

November 13, 2018

**PERCH LAKE TOWNSHIP
MINUTES OF THE REGULAR MONTHLY MEETING**

Motions are tagged in bold. Meetings are recorded to facilitate preparation of minutes.

1. **CALL TO ORDER, ROLL CALL AND PLEDGE.**

Chair Gary Harms opened the meeting at 7:00 p.m. with the roll call and pledge.

Members: Chair Gary Harms, Supervisor Steve Olson, Supervisor Tom DeLovely, Treasurer Cheri DeMenge, and Clerk Lora Eames.

Guests: County Auditor Paul Gassert, County Assessor Kyle Holmes

2. **REVIEW AND APPROVAL OF AGENDA.**

MOTION (Olson/DeLovely): To approve the November 13, 2018, regular meeting agenda as presented. Motion carried.

3. **ENBRIDGE TAX REFUND IMPACT.**

Chair Harms welcomed County Auditor Paul Gassert and County Assessor Kyle Holmes to discuss the impact from a State Tax Court ruling which will ultimately require state, county, and local governments (including Perch Lake Township) to issue property tax refunds to Enbridge.

a. **Introduction.**

County Assessor Holmes discussed the current State Tax Court cases involving the utility companies. The State Department of Revenue, not the local county assessor, sets the value of utilities. Enbridge and other utility companies went to Tax Court to challenge the State's formula for valuations. The Tax Court sided with the utility companies and the State Supreme Court has affirmed the Tax Court. Utility companies are now settling out of court with Revenue and/or receiving refunds and lower tax rates. Enbridge received a favorable tax ruling in spring of 2018. The State is appealing this case, but the general direction appears to favor Enbridge.

b. **Problem Defined - Short and Long Term Impact on Perch Lake Township.**

Gassert reported that Perch Lake's portion of taxes collected from Enbridge for years 2013 through 2018 is approximately \$450,000. Perch Lake's property tax refund to Enbridge will be approximately 1/3 of that, or \$150,000.

How and when will Perch Lake Township pay this debt? Gassert did not foresee the State or County providing loans upfront, but suggested that (i) Enbridge appears willing to work with local governments; and (ii) the County could withhold a portion of Perch Lake's collected taxes over a period of years. Gassert did not foresee collecting anything from Perch Lake before 2020. In addition, Gassert suggested that the Township should contact the Minnesota Association of Townships for advice on how to proceed.

The long term impact is this: The fact that utility companies will be paying less tax means that some burden shifts to other taxpayers who will pay more to make up the difference.

Harms asked Gassert and Holmes to attend the Township's Annual Meeting in March; and write a short summary that Perch Lake could include in its winter newsletter.

4. **MINUTES.**

MOTION (DeLovely/Olson): To approve the October 8, 2018, regular minutes as recorded. Motion carried.

5. **TREASURER/CLERK REPORTS.**

a. **Review/Approve Treasurer's Report.**

Treasurer Cheri DeMenge provided the October 2018 report.

MOTION (Olson/DeLovely): To approve the Treasurer's Report as presented with a cash balance of \$371,993.77 for the month ending October 31, 2018. Motion carried.

b. **Informational Clerk's Budget Report**

Clerk Eames provided the following reports:

DIFFERENCE IN RECEIPTS & DISBURSEMENTS

	OCT 2018	YTD 2018	YTD 2017
Receipts	744	141,787	140,819
Disbursements	-6,311	-105,787	-\$86,794
Difference	<u>\$-5,567</u>	<u>\$36,000</u>	<u>\$54,025</u>

2018 OPERATING BUDGET TO DATE

Projected Revenues	\$170,556
Revenues Received YTD	-141,787
Not Yet Received	<u>\$28,769</u>
Projected Expenses	\$170,812
Disbursements Made YTD	-105,787
Not Yet Spent	<u>\$65,025</u>

In addition, Eames reported that the Town:

- Received \$693 from the Cloquet Area Fire District to reimburse for Station 2 costs.
- Should receive approximately \$24,000 in December from property tax settlements.
- Should be able to reserve funds in 2018 for Road and Bridge Capital Improvements.

6. **REVIEW AND APPROVAL OF CLAIMS FOR PAYMENT.**

MOTION (Olson/DeLovely): To approve the payment of the following claims. Motion carried.

\$ 344.06	Claims #4008 - #4009 (October)
2,268.81	Claims #4010 - #4017 (November)
1,226.00	Election payroll (November)
<u>2,042.25</u>	Regular payroll (November)
\$5,881.12	Total

7. **REPORTS.**

a. **Cloquet Area Fire District (CAFD).**

Chair Harms, reported that the Building Committee will soon meet with the Cloquet City Council discuss the \$500,000 appraisal of the Station 1 Building on Cloquet Avenue. Of course, the District is interested in the previous offer of \$1.00. The District has already begun work on the roof and other repairs to the building.

Harms, who is also on the Strategic Planning Committee, reported that the committee has received the results of a survey completed by paid-on-call personnel. For the most part, it was positive. The same survey will be sent to full-time personnel for their completion.

b. **Big Lake Area Sanitary District (BLASD)**

Chair Harms acknowledged receipt of the BLASD's October 10, 2018 minutes and asked for comments from those who have attended the meetings.

