

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
October 13, 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. All Council Members were present.

Staff present: City Manager Klemm, Police Chief Hoaby, EDA Director Johnson, Public Works Director Meece, Finance Officer Stokke, EDA/HRA Assistant Holzer.

Others present: City Engineer Berube, City Attorney Happel, Building Official Neisen

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.

Brennon Raser, 1033 5th Street NW, requested that he be allowed to have four (4) hen chickens on his property from November until approximately March. He stated has discussed this with his neighbors and they have no objection. Mr. Raser explained that the property on which the chickens are now located is inaccessible in the winter. Council Member Lehmkuhl stated that there was an ordinance prohibiting this. Mayor Meehl stated that the Council would have a decision at the November meeting.

David Knudsen, 346 3rd Street SW, stated that he was in support of the 3rd Street Improvement Project. He stated that he knew there would be cost involved and it was expensive, but he felt that with the age of the infrastructure it would be more expensive in the long run to delay the project.

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

***APPROVAL OF MINUTES**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without a dissenting vote, the Council approved the minutes of the Regular Meeting of the Council held on September 8, and Special Meetings held on September 16 and 30, 2014.

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 the Council consider payment of the following additional claims: League of Minnesota Cities in the amount of \$160.00 and Perham HRA in the amount of \$10,000. Stokke stated with the additional invoices, the total Unpaid City claims should read \$1,169,824.32.

On a motion by Council Member Spencer, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved payment of the Unpaid Invoices and the Prepaid Invoices in the amount of \$1,521,097.82.

***CONTRACTING WITH BRADY MARTZ**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without a dissenting vote, the Council approved entering into a contracting with Brady Martz to provide auditing services to the City for a three year period, 2014, 2015, and 2016.

***TEMPORARY ON-SALE LICENSE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without a dissenting vote, the Council approved a Temporary On-Sale Liquor License for ITOW Museum on October 18, 2014.

***TEMPORARY ON-SALE LICENSE**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without a dissenting vote, the Council approved a Temporary On-Sale Liquor License for Perham Center for the Arts on November 22, 2014.

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

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

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

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

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

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

REZONING LOTS/TUFFY'S PET FOODS

Mayor Meehl stated Council may wish to consider rezoning certain lots owned by Tuffy's Pet Foods; lots are currently zoned R-1, requesting SC. City Manager Klemm explained that Tuffy's has three requests on the agenda dealing with two parcels to the north of the current expansion project along 3rd Street NW that Tuffy's plans to turn into additional employee parking. Public hearings on all three requests were held at the September 24, 2014 Planning Commission Meeting. Adjacent property owners were notified of the time and date of the hearing. Several residents from the area were present at the Public Hearing, with Bruce Mitchell, 324 3rd Avenue NW, voicing several concerns.

Council Member Lehmkuhl read excerpts from a letter received from Bruce Mitchell who was unable to attend the meeting due to illness, restated concerns he had brought up at the public hearing in regards to lighting, fencing, removal of mature trees, and safety and noise due to increased traffic. Jon Ebeling of Tuffy's stated that all of the concerns will be taken into consideration and that all City Ordinances will be followed. He stated that the fence will be six (6) foot, opaque, in a color to coordinate with the homes that will be on the north side of the fence. Any mature trees that do not interfere with the design of the parking lot will be kept, however the majority of the trees are box elders and experts have told him that they will just cause future problems. He also stated that lighting issues have been addressed and are shown in the latest site plan. Building Official Neisen stated that the lighting will be situated on the northerly side of the parking lot shining to the south towards Tuffy's.

Council Member Lehmkuhl stated that the Planning Commission had discussed the rezoning of the property and recommended the Council approve the request. Mayor Meehl read Mr. Mitchell's letter in its entirety Discussion ensued.

On a motion by Council Member Lehmkuhl, second by Council Member Spencer and carried without dissenting vote, the Council approved Ordinance No. 365 entitled "Rezoning of Block 4, lots 11 and 12 and lot 6 and the southwesterly half of lot 5, Newcomb's addition to the City of Perham, An Ordinance Revising Ordinance No. 286 Entitled Land Use (Zoning), City of Perham, Minnesota".

VACATING ALLEY IN BLOCK 4, NEWCOMB'S ADDITION/TUFFY'S PET FOODS

Mayor Meehl stated Council may wish to vacate the southerly portion of the alley in Block 4, Newcomb's Addition in order to create a parking lot for additional parking for Tuffy's Pet Foods.

