HEARING

Mayor Meehl stated Council may wish to hear comments regarding a request for a Tax Abatement for Grow Perham to construct a 24-unit apartment building. Mayor Meehl opened the public hearing. Jeff Haverland (211 Coney Street) stated there are several errors contained in the resolution that is being considered. Following review of the resolution, Council and Staff acknowledged that the wrong resolution was provided. Considering the error, Council did not want to proceed with this matter until the resolution could be corrected.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, Council voted to continue this matter until Friday, May 13, 2016 at 7:30 am.

TAX ABATEMENT AGREEMENT/GROW PERHAM

Council may wish to consider entering into an agreement with Grow Perham to abate property taxes on Parcel #77000220020003. **NO ACTION TAKEN**

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims. Finance Officer requested Council consider the following additional claims: Christine Patterson in the amount of \$46.71, MCFOA in the amount of \$70.00, Perham Lakeside Golf Club in the amount of \$63,545.60, Forum Communication in the amount of \$2,167.61, Tim Meehl in the amount of \$486.00 and U.S. Energy in the amount of \$336,395.10 bringing the total Unpaid City Claims to \$1,165,370.77.

On a motion by Council Member Spencer, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the amount of \$1,356,748.68 for the month of April, 2016.

PADDLE BOARD YOGA/PAUL MILLER PARK

Mayor Meehl stated Council may wish to consider authorizing Lakes Pace, LLC the use of Paul Miller Park to conduct classes on Paddle Boarding on Wednesdays during the month of June. Council Member Spencer questioned if the person had sufficient insurance. Jessica Stuewe, owner of Lakes Pace stated yes. Council Member Johnson questioned if she was going to conduct business at the Park or will she just be having her classes. Ms. Stuewe stated she just needs access to the water. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized Lakes Pace, LLC the use of Paul Miller Park to conduct classes on Paddle Boarding on Wednesdays during the month of June.

***PERHAM LIVING MATURE MILE & FAMILY 5K**

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized the use of City streets for the Perham Living Mature Mile & Family 5K Fun Run/Walk on June 3rd.

***3.2 LIQUOR LICENSE**

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved a 3.2 Liquor License to Whisk From Scratch, LLC 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 Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved a Wine License to Whisk From Scratch, LLC 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 Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the PLGC's Income Statement for March 2016.

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

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the PACC's Financial Reports for March 2016.

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

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the following reports for April, 2016: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and Utility Aging Report.

REZONING PROPOSED HIGH SCHOOL PROPERTY

Mayor Meehl stated Council may wish to consider rezoning the property for the future High School from Open to R2. Council Member Lehmkuhl stated the Planning Commission reviewed the matter and held a public hearing. The Planning Commission is recommending the Council approve the rezoning as it is consistent with the surrounding zoning. It was noted, the entire area will be zoned R2; no home construction is being considered in this area.

Discussion ensued. It was noted, no written or verbal comments were received prior to the hearing.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the rezoning request and Ordinance No. 387

entitled “Rezoning Of ISD 549 Property As Required By Ordinance No. 286 Entitled Land Use (Zoning), City Of Perham, Minnesota”.

CITY ENGINEER MONTHLY UPDATE

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

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

City Engineer Berube stated the contractor has been notified of a number of items requiring attention. The concrete contractor was in town last week to replace damaged sections of the sidewalks and driveways that were installed last year. The turf establishment has been the second major issue and we are awaiting a schedule to repair the turf. Other items that remain are the crosswalk corrections, manhole adjustments and sprinkler repair. Discussion ensued regarding turf establishment; it was noted, the grass mixture maybe reconsidered.

Safe Routes To School

City Engineer Berube stated concrete repair was completed last week, with turf verification, re-seeding and fertilizing completed the week before. The items recently completed will be reviewed over the next two weeks to see if additional repairs are required. If none are required, the project will be closed out.

Coney Street East Improvements

City Engineer Berube stated the Coney Street East Plans and Specifications are out for bid, the bid date is scheduled for May 17th at 2:00 pm. Currently, there are 13 potential prime bidders that are currently plan holders on the project. Following the bid, a Special Council Meeting will be held on May 25th to review bids and pass a resolution regarding the grant agreement for the Local Road Improvement Program with the Department of Transportation.

