

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
December 14, 2020**

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 Deputy Mayor Johnson 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 Lehmkuhl, Johnson, Spencer, and Schmidt. Mayor Meehl arrived at 5:42 p.m.

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

Others present: City Engineer Berube, Dave Schornack, and Stephanie Jorgenson of Tick Tock Coffee

Others present via Zoom: Chad Bormann of BHH Partners, and Scott and Dena Olsen

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Deputy Mayor Johnson requested all in attendance rise for the Pledge of Allegiance.

CITIZENS CONCERNS

Deputy Mayor Johnson stated Council will recognize citizens who may have items for the Council. Scott and Dena Olsen, 434 Fifth Street Southwest, inquired about the City's stance on Governor Walz's Executive Order and how it affects local businesses. Both Johnson and City Manager Smith explained that the City has no local control over the Order. The State has the authority to suspend both liquor and food handling licenses if businesses do not comply with the Order.

APPROVAL OF AGENDA

Deputy Mayor Johnson stated Council Members and Staff may add items to the Agenda which requires Council action.

On a motion by Council Member Schmidt, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the agenda as presented.

CONSENT AGENDA

Deputy Mayor Johnson 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 9, 2020 and Special Council Meeting held on November 12, 2020.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Deputy Mayor Johnson stated Council may wish to approve payment of Prepaid and Unpaid City Claims. Finance Officer Stokke noted no additional claims.

On a motion by Council Member Schmidt, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the amount of \$1,535,369.43 for November 2020.

BOND PRE-SALE REVIEW

Deputy Mayor Johnson stated Council may wish to review the Pre-Sale Report for the \$1,500,000 General Obligation Bonds, Series 2021A to refund the City's outstanding 2010A Taxable GO PIR Fund Bonds, 2011A GO Improvement Bonds, and 2013A GO Improvement Bonds for an interest cost savings. City Manager Smith explained that the City is refinancing three (3) bonds for an initial interest cost savings of approximately \$110,000. Each of the bonds has a fund balance and with a City contribution of cash, the City will see an overall interest cost savings of approximately \$200,000.

Deputy Mayor Johnson stated Council may wish to approve a resolution to authorize Ehlers to assist the City with the sale of the \$1,500,000 General Obligation Bonds, Series 2021A.

On a motion by Council Member Schmidt, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution 2020 – 46 entitled, "Resolution Providing for the Sale of \$1,500,000 General Obligation Improvement Refunding Bonds, Series 2021A."

DECERTIFY TIF DISTRICT 2-33

Deputy Mayor Johnson stated Council may wish to approve a resolution to decertify Tax Increment Financing District 2-33. City Manager Smith explained that TIF District 2-33 contains one (1) parcel in the Happel Addition that has met its lifetime obligation and can now be decertified.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt, and carried without a dissenting vote, the Council approved Resolution 2020 – 47 entitled “Being A Resolution Approving The Decertification Of Tax Increment Financing District No. 2-33 Of The City Of Perham.”

PROFESSIONAL LEGAL SERVICES

Deputy Mayor Johnson stated Council may wish to consider selecting a firm experienced in municipal law to provide the City with general municipal representation on civil matters. City Manager Smith explained that the City received five (5) responses to the RFP for legal services. City staff put together a scoring matrix and after review and scoring, recommended Ramstad, Skoyles, and Winters as the new City Attorney. Their high score was based on their experience, accessibility, history, references, and location. All proposals submitted had similar rates. The contract will be based on an hourly rate, where the City pays only when services are utilized, similar to past arrangements.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the appointment of Ramstad, Skoyles, and Winters as City Attorney based on the recommendation of City staff.

INSURANCE AGENT

Deputy Mayor Johnson stated Council may wish to consider selecting an insurance agent to handle property/casualty, Worker’s Compensation, and related coverage. City Manager Smith explained that the City received two (2) good responses to the RFP for an insurance agent. Based on Overland Insurance’s defined rates and great examples of service, City staff recommended them to continue as the City’s agent of record.

On a motion by Council Member Schmidt, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the appointment of Overland Insurance as the City’s insurance agent of record based upon the recommendation of City staff.

HUB PROJECT

Deputy Mayor Johnson stated Council may wish to accept the apparent low bid for the HUB project. City Manager Smith explained that the apparent low bid for the HUB project came in at \$6,009,900 from Tradesman Construction. The bid is about \$800,000 over the initial budget, however, fundraising efforts are going well and will be able to fill the gap as well as meet the needs of the PACC project. Bid alternates and other areas of cost savings were discussed. It was recommended to accept the bid by Tradesman Construction for the remodel of the HUB.

On a motion by Council Member Schmidt, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council accepted the apparent low bid of \$6,900,900 from Tradesman Construction for The HUB project.

PURCHASE AGREEMENT

Deputy Mayor Johnson stated Council may wish to approve a purchase agreement for the sale of property in Ruby's Addition to Mark and Barbara Lenius. City Manager Smith explained that the purchase agreement is for the sale of land in Ruby's Addition previously deeded to the City. The sale price is based on total assessments of the property.