Council Member Lehmkuhl stated that a Public Hearing on the alley vacation was held at the September 24, 2014 Planning Commission meeting. All parties affected had been notified of the date and time of the public hearing. No one appeared for or against the alley vacation. Council Member Lehmkuhl stated that the Planning Commission had discussed and recommended the Council approve the request to vacate a portion of the alley as requested.

Clarification was made on which portion of alley was to be vacated.

It was noted that the adjacent property owner had called City Hall, but had not made any formal complaint to the Planning Commission, Building Official Neisen, or City Manager Klemm.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried with dissenting vote, the Council approved Resolution 2014-29 – entitled "Resolution in the Matter of Granting the Vacation of a Portion of an Alley Between Lots 11 & 12 and Lots 6 and the Southwesterly Half of Lot 5 of Block 4, Newcomb's Addition, City of Perham, Minnesota".

CONDITIONAL USE PERMIT FOR BLOCK 4, NEWCOMB'S ADDITION/TUFFY'S PET FOODS

Mayor Meehl stated Council may wish to authorize the construction of a parking lot on the southerly portion of Block 4, Newcomb's Addition for parking.

Council Member Lehmkuhl stated that a Public Hearing on the Conditional Use request was held at the September 24, 2014 Planning Commission meeting. All parties affected had been notified of the date and time of the hearing. Council Member Lehmkuhl also stated that the Planning Commission had discussed and recommended Council approve the Conditional Use Permit.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without dissenting vote, the Council approved Resolution 2014 – 30 – entitled "Resolution in the Matter of Granting a Conditional Use Permit for Tuffy's Pet Foods, Between Lots 11 & 12 and Lots 6 and the Southwesterly Half of Lot 5 of Block 4, Newcomb's Addition, City of Perham, Minnesota".

VACATION OF UTILITY EASEMENT/EAST PARK SECOND ADDITION

Mayor Meehl stated Council may wish to consider vacating a utility easement located within the proposed East Park Second Addition.

City Manager Klemm explained that the drafting of the plat for East Park Second Addition uncovered an existing utility easement that will no longer be necessary as new easements will be established with the new plat.

Council Member Lehmkuhl stated that a Public Hearing on the vacation of the easement had been held at the September 24, 2014 Planning Commission meeting. All affected parties had been notified of the time and place of the Public Hearing. No one appeared for or against the request. Council Member Lehmkuhl stated that the Planning Commission had discussed and recommended Council approve vacation of the utility easement as requested.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson, and carried without dissenting vote, Council approved Resolution 2014-31 – entitled “Resolution 2014 – 31 – entitled “Resolution in the Matter of Vacation of Utility Easement, East Park Second Addition to the City of Perham”.

FINAL PLAT/EAST PARK SECOND ADDITION

Mayor Meehl stated Council may wish to consider approving the final plat for East Park Second Addition.

City Manager Klemm noted that no changes had been made from the preliminary plat. Council Member Lehmkuhl stated that the Planning Commission had discussed the final plat at the September 24, 2014 meeting and recommended the Council approve the final plat.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without dissenting vote, Council approved Resolution 2014-32 - entitled “Resolution of the City of Perham, Minnesota, Approving the Final Plat of East Park Second Addition”.

PRELIMINARY PLAT FOR VICTORY ESTATES

Mayor Meehl stated Council may wish to consider approving the preliminary plat for Victory Estates.

City Manager Klemm explained the process for Victory Estates, a Planned Unit Development (PUD). The first step is approval of the preliminary plat, followed by zoning from Open to Residential Multi Family (RM), establishing the PUD in an RM District, and a developer agreement between the City and the developers outlining responsibilities of each party.

Council Member Lehmkuhl stated that the Planning Commission held a Public Hearing on the preliminary plat at its September 24, 2014 meeting. All affected parties had been notified of the place and time of the meeting. No one in attendance voiced any objections to the establishment of Victory Estates. The Planning Commission discussed and recommended the Council approve the preliminary plat.

Council Member Lehmkuhl stated that the Planning Commission had also reviewed the covenants suggesting that a specific, maximum size of detached garages or storage buildings be established.

