

City of Baudette
Work Session Agenda
Monday, October 23, 2023 8:00 a.m. **Council Chambers**

- I. Call to Order
- II. Pledge of Allegiance
- III. Public Forum/Recognition of Visitors
- IV. Staff Reports
 1. Finance
 2. Library
 - a. Board Position
 3. Zoning
 4. Liquor
 - a. Wages
 - b. Hours
 5. Parks/Cemetery
 - a. Playground
 6. Streets/Building/Utilities
 - a. Westwood Project
 - b. Loader
 - c. Speed Signs
 7. Personnel
 - a. FT Clerk Position
 8. Fire
 9. Airport
- V. NEW BUSINESS
 1. CEDA—Economic Development
 2. Lodging Tax Reinstatement
- VI. OLD BUSINESS
- VII. NOTICES AND COMMUNICATIONS
- VIII. COUNCIL REPORTS
- IX. Adjourn

PLAYGROUND PROJECT SUMMARY

Playground Bid	\$47,281
Heuchert	\$33,000
City General Fund	\$ 9,252
Invoice from Janice	<u>\$42,358</u>
Balance Due	\$106

Remaining Questions/Expenses that Remain

Footings for the Playground Equipment	unknown
Swing Replacement Estimate	\$ 1,464
Wood Fiber*	\$ 7,560
OR	
Rubber Fiber*	\$10,020
Drain Tile under the Fiber (labor donated)	\$ 200
Shipping of Equipment	\$ 6,568
Playground Border	\$ 7,426
Removal of Tower Footings	unknown

*Based on the fine print in the estimate—shipping is not included



Minnesota / Wisconsin Playground
5101 Highway 55, Suite 6000
Golden Valley, Minnesota 55422
Ph. 800-622-5425 | 763-546-7787
Fax 763-546-5050 | tim@mnwiplay.com

10/19/2023
Quote #
104275-01-09

CONSULTANT: TIM NEWGARD

City of Baudette- Grant- Wahkeena - Tower Park - Material - D11972T

City of Baudette
Attn: Janice Nelson
106 West Main Street
Baudette, MN 56623
Phone: 218-766-0417
janiceln75@gmail.com

Ship to Zip 56623

Quantity	Part #	Description	Unit Price	Amount
1	RDU	GameTime - Wahkeena- Grant	\$81,257.00	\$81,257.00
1	12583	GameTime - Ada Primetime Swing Frame, 3 1/2" Od	\$1,799.00	\$1,799.00
1	12584	GameTime - Ada Primetime Swing Aab, 3 1/2" Od	\$1,113.00	\$1,113.00
4	8910	GameTime - Belt Seat 3 1/2"Od(8910)	\$366.00	\$1,464.00
1	178749	GameTime - Owner's Kit	\$84.00	\$84.00
2	161290	GameTime - Geo-Textile 2250 Sqft Roll	\$1,092.00	\$2,184.00
1	161291	GameTime - Geo-Textile 1125 Sqft Roll	\$544.00	\$544.00
94	4862	GameTime - 12" Playground Border	\$79.00	\$7,426.00
12	4863	GameTime - Curb Border End Cap	\$69.00	\$828.00
			Sub Total	\$96,699.00
			Grant	(\$40,628.50)
			Estimated Freight	\$1,645.45
			Total	\$57,715.95

Comments

\$6568 confirmation

The freight costs in the quote reflect loading the playground onto the customers truck. The customer will be picking up the equipment.

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Each quote is handled on a per order/project basis. Unless a long-term agreement is in place between purchaser and MWP, terms and conditions of this quotation shall be as outlined herein with no other requirements applicable.

Any changes made to product and/or services after initial order(s) has/have been received by MWP will result in production and/or schedule time frame modifications. Please contact your regional representative to receive a revised schedule for your order/project.

Indemnification; Owner/Owner's Representative will indemnify and hold Minnesota Playground, Inc., dba, Minnesota Wisconsin Playground (MWP), harmless for all claims, damages and related costs, including reasonable legal fees and costs, arising out of Owner/Owner's Representative's negligence or noncompliance with any of its commitments under this document. MWP will indemnify and hold Owner/Owner's Representative harmless for all claims, damages and related costs, including reasonable legal fees and costs, arising out of MWP's negligence or noncompliance with any of its commitments under this document.





