

Approved

**LUTSEN TOWNSHIP
ANNUAL TOWN MEETING MINUTES
March 13, 2018
Lutsen Town Hall**

Present: John Groth, Sharon Hexum-Platzer, Andrew Beavers, Judy Motschenbacher, Rae Piepho, Andy Hubley, Christine Ordemann, Spence Motschenbacher, Harold Piepho, Steve Duclos, Dick Nelson, Leah Ekstrom, Ginny Storlie, James Coleman, Bill Blank, Jeff Latz, Scott Harrison, Sandra McHugh, Jack McHugh, Jim Vick, Brian Larson.

Call Meeting to Order: 2018 Annual Town Meeting called to order by Clerk S. Hexum-Platzer at 8:05 pm.

Nomination from the Floor for Meeting Moderator: S Hexum-Platzer opened the floor to nominations for meeting moderator. Clerk Hexum-Platzer reminded the attendees that supervisors are not to take a moderator role at this meeting. R Piepho nominated Judy Motschenbacher. This was seconded by J Vick. All voted in favor of the selection, no objections. J Motschenbacher accepted the nomination and assumed the position of meeting moderator.

Pledge of Allegiance: The Flag was presented, followed by the Pledge of Allegiance.

Reading and Setting of Agenda: J Motschenbacher noted the need to move the Commissioner's Report to later in the meeting due to Storlie's attendance at other township meetings. D Nelson wanted to address the community regarding the Lutsen Cemetery and A Beavers wanted to add information from WE Connect. J Vick moved to approve the adjusted agenda, seconded by C Ordemann. Motion passed.

Reading and Approval of 2017 Annual Meeting and Continuation of Annual Meeting Minutes. Hexum-Platzer reminded residents that copies of the minutes are always available on the website www.lutsentownship.com. Rae Piepho made motion to waive the reading and approve the minutes as presented. A Beavers seconded. Motion passed.

Review of 2017 Board of Audit Meeting Minutes. Review of 2019 Budget Planning Meeting Minutes. Review of 2017 Board of Canvass Minutes. Review of 2017 Board of Appeals and Equalization Meeting Minutes. Since each of these had been reviewed and approved at previous Regular Board meetings, R Piepho made a motion to waive the reading of the minutes of each of these meetings as presented. C Ordemann seconded. Motion passed.

Review of Clerk Report from Board of Audit for 2017. Clerk Hexum-Platzer read the Audit summary data for fiscal period January 1 2017 through December 31, 2017. Beginning balance was \$294,134.92, total receipts was \$550,736.06, total disbursements was \$477,996.35, and the ending balance was \$366,874.63. Treasurer Groth explained that the total receipts and total disbursement amounts include transfer of funds from truck fund Grand Marais Bank or building funds at North Shore Federal Credit Union which then shows receipts and disbursements numbers are higher than what is found in the township accounts. Treasurer Groth and Clerk Hexum-Platzer noted all claims and receipts are located in his files or office binder and available for review. C Ordemann made a motion to accept the Board of Audit Report for 2017 and J Coleman seconded. Motion passed. Groth added that if any have questions to please contact him or Clerk Hexum-Platzer who will provide them with any information –receipts, claims, and/or disbursements.

Motion to Waive Reading of all 2017 Receipts and Claims: S McHugh made motion to waive reading of all 2017 receipts & claims. R Piepho seconded. Motion passed.

Proposed 2019 Township Budget Treasurer Groth first detailed the Treasurer's report as of December 31, 2017 including the business checking at \$174,142.60, building fund at \$25,588.66, Fire/First Responder Truck Fund at \$167,143.37 with total township funds at \$366,874.632. He added the approved 2017 tax levy is \$200,945.36. The approved 2018 tax levy is \$127,325.00 and show 2017 1st half tax levy deposit of \$106,892.31 and 2nd half deposit was \$84,414.47. The Taconite Aid deposited in 2017 was \$15,650.58. The AED Donations totaled \$5,007 from the pancake breakfast and other donations totaled \$5050.00 toward the new AED, Automated External Defibrillator. He provided a list of donations and grants showing support by residents, local groups and businesses.

