

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
May 11, 2020**

The regular meeting of the Perham City Council held both in person at the Perham Area Community Center, 620 Third Avenue SE, Perham, MN 56573 and electronically via Zoom was called to order by Mayor Meehl at 5:16 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, Public Works Director Schossow, and Administrative Assistant Hoeft

Staff present electronically: Fire Chief Mark Schmidt

Others present: City Engineer Berube, Cordell Huebsch, Kevin Keil, Curt Osterfeld and Ken Huebsch

Others present electronically: Todd Hagen representing Ehlers

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. There were no 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 Schmidt, seconded by Council Member Johnson 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 April 13, 2020.

INDUSTRIAL PARK ASSESSMENT HEARING

Mayor Meehl stated Council may wish to hear comments regarding assessments for the Industrial Park Improvement Project.

City Engineer Berube stated an Assessment Hearing is required by Minnesota Statute 429 to explain assessment procedures and process. Property owners had the opportunity to ask questions and make comments on the proposed assessments. The hearing also allowed for errors to be corrected on assessment worksheets.

Berube reviewed the project background. Grant funds through MNDOT and Minnesota DEED will be used to assist in financing. The project location and components were also reviewed. The project costs as bid are:

Water Infrastructure	\$265,200
Sanitary Sewer Improvements	\$152,100
Storm Sewer Improvements	\$365,075
Street & Surface Improvements (Urban)	\$1,637,400
Street & Surface Improvements (Rural)	\$567,000
IFS Street Reconstruction	\$80,900
Bongards Forcemain Replacement	\$61,360
Multi-Use Path	<u>\$217,030</u>
Total Project Cost	\$3,346,065

Berube explained the Assessment Policy and past precedent. The distribution of costs are as follows:

Assessable	\$858,010
City/State Funds	\$2,249,395
Other Funding	<u>\$238,660</u>
Total Cost	\$3,346,065

Assessment rates changed per foot from September as follows:

Street Improvements (Urban)	\$98.30 to \$74.55
Street Improvements (Rural)	\$25.60 to \$28.21

Water	\$31.00 to \$18.98
Sewer	\$15.50 to \$14.51

Berube gave examples of assessments for different size properties to show how the assessments have changed from the September Public Hearing. Once the contract is awarded by Council, construction is set to begin summer of 2020 with substantial completion of construction by fall 2020. Assessments will be filed November 2020, on 2021 taxes. There will be a fifteen (15) year term at an estimated rate of three percent (3%). Deferral is available for undeveloped properties.

Mayor Meehl opened the hearing for public comment.

Cordell Huebsch, 38132 470th Avenue, New York Mills, MN, inquired if the State grant is being applied only to the City portion of the project. Huebsch stated he had checked with the City of Detroit Lakes and New York Mills to inquire how State grants they've been awarded for projects have been applied and was told in both cases that the grants were applied to the whole project cost.

City Manager Smith responded that no, the grant is not applied to only the City portion and looking at the project as a whole, the assessment rates are still less than fifty percent (50%) of the project cost. The grant is covering a large chunk of the City portion while subsidizing a large chunk of the assessed portion as well. The BDPI grant, the larger of the two grants, is based off new construction, which means the project is one hundred percent (100%) assessable. The City could assess one hundred percent (100%) of the project, so the grant dollars are going towards reducing assessment amounts.

Curt Osterfeld, Industrial Park multiple property owner, stated he has been working with City Manager Smith but has also reached out to Council Members by email and is disappointed that he hasn't received a response from anyone. Osterfeld gave notice that he objects to the assessments and how the burden is solely on property owners and not on the major users of the road.

Cordell Huebsch, having a copy of the BDPI grant application, stated he doesn't read anywhere in the application that the City can assess one hundred percent (100%) of the project. Huebsch requested clarification of the distribution of costs.