Resident Kurt Besser and Clerk Eames reported that the BLASD Board will hold a special meeting at 6:30 p.m., November 14, 2018, to move forward on matters arising from (i) the FDL JPA (Joint Powers Agreement) decision, and (ii) the funding deadlines and related actions required for grants already awarded.

Harms reported that Perch Lake Township and the BLASD will jointly seek a grant from Enbridge for the sewer project. He and Chair Fredrickson will finalize a draft letter to Enbridge sometime after December 1 when they see how the FDL responds.

Resident Keith Depre: How can the District proceed without the FDL signing the JPA? Harms and Besser responded that according to Fredrickson, the funding agencies involved will allow the BLASD to proceed alone without the FDL, keep the same funding, and build a smaller project - all with the same net cost to users of \$105 per month.

c. **Road and Bridge**

Road Supervisor DeLovely that beavers continue to pose a problem. He has had to call the County due to beaver problems. The FDL continues to patrol the Ditchbanks to keep waterways open. Hiring trappers is a problem now due to the low return on their services.

8. **OLD BUSINESS**

a. **Old Housekeeping Items.**

Building Caretaker Pat Anderson asked if she could buy a new vacuum cleaner, preferably a Shark, for the Town Hall. The current shop vac should be kept at the Recycling Center. After some discussion, the Board agreed to the purchase of a Shark vacuum cleaner for \$150-\$200.

b. **Discussion: SealTech Work on Township Roads**

Chair Harms and Supervisor DeLovely reported that they had recently spoken with the owner of SealTech. SealTech claimed that their crew will be here Thursday or Friday to finish their work on Watkins Spur. Payment of the invoice is on hold until after the work is completed.

c. **Status of Demolition of Big Lake Store Building.**

Building Address: 796 Cary Road
 Parcel ID: 92-010-4272
 New Owner: Anthony J. Linder
 642 Barney's Road, Cloquet, MN 55720

Chair Harms and Supervisor DeLovely reported that they had heard from the new owner, Tony Linder. Linder claimed to have plans to demolish the building soon. The letter sent by the Town's Attorney advised Linder that he had sixty days from the date of the letter, which was October 8th. Board members must wait until at least December 8th before taking any action.

d. **Status of Nuisance Ordinance.**

The Board previously discussed the idea of contracting with the FDL for animal control enforcement if the Township passed its own ordinance. Harms reported that he and Olson met with FDL attorneys on October 18, 2018, and found that the FDL would be interested in contracting with the Township to enforce its ordinance if two things happen:

- The FDL hires a worker to handle the demand; and
- An opportunity becomes available to board animals locally.

On a different issue, Board members had previously considered a ban on 24/7 recreational pit burning. Chair Harms offered to withdraw this item from consideration under a nuisance ordinance, since the CAFD appears to respond to the issue.

Board members tabled discussion on the nuisance ordinance until a later time.

e. **Revised Winter 2018 Newsletter.**

Board members delayed publication of the winter issue of the Township newsletter pending receipt of a summary from County Auditor Gassert regarding the Enbridge refund impact. In addition, they reviewed an updated quote from Community Printing (Cloquet), but will not need a printer until June 2019. (The Clerk and Treasurer will prepare and distribute the winter issue of the newsletter.)

f. **Report on General Election.**

Clerk Eames reported the following statistics from the General Election:

Those voting at the Town Hall	415
Absentee voters	65
Total voters in General Election	480
Voter turnout 480 (total voters) /598 (total registered voters)	80.2 %

9. **NEW BUSINESS**

a. **New Housekeeping Items**

None.

b. **Ordinance to Regulate Utility Work in Township Road Rights-of-Way.**

Chair Harms opened discussion by referencing a recent article in the fall edition of the Minnesota Township Insider: "Gotta Keep on Movin' with the Energy - Utilities in the Right of Way," by Steve Fenske, MAT attorney. In the article, Fenske advocates for the enactment of right of way ordinances for a variety of reasons. Harms asked if the Board members would be interested in such an ordinance. Olson noted that Perch Lake's purpose for having such an

ordinance would be (i) to control work done in the right of way; and (ii) to require utilities to restore the roadway to its original condition. He expressed concern that this requires the Township to determine the right of way width for its roads, a project yet to be completed.

After some discussion, Board members agreed that they should continue discussion of an ordinance; and asked the Clerk to place this on the December agenda.

c. **Report on CCATO (Carlton County Association of Township Officers) Meeting, held October 23, 2018, at County Transportation**

Those attending the meeting reported that the meeting conducted its usual business - County Board Chair and others provided reports. Enbridge provided a brief report on the Replacement Line 3 project. Probably the most significant item was County Auditor Gassert's report on the Enbridge property tax refund impact on Carlton County.

10. **VISITOR COMMENTS.**

None.

11. **ADJOURNMENT.**

Chair Harms adjourned the meeting at approximately 8:15 p.m.

Respectfully submitted,

Approved by Town Board

Lora Eames, Clerk

Gary Harms, Chair