J. Groth explained that on February 5, 2018 the supervisors, clerk, treasurer, Fire Chief Coleman, and EMS Chief Kartes met to discuss and plan the 2019 budget. He started the budget discussion by explaining that there are two administration budgets – general and fire. He further explained that although "Fire or 1st Responder budget item may be above the budget, donations supported the additional costs. That is why all amounts are given. On the fire administration budget, Groth explained that payroll for the Board is figured at 50% from each administration budget. The 3rd page is for Fire Department fund. He explained that the extended fire district of Cascade Beach support fire expenditures- i.e., includes the fire department, the first responders, and covers expenditures for all residents receiving fire and responder service.

On EMS/1st Responder Budget, A Beavers explained the difference between the planned 2017 budget versus actual 2017 expenditure included the necessary replacement of the AED that was supported by donations and township surplus funds.

The fourth page also included all proposed 2019 budgets with the set payments so the Truck fund. He noted that the Town residents chose to reduce the levy and taxes by using surplus funds and explained that Lutsen is to have at least 6 months' worth [or half of total budget] of funds available to cover expenditures. Since Lutsen had a bit more the use of those surplus funds could lower our levied amount for 2018. He added that the Board chose to leave open the question of 2019 donations for this Annual Meeting. Groth also added that the Birch Grove School monies that had been levied last year but which could not be legally donated are now surplus funds. Further donation requests will be explained and Groth said that will wait until next agenda item. He stated the columns show expenditures from 2014 to 2017. Groth explained that general election costs/invoice bill arrives from Cook County in January of the following/odd year which is why that amount doesn't occur in the voting year. He added the Community Celebration must be approved each year. A Beavers added that each item must be approved by the supervisors as or if it is expended. J Motschenbacher added that this Community Celebration is the Fall/October potluck. Moderator Motschenbacher asked if we could address donations so the first page [General Administration] would allow completion of this page of the proposed budget. Groth agreed.

Funding Requests:

- a. Tofte Township for general operating funding support of Birch Grove Community Center \$7,000 A Beavers said as a citizen he wishes to support a community center but knows as a supervisor certain restrictions meant that we needed to hire an attorney and he shared that Lutsen was not in compliance with the statute –that in fact we were negligent and we have had our last “oopsi” pass; so the Board requires certain information to support such a request and he wished to hear from residents to be included in such a decision. Clerk Hexum-Platzer read from MN Association of Township that a MN Statute must authorize the town to contribute money and the contribution must have a public purpose and be in the town's interest. The public purpose doctrine means that money can be only spent “...as will serve as a benefit to the community as a body a, which at the same time, is directly related to the functions of government.” R Piepho said that the community center provides access to health services closer than Grand Marais and that the center provides services to all of the West End. R Piepho added that she thought the name of the center was soon to be changed to West End Community Center. J Motschenbacher questioned this as a donation but rather that this could be monies supporting other government bodies; for example, Schroeder contracts with Tofte for Fire and EMS services. Businesses doing business with another government body. A Beavers said terminology notwithstanding -- an allocation – needs to have details to support the decision. Motschenbacher thought the issue was because of BGCS was a non profit and that the center would continue to provide services to residents and asked if this amount should be added to the budget/levy amount in 2019 or if this decision should wait until August continuation meeting. Clerk Hexum-Platzer clarified that this request is for 2018. Motschenbacher said this request is probably for both 2018 and 2019. Groth said this meeting is a proposal is for 2019. Not 2018. J McHugh said this is a supervisors' final decision and that he supported the center but recognized that the supervisors received legal opinion and needed details to make a lawful decision as to this allocation. J Groth added that this is only a suggestion to the supervisors. As far as this serving a public purpose and since Tofte has not gotten back to Lutsen with information that decision would be up to the supervisors. Furthermore, the issue of whether we hold a continuation of this meeting in August allows a second time for Tofte to respond for this 2018 request. A Beavers noted that the entity has undergone several name and governing changes. Because of that those expenditures that affected one entity may have made expenditures questionable for the new entity. Motschenbacher reviewed: Is this item to be levied in the 2019 budget to be decided or not? And then the supervisors choose whether it is spent or not. When asked for a motion, J McHugh made a motion to support this allocation to be levied in 2019. J Vick seconded. Voice vote was tried. Motion carried. Groth noted that we levied an amount [\$20,000] Birch Grove Community School but Attorney found and shared that we could not spend township funds in this manner. The money was levied but not spent so it is in surplus. So we can put it in the levy/budget but if the supervisors find for whatever reason they cannot [or spend less], it goes into surplus. Beavers added that Tofte is holding their election and Annual meeting tonight so they now have time to respond to request for operating cost details and Lutsen resident participation of services or events held at the center.
- b. No requests from WE Connect Groth explained that those columns indicate earlier years' donations.
- c. Cemetery: Motschenbacher asked D Nelson if he was going to request funds. Answer: No
- d. Tofte Township for July 4, 2019 Fireworks Display - \$1500 Clerk read the letter [letter on file in the town office] from Tofte Township thanking Lutsen for approving the 2018 donation and requested the same to be budgeted for 2019. S McHugh moved to approve budgeting for this request. A Beavers seconded. Motion passed.
- e. Lutsen Junior Alpine Ski Team for 2019 - \$ 1000 Hexum-Platzer clarified that the letter had named years in error and read numbers of young people involved, the awards, and the purposes of the requested funds. [Letter was available and on file in the office.] A Beavers said this is exactly what we should be spending monies for that it directly affects youth and families

