

Harris City Council
Regular Meeting Minutes
Monday, September 8, 2025

- I. **Call to Order:** Mayor Carlson called the meeting to order at 7:01 p.m.
- II. **Pledge of Allegiance:** Everyone joined in the Pledge of Allegiance.
- III. **Roll Call:** City Clerk Shannon Geier conducted roll call. Present were Mayor Randy Carlson, Councilmember Craig Moline, Councilmember Chell Borash, Councilmember Al Siedow, and Councilmember Garret Pearson. Geier announced that a quorum was present.
- IV. **Consent Agenda:** Siedow made a motion to approve the Regular Meeting Minutes of August 11, 2025, and Accounts Payable. Pearson seconded the motion. All in favor, motion carried.
- V. **Public Comment:** None.
- VI. **Regular Agenda:**

A. **Fire Department** – Fire Chief Drew Chapeau attended the meeting to present the written report. A mechanical issue was identified with Engine 1's brakes and alternator. Geier provided a purchase order, allowing the necessary repairs to proceed. Subsequently, Geier requested that council clarify the procedure for emergency equipment repairs, suggesting that completing repairs prior to presenting invoices to council for approval would help minimize downtime. Pearson inquired whether this process should apply exclusively to the Fire Department or to all municipal departments, noting that the policy could be rescinded if misused.

Borash made a motion to approve payment of the Emergency Apparatus Maintenance invoice for Engine 1 repairs in the amount of \$2,948.20. Siedow seconded the motion. All in favor, motion carried. Borash further moved to adopt a policy permitting expenditures for emergency repairs to be made immediately, with approval placed on the agenda for the next council meeting, rather than convening an emergency session. Siedow seconded the motion. All in favor, motion carried.

Chapeau informed the council that the Fireman's Relief Association had received \$15,000 in donations from various companies and individuals, which will be used toward the purchase of a Fire Ranger. The Relief Association is contributing these funds to the City for this purpose. He requested that the check be issued within the next few days.

The mayor inquired of City Treasurer Sue Riesing regarding the timeline for preparing the check. Riesing responded that she had spoken with Drew several times about amending the invoice to list the City of Harris as the purchaser, as it is currently under Drew's name. Pearson concurred that the invoice should reflect the City of Harris. The mayor further requested that Riesing contact Polaris directly, indicating that it is the treasurer's responsibility to do so. Riesing noted that her previous attempt to contact a customer resulted in her getting told that the FD will hand that type of correspondence. Chapeau assured the council he would ensure the invoice is updated to reflect the City of Harris as the buyer, and if completed tomorrow, he would prefer the check be issued at that time.

Riesing explained that she does not work on Tuesdays but would have the check ready by Wednesday. The mayor asked if the check could be processed that evening; however, Riesing

stated she was unable to accommodate the request due to payroll obligations. She clarified that she had been requesting the necessary correction for several days and could have processed the payment earlier had the correction been provided. Riesing concluded by stating that following completion of payroll, she would be able to process the checks for those who wished to wait.

- B. **2025-08 Resolution for Donation from Harris Fire Relief** – Siedow made a motion to approve Resolution 2025-08, A Resolution Accepting a Donation to the City of Harris. Pearson seconded the motion. All in favor, motion carried.

- C. **Unallocated funds** - Riesing reviewed the history of how funds were handled and where corrections are needed. All the money listed as unallocated in the general fund was, in fact, budgeted for future capital improvements. Although these amounts were recorded on paper, they were not physically transferred between accounts. The Public Facilities Authority (PFA) provided relief on principal payments following bond refinancing, giving us additional time to reserve funds for escalating principal obligations. The mayor disputed the facts, claiming in February 2009 they were accounted for in our budget, not left unallocated. Riesing emphasized that the discussion relates to the annual budgeting process since 2011, noting that while the allocations were documented, the actual transfers to the correct funds in the system did not occur. She stressed the need to move money into the appropriate funds. The mayor clarified that the \$2.4M balance does not include water and sewer funds, despite repeated claims otherwise.

Siedow proposed tabling the topic and inviting Dennis (city auditor) for further clarification to avoid reliance on hearsay. The mayor suggested Sara (auditor's assistant) attend. He then referenced page 18 of the financial report, noting that there are only four fund balances, and the restricted balances relate to sewer and water. The \$2.4M does not include any sewer and water funds.