On a motion by Council member Schmidt, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved the purchase agreement with Mark and Barbara Lenius for property in Ruby's Addition for \$21,532.50.

***DELINQUENT ACCOUNTS RECEIVABLE BALANCES**

Council approved Resolution 2020 – 48 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 \$1,100.00.

***DELINQUENT UTILITY ACCOUNTS**

Council approved Resolution 2020 – 49 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 \$312.44; Water in the amount of \$237.59; Sewer in the amount of \$177.15; Recycling in the amount of \$16.99; and Storm Sewer in the amount of \$13.35.

***2021 CITY COUNCIL MEETING SCHEDULE**

Council approved the schedule for Council Meetings to be held in 2021 as follows: January 11; February 8; March 8; April 12; May 10; June 14; July 12; August 9; September 13; October 11; November 8; and December 13.

***2021 CIGARETTE LICENSES**

Council approved and authorized the Mayor and City Manager to sign licenses for the applications submitted for Cigarette Licenses contingent upon receipt of fees by the City Office for Spies, Inc. DBA Service Food Market; Keystone Inc. DBA Central Market; Central Station; Momar Enterprises, Inc. DBA Westside Services; Meyer's Service, Inc DBA Main Street Express; JS Palubicki, Inc DBA Palubicki's One Stop; Landmark Liquors, Family Dollar, Inc DBA Family Dollar #7425; and Masterpiece Vapors.

***2021 POLLING PLACE DESIGNATION**

Council approved Resolution 2020 – 50 entitled "Resolution Designating The Polling Place For 2021," designating Perham City Hall, 125 Second Avenue NE, Perham, Minnesota as the polling place for 2021 elections.

***CLEANING CONTRACT**

Council approved a cleaning contract with Brianna Klemek for the City Hall and Library cleaning services.

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

Council accepted the PACC’s Financial Reports for October 2020.

***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 2020.

***2021 OFFICERS**

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

Fire Chief	Mark Schmidt
1 st Assistant	Mark Ebeling
2 nd 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	Chris Sim
Department Secretary	Brandon Grindall

***FIRE DEPARTMENT ANNUAL RURAL MEETING**

Council authorized the use of alcohol at the Perham Emergency Services Building on Wednesday, January 27, 2021 in conjunction with the Annual meeting with City and Township Officials.

LAND LEASE AGREEMENT – TICK TOCK COFFEE

Deputy Mayor Johnson stated Council may wish to consider approving a land lease agreement with Tick Tock Coffee. City Manager Smith explained that the land lease agreement is for a 30 x 70 piece of property in the alleyway behind the current Boedy Appliance building to be used for a drive-thru. The lease would be a sublease of a land lease agreement the City has with BNSF. Payment would be based upon the square footage costs the City pays BNSF. The potential for traffic congestion in the drive-thru was discussed. Police Chief Gritz had no initial safety concerns.

On a motion by Council Member Spencer, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved a land lease agreement with Tick Tock Coffee.

CONDITIONAL USE PERMIT – TICK TOCK COFFEE

Deputy Mayor Johnson stated Council may wish to consider approving a request from Tick Tock Coffee for a Conditional Use Permit to permit a drive-thru. City Manager Smith explained the Planning Commission had held a public hearing and addressed the conditions outlined in the resolution for Council approval. Conditions include the full purchase of the property, full execution of the land lease agreement, installation of signage to help alleviate traffic congestion, development of a traffic flow plan, and Tick Tock Coffee must work directly with the City to alleviate any traffic congestion issues that may arise.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution 2020 – 51 entitled “Resolution In The Matter Of Granting A Conditional Use Permit To Tick Tock Coffee, City Of Perham, Minnesota.”

PRELIMINARY PLAT – WESTWIND 4 ADDITION

Deputy Mayor Johnson stated Council may wish to consider approving the preliminary plat for the creation of Westwind 4, a subdivision for residential use. City Manager Smith explained that the Planning Commission had held a public hearing and the main concern from neighbors was the saving of trees in the area. The plat includes twenty-nine (29) single family lots.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution 2020 – 52 entitled “Resolution Of The City Of Perham, Minnesota Approving The Preliminary Plat of Westwind 4.”

REZONING - WESTWIND 4 ADDITION

Deputy Mayor Johnson stated Council may wish to consider approving the rezoning of Westwind 4 Addition from Open Space (“O”) to R-2. City Manager Smith explained the Planning Commission had held a public hearing and no objections were made. Smith discussed how the proposed Westwind 4 subdivision will be re-zoned from “O” (OPEN) to “R-2” (Single Family) and “R-4” (Multi-Family). The plan is to develop the fifteen (15) acre lot into roughly twenty-seven (27) single family homes and two (2) multi-family units.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Ordinance 417 entitled “Rezoning Of Westwind 4th Addition To The City Of Perham, An Ordinance Revising Ordinance No. 286 Entitled Land Use (Zoning) City Of Perham, Minnesota.”

