

PERHAM CITY COUNCIL
REGULAR MEETING MINUTES
September 9, 2019

The regular meeting of the Perham City Council was called to order by Mayor Meehl at 5:15 pm in the Council Chambers of the City Administration Building at 125 Second Avenue NE, Perham, Minnesota, all members of the Council having been duly notified of the meeting and the business to be transacted. All Council Members were present.

Staff present: City Manager Smith, Finance Officer Stokke, Police Chief Hoaby, Police, Public Works Director Meece, Public Works Water/Wastewater Foreman Schossow, EDA Director Keil and Administrative Assistant Hoeft.

Others present: City Engineer Berube

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.

PACC Fundraising Group Presentation

Capital Campaign Committee and Perham Area Community Center (PACC) Board Members presented Council with information regarding plans and fundraising efforts underway for the PACC/HUB project.

Dennis Happel led the presentation with an overview of the project, the current status of fundraising efforts, and the need for an Aquatics Center. The aquatics proposal recommendation was to build an additional pool that could be used for competitive, educational, recreational, and lap swimming while the current pool would be renovated to be used for water therapy, swimming lessons, and group water fitness classes.

Arvig CFO Staci Malikowski noted that she, along with M/State CFO Pat Nordick, and EDA Director Kevin Keil, had spent a great deal of time reviewing a study done by an aquatics expert to come up with a report stating that the addition of a new pool is financially sustainable.

New PACC Director Leigh Shebeck introduced himself to Council and reviewed the vision for the project noting questions regarding staffing, programming, partnerships, and rental of the facility.

Kenny Nelson commented on the progressive history of Perham.

Discussion ensued regarding the following concerns from Council:

- Annual contribution of the Tri-Board partnership
- The need to raise the original gap amount of \$1.7 million before raising the funds needed for an additional pool
- The need to keep the HUB and PACC projects separate
- The concern that surveys conducted didn't reflect the need for a new pool as a priority
- Fundraising coming up short
- Pledges

Comments were also heard from the family of a swim team member as well as residents and PACC members in support of the additional pool. Council Member Johnson congratulated the Capital Campaign Committee on a job well done and noted that Perham is successful due to its progressive yet conservative nature.

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 Johnson, 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 Johnson 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 12, 2019.

IMPROVEMENT HEARING

Mayor Meehl stated Council may wish to hear comments regarding proposed assessments for the Industrial Park Improvement Project. Meehl noted that the hearing is being held in accordance with Chapter 429 of the Minnesota State Statutes. The purpose of the hearing was to provide notifications to the public regarding the proposed improvements, improvement schedules, and assessment procedures.

City Engineer Berube presented the following information regarding the proposed Industrial Park Improvement Project:

- Project background as outlined in the 2018 Capital Improvement Plan. Grant funds through MNDOT and Minnesota DEED will be used to assist in financing
- Project location
- Project needs including street rehabilitation and improvements and utility improvements
- Existing infrastructure
- Proposed water and sewer, drainage, and street improvements
- Total project cost of \$3,855,000
- Distribution of costs between assessable, City funds, and grant funds
- Estimated assessment rates, assessable footage, and estimated assessments
- Preliminary project schedule with substantial completion of construction by Fall 2020

Public Comments:

- Curt Osterfeld, Perham, inquired about resolving current drainage issues as well as the possibility of deferring assessment payments.
- Dan Brauch, Perham, inquired about assessments and the ability to pay them up front in order to avoid paying additional interest.
- Kelly Melgard, Perham, inquired about the need to resolve water issues on developed properties versus the undeveloped properties that are part of the improvement project. It was noted that State grant funds used to finance the project, were to be used for new infrastructure only.

RESOLUTION ORDERING PLANS AND SPECS/INDUSTRIAL PARK IMPROVEMENT PROJECT

Mayor Meehl stated Council may wish to consider approving a resolution to order plans and specifications for the Industrial Park Project.

On a motion by Council Member Johnson, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Resolution 2019-35 entitled “Resolution Ordering Improvements And Preparation Of Plans For Industrial Park Improvements.”

PUBLIC HEARING/SALES AND USE TAX ORDINANCE

Mayor Meehl stated Council may wish to hear comments regarding an ordinance to impose a one-half of one percent (1/2%) sales and use tax to finance the expansion and betterment of the Perham Area Community Center. There were no comments from the public.

APPROVE SALES AND USE TAX ORDINANCE

Mayor Meehl stated Council may wish to approve an ordinance and summary of ordinance for publication to impose a one-half of one percent (1/2%) sales and use tax to finance the expansion and betterment of the Perham Area Community Center.

