

CITY OF ISLE COUNCIL MEETING

Regular Meeting Minutes January 12th, 2021

At 6:00 pm the annual first regular meeting was called to order with the Pledge of Allegiance followed by roll call. **Council members present:** Mayor Ernie Frie, David Keding, Ginger Houle, Monica Keding and Naomi Creech.

Other staff present were: Jamie Hubbell, David Miller, Tim Ramerth, Don Graber, Mark Reichel, Jason Minenko and Damien Toven. COVID 19 Social distancing protocols followed.

First order of business was the new elect oaths of service for Mayor Frie, and councilmembers Creech and Keding.

A **Motion** to approve the January agenda by Houle; second by M Keding. All in favor, none opposed. Motion carried. **Motion** to approve the December Regular meeting minutes by Houle and seconded by M Keding. All in favor, none opposed. Motion carried. **Motion** to approve the December final claims totaling \$246,785.95 by M Keding with second by D Keding. All in favor, none opposed. Motion carried. **Motion** by Houle to approve January claims to date totaling \$52,344.16 with M Keding making the second. All in favor, none opposed. Motion carried.

Open Forum: None.

Presentations, Announcements, Complaints and Requests:

- a. **Resolution 2021-01A** City Appointments and Designations for the organizational structure for the city for 2021, including department liaison assignments. **Motion** to approve by M Keding with second by D Keding. All in favor, none opposed. Motion carried.
- b. **Resolution 2021-01B** Bank Signatory Authority to authorize the new Mayor and councilors as signers on all city share accounts. **Motion** to approve by Houle with second by M Keding. All in favor, none opposed. Motion carried.
- c. Approval of the 2021 Final Budget Summary to be published with the Mille Lacs Messenger and on the city website by **motion** from D Keding and second by Houle. All in favor, none opposed. Motion carried.
- d. Reviewed the Office of the State Auditors reports on the Municipal profit and loss for 2019 financials. The unaudited financial reports to the OSA determined that the municipal was in its second of three years of loss. The unaudited total loss for 2019 was stated at -\$57,407. Council was informed that if after the completed audit still ended with a loss that a public hearing would have to be had by the end of this year, to determine if the municipal department would have to close permanently.
- e. David Oberfeld submitted a written request to disconnect and remove water and sewer services to his property at 1060 Maben Avenue South. Oberfeld combined this parcel with his main residential parcel and had no intentions to build on the 1060 lot. Houle made the **motion** to approve the disconnect and added that if they needed to reconnect in the future, they would be responsible to pay the full WAC/SAC connection fee and plumb in a separate line to that parcel address. D Keding seconded. All in favor, none opposed. Motion carried.

- f. First Government Lease revised their previous lease offer to match the First National bank awarded lease and requested council to reconsider their terms. D Keding made the **motion** to decline their offer and stated that they should have offered their “best offer” in the first round. Houle seconded, with all in favor, none opposed. Motion carried.

Public Hearings:

The Public hearing portion of the meeting was opened at 6:20PM by **Motion** made by Houle and second by D Keding. All in favor, none opposed. Motion carried.

- a. All property owners that needed easement agreements executed were invited to participate. Discussion regarding the properties that still required easement agreements to wrap up the planning stages for the water and sewer project was suspended until the February council meeting so that Damien Toven could continue talks with the last three owners to avoid further legal and court costs to the project. Houle made the **motion** to table the decision with D Keding making the second. All in favor, none opposed. Motion carried.
- b. **Ordinance 189 Annexation** by petition by Jensens - final reading. Councils offer to Isle Harbor Township; for lump sum payment of \$1244.00 totaling eight years of current tax payments, was accepted and confirmed. **Motion** by Houle with second by D Keding to approve the annexation and to authorize the clerk to report to the state boundary adjustment board. All in favor, none opposed. Motion carried.

The public hearing portion of the meeting was closed at 6:30PM by **Motion** from Houle and second by D Keding. All in favor, none opposed. Motion carried.

Department Reports:

Public Works – Supervisor Minenko provided his department activities report for December. He reported that they completed repairs and maintenance on the 83 dump fixing the hydraulics. Completed the install of the Main St. Christmas decorations and also put up Wahkon’s Main St. decorations. Minenko reported that they had alarm calls on the Island Lift Station due to excessive amounts of grease. Mayor requested a reprint of the grease letter on bright paper and that he would go door to door to speak with everyone on the Island to do their part to prevent these costly alarm calls and service work. Work order report reviewed and \$47,727.47 total receipts for December water and sewer bills received. \$525,493.24 year end total utilities revenue for 2020.

Police Department- Chief Reichel presented his December report of 263 calls for service. See packet.

Liquor Store Operations- Report presented by Manager Graber. December revenues were up \$870.26 from 2019 with \$59,473.60 in total sales revenue; expenses were up by \$23,899.95 with \$75,962.60 in total expenses, including all payables due by 12/31. Total loss for December was - \$16,489.00 with a year to date net effect of loss at -\$9408.36. Holiday sales were up towards the end of the month and the New Year’s Eve drawing was a success with a lot of participation. “We started a Super Bowl” give away promo now and people seem excited”. The inventory expenses

look high, but it was to get stocked for the remaining winter months to get better profit returns on the sales. Mayor stated that he is forming a liquor committee of community members to get input from the public on how to better improve the municipal sales and services.

