

**PERHAM CITY COUNCIL  
REGULAR MEETING MINUTES  
December 13, 2021**

The regular meeting of the Perham City Council held both in person in the Council Chambers at Perham City Hall, 125 Second Avenue NE, Perham, MN 56573 and electronically via Zoom was called to order by Mayor Meehl at 5:15 pm with 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, Spencer and Schmidt.

Staff present: City Manager Smith, Finance Officer Stokke, EDA Director Murdock, Police Chief Gritz, Public Works Director Schossow and Administrative Assistant Hoeft.

Others present: City Engineer Berube, Shirley Davidson and Teresa Romann representing the History, Arts, and Cultural Association, and Otter Tail County Commissioner Dan Bucholz.

Others present via Zoom: City Attorney Winters and Elizabeth Vierkant from the Perham Focus.

**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.

*Shirley Davidson – HACA Update*

Shirley Davidson representing the History, Arts, and Cultural Association (HACA) was in attendance to update Council on future plans, review the last five years, and discuss the costs associated with operating the museum and Pioneer Grounds. Davidson explained that Kenny Nelson has expressed interest in donating the ITOW building to HACA to operate a daycare where Empowering Kids is currently located. Several other organizations have also expressed interest in renting space in the building. Davidson requested a letter from the City approving the operation of a daycare in the space. City Manager Smith noted that since building permits have already been issued and the City has no financial interest in the building, no approval from the City is needed as a daycare is an approved use in that zoning district. Davidson noted that several grants have been applied for and received to assist in the costs of maintaining the building and keeping both the museum and Pioneer Grounds financially stable without seeking financial assistance from the City. Council commended Davidson for her work with the museum and Pioneer Grounds.

There were no other citizen concerns.

### **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 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 Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the consent agenda as presented.

### **\*APPROVAL OF MINUTES**

Council approved the minutes of the Regular Meeting of the Council held on November 8, 2021.

### **APPROVAL FOR PAYMENT OF CITY CLAIMS**

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims. Finance Officer Stokke noted the following additional claims: BHH Partners for \$6,292.56 and \$4,879.28; Consolidated Title Services for \$10,000.00; Hendrickx Electric for \$104.38; Hometown Repair for \$267.89, \$80.23, \$41.33, \$41.33, and \$78.16; Pizza Ranch for \$94.64; QTPOD for \$945.00; Southern Glazers for \$88.65; and Verizon Wireless for \$200.09 bringing the total Unpaid City Claims to \$2,525,134.04.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the amount of \$2,712,150.93 for November 2021.

### **APPROVE PURCHASING GOODS FROM CITY OFFICIAL**

Mayor Meehl stated Council may wish to approve a resolution to authorize purchasing goods from a City Official.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution 2021 – 57 entitled “A Resolution To Authorize Purchasing Goods From A City Official.” Council Member Spencer abstained from the vote as the owner of Maric Ventures LLC.

### **DECERTIFY TIF DISTRICT 2-35**

Mayor Meehl stated Council may wish to approve a resolution to decertify Tax Increment Financing District 2-35. City Manager Smith explained that TIF District 2-35, an Economic Development nine-year TIF agreement consists of four Grow Perham apartment buildings.

On a motion by Council Member Schmidt, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution 2021 – 58 entitled “City Of Perham, County of Otter Tail, State Of Minnesota, Being A Resolution Approving The Decertification Of Tax Increment Financing District No. 2-35 Of The City Of Perham.”

### **AMERICAN RESCUE PLAN ACT FUNDS**

Mayor Meehl stated Council may wish to approve a resolution to accept American Rescue Plan Act funds. City Manager Smith explained that Council had previously approved applying for funds and now must approve the receipt of funds. The receipt of funds includes the initial allocation as well as the redistribution of unrequested funds. Smith noted the funds must be used by December 31, 2024. Uses include technology and software upgrades as well as possible infrastructure upgrades for parks and recreation.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution 2021 – 59 entitled “A Resolution To Accept Coronavirus Local Fiscal Recovery Funds And The Redistribution Of Unrequested Funds Established Under The American Rescue Plan Act” to accept the initial allocation of \$385,703.04 and the redistribution of unrequested funds in the amount of \$12,630.72.