On a motion by Council Member Lehmkuhl, seconded by Council Member Schmidt and carried without a dissenting vote, the Council approved Ordinance 408 entitled “An Ordinance Enacting A Local Sales And Use Tax In The City Of Perham” as well as the Summary of Ordinance for Publication to impose a one-half of one percent (1/2%) sales and use tax to finance the expansion and betterment of the Perham Area Community Center.

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: DVS in the amount of \$72.25; Energy Insights in the amount of \$835.00; Kinect Energy in the amount of \$214,750.06; League of MN Cities in the amount of \$135.00; Marco Technologies in the amount of \$846.32; and Otter Tail Power in the amount of \$24.64 bringing the total Unpaid City Claims to \$995,820.96.

On a motion by Council Member Spencer, 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 \$1,418,089.92 for the month of August 2019.

APPROVAL OF PRE DESIGN B3 PROPOSALS

Mayor Meehl stated Council may wish to consider approving the Pre Design B3 proposals for the PACC/HUB Project.

Tony Stoll with BHH Partners reviewed the proposals for B3 consulting services submitted by Precipitate Architecture/Planning Research and Willdan. Guidelines for State funding require various levels of sustainable design standards and compliance with B3’s SB 2030 energy standards. BHH Partners doesn’t provide this service, however, BHH’s Pre-design proposal for a maximum of \$18,000 includes:

- Review of the pre-design information provided by the State of Minnesota

- Meetings with City staff to review pre-design requirements and assist with documentation
- Mechanical engineering consultation as needed
- Meetings with Sustainability and Energy Modeling consultants, Precipitate Architecture/Planning Research and Willdan, for energy design assistance and other sustainable consulting as required for the State Pre-design submittal.

Willdan will work alongside Otter Tail Power to provide energy design assistance while Precipitate will assist with documentation and compliance with B3/SB 2030 energy standards.

On a motion by Council Member Schmidt, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved the Pre-design proposals from BHH Partners, Precipitate Architecture/Planning Research and Willdan in order to comply with B3 Guidelines as required for State funding.

GAMBLING PERMIT

Mayor Meehl stated Council may wish to consider approving the Premise Permit Application to allow the Minnesota Flyers Gymnastics to conduct gambling at Suds Tavern Inc.

On a motion by Council Member Spencer, seconded by Council Member Lehmkuhl and carried without a dissenting vote, the Council approved Resolution 2019-36 entitled “Resolution In The Matter Of Approving Premises Permit Application, Minnesota Flyers Gymnastics” to allow gambling at Suds Tavern Inc.

AMEND ORGANIZATIONAL RESOLUTION

Mayor Meehl stated Council may wish to consider approving a resolution to amend the 2019 Organizational Resolution to include Central Minnesota Credit Union as a depository for the City.

On a motion by Council Member Schmidt, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved Resolution 2019-37 entitled “A Resolution Amending The 2019 Organizational Resolution, City Of Perham, Minnesota” to include Central Minnesota Credit Union as a depository for the City.

NORTH COUNTRY FOOD BANK DONATION REQUEST

Mayor Meehl stated Council may wish to consider a donation request from the North Country Food Bank.

Council Member Lehmkuhl introduced Food Shelf Board Member Tina Rasmussen. Rasmussen commented on how the Food Shelf serves a surprising number of elderly as well as many others in the area.

On a motion by Council Member Lehmkuhl, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved a donation in the amount of \$5,000.00 to the North Country Food Bank.

***LODGING TAX COMMITTEE DONATION**

Council, on the recommendation of the Lodging Tax Committee, approved a contribution of \$45,000 to the Chamber Marketing Budget for 2020.

***ACCEPTANCE OF PERHAM ROTARY DONATION**

Council approved Resolution 2019-38 entitled “Resolution In The Matter Of Accepting A Donation From The Perham Rotary Foundation, Perham, MN” to accept a donation from the Perham Rotary Foundation in the amount of \$905.00 for the beautification and upkeep of Boedigheimer Park.

***ACCEPTANCE OF MATT’S HELPING HANDS DONATION**

Council approved Resolution 2019-39 entitled “Resolution In The Matter Of Accepting A Donation From Matt’s Helping Hands, Perham, MN” to accept a donation from Matt’s Helping Hands in the amount of \$7,285.00 for the purchase of new Little League bleachers.

***ACCEPTANCE OF DEAN & DIANE BAUCK DONATION**

Council approved Resolution 2019-40 entitled “Resolution In The Matter Of Accepting A Donation From Dean and Diane Bauck, Perham, MN” to accept a donation from Dean and Diane Bauck in the amount of \$1,633.00 for the purchase of a swing in Paul Miller Park.