in our community and surrounding area and that there is a lot of value for that \$1000. A Beavers made a motion to approve the request from Lutsen Junior Alpine Ski Team for 2019 of \$1000. S Motschenbacher seconded. Motion passed.

Town Business:

- a. Add Budget Line Item to Support Lutsen Community Design Project? Jeff Latz provided information [handouts were available and in the town office] on how this project got started. Once the DNR said the bike trail would be coming from Ski Hill Road to downtown Lutsen, the Lutsen Downtown Business group thought it would be a good idea to have information of how it would impact the community and to have a plan that reflected the interests of resident. He spoke with the DNR and regional director for the trail. Ultimately they ended up with the ARDC, Arrowhead Regional Development Commission, who has done much of this with other communities. The ARDC proposes the cost for a design plan to be \$20,000 to \$30,000 for this work. Latz stated that ARDC believes that they can get over half of this proposal covered by grants and possibly more. This could mean \$15,000 as a township portion. The amount will be determined by funding from grants, etc. Latz asked what would happen if Lutsen did nothing. DNR stated they would ask for some input from the community. Latz's concern is that Lutsen would be reacting to the DNR design. The proposed plan lists potential grants. Latz submitted the proposal for township consideration. Latz provided the current federal funding to be at \$600,000 and that the state legislature was currently considering a bonding bill for another 1.5 million dollars for the trail. He introduced Andy Hubley, a representative from ARDC, who explained why the community should consider paying for a design and gave details of this preliminary design project – some of which may not be made at this time: these include: corridor aesthetics, pedestrian considerations, a trailhead facility at the Ski Hill Rd intersection, a trail segment from Lutsen Town Center to Caribou Trail, highway, and pedestrian interactions with Work Force Housing, and possible improvements to Grand View Park [not yet part of trail extension]. He added that this plan would provide information to DNR and the bike group to address community needs and not for the community to plan around what the DNR /bike group may choose to do. ARDC will contract with a landscape architect to complete the concept design, arrange for stakeholder and resident input sessions, and identify and seek grant funding to support project costs. The funding source for the bike trail was very competitive and is scheduled to be completed in 2020 but Hubley believes 2021 is more accurate. One reason the DNR grant was approved is because of the work force housing project. J Vick asked if the construction costs would be covered by the \$600 K. Hubley answered no. Hexum-Platzer said if this amount was for 2 miles, the last ½ mile could cost an additional amount of about \$150K assuming the \$600 K amount would be actual costs. Hubley said if the access road or old highway is used it would be the least expensive portion of the bike trail. Motschenbacher asked if this would be the Hwy improvement question. Answer: MNDot participates in the process. Beavers added that he believes the township support of this part of the process is a small investment to shape the future of Lutsen and the design aesthetics that are a part of the Lutsen Town Plan developed some years ago at a considerable expense in money and effort. Proper planning allows cohesiveness with this project and the Town Plan as well as providing for generations. H Piepho asked about the use of downtown to Caribou Rd proposed trail which is used by many. Hubley said that this would depend on residents and land owners and