

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
October 10, 2011**

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 and City Attorney Happel were present.

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

Others present: City Engineer Berube and Building Official Neisen

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

CITIZENS CONCERNS

Mayor Meehl requested those present to rise if they wanted to address 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. Mayor Meehl requested Item 8 D, Joint Powers Agreement/Intoxilyzer be removed from the agenda and Item 6 J, Perham Lions Gambling Permit be added to the agenda.

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 deletion/addition of 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. Mayor Meehl requested Item 8 E, DNR Grant Application/Extending Bike Path be removed from the Consent Agenda.

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Consent Agenda with the removal of the above noted item.

***APPROVAL OF MINUTES**

On a motion by Council Member Mattfeld, 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 September 12 and Special Meeting minutes from September 28, 2011.

APPROVAL FOR PAYMENT OF CITY CLAIMS

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved City Claims in the amount of \$1,470,535.25 for the month of September 2011.

REFINANCING LIQUOR STORE

Mayor Meehl stated Council may wish to accept a bid for refinancing of the liquor store. Todd Hagen from Ehlers and Associates reviewed the bid tab. Hagen noted Farmer's State Bank did not submit a bid, United Community Banks' bid was 2.75% and Bremer Banks' bid was 2.88%. Hagen stated with the low interest rate, the City will see a net savings of \$27,614.

Todd Hagen stated the lease purchase has a six year term with the first installment due on April 1, 2012. The tentative closing date is November 1, 2011 and there is no pre-payment penalty. Discussion ensued.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved refinancing the liquor store and Resolution No. 2011 - 43 entitled "Resolution Relating To A Lease Refinancing Of Leased Property, Authorizing The Approval, Execution And Delivery Of A Ground Lease, A Lease And Purchase Option Agreement And Other Documents Related Thereto".

OFF-SALE LIQUOR LICENSE/DUNVILLA

Mayor Meehl stated Council may wish to discuss an application submitted to Otter Tail County for an Off-Sale Liquor License. City Manager Klemm reviewed the draft letter to the Otter Tail County Commissioners.

City Manager Klemm stated the group requesting the Liquor License has a petition with over 400 signatures supporting their proposed project. Klemm stated we need good representation at the Public Hearing so that Commissioners understand the City's position. Council Member Lehmkuhl stated he spoke with members of the Otter Tail County Sheriff's Department and they feel that Commissioners will approve the request. Lehmkuhl also stated the City Manager in Detroit Lakes is not in favor because their liquor store may be effected. City Manager Klemm stated most City Managers and Clerks in Otter Tail County have been contacted and are urged to attend to voice their disapproval. Building Official Neisen questioned if Commissioner Huebsch should be approached regarding a moratorium prior to issuing any liquor licenses. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council directed the City Manager to forward the letter to Otter Tail County Commissioners and recommended they attend the public hearing scheduled for Monday, October 24 at 7:00 pm at the Government Services Building in Fergus Falls.

***GRADER LOAN PAYOFF**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved an inter-fund loan to pay-off the grader loan.

***PERHAM ATHLETIC ASSOCIATION/PULL TABS**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the Perham Athletic Association to sell pull tabs at the Brew, LLC (Station House) and approved Resolution No. 2011 – 44 entitled “Resolution In The Matter Of Approving Premises Permit Application, Perham Athletic Association”.

***PARADE OF LIGHTS**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the use of City streets for the Parade of Lights scheduled for Friday, November 25.

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

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the PLGC’s Income Statement for August 2011.

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

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the PACC’s Financial Reports for August 2011.

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

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the following reports: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report for September 2011.

PERHAM LIONS/PULL TABS

Mayor Meehl stated Council may wish to consider authorizing Perham Lions to sell pull tabs at the Perham BP.

Nick Theroux, representing Perham Lions, requested Council consider selling pull tabs at Perham BP. A short discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson, the Council approved Resolution No. 2011 – 45 entitled “Resolution In The Matter Of Approving Premises Permit Application, Perham Lions”, Council Members voting in favor were Johnson, Lehmkuhl, Spencer and Meehl, Council Member Mattfeld abstained.

PUBLIC HEARING – 5:37

MODIFYING DEVELOPMENT DISTRICT #2 AND ESTABLISHING TIF DISTRICT 2-35

Mayor Meehl stated Council may wish to hear comments regarding the modification of Development District #2 and establishing TIF District 2-35 for the proposed construction of multiple family housing.

