

City of Mercer Tax Equalization Meeting Minutes

May 15, 2025

Mercer City Hall 7pm

Mayor Lori Stute opened the meeting at 7:00 pm and led the Pledge of Allegiance. Council Members Barb Stute, Gary Volochenko, Erika Lorenz were present. Randy Zinke was absent. Also present were Ryan Oberg and Liz Patterson from the McLean County Assessor's Office.

The object of the equalization meeting is to hear any concerns that property owners have concerning the evaluation on their property. No concerns were brought forward.

The Assessor's Office presents the proposed values for the next year to the City Council to approve. Once the City has approved, the values are then sent to the County to approve. Then the values are sent State Board of Equalization for approval in August. There will be a county-wide increase of 5% for residential structures and 3% for all commercial structures. Mr. Oberg said the values for Mercer are not the same as for other cities in the County because it has only been two years since the County took over as the assessor. The land values will increase 5% this year, but the structure will not. The Assessor's Office emailed the values but the city did not receive them. The values can be emailed to the city and can then be mailed (or emailed) to the residents or residents can call the County Assessor's Office.

Gary Volochenko made a motion to approve the values as presented, Barb Stute seconded. Stute, Volochenko and Lorenz all voted aye. The motion carried.

Erika Lorenz made a motion to end the equalization meeting and Barb Stute seconded. Stute, Volochenko, and Lorenz all voted aye. The motion carried.

Regular City Meeting

The regular meeting of the Mercer City Council opened at 7:15pm. Council Members Barb Stute, Gary Volochenko, and Erika Lorenz were present. Randy Zinke was absent.

Erika Lorenz requested that Our Savior's Lutheran Church Property Line be added to Old Business.

Gary Volochenko made a motion to approve the minutes from April 17, 2025, as read with corrections, Barb Stute seconded. Stute, Volochenko, Lorenz all voted aye. The motion carried.

Financial Report

Mayor Stute said she is still unable to print out financial reports for March and April. Erika Lorenz stated that without actual financial reports she's not comfortable approving them.

Mayor Stute stated that as of March 28, 2025, there was a balance of

\$246,010.26. On April 29, 2025, there was a balance of \$251,409.26 in the general fund.

She stated the balances in other accounts were:

Ending in 1196: March \$2,688.51, April \$2,689.03 (Park project fund)

Ending in 1630: March \$6,302.73, April \$6,302.89 (MCC fund)

Ending in 1784: March \$4,117.52, April \$4,117.52 (USDA RD water project)

Ending in 1875: March \$.99, April \$.99 (USDA RD sewer project)

Mayor Stute stated that the City either needs a new financial program or an actual accounting firm to come in and take care of the finances.

No action was taken on approving financials.

Bills to be Paid

Erika Lorenz asked why Moore Engineering was used to replat the Community Center. Mayor Stute stated it was more cost effective to use Moore Engineering as they did the original plat. Volochenko questioned why the city is paying for the cost of the plat when it's for the community center. It was stated that the land is being gifted to the city and the city agreed to pay for legal costs. Gary Volochenko stated the payment should come out of the community center funds.

The Ottertail bill will be double billed next month per communication from Ottertail. No reason was given. Gary Volochenko asked if the MCC building still had the electric on. Previously the council had voted to turn off the heat in the building.

Erika Lorenz moved to approve the bills; Barb Stute seconded. Stute and Lorenz voted aye. Volochenko voted no. The motion carried.

Water Bills

The water loss dropped to 45.01% possibly because the bypass valve was shut off. Rural water has not been back since last month to check non-working meters. Erika Lorenz asked what the \$911.34 adjustment to the bill was. Mayor Stute will ask Rural water and report back next month.

Letters will be sent to those residents who are 60+ days past due.

Park Report

Erika Lorenz reported that the committee had a clean-up day May 4th.

The committee approved payment of the \$53 water bill. There is no electric bill for May. The June Ottertail bill will include May and June.

The park maintenance fund has a balance of \$5,592.90 and the project fund has a balance of \$2,689.60. The committee will be getting a quote to have permanent lighting installed in the two park shelters.