not just be for bikes. As in other communities a striped off area to the outside could be for bikers and the wider portion for other users. J McHugh asked about cemetery area that is near the trail head. Hubley answered this could be considered in the planning process. Question: When would process start. Hubley said ARDC would hit hard on the grants and find out what a landscape architect will cost so total costs would be known. Groth noted this was a proposed line item is for 2019. Hubley said if a commitment is made, ARDC would start the process now. J Motschenbacher asked that no meetings be held in June thru August because that is a very busy time for meetings. Hubley said meetings would start in the fall. Groth added his concern about adding this as a line item: With the intension of keeping levy low and taxes low and adding this as a line item would change that. Since we have surplus funds, instead of a line item to instead consider using surplus funds to support this design process which means they could start on it this year. He asked “Why would we consider to tax ourselves?” Hubley said it makes sense to use surplus funds. Beavers added that there are other needs for surplus funds so having a line item makes the budget more flexible. Groth explained that the use of Taconite Aid funds could be used to support this. [about \$7K just came in] Although those funds may not always be available those funds will be added to the surplus. Groth doesn't believe we should build a savings account but use surplus [funds above the required ½ year funding reserve] as needed. Hexum-Platzer asked for clarification that ARDC would write the grants and provided information about another IRRRB grant for \$12,500 to \$50,000 for a downtown and business corridor which Hubley said ARDC would look into and use the Downtown Business Group as the applicant. Beavers deferred to Groth on use of surplus funds. A Beavers made a motion to allocate funds from surplus for this design project instead of it being a line item on the budget. J Latz seconded. D Nelson referred to the 1 mile stretch of Onion River Rd to the tunnel is already multiple use and Hubley noted that it seems to work for multiple users. Question on setting a maximum amount. Beavers said that he'd rather not set a maximum amount and have supervisors make decision after grants and costs were given. Question of motion called: Motion carried.
- b. Funding to support Lutsen Community Fall Celebration - \$300? S Motschenbacher made a motion to fund the Lutsen Community Fall Celebration at \$300. H Piepho seconded. Motion passed.
- c. Cemetery Report: D Nelson commented about the Township Board and resident support in the past. The Cemetery is now self-sustaining with donations and sales of plots providing ongoing/perpetual maintenance. Fully automated watering is now available. He invited people to visit it and suggested others to “buy plot gift certificates.” [Laughter ensued] Cremation plots \$300 and full burial is \$400. Gail Thompson is the one to see about plots.

Back to budget:

Approved

With additional donations to Tofte for Community Center, 4th of July Fireworks, and Junior Alpine Team, the total proposed budget for Lutsen General Administration will be \$38,500.00

Moving on to Fire Administration he explained the payroll, maintenance of building and grounds and asked for questions. With none he moved next to the fire dept budget and explained that the highlighted portion includes the building payment and truck fund amounts that are scheduled each year. He added that Chief J Coleman available for any questions. Moving on to the EMS 1st Responder budget, Groth added that Asst Chief Duclos was available to answer any questions. S McHugh added a thanks to both Fire and EMS Depts. A round of applause followed.