Todd Hagen from Ehlers and Associates stated the action being considered is three-fold: establishment of Tax Increment Financing District No. 2-35 and the adoption of a Tax Increment Financing Plan; elimination of a parcel from TIF District No. 2-27; and modification to the Development Program for Development District No. 2 which includes the establishment of Tax Increment Financing District No. 2-35. Hagen stated this is an economic development district and is being created to facilitate the construction of one 12-plex apartment building with plans to construct three additional 12-plexes in the future. The duration of the District will be 8 years and the estimated annual tax increments would be up to \$45,707. Hagen noted, construction needs to start in 2011 and be completed by June 30, 2012.

Mayor Meehl closed the hearing at 5:43. It was noted, no verbal or written comments were received prior to the hearing.

Council Member Lehmkuhl questioned if the garages needed to be constructed immediately to meet the required parking spaces. Building Official Neisen stated they will meet the required parking spaces. 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. 2011 – 46 entitled “Resolution Approving The Elimination Of Parcels From Tax Increment Financing District No. 2-27 Within Development District No. 2 Of The City Of Perham”.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution NO. 2011 – 47 entitled “Resolution Authorizing An Interfund Loan For Advance Of Certain Costs In Connection With Tax Increment Financing District No. 2-35”.

On a motion by Council Member Johnson, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved Resolution No. 2011 – 48 entitled “Resolution Adopting A Modification To The Development Program For Development District No. 2; And Establishing Tax Increment Financing District No. 2-35 Therein And Adopting A Tax Increment Financing Plan Therefor”.

RAILROAD CROSSING/VACATION OF STREET

Mayor Meehl stated Council may wish to consider scheduling an informational hearing to receive comments regarding the proposed closure of the railroad crossing on 11th Avenue NE/450th Avenue and consider a proposal from MN DOT and BNSF to close said crossing.

Mayor Meehl questioned if MN DOT is considering Perham Township's proposal to pave 450th Street from County Highway 80 to County Highway 51. City Manager Klemm stated he will forward the proposal to MN DOT tomorrow. Council Member Lehmkuhl stated 450th should be at least a 9 ton street. Council Member Johnson stated he would like 3rd Avenue NE paved from 450th Street to 7th Avenue NE. Council Member Lehmkuhl stated he wants a deal made so that we don't have to pay the annual parking lot leases. Public Works Director Meece stated the City also pays for all of the mains that cross the railroad. City Manager Klemm stated that he forwarded the Council's entire request to MN DOT in January and they countered with a \$100,000 settlement. Discussion ensued.

The Public Informational Meeting Notice was reviewed noting that the meeting is scheduled for Wednesday, October 26th at 5:30. Mayor Meehl stated this would be a joint meeting with Perham Township. Mayor Meehl noted because it is an informational meeting, no decisions will be made at that meeting. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council directed staff to proceed with the Public Informational Meeting.

***ACCEPTANCE OF THE BUILDING PERMIT REPORT**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the Building Permit Report for September 2011.

CITY ENGINEER MONTHLY UPDATE

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

Third Street Northwest and Lake Avenue Project

City Engineer Berube stated the first lift of bituminous has been constructed on Third Street and Lake Avenue. Turf has been installed on the project and signing will be completed early this week. The second lift of pavement will be constructed next week with the final lift of pavement being constructed in 2012.

Fifth Avenue Southeast

City Engineer Berube stated J&J Excavating has completed all utilities within the Fairgrounds and is in the process of preparing it for seeding. A second crew arrived today and will be assisting in completing the underground utilities beneath Fifth Avenue. Underground utilities should be completed by mid-next week with above ground restoration to follow.

SALE OF FIRE LADDER TRUCK

Mayor Meehl stated Council may wish to consider accepting a bid for the sale of the fire ladder truck. Fire Chief Schmidt stated per the grant requirements; the ladder truck cannot be sold or transferred to any other emergency response organization for the purpose of emergency response. Swansons Repair, Detroit Lakes, has made an offer on the ladder truck, \$3,000 in cash and \$2,000 in credit.

City Manager Klemm stated a Memorandum of Agreement has been drafted which states Swanson agrees that he will not use the truck to provide emergency and firefighting services and will not use the truck in any manner that would violate the terms and conditions of the grant received by the City. Discussion ensued.