### **2022 CIGARETTE LICENSES**

Mayor Meehl stated Council may wish to approve and authorize the Mayor and City Manager to sign licenses for the applications submitted by Spies Inc. DBA Service Food Market, Keystone Inc. DBA Central Market, Maric Ventures LLC DBA Central Station, Momar Enterprises, Inc. DBA Westside Services, Meyer’s Service, Inc. DBA Main Street Express, Landmark Liquors, Family Dollar Inc. DBA Family Dollar \$7425, Masterpiece Vapors, and Olson Oil DBA Olson Oil One Stop for Cigarette Licenses contingent upon receipt of fees by the City Office.

On a motion by Council Member Schmidt, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council authorized the Mayor and City Manager to sign licenses for applications submitted for Cigarette Licenses. Council Member Spencer abstained from the vote as he is the owner of Maric Ventures.

**\*DELINQUENT ACCOUNTS RECEIVABLE BALANCES**

Council approved Resolution 2021 – 60 entitled “Resolution In The Matter Of Writing Off Uncollectible Accounts Receivable Balances Perham, Minnesota,” to write off uncollectible accounts receivable balances for Fire/Rescue in the amount of \$2,000.00.

**\*DELINQUENT UTILITY ACCOUNTS**

Council approved Resolution 2021 – 61 entitled “Resolution In The Matter of Writing Off Uncollectible Utility Account Balances Perham, Minnesota,” to write off uncollectible utility accounts as follows: Gas in the amount of \$827.59; Water in the amount of \$1.84; Sewer in the amount of \$2.01; Recycling in the amount of \$4.06; and Storm Sewer in the amount of \$1.18.

**\*2022 CITY COUNCIL MEETING SCHEDULE**

Council approved the following schedule for Council Meetings to be held in 2022: January 10, February 14, March 14, April 11, May 9, June 13, July 11, August 8, September 12, October 10, November 14, and December 12.

**\*2022 POLLING PLACE DESIGNATION**

Council approved Resolution 2021 – 62 entitled “Resolution Designating The Polling Place For 2022,” designating Perham City Hall, 125 Second Avenue NE, Perham, Minnesota as the polling place for 2022 elections.

**\*CLEANING CONTRACT**

Council approved a cleaning contract for the City Hall and Library cleaning services with Brianna Klemek for the mutually agreed upon amount of \$30.00 per hour.

**\*ACCEPT DONATION**

Council approved Resolution 2021 – 63 entitled “Resolution In The Matter Of Accepting A Donation From The Perham Rotary Foundation, Perham, MN,” to accept a donation for \$679.92 for Boedigheimer Park and the Sledding Hill.

**\*ACCEPT DONATION**

Council approved Resolution 2021 – 64 entitled “Resolution In The Matter Of Accepting A Donation For The EDA Land Research Project, Perham, MN,” to accept a donation from Otter Tail Power for \$25,000 for the EDA Land Research Project.

**\*ACCEPT DONATION**

Council approved Resolution 2021 – 65 entitled “Resolution In The Matter Of Accepting Donations For The Pickleball Courts, Perham, MN,” to accept a donation from Arvig on behalf of CoBank for \$10,000 for the Pickleball Courts.

**\*ACCEPT DONATION**

Council approved Resolution 2021 – 66 entitled “Resolution In The Matter Of Accepting A Donation For Affordable Child Care, Perham, MN,” to accept a donation from Arvig for \$5,000 to offset the costs of providing affordable child care in Perham.

**\*HACA LEASE AGREEMENT**

Council approved a lease agreement between the City of Perham and the History and Cultural Association of East Otter Tail County (HACA).

**\*P2P LEASE AGREEMENT**

Council approved a lease agreement between the City of Perham and the Pine to Prairie Antique Tractor and gas Engine Association (P2P).