The park committee wants to thank Bev Christiansen for the \$250 in Thrivent funds used to purchase a second camera, David Neff for fabricating a stand for the camera, and the Turtle Lake Legion for their donation of \$3,000.

Community Center Project Report

No report was given

Erika Lorenz asked what grants the committee has applied for. She stated that she expects that if grants are being applied for, they would be presented to the council in the interest of transparency and for approval.

Old Business

Turtle Lake American Legion Gaming Permit Renewal

Erika Lorenz made a motion to approve the gaming permit renewal for the Turtle Lake American Legion, Gary Volochenko seconded. Stute, Volochenko and Lorenz all voted aye. The motion carried.

Water Assessment Timeline

Mayor Stute stated that so far, a compromise has not been able to be reached on the timeline. She offered a compromise for a three-year payback with the option of coming to the city and ask for payback to be extended to up to nine years, depending on a resident's personal circumstances.

Erika Lorenz gave a brief summary of the timeline for the project and the creation of the special improvement district. She said that she struggles with the back billing the property owners that have not been billed not date as the total amount of the back bills is equivalent to roughly half of the entire \$429,000 loan that has a 40-year note. She understands that according to the City Attorney, this is what must happen, but this is clearly not what the city intended based on its agreement with USDA. She also said that all money collected can only be used for paying the debt on the water project. Once the project is paid for, the base rate should drop to an amount that just covers the administration of billing accounts and maintenance of the system.

It was suggested that the city prepare a letter to be sent to residents that explains an estimate of the break down for what residents are responsible for and how the calculation was done. It was also suggested that the city seek a second opinion from another attorney.

Barb Stute made a motion to establish the water assessment timeline for three-year timeline with the ability to come to the city, on a case-by-case basis, to request a payback of up to nine years depending on financial hardship or personal circumstances. Stute and Lorenz voted aye. Volochenko voted no. The motion carried.

The city will send out letters to the residents as to who will be back billed and who is already billed along with active accounts, parcel numbers, etc.

Accounting Issues

Mayor Stute has spoken with an accounting firm in Bismarck about doing the accounting for the city. They want to complete list of all the reports and forms and when they are due. She has spoken with other firms who do not have the capacity to take on a new municipal client. The State of MN will not allow is to purchase their system. She said the best option she's found so far is QuickBooks Pro but has not been able to get

an estimate yet. A suggestion was made to use Excel and send to an accounting firm to do the reporting. Lori will ask the firm In Bismarck for a quote if they receive the excel reports for the city. Lori will get quotes from accounting firms and report back. The auditor position as not been advertised.

Our Savior's Lutheran Church Property Line

Erika Lorenz asked if anything has been learned about existing easements, and can we move forward on approval? No confirmed information has been received. Mayor Stute believes she will need to go to Washburn to get answers. The easement is for more than just the back of the community center. There may also be a utility easement. It was asked why the city is holding on to the property. There are concerns about the hazards of the building, but if the city disclosed all that it knows about the building it could possibly be sold. If the city was to sell, it would have to be out for bids with a full disclosure about the issues. There would also need to be survey and plat work done to sell the building which would be included in the reserve price.

New Business

Remove former auditor from city bank accounts

Mayor Stute said that Bravera Bank has informed her that it needs a record of the council removing the former Auditor, Tonya Wellington, from the city bank accounts. Erika Lorenz made a motion to remove Tonya Wellington from all city bank accounts, Gary Volochenko seconded. Stute, Volochenko and Lorenz voted aye. The motion carried.

Building permit for Chester's Tavern

Rod Schilling presented a building permit for Chester's Tavern to be allowed to tear down the old building on the north side and erect a larger, new building in its place. Gary Volochenko made a motion to approve the building permit, Erika Lorenz seconded. Stute, Volochenko and Lorenz all voted aye. The motion carried.

Designate Official Newspaper

The current official city newspaper is the Central McLean County News-Journal. Erika made a motion to designate the Central McLean County News-Journal as the official city newspaper for the City of Mercer, Barb Stute seconded. Stute, Volochenko, Lorenz, all voted aye. The motion carried. Erika agreed to submit the abbreviated minutes to the paper. The full minutes are kept at city hall and will be posted to the web.