Smith responded that one of the qualifications for the BDPI grant is a new construct Industrial Park project. The one hundred percent (100%) assessable is based off the City's Assessment Policy, so that language will not be found in the grant application. The City portion in the grant application is both what the City as an entity is going to contribute as well as what's assessed to the benefiting property owners. Smith reviewed what the City portion includes.

Huebsch also inquired whether Council had ever changed how the assessment was done based on suggestions during a hearing.

Smith stated that past assessments have been based on the City's Assessment Policy and past precedent, however, the Council does have the discretion to change the policy. Discussion ensued about the reasons for having an Assessment Policy and the effects of abruptly changing the policy.

Smith noted an online question regarding the frontage assessed to Kelly Bean, and if it includes the frontage of the scale which is owned jointly by multiple industries. Smith responded that Kelly Bean is the owner on record and therefore assessed for the front footage of the scale.

There being no further questions or comments, Mayor Meehl closed the hearing at 5:49 pm.

ADOPT THE ASSESSMENT ROLL

Mayor Meehl stated Council may wish to consider adopting the assessment roll for the Industrial Park Improvement Project.

On a motion by Council Member Schmidt, seconded by Council Member Spencer with one dissenting vote by Council Member Spencer, the Council approved Resolution 2020-19 entitled "Resolution In The Matter Of Adopting The Assessment Roll For Industrial Park Improvements, Perham, Minnesota."

ACCEPTING BID

Mayor Meehl stated Council may wish to consider accepting the low bid for the Industrial Park Improvement Project.

On a motion by Council Member Schmidt, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Resolution 2020-20 entitled "Resolution In The Matter Of Accepting The Bid For Industrial Park Improvements, Perham, Minnesota," authorizing the Mayor and City Manager to enter into a contract with R.L. Larson from St. Cloud, Minnesota.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehl stated Council may wish to approve payment of Prepaid and Unpaid City Claims.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the amount of \$1,290,718.86.

BOND PRE-SALE REVIEW

Mayor Meehl stated Council may wish to review the Pre-Sale Report for the \$1,235,000 General Obligation Bonds, Series 2020A to finance the 2020 Industrial Park Project.

Todd Hagen representing Ehlers was in attendance via Zoom to review the Pre-Sale Report. Council will later be asked to approve resolutions to retain Ehlers & Associates, Inc. as the City's independent municipal advisor for the Bonds and authorize the City to enter into a Credit Enhancement Program Agreement with the Minnesota Public Facilities Authority. The City Council will be then be asked to consider proposals for and award the sale of the Bonds on June 8, 2020.

The City is authorized to receive credit enhancement from the State for water, sanitary sewer, and storm water facilities. The credit enhancement would bring a Standard & Poor's "AAA" rating or a Moody's "Aa2" because the State guarantees the debt service payments on the Bonds. The General Obligation Bonds are being issued for a term of fifteen (15) years hopefully under two percent (2%) interest. The City will be able to designate the Bonds as "bank qualified" obligations. This status will broaden the market for the Bonds, which can lower interest rates. Bond Counsel will be Dorsey & Whitney, Paying Agent will Bond Trust Services, and the Rating Agency will be Standard & Poor's. The City's most recent bond issues were rated "AA-" by Standard & Poor's.

Hagen noted that the City's 2013A bonds could be refunded for an interest cost savings, although this refunding cannot take place until later in the year. The estimated savings on January 21 was \$21,472 or a 3.227% PV savings.

The estimated closing date for the Bonds is July 1, 2020.

Mayor Meehl stated Council may wish to approve a resolution to authorize Ehlers to assist the City with the sale of the \$1,235,000 General Obligation Bonds, Series 2020A.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution 2020-21 entitled "Resolution Providing for the Sale of \$1,235,000 General Obligation Improvement Bonds, Series 2020A."

