

**Minutes**  
**MONTHLY CITY OF BEAVER BAY COUNCIL MEETING 6:00 p.m. August 2, 2022**

**Present**

**Council:** Mayor Gmach, Council Persons Kindstrand, Maxwell, VanNort and McDonald

**Staff:** Clerk/Treasure Anderson, Wilson Taylor MSA.

**Public:** Chad Wilson, Von Borg, Lisa Micholski, Mark Otterblad, Annie Otterblad, Susan Holms. Ken Nelson and Bob Strand

**Call to Order: 6:00 p.m. by Mayor Gmach**

**Approval, changes, additions, deletions to agenda:** Council Person Kindstrand requested we move New Business up before Reports to facilitate guest issues. A motion was made to accept the agenda as amended by Council Person Kindstrand and seconded by Council Person Maxwell. Vote: Aye5, Nay 0. Motion Passed,

**Approval of Minutes:** After review a motion was made to approve the minutes of the regular council for July 5, 2022 by Mayor Gmach and seconded by Council Person VanNort. Vote: Aye5, Nay 0. Motion Passed

**New Business:**

1. **Otterblad building proposal:** Mr. and Mrs. Otterblad presented their proposal for a 4 plex unit to be used as vacation rentals at 1046 Main Street. A public hearing is scheduled for August 8, 2022 at 5:30 pm for a conditional use permit for approval to build a 4 unit apartment building. A public hearing is also scheduled for August 8, 2022 for approval of an Interim Use permit to use the 4 unit complex as vacation rentals.
2. **Interim Use Permit for STR Wilson Resolution 2022-005:** After review of the requirements and public comment for the requested Interim use permit requested by Chad & Megan Wilson for the property 1008 Main Street a motion was made to pass Resolution 2022-005 granting an Interim Use permit for 1 year by Council Person Kindstrand and seconded by Mayor Gmach. Vote Aye: Mayor Gmach, Council Persons McDonald, Maxwell, VanNort and Kindstrand. Resolution 2022-005 Passed.
3. **Approve Hiring Part Time Bartenders for the Green Door: AQ motion was made to approve the hiring of** Chasity Velcheff, Jenna Stokes and Alexis Swartout as part time bartenders at the Green Door by Council Person McDonald and seconded by Mayor Gmach. Vote: Aye 5, Nay 0. Motion Passed.

**City Clerk, Council and Committee Reports.**

Clerks Report: see attachments A. July Green Door report not available due to time constraints to prepare.

Green Door: Hired 3 PT Bartenders to alleviate staff needs. Request Upcoming events; Financials not available due to short time frame.

Public Works Report:

MSA: Copper Lead proposal: Mr., Taylor presented MSA's proposal for completion of the required Lead Copper assessment for the city to review.

**Old Business:**

4. **Short term Rental Interim Permit ordinance with new limitations finalize wording and set date for public hearing:** The ordinance drafted by the City Attorney was reviewed and there was discussion that went back and forth on setting limits on Short Term Rentals (STR) and what that

limit should be. Bob Strand distributed a 1 page document (attachment b) on his view of not limiting STR and the need for the economic development. Ms. Holm shared her experience noise issues from the STR at Cove Point but agreed with the opportunity for development and the chance to lower property taxes with development. Ms. Holm also voiced concern about increased traffic and the ability to cross Highway 61. Mr. Borg stated he also believes STR is one of the few opportunities for development. Mr. Strand inquired about the STR at Cove point and how they are charged for utilities and are taxed and was informed all STR are charged commercial rates and are taxed at the new 4B1 rate established.

5. **Budget meeting.** A motion was made to hold a work session budget meeting August 23, 2022 at 6:p.m. at the Beaver Bay Community Center by Council Person Kindstrand and seconded by Mayor Gmach. Vote; Aye 5, Nay 0. Motion Passed.

**Public Comments:** Mr. Nelson voiced concern about conflict with the Glampground and hunters and suggested the city require wearing of orange vests. Mr. Nelson voiced concern about the speed on highway 61 coming into Beaver Bay Ms. Holm reported the street light at the intersection of Mary Street and Highway 61 is not working.