**\*APPROVE LAND SALE RESOLUTION**

Council approved Resolution 2021 – 67 entitled “Resolution By The City Of Perham, A Municipal Corporation, Approving The Sale Of Real Estate Legally Described Herein To Gabrielson Properties, LLC,” for the sale of Lot 1, Block 1, East Park Third Addition, Otter Tail County, to Gabrielson Properties, LLC.

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

Council accepted the PACC's Financial Reports for October 2021.

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

Council accepted the following reports: Cash Balance and Investment Summary, Budget Summary – Revenue and Expense, Enterprise Financials and the Utility Aging Report for November 2021.

**\*2022 OFFICERS**

On the recommendation of the Fire Department, Council approved the following as Officers for the Fire Department:

Fire Chief	Mark Schmidt
1 <sup>st</sup> Assistant	Mark Ebeling
2 <sup>nd</sup> Assistant	John Kostynick
Captain	Vance Bachmann
Captain	Jon Ebeling
Captain	Clayton Trautman
Captain	Matt Johnson
Assistant Engineer	Dustin Vickmark
Assistant Engineer	Steve Felt
Assistant Engineer	Matthew Hendrickx
Department Secretary	Brandon Grindall

**\*FIRE DEPARTMENT ANNUAL RURAL MEETING**

Council authorized the use of alcohol at the Perham Emergency Services Building on Wednesday, January 26, 2022 in conjunction with the Annual Meeting with City and Township Officials.

**PROPERTY TAX REBATE PROGRAM EXTENSION**

Mayor Meehl stated Council may wish to approve extending the application period deadline for the Property Tax Rebate Program for new single and two-family homes from December 31, 2022 to December 31, 2024. City Manager Smith explained that the City approved the program as part of the County’s Big Build initiative. The City has yet to approve any applications as most new development already receives TIF/Tax Abatement. The City was encouraged to extend the deadline to December 31, 2024 to mirror the County’s new deadline.

On a motion by Council Member Johnson, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution 2021 – 68 entitled “Resolution Approving Extension Of A Property Tax Rebate Program For New Single And Two-Family Homes,” to extend the application period deadline from December 31, 2022 to December 31, 2024.

## **CITY ENGINEER MONTHLY UPDATE**

City Engineer gave an update on various projects.

### *Westwind Fourth Addition*

All punchlist items except for irrigation repair and spring cleanup/review have been completed. The project will be closed out following the completion of the final items.

### *2022 Project*

Design is currently progressing on the 2022 Project, with the utility reconstruction the current priority. Various property owners have continued to supply sketches of their properties along the project area, which has been added into the survey.

It is anticipated that a meeting with property owners will be held in February to discuss primarily surface improvements, along with rough scheduling of the project.

### *Federal Infrastructure Bill*

Minnesota Rural Water held a funding seminar on December 6<sup>th</sup> which outlined the status of the Bipartisan Infrastructure Bill that was passed in November. Currently, the federal government is preparing the rules for the proposed funding, which needs to be completed by 180 days following the passage of the bill.

Currently, it is known that funding will be provided to the State of Minnesota's Clean Water and Drinking Water Revolving Funds. The funds will consist of an additional \$680 million dollars to be allocated for five years, starting in Fiscal Year 2023. Funds are primarily to be used on utility reconstruction, lead service line replacement, or treating contaminants of emerging concern.

When the bill verbiage is finalized, Apex and City Staff will continue to review current and future projects to determine if additional projects should be applied for.

## **APPROVE SCHOOL RESOURCE OFFICER AGREEMENT**

Mayor Meehl stated Council may wish to approve a School Resource Officer Agreement with the Perham-Dent School District. Police Chief Gritz noted that there won't be just one dedicated Officer and the goal is to be there at least 20 hours per week.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the School Resource Officer Agreement with the Perham-Dent School District from January through May 2022 for \$2,780.00 per month and is subject to one extension of four months (September thru December 2022).

