

CITY OF ISLE COUNCIL MEETING

Regular Meeting Minutes March 8th, 2022

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

Other staff present were: Jamie Hubbell, Tim Ramerth, Nikki Johann, Mark Reichel, and Jason Minenko.

A **Motion** to approve the March Agenda by D Keding; second by M Keding. All in favor, none opposed. Motion carried. **Motion** to approve the February Regular meeting minutes by M Keding and seconded by D Keding. All in favor, none opposed. Motion carried. After inquires by Creech regarding Granite Electronics and LMC Patrol invoices a **Motion** to approve the February final claims totaling \$250,743.86 by Creech with second by D Keding. All in favor, none opposed. Motion carried. **Motion** by M Keding to approve March claims to date totaling \$143,135.30 with Creech making the second. All in favor, none opposed. Motion carried.

Open Forum: None

Presentations, Announcements, Complaints and Requests:

- a. **Resolution 2022-03A** to reestablish precincts and polling places was approved by **motion** from Creech; with the second from M Keding. All in favor, none opposed. Motion carried.
- b. **Resolution 2022-03B** supporting HF 2821/SF2670 and Public Safety Initiative presented and approved by **motion** from M Keding and seconded by D Keding. All in favor none opposed. Motion carried. This bill is to request ARMER funds to be distributed to cities to offset the cost of the Public Safety communications (radios).
- c. Clerk Hubbell presented an updated and revised quote from Civic Systems for the city accounting software system upgrade. Civic Systems appreciated the financial burden of a one-time full payment of \$38,285 and offered three annual payment financing at \$12,762 per year for the system upgrade. M Keding approved the new financing options by **Motion** with Creech seconding. None opposed, all in favor. Motion carried.

Public Hearings: Public hearing was opened at 6:21 P.M. by **motion** from M Keding and second by Creech. All in favor, none opposed. Motion carried.

- a. Lodging tax Ordinance 113 Chapter 179 line 3. Amendment request discussion.
 1. Jodi Crowell from Mille Lacs Area Tourism (MLAT) presented the finds of fact of the existing membership regulations for all MLAT members including resorts, hotels and short term rental properties. Crowell continued with what MLAT annual expenses are for advertising for their paid members and what services they provide for directing customers to all members. Crowell stated that this is a service that has been provided to the Mille Lacs area since 1990 when tourism separated from the Minnesota fisheries. She stated that

McQuoids, Mille Lacs Casino and the Isle resorts and short term rental properties are their “only guaranteed income” annually.

2. Cindy Potoczny co-owner of McQuoids Inn stated that the tax is unfair. That only resorts, hotels and short term properties within city limits are mandated to collect and pay this tax. Potoczny stated that it costs them an additional 3% credit card fees and time and reporting. She also stated that the city is probably paying more in administration fees for collecting and reporting than what the city is making in the 5% rate of the 3% tax collected. Cindy did not agree that their financial records should be accessed by the city nor the MLAT board since no one else was required to provide their financial records.
 3. Paul Waldalski (spelling not confirmed due to lack of sign in) of Appledorn’s stated that all of the resorts state the collection of the tax on their receipts to their customers. That it is an “in and an out” that they collect on behalf of the MLAT tax. Clerk Hubbell stated that no other resort can legally collect a “tax” with out a local authority jurisdiction ordinance. If that is the case they are committing a violation. It must be labeled as resort fee or Tourism fee, not a tax; outside of city limits.
 4. Clerk Hubbell asked Crowell why it is an “option” to provide financials from other resorts and they are on the “good faith” system. (As stated on the MLAT lodging tax forms. Crowell then stated that it is NOT an option and that they must provide their actual income and if they do not then she can look at their tax returns to verify that they are stating their actual incomes. Hubbell contested that statement, at which point Crowell put Tina Chapman (previous MLAT treasurer/secretary) on the phone. Chapman then stated that Crowell had mis-spoken and that information was not accurate. That all other lodging tax paying properties were in fact on the “good faith” basis. Which then led to Potoczny reiterating “that it is not fair. That they just want the choice. It should not be mandatory for them just because they are in city limits.”
- b. Two Special Use permits for Short Term rentals were reviewed. One renewal for 555 Lake St. new owners D&N Vacation Rentals LLC provided application. And one renewal application for 1465 White Cloud Dr. was provided by the Christianson’s. No questions or concerns were addressed.

The Public hearing was closed at 6:57 P.M. by **motion** from M Keding and seconded by Creech. All in favor, none opposed. Motion carried.

Motion by D Keding to amend the Ordinance 113 chapter 179 line 3; amount to be determined at the next council meeting. Second by M Keding. All in favor, none opposed. Motion carried.

Motion by Creech to approve the D&N application as provided, with D Keding making the second. And motion by Creech to approve the Christianson application as provided, with M Keding making the second. None opposed; motions carried.

