

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
September 11, 2023**

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 p.m. with all members of the Council having been duly notified of the meeting and the business to be transacted. Council Members present were Meehl, Lehmkuhl, Spencer, Schmidt, and Meyer.

Staff present: City Manager Smith, Public Works Director Schössow, EDA Director Murdock, Police Chief Gritz and Administrative Assistant Hoeft

Others present: City Engineer Berube, Otter Tail County Commissioner Dan Bucholz, Mark Schmidt and Ron Berns

Others present via Zoom: Elizabeth Vierkant and City Attorney Winters

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. Citizens please state your name and address for the record. 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 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 Meyer 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 August 14, 2023 and Special Council Meeting held on August 30, 2023.

APPROVAL FOR PAYMENT OF CITY CLAIMS

Mayor Meehls stated Council may wish to approve payment of Prepaid and Unpaid City Claims. The following additional claims were added: Auto Value for \$40.26, \$17.53, \$11.48, \$30.80, \$111.96, \$47.71, \$73.98, \$6.49, \$55.18, \$108.96, \$102.82, \$16.52, \$16.52, \$14.99, \$85.44, \$9.16, and \$39.98; Axon Enterprises Inc. for \$3,032.80; Friesen's Inc for \$285.00; Groebner for \$393.46; J Squared of Perham for \$20.82; Kinect Energy for \$259,788.55; Lakes Community Coop for \$20.00; Marco Technologies for \$30.97; Pepsi for \$(79.40); Perham Chamber of Commerce for \$554.76; Perham Steel for \$876.00; RMB Environmental for \$54.45; Summit Fire Protection for \$593.00; and Verizon Wireless for \$200.05, bringing the Total Unpaid Claims to \$1,814,089.14.

On a motion by Council Member Meyer, 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 \$2,559,206.07 for August 2023.

APPROVE SEWER BACKUP REIMBURSEMENT REQUEST

Mayor Meehl stated Council may wish to approve a sewer backup reimbursement request. Mark Schmidt, 601 Pine Cone Drive, requested clarification of the reimbursement request and urged Council to come to an agreement for a fair resolution.

City Manager Smith clarified that Council may wish to consider reimbursement outside of the decision made by the insurance company. The Council may determine the monetary amount as part of the motion to approve the reimbursement request.

Council Member Schmidt stated that despite personal feelings, he believes that the Council needs to heed the advice of both the insurance company and the City Attorney. Council Members Lehmkuhl and Meyer agreed noting that approval for reimbursement could set a precedent for future litigation.

Ron Berns, 605 Pine Cone Drive, also experienced a sewer back-up and inquired about any industrial or maintenance changes that will be done to prevent this from occurring again in the future. Public Works Director Schossow explained what maintenance is currently being done and

why no alarms were triggered during the back-up. Schossow stated that he will inquire about any equipment upgrades that may be available.

Council Member Schmidt stated that Public Works did everything they were supposed to do and that more needs to be done to penalize the industries, so they do more with their systems to prevent issues like this from happening in the future. City Manager Smith stated that the City can't prove whether the back-up was caused by industrial or residential grease disposal, however, Council can consider increasing industrial penalties as part of the 2024 Fee Schedule.

On a motion by Council Member Lehmkuhl, seconded by Council Member Meyer and carried without a dissenting vote, the Council denied the reimbursement request based on the recommendation from the League of Minnesota Cities Insurance Trust and City Attorney Winters.

ADOPT INSURANCE CLAIM POLICY

Mayor Meehl stated Council may wish to adopt an insurance claim policy tabled from the August Council Meeting.

On a motion by Council Member Schmidt, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution 2023-38 entitled "Resolution In The Matter Of Adopting An Insurance Claims Policy," to guide Perham City Council and staff in following the findings of fact and liabilities established by the League of Minnesota Cities Insurance Trust.

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

Council accepted the PACC's Financial Reports for July 2023.

***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 August 2023.

APPROVE MAHUBE-OTWA LEASE AGREEMENT

Mayor Meehl stated Council may wish to approve a lease agreement with Mahube-OTWA for the purpose of Head Start and childcare program-related activities at 773/775 NE 5th Street.

On a motion by Council Member Meyer, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the lease agreement with Mahube-OTWA for the purpose of Head Start and childcare program-related activities at 773/775 NE 5th Street.

CITY ENGINEER MONTHLY UPDATE

City Engineer Berube gave an update on various projects.

2022/2023 Project

The following items have been the primary focus of construction over the course of the past month:

- Base Course Paving
- Concrete Curb & Gutter and Driveway Construction
- Boulevard Grading
- Seeding/Turf Establishment
- Sidewalk Construction

Currently, work is focused on the Southwest project area, with the placement of concrete driveways, sidewalks, and various curb touch up having the highest priority. This work is anticipated to continue over the next week and a half, with wear course paving and seeding occurring following the concrete placement.

Following the concrete placement in the Southwest, a section of the concrete north of the spur track on County 8 will be replaced due to out of tolerance construction.

Prairie's Edge Phase 3

The contract was awarded to R.L. Larson on August 30 contingent on signatures from the developers accepting their agreements. The agreements were signed on September 1 and the contracts were sent to R.L. Larson on September 5. Shop drawings and other submittals are currently being reviewed, with some already approved for production.

A preconstruction meeting with the contractor is scheduled for the morning of September 18. At the preconstruction meeting, the contractor will discuss their schedule for the proposed improvements, which are anticipated to begin within the next three weeks.

Main Street Project

Underground utility reconstruction design is underway with the focus on sanitary sewer and watermain replacement plans. Following a meeting with the County Engineer last week, additional streetscape alternatives may be considered as options for the proposed project. Updated sketches and layouts are currently being prepared and will be presented for public input in the coming months.

APPROVE PUMPING STATION PURCHASE

Mayor Meehl stated Council may wish to approve the purchase of pumps, controls and wiring in the amount of \$125,000 for a new pumping station that will service the Prairie's Edge Development and other future areas outside of the City's current limits.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the purchase of pumps, controls and wiring in the amount of \$125,000 for a new pumping station.

INFORMATION AND ANNOUNCEMENTS

The Minnesota Mayors' Conference will be held in Perham on Wednesday, September 13 from Noon to 3 pm

A Special Council Meeting and Committee of the Whole are scheduled for Wednesday, September 27 @ 5:15 pm

The next regular Council Meeting is scheduled for Monday, October 9 @ 5:15 pm

ADJOURNMENT

On a motion by Council Member Lehmkuhl, seconded by Council Member Meyer and carried without a dissenting vote, Mayor Meehl adjourned the meeting at 5:48 pm.

Respectfully submitted by,



Heather Hoelt
Administrative Assistant

ATTEST:



Mayor

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SPECIAL COUNCIL MEETING MINUTES
September 27, 2023

Mayor Meehl called the Special Council Meeting to order at 5:15 pm on September 27, 2023 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. Council Members present were Meehl, Lehmkuhl, Spencer, Schmidt and Meyer.

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

Others present: City Engineer Berube, Otter Tail County Commissioner Bucholz and PACC Director Shebeck.

Proposed Property Tax Levy

Mayor Meehl stated Council may wish to adopt the Preliminary 2024 Budget, Preliminary Levy for Taxes and HRA Levy Payable for 2024 and may wish to schedule the date of Monday, December 11, 2023 at 6:00 pm for the public to comment prior to the adoption of the 2024 Budget and 2024 Tax Levy.

City Manager Smith presented an overview of the 2024 Preliminary Tax and Budget. Highlights of the presentation included:

- The City of Perham is required to approve a preliminary levy and budget by September 30 of each year and that amount is not final, however, the preliminary levy sets a maximum for the final levy. The percent of increase/decrease in the levy is not directly proportionate to the property tax increase/decrease and the preliminary levy and budget are prepared with the most up to date figures available at the time of preparation.
- The budgeted fund types discussed included the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Enterprise Funds.
- The General Fund decreased 4.21%
- Economic Development increased 23.05%
- Library, Fire and General Capital Funds increased 4.90%, 2.95%, and 35.29%
- The Proposed Operating Levy amount of \$1,499,143 is an increase of 3.72% over the Final Operating Levy amount of \$1,445,443 for 2023.
- The Proposed Debt amount of \$456,248 is an increase of 14.53% from \$398,365 last year. Special Revenue Funds include two Tax Abatements for Grow Perham and three Tax Abatements for Esser and Happel and the HRA for an increase of 1.37%.
- The Tax Capacity Levy excluding the HRA totaled \$1,982,533 for a total levy increase of 6.00%. Smith noted an additional \$60,000 was budgeted to give Council room to approve possible projects or purchases.
- The Tax Capacity Growth is estimated at 5.37% and the Tax Rate increased to 51.094%.

Smith reviewed the 2024 Residential Tax Calculation and projected revenues and expenditures including:

Revenues

- \$174,000 – Local Government Aid increase
- \$63,000 – School Resource Officer contract
- \$164,000 – One-time Public Safety money
- \$408,250 – Enterprise to General Fund transfers
- \$222,000 – Wages which include a 6% cost of living increase for all non-union employees equaling about \$80,000 and a Police Department scale adjustment equaling \$142,000.

Expenses

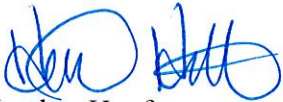
- HR increases
 - 4% Health Insurance increase
 - 3% Cost of Living wage increases
 - Additional Police Officer
 - Capital Expenditures including:
 - Vehicle Purchases

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, Council approved Resolution 2023 – 39 entitled “Resolution In The Matter Of Establishing The Preliminary Tax Levy For Taxes To Be Collected In 2024, Perham, Minnesota,” with a total levy increase of 6.00%.

Adjournment

Mayor Meehl adjourned the Special Council Meeting at 5:39 pm.

Respectfully submitted by,



Heather Hoelt
Administrative Assistant

ATTEST:



Mayor