SPECIAL COUNCIL MEETING MINUTES
September 30, 2020

Mayor Meehl called the Special Council Meeting to order at 5:16 pm on September 30, 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, Police Chief Gritz, Librarian Ladwig and Administrative Assistant Hoeft.

Others present: City Engineer Berube

Proposed Property Tax Levy
Mayor Meehl stated Council may wish to adopt the Preliminary 2021 Budget, Preliminary Levy for Taxes and HRA Levy Payable for 2021 and may wish to schedule the date of Monday, December 14, 2020 at 6:00 pm for the public to comment prior to the adoption of the 2021 Budget and 2021 Tax Levy.

City Manager Smith presented an overview of the 2021 Preliminary Tax Levy 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 increased .63% due to increased health insurance rates and cost of living wage increases.
- Economic Development increased 21.74% due to additional economic programming with down payment assistance, HRA rental assistance, and future business assistance due to COVID-19.
- The Library increased 8.26% due to an employee going from part-time to full-time
- Fire increased 1.64% and the General Capital Fund increased 2.00% due to the addition of a new squad car for the Police Department and mower for the Public Works Department.
- The 2021 Proposed Operating Levy amount of $1,109,075 is an increase of 3.69% over the Final Operating Levy amount of $1,069,619 in 2020.
- The 2021 Proposed Debt amount of $444,411 is an increase of 4.23% from $426,391 in 2020. Special Revenue Funds include two Tax Abatements for Grow Perham and the HRA for an increase of 2.88%.
- The Tax Capacity Levy excluding the HRA totaled $1,570,091 for a total levy increase of 3.87%.

- The Tax Capacity Growth is estimated at 5.92% and the Net Tax Capacity Rate is estimated at 48.47%.

Smith presented examples of how the City taxes will be calculated for both residential and commercial properties as well as why City taxes are a good value.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, Council approved Resolution 2020 – 38 entitled "Resolution In The Matter Of Establishing The Preliminary Tax Levy For Taxes To Be Collected In 2021, Perham, Minnesota."

Cooperative Purchasing Contract
Mayor Meehl stated Council may wish to authorize the City to enter into an Interlocal Contract for Cooperative Purchasing with HGACBuy.

City Manager Smith explained that HGACBuy is a national purchasing company that specializes in public safety and public works equipment. The Fire Department is looking to purchase new SCBA's through a FEMA grant and HGACBuy's state contracts will give them the best price. There is no cost to be a member and several area cities are already members.

On a motion by Council Member Lehmkuhl, seconded by Council Member Spencer and carried without a dissenting vote, the Council authorized the City to enter into an Interlocal Contract for Cooperative Purchasing with HGACBuy.

Octoberfest Road Closure
Mayor Meehl stated Council may wish to approve closure of First Avenue from Second Street South to Main Street on Saturday, October 3 for Octoberfest.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved the closure of First Avenue from Second Street to Main Street on Saturday, October 3 for Octoberfest.

Adjournment
Mayor Meehl adjourned the Special Council Meeting at 5:35 pm.

Respectfully submitted by,

Heather Hoeft
Administrative Assistant

ATTEST:

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Mayor