Provide Sewer to all occupied properties in city limits

Mayor Stute stated that not all occupied properties have city sewer access. They must be on city sewer. The City is required to provide sewer access to the property line. There are three or four properties that are in question. The properties without sewer access need lift stations. Lift stations are the responsibility of the property owner. Mayor Stute will need to check into what happens if residents refuse to hook into the city sewer system. It was questioned why the city paid for a lift station for Zinke's property.

Willa Murray

Willa Murray questioned why some lots are being charged sewer and some are not. She talked to Ward Heidbreder and all of those costs were figured into the base rates. She has never received a letter saying what the special assessment would have been for their properties. Why were the reserve accounts never funded appropriately?

It was questioned why money for the reserve accounts as not been moved out of the general account and into the proper reserve accounts. Mr. Heidbreder was to send the city the amounts that were to be in each of the reserve accounts, but the city hasn't received it yet. Former Mayor Schon stated that the reserve accounts were set up correctly. Former council member, Amanda Presser shared a document that stated that the agreement with USDA was based on at least 73 active users and had a breakdown of each of the accounts.

Former Mayor Kathy Schon stated that, according to the agreement that was signed, the pump house is the responsibility of McLean Sheridan Rural Water and they should be taking care of any maintenance and repairs in the that building.

Kathrin Volochenko

Kathrin Volochenko read a statement (attached to these minutes) expressing concerns about the updating of the city web site and regular meeting dates. She asked about a policy regarding council member contacting entities that charges for their time.

She made open records requests for copies of all bills from Wilson Law, all Rural Development applications, balance sheets, itemized amounts of water/sewer loan payments, amounts and dates made, and all the rules and stipulations for the loans. She requested the information be emailed to her within 30 days.

As of May 15, there is no evidence of advertising for a new city auditor.

Gary Volochenko was not notified of a three-year USDA/rural development inspection nor was he notified of a meeting at the pump house on April 24. She questioned whether the Bobcat was listed as collateral for the USDA loan.

She stated that all council members should have access to see all the mail the city receives.

Jon Schumann

Jon Schumann said the Motor to Mercer Car show will include burn out an engine endurance contests this year at Ed's Service. He wants to make sure that city is aware that some of these vehicles will be very loud. Also, the smoke generated is excessive, it may need to be shut down. The city has approved the use of city blockades for the car show but there aren't enough. He requested that the car show be extended from the post office to Ed's Service.

Gary Volochenko made a motion to extend the car show from the post office to Ed's Service as long as there is no liability to the City, Barb Stute seconded. Stute, Volochenko, and Lorenz all voted aye. The motion carried.

Mr. Schumann asked about the new addition of town that is not platted but was accepted into city limits in 1949. He is very upset about the back billing for the water project for people who own many lots. Mayor Stute clarified that every parcel would be included. He also expressed frustration regarding the city minutes not being posted timely, payments for water, and the community center.

Erika Lorenz made a motion to adjourn, Barb Stute seconded. Stute, Volochenko, and Lorez all voted aye. The motion carried.

Bills

1. Visa – 187.71 (Toner for printer \$114.71 and postage stamps \$73.00)
2. Waste Management - \$1190.25
3. WRT - \$188.18
4. McLean Sheridan Rural Water – \$2,122.67 (billing \$244.24 & Water \$1,878.43)
5. Ottertail - \$376.04 (streetlights \$335.05, city storage \$40.99)
6. ND Workforce Safety & Insurance (WSI) - \$350.30
7. Moore Engineering, Inc. - \$1,739.00 (replat lot 2, co-op addition)
8. Barb Stute - \$69.26 (board pay)
9. Randy Zinke - \$69.26 (board pay)
10. Erika Lorenz - \$69.26 (board pay)
11. Gary Volochenko - \$69.26 (board pay)
12. Lori Stute - \$462 (Mayor pay)
13. Lori Stute - \$323.18 (April pay)