Mayor Meehl stated Council may wish to approve a resolution to authorize the City to enter into a Credit Enhancement Program Agreement with the Minnesota Public Facilities Authority.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution 2020-22 entitled "Resolution

Authorizing the City to Enter into a Credit Enhancement Program Agreement with the Minnesota Public Facilities Authority.”

ACCEPT DEMOLITION BID

Mayor Meehl stated Council may wish to accept the low bid for the Perham High School Demolition Project.

On a motion by Council Member Johnson, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Resolution 2020-23 entitled “Resolution In The Matter Of Accepting The Bid For The Perham High School Demolition Project, Perham, Minnesota,” authorizing the Mayor and City Manager to enter into a contract with Hammers Construction, Inc. of Perham, Minnesota.

DEED GENERAL OBLIGATION BOND GRANT APPLICATION

Mayor Meehl stated Council may wish to approve a resolution to authorize the Mayor and City Manager to enter into a grant agreement with the Department of Employment and Economic Development (DEED) as necessary to implement the Perham Redevelopment/Family Services Center (HUB) Project.

On a motion by Council Member Schmidt, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution 2020-24 entitled “2019 Special Appropriation General Obligation Bond Grant – City of Perham.”

CLASS OF 2020 PROCLAMATION

Mayor Meehl stated Council may wish to authorize the Mayor to sign a proclamation honoring the Perham High School Class of 2020.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council authorized the Mayor to sign the proclamation declaring May 17 through May 23 a Time for Appreciation for the Dedication of the Perham High School Class of 2020.

SUPPORT OF LETTER IN RESPONSE TO EMERGENCY EXECUTIVE ORDER 20-48

Mayor Meehl stated Council may wish to support a letter drafted in response to the Governor’s Emergency Executive Order 20-48. City Manager Smith explained that area businesses are concerned about the length of the Governor’s Executive Orders and have asked the City if there’s anything that can be done. Unfortunately, the City must abide by the Governor’s Order. The City can however send letters to the Governor’s office and our State Representatives. Smith noted the letter, addressed to Governor Walz and Lt. Governor Flanagan, thanks them for their efforts and work related to COVID-19 and encourages them to allow businesses to open and expresses how important our locally owned businesses are to our community and our way of life. The letter states that businesses are perfectly capable of abiding by MDH and CDC guidelines to mitigate the

spread of the virus. Council Member Johnson abstained from the vote stating that he doesn't have enough information to make an informed decision to support the letter.

On a motion by Council Member Schmidt, seconded by Council Member Lehmkuhl, and carried without a dissenting vote, the Council supported the letter to be sent to Governor Walz and Lt. Governor Peggy Flanagan urging them to allow businesses to open their doors.

***TEMPORARY ON-SALE LIQUOR LICENSE**

Council approved Temporary On-Sale Liquor Licenses for the History, Arts & Cultural Association for events to be held at the Pioneer Village on June 13, 20 and July 11, 2020.

***ACCEPT BIKE RODEO DONATIONS**

Council approved Resolution 2020-25 entitled "Resolution In The Matter Of Accepting Bike Rodeo Donations, Perham, MN" to accept donations of \$150 each from Minnesota Masonic Charities and Perham Lodge AF & AM for the Bike Rodeo.

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

Council accepted the PACC's Financial Reports for March 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 April 2020.

***APPROVE SALE OF FIRE TRUCK**

Council approved the sale of a 1997 Freightliner fire truck (Engine 3) to the City of Vergas for \$25,000.00.

CITY ENGINEER MONTHLY UPDATE

City Engineer Berube gave an update on various projects.

Second Avenue Southwest

Preliminary review of the correction and completion list has started, with the turn in the weather, a walk through with City staff will be delayed. The correction and completion list will be sent to the contractor as soon as it is completed.

Prairie's Edge Phase 2

Construction is underway with nearly all the utility work complete. Road construction will start within the next month and a half.

2021 Project

Paperwork for the Clean Water and Drinking Water Revolving Funds was submitted within the last two months. The funding lists are typically sent out in August, and at that time, an additional hearing on the project will be held.

