

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
May 12, 2014**

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, Lehmkuhl and Spencer.

Staff present: City Manager Klemm, Police Chief Hoaby, EDA Director Johnson, Public Works Director Meece 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. Bruce Mitchell, 324 3rd Avenue NW, stated he is concerned with the additional truck traffic on 3rd Avenue since Tuffy's closed 3rd Street for construction. Mitchell stated there are a number of trucks that should be using the truck route rather than using 3rd Avenue as a short cut. City Manager Klemm stated he along with the Police Chief, have had conversations with Tuffy's regarding rerouting the truck traffic. Mitchell stated he is concerned that with the number of trucks and the additional weight, the street will need to be reconstructed sooner than later. Mitchell is on a limited income and he is afraid he will not be able to pay the associated costs. Mitchell is requesting the City work with the truck drivers to ensure that they stay on the truck route and that the Police Department has extra patrol in this area. Police Chief Hoaby stated he will work with Tuffy's until this issue is resolved.

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 Spencer 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 Spencer, 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 Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting held on April 14, the Local Board of Review and Special Meeting on April 30, 2014.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to approve payment of City claims.

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 \$1,558,600.93.

PACC TRI-BOARD MEETING/CAPITAL BUDGET

Mayor Meehl stated Council may wish to approve PACC's 2014 Capital Budget of \$66,650 and approve the payment of the City's share, \$22,217. City Manager Klemm stated the Tri-Board met to discuss PACC's 5 year Capital Budget. Improvements in 2015 are estimated at \$119,100, 2016 improvements are estimated at \$118,100, 2017 improvements are estimated at \$112,000 and 2018 improvements are estimated at \$205,000. Discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved PACC's 2014 Capital Budget of \$66,650 and authorized payment of the City's share of \$22,217.

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

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized the use of the Wellness Trail and other streets/sidewalks for a Mature Mile and Family 5K Fun Run/Walk; the event is geared to encourage health and wellness at all stages and ages in life.

***PROCLAMATION/MAY IS MUSEUM MONTH**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council declared May as Museum Month.

***TEMPORARY ON-SALE LICENSE**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved a Temporary On-Sale Liquor License for History and Cultural Association for an event at the Pioneer Grounds on May 31.

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

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

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

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

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

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

PURCHASE OF TANKER TRUCK

Mayor Meehl stated Council may wish to consider accepting a bid for the purchase of a Tanker Truck. John Kostynick stated members of the Fire Department reviewed the bids and are recommending the Council purchase a 2013 Pierce Tanker truck with a 1,000 GPM pump and a 2,200 gallon tank in the amount of \$242,837 plus \$1,618 for an on-board battery charging system and an air compressor for a total purchase price of \$244,455.00. It was noted; townships approved the purchase not to exceed \$250,000.00.

Kostynick stated the City received 9 bids; one bid did not contain a bid bond and several other bids did not meet required specifications. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the bid from Northstar Fire Apparatus/Pierce Manufacturing, Appleton, Wisconsin for \$244,455 which includes the on-board battery charging system and an air compressor.

FINANCING OF THE TANKER TRUCK

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved an inter-fund loan from the Liquor Fund to the Fire Fund for three years with 2.5% interest rate.

***OTTER TAIL COUNTY'S MUTUAL AID RATES**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved mutual aid rates for Fire Departments in Otter Tail County effective January 1, 2015 and approved Resolution No. 2014 – 9 entitled "Otter Tail County Area Fire Services Mutual Aid Agreement, Perham, Minnesota".

LOCAL DEVELOPMENT ORGANIZATION/PUBLIC HEARING

Mayor Meehl stated Council may wish to hear comments regarding the transfer of Minnesota Investment Fund loan funds to the City of Perham's Economic Development Authority's Local Development Organization, West Central Initiative. EDA Director Johnson stated there are new federal regulations regarding the process for MIF funds. The City can continue to administer the MIF process but the requirements to do so, will be very time consuming and it has many reporting requirements for both the company and the EDA. The other option is to contract with an agency that is not connected to the City and it must be designated as a Local Development Organization. Johnson stated West Central Initiative is willing to take that role. The City and EDA has a good working relationship with West Central Initiative. DEED has approved West Central Initiative as our Local Development Organization.

No one appeared for or against and no written comments were received prior to the hearing.

LOCAL DEVELOPMENT ORGANIZATION/APPROVAL OF RESOLUTION AND AGREEMENT

Mayor Meehl stated Council may wish to approve a Resolution regarding the transfer of Minnesota Investment Fund loan funds to the City of Perham's Economic Development Authority's Local Development Organization and enter into an agreement with West Central Initiative.