GAS EXPANSION PROJECTS

Mayor Meehl stated Council may wish to consider gas expansion projects to Nitch Lake Road and Ottertail City. Finance Officer Stokke stated the expansion on Nitch Lake Road and Whispering Sands Trail would benefit the City by connecting the gas main from Nitch Lake Road to the gas main on Highway #8. This connection would be a backup to the system in an event that would the City to shut down part of the system. This connection would also be able to service twenty-three additional lots. The estimated cost for this project is \$57,804.29.

Public Works Director Meece stated the City has some pipe on hand that needs to be used this year due to its age. Meece noted the Gas Fund would have sufficient funds to pay for this project.

Finance Officer Stokke stated they would like to expand the gas main in the City of Ottertail. There have been requests from various residents for this expansion. Currently, twenty-six customers have committed to sign up for natural gas, in order to make a twenty-year payback, there needs to be thirty-one to thirty-three customers. Estimated costs for this project are \$109,373.36; the Gas Fund would have sufficient funds for this project also. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved proceeding with natural gas expansion projects to Nitche Lake Road and Ottertail City.

TILLABLE ACRES AT THE AIRPORT

Mayor Meehl stated Council may wish consider planting prairie grass at the western edge of the Perham Municipal Airport rather than renting the tillable acres. Public Works Director Meece stated we advertised for renting the tillable land and received one very low bid and the bid that we received noted they wanted to pasture part of the land. Council Member Lehmkuhl stated the Airport Commission stated they were not interested in any of this land to be pastured.

Public Works Director Meece stated he would recommend that the City plant this area with prairie grass which is what is planted on the east end. Meece stated they would work with the Soil and Water Office to make sure the planting is done properly. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council rejected the bid submitted by Mike Larson and authorized staff to plant prairie grass.

***2016 SEAL COAT PROJECT**

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the apparent low quote for the 2016 Seal Coat Project from Asphalt Preservation Company from Detroit Lakes, Minnesota in the amount of \$71,859.50; City's share of quote is \$63,542.50, Perham Area Community Center's share of quote is \$3,934.50 and Pine Cone Park's share of quote is \$4,382.50.

***PURCHASE COMPUTER FOR SQUAD CAR**

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized the purchase of a computer for the police squad car in the amount of \$3,807.00; this is a budgeted item.

***DOG PARK WATER SERVICE EXTENSION**

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the low quote for the extension of water service to the proposed dog park from Ottertail Aggregate, Inc. in the amount of \$11,571.00.

INFORMATION AND ANNOUNCEMENTS

Spring Clean-up Day is Saturday, May 21

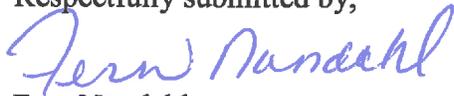
A Special Council Meeting and the Committee of the Whole is scheduled for Wednesday, May 25 at 5:15

The next Regular Council Meeting is scheduled for Monday, June 13 at 5:15 pm
The Household Hazardous Waste is scheduled for Wednesday, July 6

ADJOURNMENT

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the meeting was adjourned at 6:00 pm.

Respectfully submitted by,



Fern Nundahl

Administrative Assistant

SPECIAL COUNCIL MEETING MINUTES

May 7, 2016

Mayor Meehl called the Special Council Meeting to order at 1:08 pm on May 7, 2016 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. Members present were Mayor Meehl, Council Members Johnson, Lehmkuhl and Spencer.

Staff members present were: EDA Director Johnson, Finance Officer Stokke, Public Works Director Meece, Police Chief Hoaby, Liquor Store Manager Dreger, Administrative Assistant Nundahl.

Others present were: City Attorney Happel, City Engineer Berube, Former City Manager Klemm

CITY MANAGER FINALISTS

Mayor Meehl stated Council may wish to choose the candidate to fill the City Manager position. Each candidate was discussed.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council chose Jonathan Smith as the candidate to fill the City Manager position.

EMPLOYMENT AGREEMENT FOR CITY MANAGER

Discussion ensued regarding what benefits should be included in the Employment Agreement.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the Employment Agreement with the following benefits: starting salary range between \$77,500 to \$79,600, forty hours of sick leave, one hundred twenty hours of vacation, insurance benefits starting July 1; other benefits were discussed and approved.

ADJOURNMENT

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the meeting was adjourned at 1:28 pm.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant

SPECIAL COUNCIL MEETING MINUTES

May 13, 2016

Mayor Meehl called the Special Council Meeting to order at 7:31 am on May 13, 2016 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. Members present were Mayor Meehl, Council Members Lehmkuhl and Spencer.