Clearwater 2nd Addition – Phase 2

Construction of the sanitary sewer and watermain improvements in Clearwater Addition are complete. Storm sewer and other items will be completed in approximately a month, with the road construction scheduled for later this summer.

Northeast Industrial Park

Last week, City Manager Smith and City Engineer Berube attended the Perham Township Meeting in which they voted on proceeding with their portion of the project.

The project schedule will be reviewed with the contractor over the next month when contracts go out.

2020 SEAL COAT PROJECT

Mayor Meehl stated Council may wish to consider accepting the apparent low quote for the 2020 Seal Coat Project.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council accepted the low quote from Asphalt Preservation Company for \$64,980.00.

INFORMATION AND ANNOUNCEMENTS

The Committee of the Whole is scheduled for Wednesday, May 27 at 5:15 pm
The next Regular Council Meeting is scheduled for Monday, June 8 at 5:15 pm
The League of Minnesota Cities Annual Conference to be held June 24-26 in St. Paul has been cancelled

The Household Hazardous Waste Day is scheduled for Wednesday, July 8 from 10:00 – 2:00

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, Mayor Meehl adjourned the meeting at 6:17 pm.

Respectfully submitted by,



Heather Hoelt
Administrative Assistant

ATTEST:


Mayor

SPECIAL COUNCIL MEETING MINUTES

May 27, 2020

Mayor Meehl called the Special Council Meeting to order at 5:20 pm on May 27, 2020 in the Council Chambers located at 125 Second Avenue NE and via Zoom, 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 Smith, Finance Officer Stokke, Public Works Director Schossow, EDA Director Murdock, Liquor Store Manager Dreger and Administrative Assistant Hoeft.

Others present: Kevin Keil

Staff and others present electronically: City Engineer Berube and Librarian Ladwig

Approval to Permit Use of Public Areas for Expanded Seating

Mayor Meehl stated Council may wish to approve a resolution to permit the City Manager and Police Chief to approve the use of public areas for expanded seating for food establishments.

Council Member Lehmkuhl inquired whether alcohol could be served in the street. City Manager Smith responded that the purpose of the permit is to expand the seating area for food establishments that both serve and don't serve alcohol. Smith explained the permit process is to address liability issues, traffic impediment, zoning, and the use of public right-of-way and streets. The resolution allows the City Manager and Police Chief to approve the applications for interim or temporary use of public areas and to assist businesses with formulating a plan to utilize the spaces available for use. To serve alcohol, the expanded seating area must be contiguous to the property, barricaded, and be covered by the businesses liquor liability insurance.

Lehmkuhl also inquired about businesses outside of City limits with catering licenses and if they'll be allowed to come to Perham. Smith responded that it would be similar to allowing food trucks. Food trucks are not allowed on public property without City approval and must have permission from private property owners to be on their property. If a local business would like to expand to an area that's not contiguous to their property, a catering license would allow them to do that.

Smith further explained that an email has been sent to local food establishments outlining the permit process and that several questions and applications have already been received in anticipation of June 1 when outdoor seating will be allowed for restaurants.

Smith noted when asked by Lehmkuhl about the number of parking stalls to be used, that it will depend on the business. Some businesses will be able to expand existing patio areas while other businesses will utilize sidewalks and parking stalls.

Council Member Johnson inquired about businesses following CDC guidelines. Smith responded that businesses must follow guidelines which include no more than fifty (50) customers at one time outdoors, reservations only, and keeping track of names for tracing purposes in the case of an outbreak.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution 2020-26 entitled "Allowing The Use Of Public Areas For Expanded Seating During The Governor's Executive Orders."

Adjournment

Mayor Meehl adjourned the Special Council Meeting at 5:27 pm.

Respectfully submitted by,



Heather Hoelt
Administrative Assistant

ATTEST:



Mayor