Council Member Lehmkuhl questioned what is the benefit to West Central Initiative to administer this for us. EDA Director Johnson stated there is no benefit to them. They have assisted the EDA with several other financial packages. Council Member Spencer questioned if we would have to go through this same procedure for future MIF applications. City Manager Klemm stated we would not need to hold a public hearing, but we would have to enter into another agreement. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2014 – 10 entitled "Resolution Requesting Designation Of West Central Initiative As A Local Development Organization, Perham, Minnesota" and approved entering into a Local Development Organization Agreement with West Central Initiative.

CALLING FOR A PUBLIC HEARING/TIF/HUEBSCH PROPERTY

Mayor Meehl stated Council may wish to schedule a public hearing for consideration of the redevelopment of TIF 2-38 on the Ken Huebsch property. EDA Director Johnson stated Industrial Finishing Service has requested that the City move forward to establish TIF Redevelopment District 2-38 on the parcel adjacent to the west of their property in the Industrial

Park. That parcel is primarily used as a grain storage area. IFS has negotiated purchase of this property and steps are underway to close this sale.

EDA Director Johnson stated IFS is contemplating a new facility and construction might take place late 2014 or early 2015. Part of that project would include a slab that would be used for parking and truck turnaround. The company has entered into a preliminary TIF agreement and has paid the fees for Ehlers and Associates consulting fees. Discussion ensued.

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Resolution No. 2014 – 11 entitled “Resolution Calling For A Public Hearing By The City Council On The Proposed Modification To The Development Program For Development District No. 2 And The Proposed Establishment Of Tax Increment Financing District No. 2-38 Therein And The Adoption Of The Tax Increment Financing Plan Therefor”.

INDUSTRIAL PARK LOT PRICING

Mayor Meehl stated Council may wish to consider eliminating the job discount when determining the sale price of Industrial Park lots. EDA Director Johnson stated as the number of available lots has dwindled and various conversations have taken place regarding prospective industrial park expansions. The expansion will be very expensive and there is a concern that these costs might make it challenging to keep land prices from becoming a deal-breaker for some projects. Selling current lots at \$7,500 an acre helps the re-investment that will be needed to develop additional industrial park lots. The base price is not over priced in today’s market place therefore, there doesn’t seem to be a need to discount land that is already reasonably priced. The EDA is recommending the City Council eliminate the discount.

Council Member Lehmkuhl questioned if there are any pending sales. City Manager Klemm stated no. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved eliminating the discount structure for industrial park parcels and maintain the base price of \$7,500 per acre.

CITY ENGINEER MONTHLY UPDATE

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

Third Avenue South West and Downtown Parking

City Engineer Berube stated construction for the 2014 season started on May 5th. The contractor has installed three blocks of sidewalk and has four blocks remaining to complete. Following the installation of the concrete sidewalk, the contractor will begin the grading of the boulevards for the turf establishment. Construction of the final pavement course will be completed following the

installation of the other remaining items. The current weather conditions have hampered the construction schedules.

Clearwater Second Addition – Perham Townhomes, LLC

City Engineer Berube stated construction for the 2014 season will be starting in the near future. Construction staking for the roadway has been requested for late this week. Remaining items to be completed include street grading, curb installation, aggregate construction, pavement construction and turf establishment.

Perham Airport – Hangar Apron Improvements

City Engineer Berube stated the contractor has started the construction of the Hangar Apron Expansion. The grading is nearly complete and the installation of the aggregate and pavement will follow.

PROPOSED PUBLIC WORKS FACILITY SITE

Mayor Meehl stated Council may wish to consider proceeding with platting and rezoning of the proposed site of the Public Works Facility. Council Member Lehmkuhl stated he spoke with several residents in the area and did not hear much negative feedback; two property owners approved the site for the Public Works Facility. One property owner asked if the gravel roads would be paved. Lehmkuhl stated BHH Partners drafted a site plan which includes berms and trees.

City Manager Klemm stated he received two quotes for platting the area; Meadowland Surveying in the amount of \$5,400 and Compass Consultants in the amount of \$4,200. Klemm stated if the project were to proceed, we would plat the entire 40 acres and then rezone the property. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved contracting with Compass Consultants to plat East Park Second Addition.

BACKUP GENERATOR FOR LIFT STATION

Mayor Meehl stated Council may wish to consider authorizing the purchase of a backup generator for the 8th Avenue Lift Station. Public Works Director Meece stated he received five quotes for generators. Cummins models are installed at the Main Lift Station and at City Hall. Meece stated he would recommend the Cummins model to match the current generators. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the quote submitted by Topline Electric for a 40 kw Cummins generator not to exceed \$28,495.00.

***SIGN RETROREFLECTIVITY POLICY**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved the Sign Retroreflectivity Policy.

***MN DEPARTMENT OF HEALTH GRANT**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted a \$10,000 grant from the Minnesota Department of Health to hire a computer programmer to design a website for irrigators in the City of Perham's DWSMA to make well informed irrigation scheduling decisions.