Fire Department- Chief Miller was present to announce the State Fire Marshall grant award for the washer/dryer and extractor for the turnout gear of \$18,000. City match of \$2850.00. The department has until July 1st, 2021 to complete that project. A continued discussion from the tabled fire relief pension increase request from December. The \$250 increase to the current \$1400 benefit was again tabled by **motion** from D Keding. Keding requested more investment history and audit reports from Miller to review. Keding would like to see the relief complete an actuarial audit of their investments prior to approval of this 18% increase. Houle seconded the motion to table until February. All in favor, none opposed. Motion carried. Next a request for additional purchase of mandatory gear and ten new Motorola battery packs. Total request of \$6395.00 approved by **motion** from Houle; second by D Keding. All in favor, none opposed. Motion carried. A request to hire Widseth grant writer to complete the 2020 FEMA Application for airpacks at \$1200.00 approved by Houle by **motion** with the second by D Keding. All in favor, none opposed. Motion carried.

Planning Commission – Commissioner Houle reported on the December and January zoning activities. A deck constructed without permit at 455 4th Avenue was being reviewed for violation. A contractor violation was discussed in length for permit issued at 320 Lake Street West, Nghid Trinh property. A “Cease and Desist” order has been issued for this project and the owner notified. The commission cited this project with four violations, #1 falsified contractor information on original permit. #2 contractor built the structure into the variance approved setbacks creating encroachment violations. Contractor did not build the new house within the original footprint of the existing house. #3 Contractor and subs in violation of trespass and theft of services from the neighboring property. (water, electric, construction debris and trespass). #4 Contractor built structure completely different than the original approved plans, including a second story that is non-compliant in height by 1.8ft. of the regulation 25ft for the R3 Zone. Council reviewed the cited violations and determined per the 10.99 Administrative Penalty chapter at the current fine of four times the permit value applied to each violation. Therefore, they issued each of the four violations a \$2000.00 fine, totaling \$8000.00 in total fines. Toven cited that these fines are the maximum and that if the contractor does not comply there could be a potential for additional criminal misdemeanor charges. The Cease and Desist official posting will go out tomorrow stating all of the violation citations and to include that no further construction can ensue until all violations are brought into compliance and reapproved by the Zoning administrator. No additional encroachments will be accepted for the proposed plan of a front door landing, staircases and sidewalks.

Airport Committee – Don Dahlen reported on the airport committee minutes, stating that the tree removal on the south end is completed and final grading will take place in the spring. Dahlen requested additional tree removal on the NW side of the runway and west side of the hangars to avoid damages to the hangars from falling tree and limb damage. Stating that the cost will be covered 100% by the Association. Dahlen stated that they are working on increasing their airport committee members, but will be taking a recess for a few months. Clerk stated that she is working with Toven on the petition to Eastside Township to request vacation of the township right of ways that abut the airport property to afford more room for hangar construction. Motion

by Houle to complete that petition with D Keding second. All in favor, none opposed. Motion carried.

City Engineer –Tim Ramerth presented his December report, and renewed his 2021 contract services with the city. Ramerth discussed the progress of meeting with the MLBO representatives regarding their interest in continuing the water and sewer infrastructure past Moose Drive. With the time and funding constraints, he reported that the city shall move forward with the existing plan while also continuing discussions with the band to bring the services past Moose in future additions to this line. He will have the completed plan for the February meeting and should be able to go to bid by March. The state park is reprioritizing their needs and will notify the city if and when they are able to move forward with their sewer plan. Industrial Park purchase was completed December 29th and the preliminary EDA proposals must be reviewed by council to determine the next grant request. Ramerth suggested an Industrial Park EDA committee meeting in February.

Unfinished Business:

- a. Hubbell presented the recommendation to council to consider forgiving the two CARES Act Small Business loan/grants; the state requirement now stated that all loan payments would need to go back to the state and not stay local. Go Green and Mike Reilly Laundry \$5000 Loan forgiveness approved by **motion** from Houle and seconded by D Keding. All in favor, none opposed. Motion carried.
- b. Merit lot purchase offer discussion continued from tabled December meeting. M Keding was in favor of the purchase offer by the O’Neils, while Houle did not feel that a storage building was the best use of the property. D Keding felt that the city should put the property out for bid with a market value reserve. Frie discussed the proposed comprehensive plan for future housing and library. Tabled once again by **motion** from Houle and second by D Keding until further research can be completed. Four in favor, M Keding opposed. Motion carried.

New Business:

- a. Pojanowski 2021 Aggregate Extraction Permit renewal reviewed approved by **Motion** by D Keding, second by Houle. All in favor, none opposed. Motion carried.
- b. **Resolution 2021-01C Accepting donations** approved by **Motion** by Houle, second by M Keding for \$550.00. \$50 from P Lahti for Police and \$500 from MID MN Mutual for the Fire Department. All in favor, none opposed. Motion carried.

Clerk’s Report:

- a. Review of the fourth quarter budget report for year-end total revenues and expenses.

Financials:

- a. December General bank balance: \$1,152,080.58 Liquor Fund bank balance: \$43,296.08
- b. (see bank balance statement sheet for Savings and Investments)

Adjourn Regular Meeting to sign claims at 8:02PM: **Motion** to adjourn Frie, seconded by M Keding. Next regular meeting, February 9th, 2021. All in favor, none opposed. Motion carried.

Dated on this 12th, day of January, 2021
APPROVED on this 9th day of February, 2021

Ernie Frie - Mayor

ATTEST:

Jamie Hubbell, MCMC Clerk-Treasurer

CERTIFIED BY VOTE:

Motion _____

Second _____

AYE

NAY

NAOMI CREECH

ERNIE FRIE

GINGER HOULE

DAVID KEDING

MONICA KEDING