## **6:00 P.M. – PUBLIC COMMENT/TAX LEVY AND BUDGET**

After a nine-minute recess, Mayor Meehl stated Council may wish to hear comments regarding the proposed 2022 Tax Levy and 2022 Budget.

City Manager Smith presented the 2022 Final Tax Levy and Budget. The City of Perham is required to conduct a Truth-In-Taxation Public Hearing prior to setting the property tax levy and budget for 2022. Smith reviewed the budgeted fund types including:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds

Smith noted a proposed 2022 Final Operating Tax Levy amount of \$1,176,464, an increase of 6.08% over the Final Operating Tax Levy amount of \$1,109,075 from 2021. Smith also noted a Debt Service decrease of 7.88%.

An increase of 13.39% in the Tax Abatement and HRA budget brought an overall Tax Capacity Levy (excluding HRA) amount of \$1,607,378 for an increase of 2.37% from 2021. The Levy is allocated as follows:

- General Fund – 41%
- EDA – 6%
- Library – 10%
- Fire – 7%
- Capital Improvements – 11%
- Debt Service – 23%; and
- Tax Abatement – 1%

The Tax Capacity decreased 2.08% due in large part to a Net Tax Capacity law change by the Minnesota Department of Revenue declaring power transmission lines are no longer subject to our local tax rate, rather a blended County rate. The Tax Rate increased from 48.92% in 2021 to 51.150% for 2022. Smith explained how the Tax Levy increase calculates for both residential and commercial properties as well as how the Enterprise Fund budgets contribute to the levied funds. Smith also reviewed some of the services provided by City tax dollars and property tax relief programs available to property owners.

Mayor Meehl then opened the hearing to comments from the public. Trisha Pickar, 201 Sixth Avenue SE, stated she owns one of the oldest houses in Perham, and her City taxes increased over \$200. City Manager Smith stated that property values have increased in Perham and the property tax statements reflect the preliminary levy amounts which have now decreased nearly ten percent. Smith noted that he would review Pickar's tax statement with her after the meeting.



There were no further comments from the public.

**ADOPTION OF 2022 LEVY AND BUDGET**

Mayor Meehl stated Council may wish to adopt the 2022 Budget and Levy.

On a motion by Council Member Schmidt, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution 2021 – 69 entitled “Resolution In The Matter Of Establishing The Tax Levy For Taxes To Be Collected In 2022 And Approving The 2022 Budget Perham, Minnesota.”

**2022 FEE SCHEDULE**

Mayor Meehl stated Council may wish to consider approving the 2022 Fee Schedule Ordinance and Summary of Publication with the following changes:

<u>Type of Fee</u>	<u>Fee Amount</u>
<b>City Services</b>	
Loader	\$200.00/hr
Pickup	\$90.00/hr
Sanding Parking Lot	\$75.00/minimum
<b>Park Rentals</b>	
Arvig Park	
Softball Fields (Paid in advance)	\$125/day/field
Paul Miller Park	
Shelter 1	\$50.00
Shelter 2	\$40.00
<b>Planning and Zoning</b>	
Sheds, 200 square feet or less (over 200 square feet requires a Building Permit)	\$25.00
<b>Utilities</b>	
<u>Natural Gas Fees</u>	
Gas Installation Fee – Commercial	\$400.00 (first 100’)
Gas lines over 100’	\$5.10/foot

On a Motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Ordinance 422 entitled “Ordinance Setting the 2022 Fee Schedule City Of Perham, Minnesota.”

## INFORMATION AND ANNOUNCEMENTS

The City Offices will be closed on Friday, December 24 and Monday, December 27 in observance of Christmas Eve and Christmas Day

The City Offices will be closed Monday, January 3 in observance of New Year's Day

The next regular Council Meeting is scheduled for Monday, January 10, 2022

## ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, Mayor Meehl adjourned the meeting at 6:24 p.m.

Respectfully submitted by,



Heather Hoeft  
Administrative Assistant

ATTEST:

  
Mayor