Department Reports:

Public Works – Supervisor Minenko provided his department activities report for February. Completed repairs on the 2018 squad. Mutual aid with Wahkon for a sewer main break. Plowed snow on six separate snow falls. Was able to read the Main St meters and a few residential meters, but had to have the system estimate the rest due to the piles of snow making it impossible to get to house touch pads. Two water main breaks (Hill St and Lake St). Work orders completed and \$41,404.14 total receipts for February water and sewer bills received. Reviewed monthly expense budget report. PW -15.4% WD – 11.1% SD – 10.6%

Police Department- Chief Reichel presented his February report of 252 calls for service. See packet summary report. Reichel stated that they had more than usual number of calls for medical assistance last month. He also stated that his new hires are just about through their field training and ready to be put into the schedule rotation. Reviewed monthly expense report. PD – 17.8%

Liquor Store Operations- February sales report presented by Manager Johann. February revenues were down \$486.23 from 2021 with \$54,821.66 in total sales revenue; expenses were also down \$5490.77 with \$57504.69 in total expenses. Total loss for February was \$2683.03 with a year to date net effect of a profit of \$5458.98. Johann stated that the lottery training went well and all games are up and running. She spent a lot of time cleaning the bar and getting the inventory that was stored in there put away in the off sale storage. She has cut hours from staff to prevent additional labor costs while things are so slow. Johann is planning a three day event for fishing opener and expects a good turnout. Council had an open discussion about how to handle any Russian products on the shelf due to the crisis in Ukraine. **Motion** by D Keding to pull all Russian products off of the shelves and not to order any further items until further notice. Creech seconded. All in favor, none opposed. Motion carried. Johann will pull stock and put it in the back and will only be available FCFS to customers who ask for it specifically. Council agree that a 3% credit card surcharge can be applied to all credit card transaction starting April 1st. Monthly budget transfer declined for the month due to the net loss for the month. Reviewed monthly budget report; Rev 12.8% Exp 11.9%.

Fire Department- Chief Miller was not present to report for February. The State Auditor's report on Relief Pensions was reviewed and also the monthly budget report. Fire 10.3% although operating supplies is already at 103% of budget, D Keding stated they need to watch their spending.

Planning Commission – Commissioner Houle presented the March Agenda summary. The Commission held the public hearing on the Zoning Map amendments. Motion by M Keding and second by D Keding to approve the amended zones for all annexed property on Highway 47 to R1 Residential Zone and amend the Industrial Park parcel to I for Industrial Zoning. All in favor, none opposed. Motion carried. Permits were reviewed and blight properties were given an extension to start work again until May 1st. Industrial Park street names were discussed, but tabled for further discussion.

Airport Committee – No meeting

City Engineer –City Engineer Ramerth was present to review his February reports. Upon final approval from USDA RD, the notice to proceed was approved by **Motion** from M Keding with D Keding making the second. All in favor, none opposed. Motion carried. Ramerth reported that he is hearing of delays in deliveries of the meter project materials and will have a better estimated lead time next month. The Well house and water tower project is moving slowly, but progressing. Change Order #1 and #2 have been reviewed and approved by USDA RD and a new payment reimbursement will be submitted by month's end for approval to pay next month. \$35,141.64 approved contingent on USDA and USACE by **motion** from M Keding and second by D Keding. Father Hennepin surveys are still being completed and full environmental approval is pending SHPO and THPO. Clerk Hubbell stated that the commitment letter to US Commerce EDA for the city's financial obligation to the Industrial Park project was sent. Committing \$119,685.00 in unrestricted funds. Plans to cash out the Revolving Loan Fund Certificates of Deposit, once award notice is granted.

Unfinished Business:

- a. FY23 State Project Funding Proposal was submitted to State Representative Pete Stauber's office for review and submission for the Parks Project. \$800,000 Proposal for 2023 improvements.
- b. Proposal from Harley Sawatzky at 770 Scenic Avenue to purchase the well house lot after completion of the well house abandonment portion of the project. Offer to purchase the lot at \$5000 was accepted by motion from D Keding and seconded by M Keding. All in favor, none opposed. Motion carried. Toven with complete the purchase agreement at the resolution of the project.

New Business:

- a. Beckham's Bar & Bistro annual liquor license renewal approved by **Motion** by M Keding, and second by Creech. All in favor, none opposed. Motion carried.
- b. **Resolution 2022-03C Accepting Donations** from McQuoids Inn for \$500.00 and Mille lacs Drift Skippers for \$250.00 for the Park Project. Approved by **Motion** by Creech and seconded by D Keding. All in favor, none opposed. Motion carried.

Clerk's Report:

- a. Hubbell reminded council that she will be out of office for Clerk's training March 23rd – 25th in St. Cloud.

Financials:

- a. February 28th General bank balance: \$1,022,984.62 Liquor Fund bank balance: \$60,795.05
- b. (see bank balance statement sheet for Savings, Investments and Fund balances)

Adjourn Regular Meeting to sign claims at 7:48 P.M. **Motion** to adjourn M Keding, seconded by Creech. Next regular meeting, April 12th, 2022. All in favor, none opposed. Motion carried.

Dated on this 8th, day of March, 2022

APPROVED on this 12th, day of April 2022

March 8th, 2022 – Regular Council Meeting

Ernie Frie - Mayor

ATTEST:

Jamie Hubbell, MCMC Clerk-Treasurer

CERTIFIED BY VOTE:

Motion _____

Second _____

AYE

NAY

<input type="checkbox"/>	NAOMI CREECH	<input type="checkbox"/>
<input type="checkbox"/>	ERNIE FRIE	<input type="checkbox"/>
<input type="checkbox"/>	GINGER HOULE	<input type="checkbox"/>
<input type="checkbox"/>	DAVID KEDING	<input type="checkbox"/>
<input type="checkbox"/>	MONICA KEDING	<input type="checkbox"/>