***ACCEPTANCE OF PERHAM SOFTBALL LEAGUE DONATION**

Council approved Resolution 2019-41 entitled “Resolution In The Matter Of Accepting A Donation From The Perham Softball League, Perham, MN” to accept a donation in the amount of \$600.00 for 2019 field maintenance.

***ACCEPTANCE OF PERHAM LAKESIDE GOLF CLUB INCOME STATEMENT**

Council accepted the PLGC's Income Statement for July 2019.

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

Council accepted the PACC's Financial Reports for July 2019.

***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 2019.

CITY ENGINEER MONTHLY UPDATE

City Engineer Berube gave an update on various projects.

County 8 Closure

The final pavement lift is anticipated to be constructed at the end of September, with the temporary closure and detour being placed into operation over the last weekend of the month. Following the final pavement lift being constructed, detour signage will be removed, with the exception of the four way stops at the intersection of Sixth Avenue and Main Street West and Third Street and Second Avenue Northeast.

Second Avenue Southwest

Construction has slowed on the Second Avenue project with the backfilling of the sidewalk for turf establishment occurring over the past few weeks. Following the installation and backfill of topsoil along the project area, seeding will begin.

The paving contractor has tentatively planned a return to the site to construct the second lift of pavement on or around the 25th of September, which should take approximately three days to complete.

Northeast Industrial Park

This item was previously discussed during the Public Hearing portion of the Council Meeting tonight.

INFORMATION AND ANNOUNCEMENTS

A 2020 Budget Meeting is scheduled for Wednesday, September 18 @ 7:00 am

The Perham Area EMS semi-annual meeting is scheduled for Monday, September 23 @ 6:00 pm at the Perham Fire Hall

A Special Council Meeting and Committee of the Whole are scheduled for Wednesday, September 25 @ 5:15 pm

The League of MN Cities Regional Meeting is scheduled for Thursday, September 26 @ Lakeside Event Center

The next regular Council Meeting is scheduled for Monday, October 14 @ 5:15 pm

ADJOURNMENT

Mayor Meehl adjourned the meeting at 6:57 pm.

Respectfully submitted by,



Heather Hoelt
Administrative Assistant

ATTEST:


Mayor

SPECIAL COUNCIL MEETING MINUTES

September 25, 2019

Mayor Meehl called the Special Council Meeting to order at 5:15 pm on September 25, 2019 in the Council Chambers located at 125 Second Avenue NE, all members of the Council having been duly notified of the meeting, and the business to be transacted. Council Members present were Meehl, Johnson, and Spencer.

Members absent were: Lehmkuhl and Schmidt.

Staff members present were: City Manager Smith, Finance Officer Stokke, Liquor Store Manager Dreger, Police Chief Hoaby, Public Works Director Meece, EDA Director Keil, 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 2020 Budget, Preliminary Levy for Taxes and HRA Levy Payable for 2020 and may wish to schedule the date of Monday, December 9, 2019 at 6:00 pm for the public to comment prior to the adoption of the 2020 Budget and 2020 Tax Levy.

City Manager Smith presented an overview of the proposed 2020 Budget and Preliminary Levy. 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 the preliminary amount approved can only decrease, 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 various fund types include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Enterprise Funds.
- The 2020 Proposed Operating Levy amount of \$1,071,815 is an increase of 10.79% over the Final Operating Levy amount of \$967,387 in 2019.
- The 2020 Proposed Debt amount of \$426,391 is a decrease of 4.98% from \$448,742 in 2019. Special Revenue Funds include two Tax Abatements for Grow Perham and the HRA for an increase of 26.52%.
- The Tax Capacity Levy excluding the HRA totaled \$1,513,785 for a total levy increase of 6.29%.
- The Tax Capacity Growth is estimated at 3.79%.
- The Net Tax Capacity Rate is estimated at 49.499%.
- The Tax Capacity Debt is estimated at 28% of the Total Levy.

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.

BHH Proposal for The Hub

Mayor Meehl stated Council may wish to consider approving a proposal from BHH Partners for Architectural/Engineering services for The Hub.

On a motion by Council Member Spencer, seconded by Council Member Johnson and carried without a dissenting vote, the Council approved a proposal from BHH Partners for Architectural/Engineering services for The Hub.

Adjournment

Mayor Meehl adjourned the meeting at 5:32 pm.

Respectfully submitted by,



Heather Hoefft
Administrative Assistant

ATTEST:



Mayor