On a motion by Council Member Lehmkuhl, seconded by Council Member Mattfeld and carried without a dissenting vote, the Council approved the sale of the 1976 Oren LTI 85 foot Platform Ladder Truck to Swanson Repair for \$3,000 in cash and \$2,000 in credit providing Swanson sign a Memorandum of Agreement.

VETERAN'S MEMORIAL

Mayor Meehl stated Council may wish to consider donating \$1,000 from the Liquor Store and \$1,000 from the Park Board for the construction of a Veteran's Memorial at the Perham Cemetery. City Manager Klemm stated the financial gap for fundraising at this time is \$3,100. The Park Board designated a \$1,000 donation and City Manager Klemm recommended Council approve a \$1,000 from the Liquor Fund. Discussion ensued.

On a motion by council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a \$2,000 from the City (\$1,000 from the Liquor Fund and \$1,000 from the Park and Recreation Fund), for the Veteran's Memorial to be located in the Perham Village Cemetery.

DNR GRANT APPLICATION/EXTENDING BIKE PATH

Mayor Meehl stated Council may wish to authorize the submittal of a Grant Application for funds to extend the Bike Path. EDA Director Johnson stated if approved, the bike path would connect 2nd Street, CSAH 34 and Coney Street.

EDA Director Johnson reviewed the estimated costs noting that the grant is a 75/25 split. Estimated costs are as follows: signage is \$2,600, paving is \$62,484, wildflowers are \$12,065 which includes site preparation, seeds and mulch and flower maintenance for 5 years is \$10,000 for a total of \$87,349. In addition, the hospital would like their walk/bike path paved and their portion of the grant will be \$34,155. The City's share of this project will be \$21,837.

EDA Director Johnson stated the City will incur costs that will not be covered by the grant. They are \$1,273 for paint striping, \$1,500 for decaling bikes on the street and \$900 for crosswalks. Total proposed costs for the City are \$25,510.

Discussion ensued regarding the striping on the street and location of the wildflowers. Council Member Johnson questioned if the grant is approved, when will the project take place. EDA Director Johnson stated it is projected to be completed in conjunction with the Highway

10/CSAH 34 Interchange Project in 2012. City Manager Klemm stated \$50,000 is budgeted for paving the bike path in 2012.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution No. 2011 – 49 entitled “Resolution In The Matter Of Applying To DNR Local Trail Connections Program”.

AIRPORT STATE AID AGREEMENT

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the Airport Grant Agreement and Resolution No. 2011 – 50 entitled “Authorization To Execute Minnesota Department Of Transportation Grant Agreement For Airport Maintenance And Operation” which requests state aid for eligible costs incurred for airport maintenance.

***AIRPORT STATE AID AGREEMENT**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved a Grant Agreement which will assist with the financing of a plow truck, designates the Mayor and City Manager as the authorized representatives and approves Resolution No. 2011 – 51 entitled “Authorization To Execute Minnesota Department Of Transportation Grant Agreement For Airport Improvements Excluding Land Acquisition”.

***ASSESSMENT HEARING/FIFTH AVENUE SE**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council adopted Resolution No. 2011 – 52 entitled “Resolution In The Matter Of Calling For A Public Hearing For Proposed Assessments For The Fifth Avenue South East Project, Perham, Minnesota”, scheduling the Assessment Hearing for Monday, November 14, 2011.

***ASSESSMENT HEARING/THIRD STREET NW/LAKE AVENUE**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council adopted Resolution No. 2011 – 53 entitled “Resolution In The Matter Of Calling For A Public Hearing For Proposed Assessments For The Third Street NW/Lake Avenue Project, Perham, Minnesota”, scheduling the Assessment Hearing for Monday, November 14, 2011.

***ACCEPTANCE OF THE MONTHLY POLICE REPORT**

On a motion by Council Member Mattfeld, seconded by Council Member Spencer and carried without a dissenting vote, the Council accepted the Monthly Police Report for September 2011.

INFORMATION AND ANNOUNCEMENTS

Budget Meetings are scheduled for Thursday October 13 and Friday, October 21 at 7 am
Local Board of Review Training is scheduled for October 18 in Park Rapids at 9 am

Public Hearing for Off-Sale Liquor License is scheduled for Monday, October 24 at 7 pm in Fergus Falls

The Committee of the Whole is scheduled for October 26 at 5:15

The Regular Council Meeting is scheduled for November 14 at 5:15 pm

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 p.m.

Respectfully submitted by,

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

Fern Nundahl
Administrative Assistant