**Correspondence:** MDH quarterly TOC/Alkalinity Disinfection report, MRWA info on Servline Leak Protection for Homeowners,

**Claims List:**

Claims: # 1084 through #110871	July 11, 2022	In the Amount of: <b>\$26,582.81</b>
Claims: #10872 through #10899	July 25, 2022	In the Amount of: <b>\$109,408.78</b>

**June Electronic Payments: \$40,792.72**

Payroll: 07/18/2022	Checks: <b>\$4,344.07</b>	Direct Deposit: <b>\$4,294.40</b>
Payroll: 08/01/2022	Checks: <b>\$5,364.40</b>	Direct Deposit: <b>\$4,057.96</b>

After review a motion was made to approve the Claims Electronic Payments and payroll as presented by Council Person Kindstrand and seconded by Council Person McDonald. Vote; Aye 5, Nay 0. Motion Passed

A motion was made to adjourn by Council Person Kindstrand and seconded by Council Person Kindstrand. Vote; Aye 5, Nay 0. Motion Passed.

**Adjourn: 6:40p.m.**

**Mayor:** \_\_\_\_\_ **Attest Clerk:** \_\_\_\_\_

## Attachment A. City Council Minutes City of Beaver Bay Clerks Report August 2, 2022

1. **Parks & Recreation and Beautification.** Could use some help with trimming due to shortage of help. Bob Strand continues to work on funding for a EV charging station.
2. **Water intake project:** Have applications for directed congressional spending through Senators Smith and Klobuchar and Stauber's office. MSA is still looking for alternative funding sources. MN Bonding Bill did not pass so no funding this year from that source. Will reapply for next bonding bill.
3. Water tower inspection complete and report is back. Public works will discuss areas that need work and begin to set up a work plan to address the issues identified.
4. Need to set meeting for committee on water/sewer rates. ( Possible at same time as budget meetings)
5. **Monthly Reports:** MN State Withholding Tax, MN Sales and Use Tax, MPCA DMR, Bi-Weekly Federal Withholding Tax, and PERA bi-weekly payments are up to date. **Quarterly reports:** 941 IRS, MN State quarterly withholding, MN Unemployment, Building Permit Report. Up to date. **Annual Reports:** MN Pay Equity report and 2022 Census Gov. Survey of Pension Funds. Mileage rate increased to 62.5 cents.
6. **Meetings attended.**
7. **Community Center.** Community Center used 8 days in July.
8. **General Fund Bank Accounts:** Park State Bank city general account reconciled for with a balance of \$1,119,945.02 North Shore Credit Union Fire Relief Savings reconciled June with Balance of \$129,413.01
9. **Zoning and Building Permits:** Building Permit for 717 Mary Street. Construction started on 2nd Yurt. Land use application, Conditional Use Permit and Interim Use Permit for 1046 Hwy 61. Public Hearing set for Conditional Use permit for 1046 Main Street August 8, 2022 5:30 pm and an Interim use permit hearing for the same location on August 8, 2022 at 5:45 pm.
10. Airport update: Silver Bay is still working on getting an IRRR grant for a feasibility study.
11. Compliance: Information sent to our attorney to proceed with fine and I am waiting for a response.
12. Need to schedule a budget work session. Scheduled for 8-23-2022 @ 6PM
13. Researched new Minnesota TCH edibles and drinks, City can license who and where they are sold. Municipal Liquor Stores cannot sell them do to the specific products allowed by state statute as ruled by Alcohol & Gambling Enforcement.
- 14.
- 15.

## Conditional Use Permits in the City of Beaver Bay

In 1970 the population of Beaver Bay was 362 and now it is approaching 1/2 that number. The population has declined in each of the last five censuses. This has resulted in vacant lots on many of our streets.

As our population remains low we can expect three things to increase: Property Taxes, Utilities and Insurance costs.

Beaver Bay has always had short term rentals. Mary MacDonald built a lodge on the property that the City buildings are on. Her cabins ran North to where the skating rink is. Besides 6 cabins and the lodge there was a rooming house with 7 rooms. All this was done before Hwy 61 was paved. Other weekly rentals were in various parts of Beaver Bay but most disappeared after Silver Bay was constructed.

Vacant lots should be seen as an opportunity for our permanent residents. One short term rental can provide enough revenue to offset the property taxes, utilities and insurance of two properties. Restricting conditional permits closes this door to your neighbors.

Short term rentals make sense for the City of Beaver Bay. Because they are only occupied about 1/2 of the time, they use 1/2 of the water and sewer of full time residents but pay the full price. Because they are commercial property they also pay 125% in property tax.