City Manager Klemm informed the Council that a revision to the preliminary plat had been made. Where 4th Street SE curves southerly to Coney Street, to avoid confusion, it will turn into 9th Avenue SE in keeping with Perham's addressing.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer, and carried without dissenting vote, Council approved Resolution 2014 – 33 – entitled “Resolution of the City of Perham, Minnesota, Approving the Preliminary Plat of Victory Estates”.

ZONING OF VICTORY ESTATES

Mayor Meehl stated Council may wish to consider zoning Victory Estates from an Open (O) District to a Residential Multi Family (RM) District.

Council Member Lehmkuhl stated that the Planning Commission held a public hearing regarding the zoning of Victory Estates at its September 24, 2014 meeting. No one in attendance of that meeting voiced any objections to the zoning request.

On a motion by Council Member Johnson, seconded Council Member Spencer, and carried without dissenting vote, Council approved Ordinance 366, entitled “Rezoning of Victory Estates Addition to the City of Perham, An Ordinance Revising Ordinance No. 286 Entitled Land Use (Zoning), City of Perham, Minnesota”.

PLANNED UNIT DEVELOPMENT OF VICTORY ESTATES

After a short discussion City Council tabled the decision on the Planned Unit Development (PUD) for Victory Estates until a development agreement that addresses infrastructure placement is entered into.

PROPOSED VERIZON TOWER LOCATION

Mayor Meehl stated Council may wish to discuss the location of the proposed Verizon tower.

City Manager Klemm explained that a letter had been received regarding a proposed telecommunications tower to be located on property owned by Donald Meyer just to the north of East Park Second Addition. This proposed tower had been discussed at the September 24, 2014 Planning Commission meeting. Commissioners had directed a letter be written stating their opposition to the location of this tower.

Council Member Lehmkuhl stated that Perham's Comprehensive Plan has designated this area as potential, future residential property and this tower may interfere with future development. City Manager Klemm was seeking Council's opinion on the proposed project. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without dissent, Council approved notification be sent to Verizon stating the City's opposition to the location of the telecommunication tower.

CITY ENGINEER MONTHLY UPDATE

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

Perham Airport – Hangar Apron Improvements

City Engineer Berube stated the project is substantially complete with only the remaining work being the spreading topsoil and turf establishment remaining.

Safe Routes to School

City Engineer Berube stated the project memorandum is nearly complete. Supporting documentation for the environmental, historical, and tribal component has been requested and will be received within the next month. Design will commence following the approval of the memorandum.

City Shop – East Park Site

City Engineer Berube stated the site grading has been completed for the site. Utility installation started today with removal and striping of topsoil. It is anticipated that the utility installations should be completed by the end of the month.

THIRD AVENUE SW PROJECT

Mayor Meehl stated Council may wish to consider approving Liquidated Damages in the amount of \$20,000 for the Third Avenue SW Project.

City Manager Klemm referred the Council to a memo in their packet regarding delays in the project. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl, and carried without dissent the Council approved the Liquidation Damages of \$20,000 for the Third Avenue SW Project.

PRELIMINARY ENGINEERING REPORT AND CALLING FOR A PUBLIC HEARING/2015 STREET IMPROVEMENT PROJECT

Mayor Meehl stated Council may wish to consider discussing the proposed Capital Improvement Plan and ordering the Preliminary Engineering Report and calling for a public hearing in November for the 2015 Improvement Project.

City Manager Klemm stated that he wished to table the Capital Improvement Plan at this time. Discussions have been held regarding possible expansion of the 2015 project; adding 2nd Avenue SE from 2nd Street SE to 5th Street SE to the project.

It was noted that Otter Tail County will be updating/repairing 3rd Avenue SE and the City may want to take advantage of any cost savings involved by expanding the City projects to coincide with that project. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld, and carried without dissent the Council approved Resolution 2014-34 entitled, "Resolution in the Matter of Ordering Preliminary Engineering Report for Improvements on Third Avenue SE from Main Street to Coney Street, Fox Street from Third Avenue SE to Second Avenue SE, Fourth Street SE from First Avenue to Fifth Avenue SE, Second Avenue SE from Second Street SE to Fifth Street SE, Third Street SE from Second Avenue SE to Third Avenue SE, Third Street SW from Eighth Avenue SW to Third Avenue SW, Eighth Avenue NW from Pinewood Lane to Ninth Street NW and Calling for a Public Hearing for said Project, Perham, Minnesota".