Preliminary setting of 2019 Levy: With the additions of the donation request amounts of 7,000, 1500 and 1000, J Groth reported the initial 2019 total levy proposal is for \$192,195.36. With the decision for having a continued meeting yet to come, this is a proposed 2019 budget.

Town Business continued:

- d. WE [West End] Connect: A Beavers was asked by Jim King and Rand Voeks to explain that WE Connect which is experiencing an evolution and will be scheduling listening sessions in April to gather information on how they can best support the West End community. They came to a December Lutsen Township meeting to explain how they wish to gather information and take next steps to offer programs and services at other West End township locations. They did not ask for funding but rather how next to proceed. They will send mailings for times and locations of these April info gather sessions [and these will also be provided on our website].

Commissioner's Report (Ginny Storlie) Storlie reported on the State Legislative County Conference with the listening sessions with Bakk and Eklund.

From there she went to Washington DC that should have had 3069 counties in the US but not could all make it due to weather. She highlighted her meeting with the new Senator Smith. Transportation and the medical concerns were key. Storlie explained the major concern for health clinic about money allocated by a year or two. She shared that concern with Senator Smith. She included the meeting with a larger group that have similar concerns at the Library of Congress and named the Senators. Of concern: Farm Aid and Medicaid: topic included that people who are able to work, should work. PILT [payment in lieu of taxes]. Monies coming into Cook County have been less and less. This involves a reduced amount because of all state and federal properties. The Dept of Interior distributes these funds. 1000 counties in the US receive these funds. Since our county is 93% federal property and has 5300 people, the economic impact is huge. Cook County will receive \$56,000. After Feb 18 they will work on a better distribution of monies. Then Storlie told a Horse Pull Out joke. We all pull together with that in mind

Storlie told us that she will be running for Commissioner again .

R Piepho asked about the meeting with Bakk and Eklund, and did she talk about the Border to Border trail plan? Answer: Barely on register of State Legislature. It is a DNR plan to address wishes of the owners of Off Road Vehicles. Meetings are being held across our region. The trail would go to North Dakota along back roads to promote tourism. Questions about who will maintain still remain.

She announced a public Information meeting will be April 9 and be advertised. April 10 starts the hearing on bonding for road and bridge improvement, highway maintenance building improvement, community center improvements. J Motschenbacher asked about the total funding; answer: 7 to 8 million dollars bonding. Bonding is different than levy; bonds will be issued.

Commissioners are discussing adding representatives from each district to the budget committee. If interested call or see Storlie. Committee budget planning work will be starting June thru November.

She reported the part time hire of a county highway engineer.

The next conference on Emergency Management will be in Grand Portage. Topics: fire fighting, invasive disease, etc.

Gun control has been discussed and some input can be given and seen through the website. WTIP, newspaper, and website provides feedback on county issues. She said to call her for questions too.

Annual Town Election Results: Election judge L Ekstrom provided the summary results: For the Seat of **3 year Supervisor**, there were **31 votes for Christine Ordemann**, the candidate. Write in candidates received the following: Matt Peterson received 1 vote. For the seat of **Clerk** there were **32 votes for Sharon Hexum-Platzer**, the candidate.

Other Business/Citizen Comments: None

Set next Annual Meeting Date: March 12, 2019 at 8:05 pm, set by statute.

Continue Annual Meeting to Finalize 2019 Proposed Budget and Levy: A Beavers said it took time to process budget and continued meeting gives township some flexibility in making decisions particularly with the Tofte Township request and need for more information. Groth added that by then we would have 6 months data as well. A Beavers made motion to continue the annual meet to August 21, 2018 at 6:00 pm at Lutsen Town Hall, 116 Caribou Trail. J Coleman seconded. Voice vote taken. Motion passed.

Respectfully Submitted,

Approved

Sharon Hexum-Platzer
Lutsen Town Clerk

J Motchenbacker _____
Meeting Moderator