

City of Tower  
City Council  
Special Meeting  
September 28, 2020  
Monday at 5:30pm  
Civic Center and Via GoToMeeting

1. Call to Order / Roll Call
2. Business
  - 2.1 FY2021 Budget
  - 2.2 Campground Manager Contract, departure date
3. Adjourn

- **Electronic Meeting Access:**

City of Tower: Special Meeting, Monday September 28, 2020 at 5:30pm  
Mon, Sep 28, 2020 4:30 PM - 7:00 PM (CDT)

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/254765805>

You can also dial in using your phone.

United States (Toll Free): 1 866 899 4679

United States: +1 (571) 317-3116

Access Code: 254-765-805

**PROPOSED CITY LEVY – ST LOUIS COUNTY**

Contact Name: Linda Keith  
 Phone #: 218.753.4070  
 E-Mail Address: Linda@City of Tower.com

The annual tax levy for the year of 2017 collectible in 2018 for the City of Tower was adopted by resolution passed at a City Council meeting held on, September 11, 2017.

LEVY PURPOSE	CERTIFIED LEVY
<b>Net Tax Capacity (NTC) Levies</b>	
1. General Fund***	<u>392,227.00</u>
2. General Obligation Bonded Debt	_____
3. Other Debt	_____
4. Road & Bridge	_____
5. Miscellaneous*** <i>Economic Development Authority</i>	<u>5,000.00</u>
6. Total of NTC Levies (Add lines 1 thru 5)	<u>397,227.00</u> (required)
<b>Referendum Market Value (RMV) Levies</b>	
7. General Obligation Bonded Debt	_____
8. Other Debt	_____
9. Total of RMV Levies (Add lines 7 & 8)	<u>397,227.00</u> (required)
<b>Total Levy (NTC+RMV) (Add lines 6 &amp; 9)</b>	<u>397,227.00</u> (required)

\*\*\* - Types of levies to be totaled on this line are listed on included sheet

(Complete when total of Debt levies is less than certified debt)

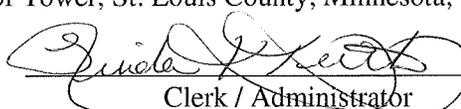
The amount levied for total debt is less than the amount due to be paid from this levy because we have \$\_\_\_\_\_ on hand.

**CERTIFICATION**

*State of Minnesota – County of St. Louis*

I, Linda K Keith, Clerk/Administrator of the City of Tower, St. Louis County, Minnesota, do hereby certify that I have compared the foregoing with Original Resolution now on file and of record in my office, and that the same is a true and correct copy and transcript of said original resolution.

Witness by My Hand and the Seal of the City of Tower, St. Louis County, Minnesota, this 22nd day of September, 2017.

  
 Clerk / Administrator

**PROPOSED CITY LEVY – ST LOUIS COUNTY**

Contact Name: Linda K Keith  
Phone #: 218.753.4070  
E-Mail Address: linda@cityoftower.com

The annual tax levy for the year of 2018 collectible in 2019 for the City of Tower was adopted by resolution passed at a City Council meeting held on, September 26, 2018.

**LEVY PURPOSE**

**CERTIFIED LEVY**

**Net Tax Capacity (NTC) Levies**

- 1. General Fund\*\*\* 400,071.00
- 2. General Obligation Bonded Debt \_\_\_\_\_
- 3. Other Debt \_\_\_\_\_
- 4. Road & Bridge \_\_\_\_\_
- 5. Miscellaneous\*\*\* Economic Development Authority 5,000.00
- 6. Total of NTC Levies (Add lines 1 thru 5) 405,071.00 (required)

**Referendum Market Value (RMV) Levies**

- 7. General Obligation Bonded Debt \_\_\_\_\_
- 8. Other Debt \_\_\_\_\_
- 9. Total of RMV Levies (Add lines 7 & 8) \_\_\_\_\_ (required)

**Total Levy (NTC+RMV) (Add lines 6 & 9) \_\_\_\_\_ (required)**

\*\*\* - Types of levies to be totaled on this line are listed on included sheet

*(Complete when total of Debt levies is less than certified debt)*

The amount levied for total debt is less than the amount due to be paid from this levy because we have \$ \_\_\_\_\_ on hand.

**CERTIFICATION**

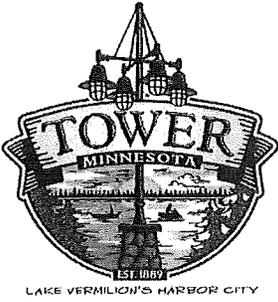
*State of Minnesota – County of St. Louis*

I, Linda K. Keith, Clerk/Administrator of the City of Tower, St. Louis County, Minnesota, do hereby certify that I have compared the foregoing with Original Resolution now on file and of record in my office, and that the same is a true and correct copy and transcript of said original resolution.

Witness by My Hand and the Seal of the City of Tower, St. Louis County, Minnesota, this 26<sup>th</sup> day of September, 2018.

Linda K. Keith  
Clerk/Administrator





# City of Tower

PO Box 576 • Tower, MN 55790 • (218)753-4070

## RESOLUTION 2019-012

### A RESOLUTION ADOPTING 2020 BUDGETS AND CERTIFYING FINAL 2020 CITY OF TOWER PROPERTY TAX LEVY TO THE SAINT LOUIS COUNTY

Motion by: Mary Shedd Second By: Sheldon Majerle

WHEREAS, State statute requires that the Tower City Council certify a property tax levy to the Saint Louis County Auditor’s Office Tax Division; and

WHEREAS, The City Council hereby adopts the following budgets for the City of Tower for the calendar year 2020; and

	Revenue	Expenditures
General Fund (101)	\$751,993	\$751,933
Ski Trail Fund (102)	\$2,994	\$2,994
Airport Capital Fund (104)	\$5,000	\$5,000
Forest Fund (107)	\$27,437	\$27,437
Hoodoo Point Fund (109)	\$243,000	\$243,000
Airport Operating Fund (110)	\$54,935	\$54,935
Airport Fuel System Fund (111)	\$52,354	\$52,354
Ambulance Department Fund (201)	\$471,955	\$607,458
Economic Development Authority (205)	\$108,800	\$101,752
Historic Harbor Renovations Fund (215)	\$37,166	\$37,166
Commercial Rehabilitation Fund (303)	\$0	\$0
TIF 2 Debt (402)	\$8,640	\$8,640
Water Fund (601)	\$140,620	\$220,620
Sewer Fund (602)	\$74,200	\$74,200
	\$1,848,524	\$2,086,713

WHEREAS, The property tax levy for the City of Tower for payable year 2020 is as follows; and

General Fund (101)	\$375,882
Ski Trail Fund (102)	\$1,472
Airport Operating Fund (110)	\$4,907
Ambulance Department Fund (201)	\$7,500
Economic Development Authority (205)	\$5,000
	\$394,761

WHEREAS, The property tax levy tax base for the City of Tower for payable year 2020 is as follows; and

Tax Capacity Based Levy      \$394,761

This institution is an equal opportunity provider and employer

**“Lake Vermilion’s Harbor City”**

**NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF TOWER, MINNESOTA as follows:**

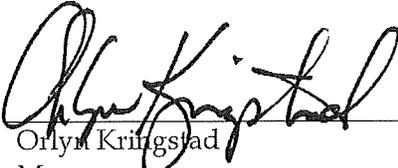
1. The recitals set forth above are incorporated herein.
2. That the tax levy be distributed upon the taxable property in said City for the following purposes in payable 2020:

Purposes	Amount
General City Purposes	\$389,761
Economic Development Authority	\$5,000
	<hr style="width: 100%; border: 0.5px solid black;"/>
	\$394,761

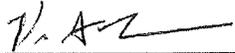
3.

Passed and adopted by Tower City Council this 16<sup>th</sup> day of December 2019.

VOTE	Kringstad	VACANT	Beldo	Majerle	Shedd
Aye	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Abstain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Absent	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

  
 \_\_\_\_\_  
 Olyn Kringstad  
 Mayor

Attested by:

  
 \_\_\_\_\_  
 Victoria Ranua  
 City Clerk/Treasurer

<b>Tax Payable Year</b>	<b>Certified Levy (includes Economic Development Levy)</b>	<b>Fiscal Disparities</b>	<b>Spread Levy (Levy Taxpayers Pay after Fiscal Disparities Applied)</b>	<b>Taxable Net Tax Capacity (NTC)</b>
2018	\$ 368,701.00	\$ 45,477.22	\$ 323,223.78	277,158
2019	\$ 370,520.00	\$ 49,618.73	\$ 320,901.27	279,890
2020	\$ 394,761.00	\$ 49,130.67	\$ 345,630.33	288,445
2021		\$ 46,015.58	\$ (46,015.58)	288,445



# Saint Louis County

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County Auditor – 100 North 5<sup>th</sup> Avenue West, Room 214 - Duluth, MN 55802-1293  
Phone: (218) 726-2380 Phone – Virginia: (218) 749-7104 Fax: (218) 725-5060

**Nancy Nilsen**  
St. Louis County Auditor

Victoria Ranua  
City of Tower - Clerk/Treasurer  
PO BOX 576  
Tower MN 55790

Re: Proposed Levy Certification

Dear Victoria:

Enclosed you will find the certification form for your proposed levy for 2021. Please return the completed form to our office by September 30, 2020.

If you have questions please call Brandon Larson at (218) 725-5125 or email at [larsonb@stlouiscountymn.gov](mailto:larsonb@stlouiscountymn.gov). Thank you for your continued cooperation.

Sincerely  
Nancy Nilsen  
St Louis County Auditor

by Brandon Larson  
Deputy Auditor



**PROPOSED CITY LEVY – ST LOUIS COUNTY**

Contact Name: \_\_\_\_\_  
Phone #: \_\_\_\_\_  
E-Mail Address: \_\_\_\_\_

The annual tax levy for the year of 2020 collectible in 2021 for the City of Tower was adopted by resolution passed at a City Council meeting held on, \_\_\_\_\_, 2020.

**LEVY PURPOSE**

**CERTIFIED LEVY**

**Net Tax Capacity (NTC) Levies**

- 1. General Fund (See reverse side) \_\_\_\_\_
- 2. General Obligation Bonded Debt \_\_\_\_\_
- 3. Other Debt \_\_\_\_\_
- 4. Road & Bridge \_\_\_\_\_
- 5. Miscellaneous (See reverse side) \_\_\_\_\_

6. Total of NTC Levies (Add lines 1 thru 5) \_\_\_\_\_ **(required)**

**Referendum Market Value (RMV) Levies**

- 7. General Obligation Bonded Debt \_\_\_\_\_
- 8. Other Debt \_\_\_\_\_

9. Total of RMV Levies (Add lines 7 & 8) \_\_\_\_\_ **(required)**

**Total Levy (NTC+RMV) (Add lines 6 & 9) \_\_\_\_\_ (required)**

*(Complete when total of Debt levies is less than certified debt)*

The amount levied for total debt is less than the amount due to be paid from this levy because we have \$ \_\_\_\_\_ on hand.

**CERTIFICATION**

*State of Minnesota – County of St. Louis*

I, \_\_\_\_\_, Clerk/Administrator of the City of Tower, St. Louis County, Minnesota, do hereby certify that I have compared the foregoing with Original Resolution now on file and of record in my office, and that the same is a true and correct copy and transcript of said original resolution.

Witness by My Hand and the Seal of the City of Tower, St. Louis County, Minnesota, this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Clerk / Administrator

## LEVIES THAT QUALIFY UNDER GENERAL

<u>TYPE</u>	<u>LEGAL REFERENCE</u>
AIRPORTS	360.037 C/T
AQUATIC VEGETATION CONTROL	103G.625, S.3 C/T
AMBULANCE SERVICE	471.476, S.2 C/T
BAND, ORCHESTRA OR CHORUS	449.09 C/T
CEMETERY	365.10 T
CIVIL DEFENSE	12.26 C/T
COMMUNITY CORRECTION CENTERS	241.31 C/T
COMMEMORATIVE PURPOSES	365.106 T
DUMP GROUNDS (PURCHASE AND MAINTENANCE)	365.10 T
FIRE OR POLICE APPARATUS	365.15 TO 365.19 T
FIRE OR POLICE PROTECTION	465.73 T
FIREFIGHTERS RELIEF	69.772; 69.773; 424A.02 C/T
INSECT PESTS, CONTROL OF	18.022 S.2 L. 1991 C/T
LIBRARY	134.07; 134.12, S.3 C
MEMORIAL BUILDING	416.02 C
MOSQUITO ABATEMENT	18.111 C/T
MUNICIPAL FOREST	459.06 C/T
MUSICAL ENTERTAINMENT	449.08; 449.06; 412.251 C
PARK	365.10 T
PARK DISTRICT (OPERATION AND MAINT)	398.16 C/T
PARKING FACILITIES	459.14 C
PROMOTION OF SAFETY & PRESERVATION OF HUMAN LIFE	471.63 C/T
REC. FACILITIES – IRON RANGE	471.1921 C/T
REC. FACILITIES – NOT IRON RANGE	471.91, S.2 C
RETIREMENT, EMPLOYEES	
PERA	353.28 C/T
OSIA	355.80; 355.299 C/T
ON LEAVE FROM STATE	352.041 C/T
SEWERS & SEWAGE DISPOSAL PLANTS	
CONSTRUCTION	444.075, S1, 4 C/T
USE FOR PUBLIC PURPOSES	444.075, S.3 C/T
SHELTERED WORKSHOPS	129A.06 C/T
TELEPHONE	237.35 T
VOTING MACHINES	206.12 C/T
WATER POLLUTION CONTROL	115.46; 115.50 C/T

## LEVIES THAT QUALIFY UNDER MISCELLANEOUS

<u>TYPE</u>	<u>LEGAL REFERENCE</u>
ECONOMIC DEVELOPMENT AUTHORITY	469.107 C
JUDGEMENT: GENERAL	465.14 C; 365.42 T
FIREMEN	471.86 C/T
PERMANENT IMPROVEMENT AND REPLACEMENT	471.571 C
POLICE PENSION (RELIEF)	69.77 C/T
STATE POST-AUDIT EXPENCE	6.62 C/T
SPECIAL ASSESSMENT IMPROVEMENT	429.051 C/T

# CITY OF TOWER

## ANNUAL BUDGET 2021

City of Tower is over 130 years old. The City needs a clear plan for maintaining or revitalizing the City. One tool in the toolbox, is ensuring that all its financial information is structured properly to ensure proper focus.

Historically the City blended capital projects with operating funds, and didn't clearly define or properly maintain enterprise funds.

For FY2021, the Clerk/Treasurer has followed the State of Minnesota Office of the State Auditor's Minnesota City and Town Accounting and Financial Reporting Standards Uniform Chart of Accounts.

**Government Funds** are those types of funds through which most governmental functions are typically financed (taxes, grants, etc.)

General	100
Special Revenue Funds	200-299
Debt Service Funds	300-399
Capital Projects	400-499
Permanent Funds	500-599

**Proprietary Funds** are used to account for a government's organization and that are business-type activities

Enterprise Funds	600-699
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The only deviation from the Harbor Renaissance Fund (215) which was left intact given the potential for perceived tampering. It is being treated as a capital fund when it was formed as a special revenue fund.

What follows is a narrative for each fund or department within a fund.

## **GENERAL FUND (101)**

### **CITY COUNCIL (41310)**

With new Council Members, it is prudent to have Councilors attend training. Training are budgeted for in FY2021.

### **CLERK (41400)**

The Clerk's Office is the hub of government records, compliance with government regulations, and financial aspects of the City. Ensuring that tasks are accomplished appropriately, accurately and in a timely fashion, or even performed at all, has been a deficiency in the office due to the workload compared to staff. Procedures for routine tasks have not been documented nor vetted against best industry practice.

The Deputy Clerk's main duties deal with financial matters related to handling of physical receipts/deposits, Utility billing, Hoodoo Point receipt record keeping, Ambulance billing record keeping, and processing approved claims to be paid.

For FY2021, the Clerk/Treasurer recommends hiring a part-time Finance Clerk to perform routine tasks not performed by the Deputy Clerk while the Clerk/Treasurer documents procedures.

### **ELECTIONS (41410)**

There is a primary (08/10) and general election (11/21) in 2021.

### **LEGAL SERVICES (41600)**

The City has not had solid legal grounding for many of its actions over the last few decades. As a result, the City faces remediation of past issues and should prudently seek legal counsel before undertaking certain new actions.

### **CITY HALL (41940)**

Heating costs be reduced over the long-term by window replacement.

### **CIVIC CENTER (42000)**

FY2020 Civic Center operations were affected by decreased usage due to the pandemic, but also increase cleaning after each usage.

Floors are slated for their periodic waxing.

### **POLICE DEPARTMENT (42100)**

No Changes of note.

### **FIRE DEPARTMENT (42200)**

No changes of note.

### **EMERGENCY MANAGEMENT (42500)**

No changes of note.

### **BLIGHT (42600)**

The City can address blight citation non-compliance by contracting for the blight abatement and billing the property owner.

### **STREETS (43100)**

No changes of note.

The City maintains the Iron Ore Bar field in the summer by verbal agreement for the ability to place snow on the area in the winter via mowing and debris collection. The property is for sale and the potential new owner may not be accommodating to this arrangement.

### **CULTURE/PARKS/RECREATION (45200)**

#### TRAIL MAINTENANCE

The City maintains two miles of paved trails:

Mesabi Trail-- from the Depot/Pine Street to the Junction Road

Hoodoo Point Road Trail-- Main Street and Hoodoo Point Campground.

Harbor Trails – trail around East Two River Harbor.

Maintenance activities include mowing, brush trimming/clearing, sweeping, and spring plowing. Additionally, the staff maintain the unique East Two River Harbor trail surface from seasonal sources of degradation (geese, low-growing plants, snowmobiles).

#### LEE MINE TRAILS

The hiking trails are unmaintained.

#### HOODOO POINT FISHING PIER/"DOG BEACH"

The Campground manager does mowing of the beach area outside the Campground manager contract. The DNR removes and installs the fishing pier annually.

#### HOODOO POINT BOAT LAUNCH

The City maintains the boat launch area by mowing, trimming brush, garbage collection, and plowing half the lot in the winter.

#### CITY PARK

The City maintains Playground equipment and picnic shelter and tables. They mow and trim grass in the park, trim trees and brush. They collect garbage.

#### THE FIELD

The City maintains the former Football field via mowing and trimming grass and trash collection. The playground equipment has not previously been viewed as City property, as has been unmaintained and inspected. The City will not be inspecting this resource.

#### FOURTH OF JULY AND OTHER EVENTS

The City staff provides traffic barriers, garbage collection, certain electrical assistance for large events.

#### \*CITY OF TOWER SKI TRAILS

The City of Tower Ski Trails are maintained by the Howard Wagoner Trail Club. City staff aids with certain aspects of the trail lighting.

#### \*ANCIENT CEDAR TRAILS

The Ancient Cedars Trail is partially on City of Tower land. It is maintained by volunteers. The City staff may mow between the Mesabi Trail and the David Dill Trail bridge located just before the entrance to the Ancient Cedars Trail.

#### \*PROSPECTORS ATV TRAILS

The ATV Trails on City lands are maintained by the local Prospectors ATV Club.

#### **DEPOT AND TRAIN (45300)**

No changes of note.

#### **CEMETERY (49100)**

No changes of note.

#### **GARBAGE (49500)**

This department code is for City's with a garbage collection program, which the City does not. I have made no changes but suggest the labor and expenses these activities best be accounted for their respective Funds or Departments and not separated out. We do not sperate out vehicle maintenance or billing duties like this, so I do not its appropriate for garbage.

## **GUNDERSEN TRUST**

### **Gundersen Trust, Permanent Fund (501)**

In 1941, the City of Tower accepted the gift of real estate from Martin Gundersen and Elizabeth Gundersen. No specific instructions accompanied the gift. A portion of the land was sold in the 1990's and the money was put in a trust for the benefit of the City. This remains a City asset and is governed by the trustee documents.

To date, the Gundersen Trust monies have not been included in the City's fund accounting process. This separation combined with an inactive Board of Trustees has led to modest management of this resource.

By including this as a permanent fund within the City's treasury, the goal is to revitalize its important position within the City.

The City Clerk/Treasurer does not have direct access to the Gundersen Trust investments, and is entirely dependent on the Court Ordered quarterly financial statements provided by the Board of Trustees to the City Council. Therefore, not all monies are accounted for at this time.

Court ordered outlay of annual income from the Gundersen Trust is:

10% to Community Education,

15% to recreation within the Gundersen Trust Forest, and

75% to the City for usage by the City Council as it sees fit to the benefit of citizens and residents of the City of Tower.

## **HOODOO POINT CAMPGROUND**

### **Hoodoo, Enterprise fund (620)**

Working on this.

\$35,000 in addition revenue from new sites.

### **Hoodoo, Capital Fund (408)**

Approximately 8 years ago Hoodoo Point Campground established a surcharge for a def-facto Campground Improvement Fund. Current surcharge rates are \$300/year for seasonal, \$2-3/nightlies. Using these funds, Hoodoo Campground financed a Basketball and Volleyball Courts. The monies for this campground improvement fund have just been in the General Fund. More research on what the actual balance of this de-facto fund should have been. For now, the surcharge in a revenue line item in a Hoodoo Capital Fund (408).

*Going forward, the City should have a capital improvement plan for how the surcharge revenue is to be used.*

In 2018, the City took out a 15-year Park and Recreation Gross Revenue Bond \$500,000. In 2021, the principal and interest bond payment of \$37,422.50 will come from a Transfer In of Hoodoo Enterprise Fund (620) revenue.

## **HARBOR RENAISSANCE**

East Two River once contained a harbor in the Tower that connected the Town's business activity with Lake Vermilion. After logging activity in the immediate area ceased, the harbor

filled in. Recreation is now an important part of Tower's economy, and returning a connection with business activities in Tower with Lake Vermilion was deemed important by past Tower City Councils.

### **Harbor Renaissance, Special [Capital] Fund (215)**

This should have been set up as a capital fund (4XX) and not a special revenue fund (215). The Clerk/Treasurers has decided to keep this designated as a (215), so there is no perception that historic data is missing, but the Clerk/Treasurer will run this as a Capital Fund

#### **LCCMR TOWER TRAILHEAD BOAT LANDING AND HABITAT IMPROVEMENT PHASE II**

The City of Tower applied for and received a LCCMR Grant of \$600,000 (Grant 129065) to install a trail head and boat landing as well as improvements along the East Two River just downstream of the harbor. This grant was to be complete in FY2020, but due to COVID-19 grants have been extended to June 30, 2021.

The City will need to bid out this project and have it completed by June 30, 2021. This is a reimbursable grant, meaning we need to have funds to cover payment of invoices before we are reimbursed by the state for project costs.

The City proposed amendments to the Grant, but those were not reviewed by the legislature due to other priorities related to the pandemic and addressing racial disparities in policing.

## **AIRPORT**

### **Airport Fuel, Enterprise fund (630)**

The City operates a self-serve aviation fuel station at both the airport and seaplane base.

### **Airport, Special Fund (229)**

Costs associated with maintaining the airport and reimbursed by state program. Property taxes have been covering a portion of expenses. Going forward, a Transfer In of Airport Fuel, Enterprise Fund (630) revenue could help reduce the property tax portion of expenses.

### **Airport, Capital fund (406)**

Capital projects for the Airport often come from federal or state grants. Matching funds from the City of often needed to activate these federal and state grants.

*Going forward, the City should have a capital improvement plan for the airport and a plan for obtaining matching funds.*

Where possible, the matching funds should come from a Transfer In of Airport Fuel, Enterprise Fund (630) revenue.

## **AMBULANCE**

### **Ambulance, Special Fund (201)**

Waiting to hear back from State Auditor's office about whether the description of how the ambulance service is run is more appropriate as special revenue fund or enterprise fund.

Still working on this. Business Plan to determine final form.

### **Ambulance, Capital Fund (409)**

All contributions from the City, local townships, and Bois Forte to the Ambulance Vehicle Replacement bank account as well as any City contributions / grants to purchase ambulances or other associated capital equipment.

## **STREETS**

### **Streets, Capital Fund (407)**

All City streets are in disrepair and no provision has been made for their long-term upkeep.

In 2018 City previously applied for Minnesota Department of Transportation Local Road Improvement Program funding for Pine Street Reconstruction/Realignment/and Extension. MnDOT LRIP allocation for Pine Street is \$472,548.04, and requires a \$243,141.11 match. If certain conditions are met, the City could receive these funds from one of two IRRR funding pools. These funds are still available to this City for use in 2021, if matching funds can be secured by the end of 2020.

## **UTILITY, PUBLIC DRINKING WATER**

### **Water, Enterprise Fund (601)**

The City has submitted a \$3,000,000 bonding project for a new water main. This is not included in this budget. The City Council can amend the budget if the project is approved by the State legislature. Capital projects should be a 4XX type Fund, but I have left it within 601 for now.

## **UTILITY, SANITARY SEWER**

### **Sewer, Enterprise Fund (602)**

The City is behind in its inspection and subsequent repair of its sanitary sewer system. The FY2021 contains an increase to \$27,000 for repair and maintenance, above the

Capital projects should be a 4XX type Fund, but I have left it within 602 for now. There are no capital sanitary sewer projects envisioned for FY2021.

## **LABOR COSTS**

This year, the Clerk/Treasurer implemented allocating pay based on timecard allocation by hourly staff. This revealed that the former practice of estimated percentages was off-significantly and that Property Taxes were paying for the wages of work done for Enterprise funds (user funded activities). Furthermore, the change has made it difficult to look back at past years to guide future budgeting.

The FY2021 proposed budget for wages/PERA/FICA is based on the Union contracts and Fund/Department timecards allocation YTD in FY2020. For the health, dental, life insurance and HSA contributions, this is based on the home department within the General Fund as well as Enterprise Funds served by these staff.

**RESOLUTION 2020-XXX**

**A RESOLUTION ADOPTING 2020 BUDGETS AND CERTIFYING FINAL 2020  
CITY OF TOWER PROPRTY TAX LEVY TO SAINT LOUIS COUNTY**

Motion by: \_\_\_\_\_ Second By: \_\_\_\_\_

**WHEREAS,** the State statute requires that the Tower City Council certify a property tax levy to the Saint Louis County Auditor's Office Tax Division; and

**WHEREAS,** the City Council hereby adopts the following budgets for the City of Tower for the calendar year 2021; and

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Water Fund (601)	\$140,620	\$220,620
Sewer Fund (602)	<u>\$74,200</u>	<u>\$74,200</u>
	<b>\$1,848,524</b>	<b>\$2,086,713</b>

**Commented [VR1]:** These are the numbers from the 2020 Budget Resolution

**WHEREAS,** the property tax levy for the City of Tower for payable year 2021 is as follows; and

General Fund (101)	\$375,882
Ski Trail Fund (102)	\$1,472
Airport Operating Fund (110)	\$4,907
Ambulance Department Fund (201)	\$7,500
Economic Development Authority (205)	<u>\$5,000</u>
	<b>\$394,761</b>

**WHEREAS,** the property tax levy tax base for the City of Tower for payable year 2021 is as follows; and

**Tax Capacity Based Levy    \$394,761**

**NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF TOWER, MINNESOTA** as follows:

1. The
2. The tax levy be distributed upon the taxable property in said City for the following purposes in payable 2021

Purpose	Amount
General City	\$389,761
Economic Development Authority	\$5,000
	<hr/>
	<b>\$394,761</b>

Passed and adopted by Tower City Council this X<sup>rd</sup> day of X 2020.

<b>VOTE</b>	<b>Kringstad</b>	<b>Norby</b>	<b>Majerle</b>	<b>Shedd</b>	<b>Setterberg</b>
Aye	<input type="checkbox"/>				
Nay	<input type="checkbox"/>				
Abstain	<input type="checkbox"/>				
Absent	<input type="checkbox"/>				

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Orlyn Kringstad  
Mayor

Attested by:

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Victoria Ranua  
City Clerk/Treasurer

# City of Tower Hoodoo Point Campground Manger Contract

THIS AGREEMENT, made this 14<sup>th</sup> day of November, 2016 by and between the City of Tower, a Municipal Corporation, whose address is PO Box 576, 602 Main Street, Tower, Minnesota 55790, hereinafter referred to as "City", and Randy Pratt, hereinafter referred to as "Manager".

In consideration of the mutual covenants hereinafter contained, the parties agree as follows:

- 1) Randy Pratt, Manager, an Independent Contractor, agrees to manage the City of Tower Hoodoo Point Campground as located in the City of Tower. Manager acknowledges that he/she is not an employee of the City and shall not be covered by the City's Workers Compensation Insurance by any city benefit plans including but not limited to medical, dental program, retirement or other benefit provided by the City to its employees. Manager agrees that the City will not withhold federal or state taxes or social security tax (FICA) and that the Manager shall be liable for filing his/her own income taxes that arises from this contract. The duration of the contract shall be from the January 1<sup>st</sup>, 2017 until December 31<sup>st</sup>, 2021, at which time both parties must agree to extend the contract for one additional year.
- 2) The City agrees to pay the Manager as and for such services pursuant to this contract, the sum of \$36,000.00.
- 3) The Manager shall manage the Hoodoo Point Campground in a professional manner. The duties of the Manager shall include all necessary and related tasks, including but not limited to the following:

## **Reservations, Purchasing, & Revenue Management**

- a) The Manager shall meet and correspond with all prospective users of the City Park & Campground to handle details with respect to rentals. The Manager shall keep the Campground store open for the hours 8AM-6PM Sunday through Thursday and 8AM-8PM Friday and Saturday.
- b) The Manager shall make and take reservations year round in person and by phone and collect rents/deposits and any additional charges owed by users of the park/campground. Manager shall keep a complete computer record of all rentals in a software system selected by the City, along with receipts for all cash and checks received by the renters, and shall turn over all cash and receipts to City Hall on a daily basis to the City Clerk-Treasurer. At the City's request, the Manager shall provide a bond in an amount determined adequate by the Owner to insure the

return of any revenues lost, stolen, or otherwise diverted. All campground receipts will be kept in accordance with the instructions received from the Cities designated auditing firm.

- c) Manager shall submit purchase requests to the City Clerk's office for supplies or materials.
- d) The Manager will take an inventory of all supplies and equipment at the beginning and at the end of the season.
- e) The Manger shall meet with the City Clerk-Treasurer annually to discuss necessary improvements/upgrades, issues, concerns, safety hazards, complaints, etc.

### **Campground Maintenance**

- a) The Manager shall maintain a neat and orderly park/campground by doing things such as organizing campers and tents in a proper fashion, painting signs, removing debris, etc.
- b) The Manager Shall clean restrooms/shower rooms as many times daily as is required to keep the bathroom clean, orderly, and open for use. At no time should the bathrooms be left uncleanly and out of order. The bathroom cleaning includes: sweeping, replenishing toilet paper if needed, replenishing paper toweling if needed, making sure toilets are clean and unplugged, and making sure garbage is emptied at least twice daily. This includes all campground and beach bathrooms/shower rooms.
- c) The Manager shall check campsites after campers depart to make sure that no debris has been left and site is clean and ready for the next campers. This includes but is not limited to picking up any extra wood left behind, mowing site if needed, picking up after any pets, and cleaning out the campsite fire ring.
- d) The Manager shall check all facilities regularly for broken or damaged items, broken or burned out light bulbs, safety hazards, and subsequently replace or repair all items as necessary.
- e) The Manager shall check and empty garbage containers from all restroom/shower room areas, picnic areas, and all other areas that might have debris.
- f) The Manager shall be entirely responsible for the mowing and trimming where needed in park, campground, pavilion, and beach areas.
- g) The Manager shall ensure that the campground is in a clean, safe and orderly condition at all times. The Manager shall inspect the park/campground for safety and/or maintenance conditions and necessary repairs and inform the City immediately if any repairs or other corrections are needed.
- h) The Manager shall ensure that all refuse is collected and then subsequently removed by the Garbage Hauling Service selected by the City.

- i) The Manager shall pick up after pets at the City Beach when needed and remind Campers to pick up after their pets in the campground area as needed.
- j) The Manager shall be responsible for all preseason set-up and post season closing duties.
- k) The Manager shall be responsible for all maintenance and care of the campground sewer lift station. The Manager shall be responsible for contacting and coordinating all sewer removal with a local septic service.

### **Miscellaneous Manager Duties**

- a) The Manager shall operate the Campground store for the convenience of Campground patrons. No alcoholic beverages shall be sold in the Campground store or otherwise on Campground property. The Manager shall be responsible for maintaining the store accounts. Manager shall be responsible for paying any applicable taxes or other fees owed on account of store sales.
- b) The Manager shall be available for restroom/shower room emergencies such as plugged drains or toilets.
- c) The Manager shall provide Campground patrons a form for the use of registering complaints or concerns regarding the Campground facilities or operations. The Manager shall provide a copy of any complaints or concerns received to the City Clerk-Treasurer.
- d) The Manager shall live at the Campground from April 15th to October 15th. The City shall provide one campsite for such purpose without charge, provided that the Manager shall provide his/her own camper.
- e) The Manager shall prior to opening the campground in May and no less than weekly during the season thoroughly inspect the Campground, including beach and dock areas, for any concealed dangers or hazardous conditions and shall post or otherwise provide appropriate warning of such for the safety of Campground patrons.
- f) The Manager shall enforce the campground regulations and ordinances. It shall be the obligation of the Manager to report to the City or to the City Police Department any infraction or violation of any state or local rule or ordinance observed by the Manager or reported to the Manager by residents of the park/campground. It will be the duty of the Manager to check out all disturbances before calling for police intervention.
- g) If Manager retains any employees or agents, the Manager shall properly supervise all such employees and agents of the Manager. All such employees or agents shall not be employees of the City, but shall be independent contractors, or employees of Manager.
- h) Upon the completion of this contract, the Manager shall return to the City all unused supplies, tools and equipment.

- i) Upon the completion of this contract, the Manager shall provide the City with a written report which includes continuing problems, successes and improvements suggested for the next season.
- j) The Manager shall keep the premises and every part thereof and all buildings and other improvements at any time located thereon free and clear of any and all mechanics', materialmen's, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any Campground operations.
- k) The Manager shall be responsible for coordinating all firewood sales and use within the park.
- l) The Manager shall be responsible for complying with all applicable laws, rules, regulations, ordinances, and the like.

### **Camper Relations**

- a) The Manager shall provide all campers with a copy of the campground rules and explain rules as needed.
- b) The Manager shall perform drive-by inspections of all campsites each evening to ensure that payment has been made on all occupied sites and make appropriate arrangement for collection of unpaid fees.
- c) The Manager shall maintain good public relations and perform all duties in a courteous manner as the Manager is considered one of the primary public relation contacts for the City. The Manager must at all times represent the Campground, the community, and the City in a positive fashion.
- d) The Manager must be knowledgeable of local tourist attractions, available goods and services, and local entertainment and dining attractions.

### **City Responsibilities**

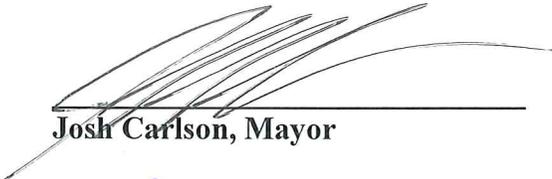
- a) The City shall provide insurance liability coverage for the campground and its premises at no expense to the Manger.
- b) The City shall undertake all necessary major maintenance and repairs.
- c) The City shall provide all necessary tools and supplies, including such things as lawn mower (one riding mower and one push mower), usual and customary hand tools, small chainsaw, weed trimmer, desktop computer, gas, restroom supplies, etc. A written log will be kept of all significant maintenance improvements whether accomplished by Public Works or the Manager.

use of Campground funds to purchase items or services not necessary for maintenance or operation of the Campground or conversion of any Campground revenues or property to the personal use or benefit of any person or entity other than the City.

- 8) Any unlawful conduct on the part of the Manger or anyone acting on the Manager's behalf or at the Manager's direction, or any conduct which is inappropriate in light of, or inconsistent with, the Manager's responsibilities or is likely to adversely affect the safety or the reputation of the Campground or its patrons' enjoyment thereof shall be grounds for immediate termination.
- 9) In any action to enforce the terms of this Contract, the prevailing party shall be awarded reasonable costs and attorney's fees upon demand.
- 10) This contract shall be governed by the laws of the State of Minnesota and all terms and conditions shall be interpreted in accordance therewith.
- 11) The Manager, at their own expense, shall procure and maintain in force for the duration of this Agreement the following minimum insurance coverages: General Liability – The Manager agrees to maintain commercial general liability insurance in a minimum amount of \$1,000,000 per occurrence; \$2,000,000 annual aggregate. The policy shall cover liability arising from premises, operations, products completed operations, personal injury, advertising injury, and contractually assumed liability. The City shall be endorsed as additional insured. The Manager shall, prior to commencing each season, deliver to the City a Certificate of Insurance as evidence that the above coverages are in full force and effect. The Manager's policies shall be primary insurance to any other valid and collectible insurance available to the City with respect to any claim arising out of the Manager's performance under the agreement. The Manager's policies and certificate of Insurance shall contain a provision that coverage shall contain a provision that coverage afforded under the policies shall not be cancelled without at least thirty (30) days' advanced written notice to the City.
- 12) Indemnification. To the fullest extent permitted by law, the Manager agrees to defend, indemnify and hold harmless the City, and its employees, officials, and agents from and against all claims, actions, damages, losses, and expenses, including reasonable attorney fees, arising out of the Manager's negligence or the Manager's performance or failure to perform its obligations under this Agreement. The Manager's indemnification obligation shall apply to

the Manager's subcontractor(s), or anyone directly or indirectly employed or hired by the Manager, or anyone for whose acts the Manager may be liable. The Manager agrees this indemnity obligation shall survive the completion or termination of this Agreement.

**CITY OF TOWER**

  
\_\_\_\_\_  
Josh Carlson, Mayor

Date: November 14, 2016

**MANAGER**

  
\_\_\_\_\_, Manager

Date: 2/11/17

**CITY OF TOWER**

  
\_\_\_\_\_  
Linda K Keith, City Clerk-Treasurer

Date: November 14, 2016

**CO-MANAGER (if applicable)**

\_\_\_\_\_, Co- Manager

Date: \_\_\_\_\_