Riesing pushed for collaboration to align funds correctly and emphasized the importance of a Capital Improvement Plan (CIP). She suggested earmarking money by budgeting and setting aside funds. The mayor compared it to a college student paying cash instead of taking a loan, but it does not happen, so let us move on. Riesing advocated for using multiple budgeting tools to improve decision-making. The mayor referenced regulations concerning bond arbitrage, noting that earning more on borrowed funds could trigger IRS penalties if proceeds are invested improperly, except where exemptions may apply. Riesing agreed to further investigate these legal requirements, and the mayor suggested consulting additional experts if necessary.

- D. **RD Funding** – Nathan Feist from Bollig Engineering attended the meeting to present a summary of recent developments as follows: The USDA oversees the national funding pool, which reallocates unused state funds to federal initiatives. As a result, additional federal dollars were secured for the well project. Plans include extending water and sewer services across I-35, with an 8-inch water main designed to provide sufficient pressure for future development, and a 12-inch sewer main. A lift station has also been included across I-35 to allow for future connections. Rural Development (RD) does not fund speculative projects or industrial parks.

Collaboration with RD engineers focused on assessing growth potential, identifying approximately 180 acres that could benefit from utility expansion. Funding for the well

project is entirely grant-based, leveraging multiple grant sources. The city utilized MSA's 2019 cost estimates and feasibility study, acknowledging that current costs are significantly higher. Careful attention is being paid to accurate cost estimation to ensure adequate USDA funding. The next steps involve coordination with the regional representative. Sewer funding has been secured, the well project is fully funded, and the water extension has received principal agreement, though final funding is pending. Once available, letters of conditions will be provided, detailing all terms of agreement. Looping of the distribution system has been applied for to the Stauber program, requiring a 25% match if awarded. Considering existing city debt, increasing the user base is important for long-term financial health.

City approval must be obtained by September 29. Abandoning any projects at this stage could negatively impact eligibility for future funding opportunities. The Rural Development package includes federal grants, WIF grant, and RD loans totaling \$5.5 million (\$1.5 million from Harris and \$4 million from grants).

A special meeting will be scheduled, and an owner/engineer agreement will be executed. A notification letter will be sent to residents regarding upcoming activities. If bid results are favorable, connections to each property may be incorporated into the project scope.

- E. **Preliminary Budget for 2026** - A discussion ensued regarding the 2026 budget. The mayor suggested paying off the grader to remove the lease payment from the budget which would result in an 8% increase to the budget. Otherwise, the budget increase will be 18.23%. Riesing noted the need to determine which cash reserves to use, emphasizing flexibility for funding upcoming projects and recommending holding off on a decision until project expenses are clearer. Pearson inquired about penalties for early payoff. Riesing confirmed there are none and, again, advised not deciding during this session. Siedow stated it is a council's decision and asked for council consensus; some members preferred to delay payoff for the short term.

Moline raised concerns about needing startup funds for projects if money is spent on the grader, questioning what projects would lose funding as a result. The mayor observed that financial reports often differ, with Riesing explaining that figures change with transactions such as recent water and sewer payments or deposits.

Pearson clarified that, as discussed in the previous meeting, departments are responsible for determining where to allocate the 8% budget. However, these allocations cannot be applied toward wages; only the council has the authority to approve such expenditures. Riesing noted that the fire department had made some cuts that were not realistic as they normally spend more than they budgeted on those items.

Discussion turned to the need for another budget meeting and the importance of clear fund assignments and audits, with Riesing explaining restricted fund balances and interest allocation.

Moline made a motion to schedule a work session with the council and city auditor before the end of the month. Pearson seconded the motion. All in favor, motion carried.

F. **Truth in Taxation** -

- Schedule Meeting date and Time – Monday, December 8, 2025
- must occur after 11/25 and before 12/29
- Must allow time for public to speak

G. **Schedule Final Levy Meeting before 12/29** – Monday, December 8, 2025.

- H. **Public Works** - Robert Pearson proposed buying 1,000 more yards of gravel at the existing bulk price for 420th, 440th, and Iris, with payment next year. Riesing clarified that bills received are recorded in the same fiscal period regardless of payment date. Garret Pearson noted \$100,000 remains in the public works budget, with only 68% spent so far, and asked about possible extra funds. Pearson made a motion to purchase the gravel with deferred payment; Borash seconded the motion. All in favor, motion carried.

