

Town Board Meeting
October 8, 2009

Roll Call Present: Mary Ann Sironen, Stephen Dahl, Wendy Meierhoff, Dan Tanner
Absent: Dave Mount

Pledge of Allegiance

1. Approve Minutes

- Town Board meeting September 10, 2009
 - Wendy Meierhoff made a motion to approve the minutes, Stephen Dahl seconded. Motion passed.
- Tax Petition/Ordinance Meeting September 17, 2009
 - Wendy Meierhoff made a motion to approve the minutes, Dan Tanner seconded. Motion passed

2. Meeting Schedule

3. Community Center Tax Issue

Commissioner Peg Sweeney: What I have learned about the Community Center Tax Issue came from the Town Board minutes. The County does not determine what properties are or are not taxable. The letter from Kevin Gray was actually a memo; no County Board action was taken. I don't see a clash with the tax benefit, there seems to be no basis of law to cover the situation. If you don't pay property tax might you have to pay income tax on the rent money?

Stephen Dahl: The Township has created a packet with petitions protesting the move, our intent is to send the packet to our representatives David Dill and Tom Bakke. Ms Sweeney would also like a copy.

Dan Tanner: All of the funds we receive from the school go right back into the school. We are struggling to come up with the funds to add the additions needed to cover the enrollment.

Stephen Dahl: We have a phased in building plan, we are not bonding for the addition, we are saving the money ourselves.

George Sundstrom: I saw the letter which came from the Department of Revenue; do the Commissioners have the right to overrule the Auditor's office?

Ms Sweeny: It is important to get the legislatures involved. As of right now the Commissioners have not looked at the issue. I do know the County Assessor's office has had a directive from the State. Have you been in contact with the state to find out if there are other schools involved?

Sue Lawson: Yes Cook County School, Tofte.

Ms Sweeney will take the letter to the County Assessor to see what information she is able to find. The next County Board meeting is October 27th, we will try to get on that Agenda and have a Town Board member present our issue to the County Board.

- Resolution: 100809 was presented by Mary Ann Sironen. Wendy Meierhoff made a motion to approve resolution 100809, Dan Tanner seconded. Stephen Dahl: on the 5th bullet down "Whereas the Town of Duluth maintains lease payments in a separate account from other town Funds and uses lease payments solely for Community Center expenses and capital improvements;" Remove the word "solely" and add "Maintenance". Statement now reads "*Whereas the Town of Duluth maintains lease payments in a separate account from other town Funds and uses lease payments for Community Center Maintenance, expenses and capital improvements.*" With those changes the motion passed.

Resolution 100809

WHEREAS Duluth Township owns the building and grounds formerly operated by ISD #381 as the North Shore Elementary School, now operates said facility as the Duluth Township Community Center, and leases space for the operation of the North Shore Community School (NSCS);

WHEREAS the Community Center is solely for public purpose;

WHEREAS the NSCS makes lease payments to Duluth Township in return for use of the building as a public charter school;

WHEREAS the Minnesota Department of Revenue has issued an opinion that the lease payments to the Town exceed a "nominal" amount as specified in MN §272,02 Subd.42;

WHEREAS the Town of Duluth maintains lease payments in a separate account from other Town funds and uses lease payments for Community Center maintenance, expenses and capital improvements;

WHEREAS the financial records maintained by the Town (provided as an attachment to this resolution) clearly show that over the seven years the Town has received lease payments, the funds generated have not exceeded the amounts necessary for the operation of the Community Center for its public purposes;

WHEREAS the currently estimated property tax assessment of \$49,000 per year would create a financial burden that would threaten the financial stability of the Community Center and thereby threaten the ability of the Town to sustain the public purpose provided by the Community Center;

THEREFORE, BE IT RESOLVED that the Town of Duluth Board of Supervisors respectfully requests that the Minnesota Department of Revenue reconsider and reverse its position and return the Duluth Township Community Center to being exempt from property taxes. We believe that the Town's financial records clearly show that the funds received as lease payments are in fact "nominal," in that they are not in excess of those necessary to sustain the facility's ability to provide public services. Further, we believe the Department's interpretation is inconsistent with the principle of not taxing property uses solely for public purposes, discourages rather than encourages cooperative and efficient use of public property for multiple public purposes, and penalizes taxpayers when their public agencies cooperate to maximize the public use of public property.

Dave Mount and Stephen Dahl will write a letter to the County Board and Wendy Meierhoff will make the presentation. George Sundstrom would like to have the original resolution (5/15/2009) added to the packet.

4. George Sundstrom/Mr. Craig Olson

Project labor agreement: George Sundstrom introduced Mr. Craig Olson who presented the Labor Agreement.

Mary Ann Sironen: in a previous discussion it was decided we simply are not big enough.