SIGNIFICANT INDUSTRIAL USER AGREEMENTS

Mayor Meehl stated Council may wish to approve the Significant Industrial User Agreements for Barrel O Fun, Tuffy's and Kenny's Candy.

Klemm directed Council to the agreements provided in their packets and explained any changes. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson, and carried without dissenting vote, Council approved the Significant User Agreements for Barrel O'Fun, Tuffy's, and Kenny's Candy.

***PURCHASE OF TWO PICKUPS FOR THE PUBLIC WORKS DEPARTMENT**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without a dissenting vote, Council approved the authorization of two new pickup trucks for the Street and Parks Department.

***BOY SCOUT PARK PROPOSAL**

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld, and carried without a dissenting vote, Council approved a proposal to do shore land restoration at Boy Scout Camp.

INFORMATION AND ANNOUNCEMENTS

Special Council Meeting and Committee of the Whole is scheduled for 5:15 on Thursday, October 30th.

LMC Regional Meeting is scheduled for Wednesday, October 29th in Vergas.

The General Election is Tuesday, November 4th.

The next regular Council Meeting is scheduled for Monday, November 10th.

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson, and carried without dissenting vote, the meeting adjourned at 6:15 p.m.

Respectfully submitted by,



Mary Holzer
EDA Assistant

SPECIAL COUNCIL MEETING MINUTES

October 30, 2014

Mayor Meehl called the Special Council Meeting to order at 5:15 on October 30, 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. All Council Members were present.

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

Others present were: Building Official Neisen, City Engineer Berube

PUBLIC WORKS GARAGE

Mayor Meehl stated Council may wish to consider accepting the apparent low bid for the construction of the Public Works Garage. City Manager Klemm stated he, Council Member Lehmkuhl and Public Works Director Meece reviewed the bids at length. Council Member Lehmkuhl stated four bids were received. The bid package included 11 Alternates.

Council Member Lehmkuhl stated after much discussion, they are recommending Council accept the apparent low bid package from Hammers Construction deducting Alternate 3; Standard Profile Roof Panel, Alternate 5; Interior Bollards and Alternate 9; Office Windows. Engineer Bormann stated on Alternate 3, the Council may want to consider a Change Order for the office area because that portion of the roof will be visible. Bormann stated the aluminum windows are very efficient and are comparable to the composite windows. Discussion ensued.

It was noted with the above noted deductions, the bid package submitted by Comstock Construction was \$1,984,300; the bid package submitted by Hammers Construction was \$1,704,822, the bid package submitted by Vercon, Inc. was \$1,830,498 and the bid package submitted by Woessner Construction, Inc. was \$1,725,398. 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 Hammers Construction in the amount of \$1,704,822 which includes deducting Alternate 3; Standard Profile Roof Panel, Alternate 5; Interior Bollards and Alternate 9; Office Windows; Council authorized staff to enter into a Change Order for Alternate 3 if they so choose.

VARIANCE REQUEST FOR A SIGN/BREITENFELDT GROUP

Mayor Meehl stated Council may wish to consider approving a variance request to permit a sign larger than 40 square feet for the Breitenfeldt Group on the former KeepItLocal site in Happel Addition. Building Official Neisen stated the Planning Commission is in the process of reviewing Section 31 of the Zoning Ordinance which deals with signage. It was noted, most signs in the Happel addition do not meet the conditions as set forth in the Zoning Ordinance.

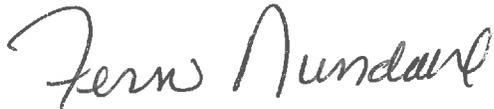
Council Member Lehmkuhl stated the Planning Commission held a public hearing for the variance request. The sign they would like to install is 204 square feet, the Zoning Ordinance allows for a 40 square foot illuminated sign or 80 square feet if not illuminated. No one appeared for or against and no verbal or written comments were received. It was noted, the sign in front of the property would also be utilized. The Planning Commission recommended the Council approved the request. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 35 entitled "Resolution In The Matter Of Granting A Variance To Breitenfeldt Group, Perham, Minnesota".

ADJOURNMENT

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the meeting was adjourned at 5:41.

Respectfully submitted by,

A handwritten signature in cursive script that reads "Fern Nundahl".

Fern Nundahl
Administrative Assistant