***2014 SEAL COAT**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the apparent low quote for the 2014 Seal Coat Project submitted by Caldwell Asphalt Co. from Hawick, Minnesota for \$62,069.00.

***2014 RUBBER CRACK SEALING PROJECT**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the low quote for the 2014 Rubber Crack Sealing Project submitted by Barga Incorporated from Mountain Lakes, Minnesota for \$22,681.53.

***PERHAM TO PELICAN BIKE TRAIL**

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Resolution No. 2014 – 12 entitled "Resolution Of Support For The Perham To Pelican Rapids Regional Trail Master Plan, City Of Perham".

INFORMATION AND ANNOUNCEMENTS

Clean-Up Day is scheduled for Saturday, May 17

Special Council Meeting and the Committee of the Whole is scheduled for Wednesday, May 28

The next regular Council Meeting is scheduled for Monday, June 9

Hazardous Waste Pickup is scheduled for Friday, July 11th

ADJOURNMENT

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the meeting was adjourned at 6:05.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant

SPECIAL COUNCIL MEETING MINUTES

May 28, 2014

Mayor Meehl called the Special Council Meeting to order at 5:18 on May 28, 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 Lehmkuhl, Mattfeld, Spencer and Mayor Meehl.

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

Others present were: Building Official Neisen.

ANNEXATION OF THE SEEDORF PROPERTY

Mayor Meehl stated Council may wish to consider annexing the Seedorf property. City Manager Klemm stated Otter Tail Power is proposing to construct a substation on the Seedorf property. Since they will be using Coney Street to enter/exit the property and Coney Street is a City owned street, we are requiring them to be annexed.

Council Member Lehmkuhl stated the Planning Commission held a public hearing regarding the annexation. No one appeared for or against and no verbal or written comments were received. Lehmkuhl stated the Planning Commission reviewed the annexation and is recommending the City Council approve the annexation. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Ordinance No. 357 entitled "Annexation Of Parcel Number 5100014012000, 850 East Main, 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 Property Abutting The Limits Of The City".

ZONING OF THE SEEDORF PROPERTY

Mayor Meehl stated Council may wish to consider rezoning the Seedorf property. City Manager Klemm stated when property is annexed into the City, it is zoned Open. The substation would qualify as Light Industrial which is in keeping with the future land use map and Comprehensive Plan.

Council Member Lehmkuhl stated the Planning Commission held a public hearing regarding the rezoning. No one appeared for or against and no verbal or written comments were received. Lehmkuhl stated the Planning Commission reviewed the rezoning and is recommending the City Council approve the rezoning. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Ordinance No. 358 entitled "Rezoning Of Property Recently Annexed Into The City Of Perham Located At 850 East Main, An Ordinance Revising Ordinance No. 286 Entitled Land Use (Zoning), City Of Perham, Minnesota".

STREET VACATION FOR BONGARDS

Mayor Meehl stated Council may wish to consider vacating a portion of 2nd Street NE. City Manager

Klemm stated Bongards' is proposing to install additional silos adjacent to 2nd Street NE. The silos will be located in the street right-of-way so a vacation will be needed. It was noted, the street itself will remain intact. When completed, Bongards will be responsible for replacing the street curbing and relocating one storm manhole. The vacation is approximately 10 X 16 and is adjacent to the site that was previously vacated.

Council Member Lehmkuhl stated the Planning Commission held a public hearing regarding the vacation. No one appeared for or against and no verbal or written comments were received. Lehmkuhl stated the Planning Commission reviewed the street vacation and is recommending the City Council proceed with the request. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the street vacation and Resolution No. 2014 – 14 entitled "Resolution In The Matter Of Granting The Vacation Of A Portion Of Second Street NE, Perham, Minnesota".

PERHAM MUNICIPAL AIRPORT/MN DOT AGREEMENT

Mayor Meehl stated Council may wish to consider entering into an Agreement with MN DOT for partial funding of the site work for the Hangar Apron Expansion Project and approve a resolution. City Manager Klemm stated we are waiting for the final draft of the grant and noted the figures may change slightly due to recent legislation. Klemm stated the grant is for the site work only.

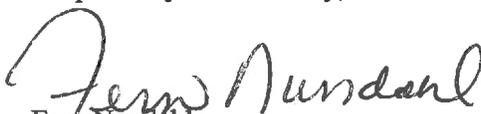
Council Member Lehmkuhl stated the Airport Commission reviewed the grant agreement and is recommended the Council proceed with signatures. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council authorized entering into a Grant Agreement with the Minnesota Department of Transportation and approved Resolution No. 2014 – 14 entitled "Authorization To Execute Minnesota Department Of Transportation Grant Agreement For Airport Improvement Excluding Land Acquisition".

ADJOURNMENT

On a motion by Council Member Mattfeld, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the meeting was adjourned at 5:26.

Respectfully submitted by,



Fern Nundahl
Administrative Assistant