***WORKFORCE HOUSING DEVELOPMENT PROGRAM**

Council approved Resolution 2020 – 53 entitled “Resolution In The Matter Of Submitting A Grant Application To The Minnesota Housing Finance Agency For The Workforce Housing Development Program Perham, Minnesota,” authorizing the City of Perham act as the legal sponsor for the project contained in the Workforce Housing Development Program application and authorize the Mayor and City Manager to apply to the Minnesota Housing Finance Agency for funding of this project on behalf of the City of Perham.

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

Deputy Mayor Johnson stated Council may wish to hear comments regarding the proposed 2021 Tax Levy and 2021 Budget. City Manager Smith presented the 2021 Final Tax Levy and Budget. Smith reviewed the budgeted fund types including:

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

Smith noted a proposed 2021 Final Tax Levy amount of \$1,109,075, an increase of 3.69% over the Final Tax Levy amount of \$1,069,619 from 2020. Smith also noted the Debt Service increase of 4.23% should be amended after the bond refinancing for an actual decrease in 2021 and 2022.

An increase of 2.88% in the Tax Abatement and HRA budget brought an overall Tax Capacity Levy (excluding HRA) amount of \$1,570,091 for an increase of 3.87% from 2020. The Levy is allocated as follows:

- General Fund – 33%
- EDA – 6%
- Library – 11% - Smith noted the Library saw an increase because of the addition of a full-time employee in 2021.
- Fire – 8%
- Capital Improvements – 12%
- Debt Service – 28%; and
- Tax Abatement – 1%

The Tax Capacity increased 5.92%. The Tax Rate decreased from 49.43% in 2020 to 48.47% for 2021. 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.

ADOPTION OF 2021 LEVY AND BUDGET

Deputy Mayor Johnson stated Council may wish to adopt the 2021 Budget and Levy.

On a motion by Council Member Schmidt, seconded by Mayor Meehl and carried without a dissenting vote, the Council approved Resolution 2020 – 54 entitled “Resolution In The Matter Of Establishing The Tax Levy For Taxes To Be Collected In 2021 And Approving The 2021 Budget, Perham, Minnesota.”

2021 FEE SCHEDULE

Deputy Mayor Johnson stated Council may wish to consider approving the 2021 Fee Schedule Ordinance and Summary of Publication. City Manager Smith reviewed the proposed changes to the Fee Schedule:

<u>Type of Fee</u>	<u>Fee Amount</u>
City Services	
Street Sweeper (Elgin)	\$175.00/hr
Snow Plow Truck w/Sander	\$150.00/hr
Pickup w/Blade	\$100.00/hr
Lawn Mower (J.D.) 11’ Deck	\$80.00/hr
Sanding Parking Lot	\$50/minimum
Utilities	
<u>Natural Gas Fees</u>	
Gas Installation Fee – Residential	\$300.00 (first 100’)
Gas Installation Fee – Commercial	\$350.00 (first 100’)
<u>Recycling Fees</u>	
Multi-Unit	
1-2 Units	\$6.05/each
3+ Units	\$4.24/per unit

Building Permit Fees

Zoning Permit Fee – Impervious Surface Additions (patios, sidewalks, driveways, etc.) \$25.00

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Ordinance 418 entitled “Ordinance Setting The 2021 Fee Schedule, City Of Perham, Minnesota.”

CITY ENGINEER MONTHLY UPDATE

City Engineer Berube gave an update on various projects.

2022 Project

A letter was sent last month to property owners informing them of the delay in the project until 2022. An updated report and hearing will be required in the late summer/fall of 2021 to restart the required steps for the improvements.

Northeast Industrial Park

Construction in the Industrial Park has been completed for the fall. The contractor finished the construction of the new stormwater holding pond north of the City Shop within the last few weeks, along with the rough grading of the sledding hill.

The various paving that occurred late in the season will continue to be reviewed throughout the winter and spring to determine the impact of the conditions on the paving.

Next spring/summer, significant cleanup will be necessary around the site, including turf establishment, grading on any incomplete areas and paving of the final lifts on various streets.

Fox Street

The reopening and construction of Fox Street will be included in the PACC project that is currently being designed. Improvements will more than likely be completed in the fall of 2021, after the construction of the Hub is completed.

LRIP Application

The City will be completing an application for funding through the Local Road Improvement Program funded by the Minnesota Department of Transportation within the next few months. The application must be finalized by March 3rd and will require sponsorship from the County. It is anticipated that Council action will be required in January for the application.

The proposed improvements would consist of the reconstruction of Second Street Northeast from Seventh Avenue to Sixth Avenue and Sixth Avenue Northeast from Second Street to Third Street. The improvements would complete the Truck Loop for the City and address all roads outside of downtown to access the various industries within the City.

INFORMATION AND ANNOUNCEMENTS

The City Offices will be closed on Thursday, December 24 and Friday, December 25 in observance of Christmas Eve and Christmas Day

The City Offices will be closed New Year's Day, Friday, January 1

The next regular Council Meeting is scheduled for Monday, January 11, 2021

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, Deputy Mayor Johnson adjourned the meeting at 6:28 p.m.

Respectfully submitted by,



Heather Hoelt
Administrative Assistant

ATTEST:



Mayor