Wendy Meierhoff: we cannot dictate to the school how to manage their money or manage their situation. Legally we are not comfortable getting into something we might only use once every 10 years and we are not comfortable getting future boards locked into an agreement. If we were to do a larger project we would look at the scope or size of the project before deciding to use prevailing wage agreements. From our point of view we prefer to wait until we get to such a situation.

Mr. Olson: resolutions can be changed at any time.

Wendy Meierhoff: we did go with prevailing wages on the Community Center roof.

Mary Ann Sironen: the consensus of the Board seems to be that we are not ready to step into an agreement at this time.

Dan Tanner: Do any other townships have this as an agreement?

Mr. Olson: No, no other townships but some larger subdivisions.

Wendy Meierhoff: project by project is how we plan on managing the issue.

5. Concerns from the Audience

Columbus Day Holiday. Sue Lawson would like to request the Town Board consider not observing Columbus Day as a legal holiday. Stephen Dahl made a motion that the Town not observe Columbus Day as a legal holiday, Wendy Meierhoff seconded. Motion passed.

6. Approve Agenda

- Dan Tanner made a motion to approve the agenda, Wendy Meierhoff seconded. Motion passed.

7. Treasurers Report

Beginning Balance	\$782,095.60
Receipts	\$ 31,660.47
Disbursements	\$ 57,141.76
Ending Balance	\$756,614.31

- 2nd half of the taconite allocation has not arrived yet.
- Review Claims List for Approval
- Pay Bills – approved for payment

8. Tabled agenda items from previous month

- Reallocation of \$38,000.00 to fire department for FEMA truck. Table until November.

9. Department Reports

a. Police Report

- Nice and Quiet
- RE Community Center: Kids are being reckless on the soccer field after school. Wendy Meierhoff requested our Police Department wander through the area every so often.

b. Fire Report

- No report this meeting.

c. Planning and Zoning

- Hearing for Stoney Point variance request: There is a motion on the table to grant it with a few conditions. The last Planning meeting was closed not adjourned and will re-open in October to complete the variance.
- The Town Board will meet with the Planning Commission at 6:00 on the 22nd to discuss Short Term Rentals.
- The November Planning Commission meeting will be November 19th.
- Road East of Pine Park road, trees were knocked down now there is gravel. The owner has a platted parcel of the Pine Park division; he is entitled to build a road on platted land.
- Welcome to Duluth Township signs are faded, missing, not in right places, the Township needs to replace them. Tabled until November.

d. Legal

- No Report this evening

e. Road and Bridge

- Stormwater: Dan attended the meeting, nothing new that would pertain to our Township directly.
- Drainage ditch on the East Wildwood has been completed.
- Next project is grading and an additional small drainage on top of the Olson Road.
- We are still looking for a road consultant

- f. Community Center
 - o Building and Grounds Minutes from the October meeting were made available to the Town Board for their review and questions.
- g. Town Hall
 - o Issue at a recent party: the well was run dry which kept tripping the breaker.
 - o Voting Machine – Table until November.
- h. Recycling
 - o The light has been broken again.
- i. Cemetery
 - o Rain barrels need to be taken out.
 - o We did one extra mowing this year. Dan Tanner is very happy with the company we currently have mowing the cemetery.
 - o Janet received 2 checks from Denise this month, both checks were written in July.
- j. Communication
 - o Linda has been working to put forms on the Web site.
 - Input to Supervisors, can she do forms for Land Use?
 - o Don McTavish is out of town but will continue to work using e-mail.

10. Correspondence

- a. ARDC Survey: *given to Sue Lawson*
- b. MATIT consolidated coverage: *Raising our coverage limits. Do we have an overall general liability coverage? This is something perhaps we need to contact MAT to discuss. November Agenda under Community Center. We should review our insurance needs for the township.*
- c. St. Louis County Board of Appeal and Equalization training: *November 4th Cotton 5:30 – 8:30*
- d. MPCA Draft 2010 list of Impaired Waters: passed along to Dan Tanner.
- e. Completed Petition Pages: storage?

11. Old Business

- a. Ordinance #1: Mary Ann Sironen made a motion to revoke Ordinance #1. Motion died for lack of second. Table until November.
- b. Hall Rental request tabled from September. The Town Boards decision is “No”, at this time the Township would prefer not to rent for repetitive meetings.

12. New Business

- a. Two meeting option/overflow night: This would put us over budget with board meetings. The following suggestions were made:
 - o Instead of adding another night perhaps meet at 6:00 instead of 7:00.
 - o Timed agendas
 - o Sending out memos or minutes so everyone can read before the board meeting.
 - o Yes or No decisions – limit discussion
 - o In November we will have memo’s sent to the Clerk the Tuesday prior to the Board Meeting.
- b. Ordinance #2 Disposal of Solid Waste Ordinance : review for November’s meeting.

13. Motion to adjourn. Wendy Meierhoff made a motion to adjourn, Dan Tanner seconded. Motion passed 9:20 p.m.