Most visitors come here to see the state parks, ride bikes on the Gitchi-Gami trail or hike the superior hiking trail. They visit local shops and eat in local restaurants. Many comment that it's so quiet here and they appreciate it. I am not aware of any complaints made about the visitors behavior at any of the short term rentals? AirBnB and VrBO screen the guests carefully and if complaints are lodged they are banned.

The council could require that short term rental owners be full-time residents or have a full time agent in Lake County to assure that property conditions don't deteriorate?

I would hope that short term rentals are not restricted. Economic growth in Beaver Bay should be encouraged to guarantee that we all have a future on the Northshore.

City of Beaver Bay

Cash Control Statement

7/6/2022

For the Period : 6/1/2022 To 6/30/2022

Name of Fund	Beginning Balance	Total Receipts	Total Disbursed	Ending Balance	Less Deposits In Transit	Plus Outstanding Checks	Total Per Bank Statement
General Fund	\$1,050,810.27	\$3,460.60	\$19,501.11	\$1,034,769.76	\$0.00	\$11,827.65	\$1,046,597.41
Parks and Recreation	\$17,910.38	\$0.00	\$0.00	\$17,910.38	\$0.00	\$0.00	\$17,910.38
Cemetery	\$4,615.70	\$0.00	\$0.00	\$4,615.70	\$0.00	\$0.00	\$4,615.70
City Beautification	\$10,207.48	\$0.00	\$0.00	\$10,207.48	\$0.00	\$0.00	\$10,207.48
General Debt Service (Identify)	(\$133,372.06)	\$0.00	\$0.00	(\$133,372.06)	\$0.00	\$0.00	(\$133,372.06)
Debt Service Sewer	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Debt Service Water	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Debt Service Sewer- MPFA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sewer- Replacement Fund	(\$5,610.00)	\$0.00	\$0.00	(\$5,610.00)	\$0.00	\$0.00	(\$5,610.00)
Perpetual Care	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
ENTERPRISE FUNDS (601 through 699)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Water	(\$424,704.73)	\$13,203.85	\$8,462.69	(\$419,963.57)	\$0.00	\$169.06	(\$419,794.51)
Sewage Collection and Disposal	\$283,636.73	\$8,092.63	\$12,505.89	\$279,223.47	\$0.00	\$1,563.56	\$280,787.03
Municipal Liquor Store	\$123,278.81	\$75,988.59	\$64,238.63	\$135,028.77	\$2,878.00	\$13,639.98	\$145,790.75
Econ Dev Authority	\$38,877.12	\$0.00	\$0.00	\$38,877.12	\$0.00	\$0.00	\$38,877.12
<b>Total</b>	<b>\$965,649.70</b>	<b>\$100,745.67</b>	<b>\$104,708.32</b>	<b>\$961,687.05</b>	<b>\$2,878.00</b>	<b>\$27,200.25</b>	<b>\$986,009.30</b>

Beaver Bay Electronic Payments June, 2022		Date	Amount	Date	Amount	Date	Amount	Total
Federal Payroll Withholding		6/6/2022	\$3,080.31	6/21/2022	\$ 2,538.85			\$5,619.16
Direct Deposit payroll		6/6/2022	\$ 4,838.40	6/21/2021	\$ 4,065.54			\$ 8,903.94
PERA		6/6/2022	\$1,794.58	6/22/2022	\$15,583.09			\$ 17,377.67
State Payroll Withholding		6/1/2022	\$888.38					\$ 888.38
Staten Sales and Use Tax		6/7/2022	\$5,947					\$ 5,947.00
Credit card Processing		6/7/2022	\$1,162.83					\$ 1,162.83
Park State Bank Fees		6/30/2022	\$ 117.00					\$ 117.00
USPO		6/2/2022	\$40.00	6/14/2022	138			\$ 178.00
Credit Card Purchases								\$0.00
Mutt Mitts for wayside						6/1/2022	\$127.55	\$ 127.55
Gas at Mobile						6/27/2022	\$98.81	\$ 98.81
Router for Green Door						6/29/2022	245.89	\$ 245.89
wifi access point for Green Door						6/29/2022	126.49	\$ 126.49
							<b>Total</b>	<b>\$40,792.72</b>

Approved, Mayor :

Tim G Anderson MCMC:

Clerk/Treasurer