Staff members present were: EDA Director Johnson, Finance Officer Stokke, Administrative Assistant Nundahl.

TAX ABATEMENT FOR GROW PERHAM/CONTINUATION OF PUBLIC HEARING

Mayor Meehl stated Council may wish to hear further comments regarding a request for a Tax Abatement for Grow Perham to construct a 24-unit apartment building. Mayor Meehl opened the hearing and asked if anyone had comments. No one spoke. The public hearing was closed at 7:32.

TAX ABATEMENT AGREEMENT FOR GROW PERHAM

Mayor Meehl stated Council may wish to consider entering into an agreement with Grow Perham to abate property taxes on Parcel #77000220020003.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Tax Abatement Agreement By And Among The City Of Perham, Minnesota And Otter Tail County, Minnesota And Perham-Dent School District #549 And Grow Perham, LLC.

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the meeting was adjourned at 7:34 am.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant

SPECIAL COUNCIL MEETING MINUTES

May 25, 2016

Mayor Meehl called the Special Council Meeting to order at 5:16 pm on May 25, 2016 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. Members present were Mayor Meehl, Council Members Johnson, Lehmkuhl and Spencer.

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

Others present: City Engineer Berube, future City Manager Smith.

CONEY STREET EAST/ACCEPTING BID

Mayor Meehl stated Council may wish to consider accepting the low bid submitted by Ottertail Aggregate, Inc. for the Coney Street East Improvement Project. City Engineer Berube stated five bids were received for the proposed improvements on Coney Street East. The apparent low bid was submitted by Ottertail Aggregate, Ottertail, Minnesota in the amount of \$812,925.61. It was noted; the Engineer's estimate for this project was \$978,797. 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 Ottertail Aggregate, Ottertail, Minnesota in the amount of \$812,925.61 and approved Resolution No. 2016 – 27 entitled "Resolution In The Matter Of Accepting The Bid For Improvements On Coney Street East From East Main Street To Market Street, Perham, Minnesota".

CONEY STREET EAST/GRANT AGREEMENT

Mayor Meehl stated Council may wish to pass a resolution accepting a \$750,000 grant for the Coney Street East Improvement Project and agreeing to the terms and conditions as set forth. City Engineer stated only construction related costs to the roadway is an allowable expense, the water improvements will not be funded. Based on the bids, the grant will be capped at approximately \$747,638. The Department of Transportation is reviewing eligible costs for the improvements. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2016 – 28 entitled "Grant Agreement To State Transportation Fund, Local Road Improvement Program, Grant Terms And Conditions, SAP 056-596-004, Perham, Minnesota".

DONATION FOR TROLLEY

Mayor Meehl stated Council may wish to consider authorizing a donation of \$15,000 towards a trolley. Finance Officer Stokke stated the committee working on this project would like to have the trolley here for Turtlefest. The budget for this project is \$55,000 which includes \$5,000 for a "rainy day" fund. To-date, they have raised \$27,700 and they have pending funds of \$27,300; this figure includes the \$15,000 donation from the City.

Finance Officer Stokke reviewed EDA Director Johnson's memo regarding the trolley; the budget and donations were reviewed. Stokke reviewed current features of the trolley and noted items that will need to be completed on arrival in Perham. Employees of Barrel O' Fun in Phoenix, AZ inspected and test drove the trolley; they stated the driveline is in excellent shape. Other items noted were: Perham Lions would store the trolley, the Chamber would manage the trolley and the City would own and insure the trolley. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl, the Council approved a donation of \$15,000 from the Liquor Fund for the purchase of a trolley.

TROLLEY OWNERSHIP

Mayor Meehl stated Council may wish to consider taking ownership of the trolley. Council Members expressed concern with the management side of the trolley. Council Member Johnson stated he does not want management falling to the City. Discussion ensued.

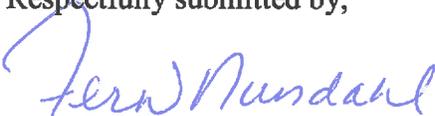
During discussion, the following items were noted: a long-term Management Agreement needs to be drafted and approved by the Chamber Board and the City Council, liability insurance on the trolley and what kind of license the drivers will be required to obtain.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council tabled action on this item until the June Council Meeting.

ADJOURNMENT

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the meeting was adjourned at 5:30 pm.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant