

**PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
December 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, Finance Officer Stokke, Public Works Director Schossow, Police Chief Gritz, EDA Director Murdock and Administrative Assistant Hoeft.

Others present: City Engineer Berube, Dan Bucholz, Rebecca Huebsch, Elizabeth Vierkant, and Kord Babcock, Plant Controller for Bongards.

Others present via Zoom: 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.

Rebecca Huebsch, new Director for the Perham Area EMS, was in attendance to introduce herself and distribute information regarding the sustainability of Greater Minnesota emergency medical services.

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 Meyer, seconded by Council Member Schmidt 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 Spencer 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 13, 2023.

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: Amazon for \$84.99; Arvig Answering Service for \$134.41; Forum Communications for \$1,761.71 and \$100.00; JP Place LLC for \$2,000.00 and \$1,000.00; Kinect Energy for \$524,377.61; MN State Fire Chief's Association for \$855.00; Northern Irrigation for \$1,162.97; Perham Area Chamber for \$2,500.00 and \$300.00; Perham Steel for \$208.00, \$33.00, and \$214.00; and RMB Environmental Labs for \$53.36 bringing the Total Unpaid City Claims to \$1,224,771.41.

On a motion by Council Member Schmidt, seconded by Council Member Meyer and carried without a dissenting vote, the Council approved payment of Prepaid and Unpaid City Claims in the amount of \$1,416,876.08 for November 2023.

APPROVE AMENDING FEE SCHEDULE BY RESOLUTION

Mayor Meehl stated Council may wish to approve an ordinance to amend City Code 33.01 to state that the Official Fee Schedule may be amended from time to time by resolution.

On a motion by Council Member Schmdit, seconded by Council Member Meyer and carried without a dissenting vote, the Council approved Ordinance 434 entitled "An Ordinance Amending City Code 33.01 Fee Schedule."

2024 FEE SCHEDULE

Mayor Meehl stated Council may wish to approve a resolution to set the 2024 Fee Schedule. City Manager Smith reviewed the following changes to the Fee Schedule:

City Services

Snow Blower for Loader

\$75.00/hr

JD 584X Lawn Mower w/Snowblower \$50.00/hr

Utilities

Natural Gas Fees

Gas Installation Fee – Residential \$350.00 (first 100’)
Gas Installation Fee – Commercial \$500.00 (first 100’)
Gas lines over 100’ \$5.20/foot

Gas Rates:

City Residential Base Fee \$6.30
Rural Residential Base Fee \$14.70
City Commercial Base Fee \$6.30
Rural Commercial Base Fee \$14.70
Medium Commercial Base Fee \$21.00
Large Commercial Base Fee \$47.25
Small Industrial Base Fee \$105.00
Medium Industrial/Interruptible Base Fee \$236.25
Large Industrial/Interruptible Base Fee \$315.00

Gas Margins:

Residential \$2.31
Commercial \$2.31
Medium Commercial \$1.93
Large Commercial \$1.82
Small Industrial \$1.49
Medium Industrial/Interruptible \$0.81
Large Industrial/Interruptible \$0.40

Sewer Fees

Sewer Rates:

Residential/Commercial .02627 cft
Industrial Flow > 5 million gal/mo .02364 cft
Flow < 5 million gal/mo .02627 cft
BOD .252

Flat Fees:

Residential \$14.55
Duplex \$17.85
Multi-Unit \$21.90
Bongards \$56.00

Perham Resource Recovery Facility Flat Fee	\$1,355.00
Significant Industrial User Penalty Rates	
Monthly Average Flow:	\$3.00 per 1,000 gallons
Monthly Average BOD5 Mass	\$0.35 per pound of BOD5
Monthly Average TSS Mass	\$.15 per pound of TSS
Daily Maximum Oil and Grease Concentration	\$6.00 per pound of Oil and Grease discharge on day of violation
pH	\$400 per each day of month for 1st violation \$400 per each day of month for 2nd violation \$1,600 per each day of month for 3rd violation \$3,200 per each day of month for 4th violation

Base Fee:

Residential/Commercial/Industrial Base Rate	\$12.35
Apartments Per Base Unit	\$9.26

Water Fees

Water Rates:

Residential & Apartments per unit	0 – 1000 cft	\$0.0176/cft
	1001 + cft	\$0.0188/cft
Commercial	0 – 1000 cft	\$0.0176/cft
	1001 + cft	\$0.0188/cft
Irrigation Residential/Commercial	0-1000 cft	\$0.0176/cft
	1001 + cft	\$0.0188/cft
Irrigation Field	0-2000	\$0.0176/cft
	2000+	\$0.0188/cft

Recycling Fees

Single Residential Monthly Fee	\$7.07
Multi-Unit	
1-2 Units	\$7.07each
3+ Units	\$4.97 per unit
Additional Tote Rental	\$2.32month

Return Check/ACH Fee \$30.00

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution 2023 – 51 entitled “Resolution Setting The 2024 Fee Schedule, City Of Perham, Minnesota.”

2024 CIGARETTE AND THC LICENSES

Mayor Meehl stated Council may wish to approve and authorize the Mayor and City Manager to sign licenses for the applications submitted for Cigarette and THC Licenses contingent upon receipt of fees by the City Office.

Cigarette License applications were received from Service Food Market (Spies, Inc.), Keystone Inc. (Central Market), Central Station (Maric Ventures LLC), Westside Services (Momar Enterprises, Inc.), Main Street Express (Meyer’s Service, Inc.), Landmark Liquors, Family Dollar Inc. (Family Dollar #7425), Masterpiece Vapors, Olson Oil (Olson Oil One Stop), and PBC LLC (Perham Lakeside Golf Course). THC License applications were received from Goose Group Inc (Disgruntled Brewing), Masterpiece Alternatives, Olson Oil One Stop (Perham One Stop), and Landmark Liquors.

On a motion by Council Member Schmidt, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Cigarette and THC Licenses contingent upon receipt of fees by the City Office. As owner of Central Station (Maric Ventures LLC), Council Member Spencer abstained from the vote.

***DELINQUENT UTILITY ACCOUNTS**

Council approved Resolution 2023 – 52 entitled “Resolution In The Matter Of Writing Off Uncollectible Utility Account Balances, Perham, Minnesota,” to write off the following uncollectible utility accounts:

Gas	\$198.11
Water	\$88.71
Recycling	\$1.42
Storm Sewer	\$226.94

***2024 CITY COUNCIL MEETING SCHEDULE**

Council approved the following schedule for Council Meetings to be held in 2024.

January 8	July 8
February 12	August 12
March 11	September 9
April 8	October 14
May 13	November 12 (Tuesday)
June 10	December 9

***ACCEPT GOLF COURSE DONATION**

Council approved Resolution 2023 – 53 entitled “Resolution In the Matter Of Accepting A Donation For The Golf Course, Perham, MN,” to accept a donation from Kenneth Nelson for \$16,879.00 to pave pathways at the Golf Course.

***ACCEPT FIRE DEPARTMENT DONATION**

Council approved Resolution 2023 – 54 entitled “Resolution In The Matter Of Accepting A Donation For The Perham Fire Department, Perham, Minnesota,” to accept a donation from the Perham Firefighters Relief Association for a \$14,745.43 drone for the Perham Fire Department.

***ACCEPT PICKLEBALL DONATIONS**

Council approved Resolution 2023 – 55 entitled “Resolution In The Matter Of Accepting Donations For The Pickleball Courts, Perham, MN,” to accept a donation received on 1/9/2023 for \$32,554.01 and a donation received on 12/4/2023 for \$16,057.38 from West Central Initiative for the Pickleball Courts.

***ACCEPT BOY SCOUTS DONATION**

Council approved Resolution 2023 – 56 entitled “Resolution In The Matter Of Accepting A Donation For The Boy Scout Park, Perham, MN,” to accept a donation received on 11/16/2023 for \$2,516.89 from Perham Boy Scouts Troop #321 for the Boy Scout Park Shelter.

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

Council accepted PACC’s Financial Reports for October 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 November 2023.

***2024 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	Steven Felt
2 nd Assistant	Matthew Johnson
Captain	Doug Nielsen
Captain	Clayton Trautman
Captain	Ted Tulibaski
Captain	Chris Sim
Department Secretary	Dan Kenyon

***FIRE DEPARTMENT ANNUAL RURAL MEETING**

Council authorized the use of alcohol at the Perham Emergency Services Building on Wednesday, January 31, 2024 in conjunction with the Annual Meeting with City and Township Officials.

BONGARDS DEVELOPMENT AGREEMENT

Mayor Meehl stated Council may wish to consider approving a Development Agreement with Bongards.

City Manager Smith stated this is the first agreement in the newly established Tax Increment Financing District 2-45. Reimbursement of costs cannot exceed \$716,067.00, which is the agreed upon estimate of Tax Increment the project would generate over a nine (9) year period. The wage and job goals to be created within two years is five (5) at a minimum wage of \$15/hour. Plant Controller, Kord Babcock was in attendance to answer any questions.

On a motion by Council Member Schmidt, seconded by Council Member Meyer and carried without a dissenting vote, the Council approved the Development Agreement with Bongards.

CITY ENGINEER MONTHLY UPDATE

City Engineer Berube gave an update on various projects.

2022/2023 Project

Quantity and timeline review continue to be the latest in the discussions with Central Specialties on the 2022/2023 project. A letter was received from Central Specialties outlining additional items for consideration regarding the potential extension of the contract times. Of the items, some will require modifications to the contract, including additional driveways that were constructed on the rural section of the roadway, extra milling due to unforeseen pavement depths and minor rain delays.

The additional items will be discussed with Central Specialties over the winter so liquidated damages can be finalized before the correction items are completed in the spring.

Prairies Edge Phase 3

Construction of the utility improvements for Prairie's Edge has been suspended for the winter. RL Larson has completed approximately 95% of the underground utility construction on Prairie's Edge. Next spring, the surface improvements and final grading will occur, along with the street and utility extensions on 9th Street in Westwind.

Main Street Project

Design continues to progress on the Main Street Project with various meetings held over the course of the past month with downtown businesses, city staff, county staff, and other stakeholders in the project. To date, design has focused on the utility replacement portion of the project, with street repair/replacement outside of the downtown core being the secondary focus.

Last week, a meeting was held with the MNDOT Rail Office to discuss the possibility of funding a connection between the railroad crossing on First Avenue North and the stoplight to the south. Additional meetings are expected with the railroad office, BNSF and the County to review the alternatives for a connection between the systems.

Project planning is getting closer to being finalized, with a jump through the downtown corridor planned for the construction to ease the impact on the downtown businesses during the busy summer days. In addition to phasing, street layouts are being updated in advance of the Open House on Wednesday. At the meeting, layouts will be provided and discussed, along with timing of the improvements, streetscape alternatives and road width discussions. The biggest consideration for Wednesday will be the possibility of reducing the width of Main Street through downtown from 56 feet wide. Currently, options of 44 feet and 48 feet are being considered which would add to the sidewalk on each side of the roadway.

2024 MAIN STREET PROJECT/CALL FOR PUBLIC HEARING

Mayor Meehl stated Council may wish to approve a resolution calling for a public hearing for the 2024 Main Street Project.

City Manager Smith noted that the County will take the lead on the project, however, the City is still responsible for complying with the 429 Assessment Statute, so a public hearing is required.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council approved Resolution 2023 – 57 entitled “Resolution Ordering A Public Hearing For 2024 Main Street Improvements, Perham, Minnesota,” to schedule a public hearing on January 8, 2024.

APPROVE BRAUN INTERTEC PROPOSAL

Mayor Meehl stated Council may wish to approve a proposal from Braun Intertec for Pre-Construction Condition Surveys and Construction Vibration Monitoring for the 2024 Main Street Project.

City Manager Smith explained that surveys would be done on the four (4) blocks downtown to determine current building conditions to note any cracking or other foundation issues that could be affected by the vibrations caused by construction so close to the buildings.

City Engineer Berube noted that an in-depth report will be done and will become part of the contract documents. There is also an option for them to monitor conditions throughout the project.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the proposal by Braun Intertec for Pre-construction surveys for the 2024 Main Street Project.

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

Mayor Meehl stated Council may wish to hear comments regarding the proposed 2024 Tax Levy and 2024 Budget.

City Manager Smith presented the 2024 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 2024. Smith reviewed the budgeted fund types including:

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

Smith noted a proposed 2024 Final Operating Tax Levy amount of \$1,469,143, an increase of 1.64% over the Final Operating Tax Levy amount of \$1,445,443 from 2023. Smith also noted a Debt Service increase of 14.53% due in part by an increase of \$60,000 for the 2022 Improvement Bonds for CSAH 8.

An increase of 1.37% in the Tax Abatement and HRA budget brought an overall Tax Capacity Levy (excluding HRA) amount of \$1,952,533 for an increase of 4.40% from 2023. The Levy is allocated as follows:

- General Fund – 42%
- EDA – 5%
- Library – 11%
- Fire – 8%
- Capital Improvements – 9%
- Debt Service – 23%; and

- Tax Abatement – 1%

With a Tax Capacity of 5.37% and a Tax Rate of 50.321%, a decrease from 50.792% in 2023, 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.

There were no comments from the public.

ADOPTION OF 2024 LEVY AND BUDGET

Mayor Meehl stated Council may wish to adopt the 2024 Budget and Levy.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution 2023 – 58 entitled “Resolution In The Matter Of Establishing the Tax Levy For Taxes To Be Collected In 2024 And Approving The 2024 Budget, Perham, Minnesota.”

INFORMATION AND ANNOUNCEMENTS

The City Employee Holiday Potluck will be held on Wednesday, December 13 at 11:30 am in the Council Chambers

An Open House will be held on Wednesday, December 13 from 5:00 -7:00 PM in the Council Chambers to provide information about the upcoming Main Street Improvement Project

The City Offices will be closed on Friday, December 22 and Monday, December 25 in observance of Christmas Eve and Christmas Day

The City Offices will be closed Monday, January 1 in observance of New Year’s Day

The next regular Council Meeting is scheduled for Monday, January 8, 2024 at 5:15 pm

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 6:18 pm.

Respectfully submitted by,



Heather Hoelt

Administrative Assistant

ATTEST:



Mayor