Robert Pearson addressed the need for part-time help with wood cutting, noting two qualified local candidates, Peter and Jake, who are experienced in wood cutting and grading. Siedow and Moline raised concerns about excessive workload and budget limitations. Pearson suggested hiring someone for 20 hours a week for four to six months or, if not, he would handle minor tasks himself.

Carlson proposed a wage rate of \$30 per hour for up to 20 hours a week over six weeks with compensation handled through W2 payroll. Garret Pearson made a motion to authorize up to \$4,000 in additional labor costs for tree removal through December 31, 2025. Borash seconded the motion. Motion carried 5-0, All in favor, motion carried.

Moline raised an issue regarding Kevin Gustafson and the grader, mentioning a discrepancy about items sold "as is." Robert Pearson confirmed that equipment was inspected with all components removed. Moline stated Kevin was unclear, having been told items were removed. Garret Pearson advised that Kevin should attend the next meeting to discuss any concerns.

Carlson expressed interest in attending the expo in St Cloud with public works and requested the clerk register him as well.

- I. **AV for Council Chambers** – A quote of \$ 9,846.38 was received from Forté for council chamber microphones. One-half the cost is for the equipment and one-half is for installation. These are wireless, gooseneck microphones. Siedow made a motion to approve the purchase. Borash seconded the motion. Motion carried, 4-1, Moline opposed.
- J. **City Hall IT Infrastructure proposal 2025** – Still waiting on additional estimates. Carlson made a motion to table. Pearson seconded the motion. All in favor, motion carried.
- K. **Ponds – Al Siedow** – Siedow stated that he does not foresee anything happening at The Ponds for years and years to come and it has become vastly overgrown. He requested permission for the Harris Club to conduct a controlled burn of the area to get a better look at it. This action would constitute the initial phase of an evaluation process to determine the feasibility of future use, considering the presence of wetlands and the current lack of viable access. Their plan would be to use ponds one and two.
- L. **Furnace bill Neighborhood plumbing** – Pearson made a motion to approve Neighborhood Plumbing to replace or reroute a condensate drain tube, and new drain if needed, at an estimated cost of \$667.50. Moline seconded the motion. All in favor, motion carried.
- M. **Liability Coverage Waiver** – Pearson made a motion to not waive the monetary limits on municipal tort liability to the extent of the coverage purchased from the League of Minnesota Cities Insurance Trust. Siedow seconded the motion. All in favor, motion carried.
- N. **Animal Permit – Brian and Heidi Szlavich & Antonio Valdorino** - Pearson made a motion to approve the Szlavich and Valdorino animal permits for chickens. Siedow seconded the motion. Motion carried, 4-1, Borash opposed. The council requested that Geier notify the

applicants about recent concerns regarding rodent activity in the city and encourage them to exercise particular care with feed storage. Should complaints persist, the council may reconsider all issued animal permits in the future.

- O. **Polling Place Accessibility Grant** – Geier suggested an application be submitted for more visible Polling Place signage. The council was particularly interested in digital signage for visibility and the ability to update in real time.

VII. **Staff/Department Reports:**

- A. **PeopleService Report** – Written report.
- B. **Clerk's Report** – Written report. Monday, October 13 is Columbus Day, and the office will be closed. Geier will be taking vacation days on Wednesday and Thursday, October 15 and 16, and is requesting the office be posted as closed that week. Also, in an effort to get reports submitted to the Clerk for inclusion in the monthly council packets, all departments will be notified to submit their report by the 3rd of each month. The Council concurred on both topics.
- C. **Treasurer Report** - Written report.
- D. **Mayor and Council Reports** – The new city hall flagpole should be installed by end of week.

- VIII. **Adjourn:** Siedow made a motion to adjourn. Pearson seconded the motion. All in favor, motion carried. There being no further business, Mayor Carlson adjourned the meeting at 10:00 p.m.

City Clerk – Shannon Geier

Randy Carlson - Mayor

Date Approved