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City of Baudette- Grant- Wahkeena - Tower Park - Material - D11972T

Excusable Delays/Additional Costs: MWP, and/or its affiliates, shall be liable for default unless delay of performance, whether supplying materials only or including installation in accordance with our project scope, is caused by an occurrence beyond reasonable control of MWP, and/or its affiliates, such as, but not limited to, acts of Superior Force or the public enemy, acts of Government in either its sovereign or contractual capacity, fire, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, delays of common carriers (for transportation of goods whether raw materials or finished product) and attainability of raw materials. Such events resulting in additional costs are not included in quoted amounts and shall be the responsibility of the Owner/Owner's Representative. Any additional costs shall be provided in writing for purchaser's records and shall be due upon payment of invoice.

This quotation is subject to policies in the current GameTime Park and Playground catalog and the following terms and conditions. Our quotation is based on shipment of all items at one time to a single destination, unless noted, and changes are subject to price adjustment. Purchases in excess of \$1,000.00 to be supported by your written purchase order made out to GameTime, c/o Minnesota/Wisconsin Playground.

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Pricing: f.o.b. factory, firm for 15 days from date of quotation or until the funds are depleted. If placing an order after expiration of quote, please contact our office to confirm availability of matching grants funding then, if funding is available, an updated quotation will be provided. A tax-exempt certificate is needed at time of order entry for all orders whether from tax-supported government agencies or not. Sales tax, if applicable, will be added at time of invoice unless a tax exempt certificate is provided at time of order entry.

Payment terms: payment in full, check submitted with order. Should credit card be used, please contact your company representative or our office to determine if a credit card fee is applicable. A revised quote will be issued with credit card fee included if deemed applicable.

Unless already on file, please include a tax exempt certificate upon order entry whether a tax supported government agency or other.

Freight charges: Prepaid & added

Exclusions: unless specifically included, this quotation excludes all site work and landscaping; removal of existing equipment; acceptance of equipment and off-loading; storage of goods prior to installation; equipment assembly and installation; safety surfacing; borders and drainage provisions.

Order Information:

Bill To: _____ Ship To: _____
Company: _____ Project Name: _____
Attn: _____ Attn: _____
Address: _____ Address: _____
City, State, Zip: _____ City, State, Zip: _____
Contact: _____ Contact: _____
Tel: _____ Tel: _____
Fax: _____ Fax: _____





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10/19/2023
Quote #
104275-01-11

CONSULTANT: TIM NEWGARD

City of Baudette- Grant- Wahkeena - Tower Park - Rubber Mulch - D11972T

City of Baudette
Attn: Janice Nelson
106 West Main Street
Baudette, MN 56623
Phone: 218-766-0417
janiceln75@gmail.com

Ship to Zip 56623

Quantity	Part #	Description		
1	MULCH	Other - Shredded Rubber Mulch Safety Surfacing- 3866 SF 6" Depth		
			Total	\$10,020.00

Delivered?

Comments

The freight costs in the quote reflect loading the playground onto the customers truck. The customer will be picking up the equipment.

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Freight charges: Prepaid & added





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10/19/2023
Quote #
104275-01-10

CONSULTANT: TIM NEWGARD

City of Baudette- Grant- Wahkeena - Tower Park - EWF - D11972T

City of Baudette
Attn: Janice Nelson
106 West Main Street
Baudette, MN 56623
Phone: 218-766-0417
janiceln75@gmail.com

Ship to Zip 56623

Quantity	Part #	Description	
1	EWf-12	Other - Engineered Wood Fiber Safety Surfacing- 192 CY 12" Depth	
			Total \$7,560.00

Comments

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Maximum depth of safety surface and drain aggregate base should not exceed on 16" depth and shall not be installed until play equipment has been installed.



MINNESOTA • WISCONSIN
PLAYGROUNDS

P.O. Box 27328, Golden Valley, MN 55427
763-546-7787 1-800-622-5425
Fax 763-546-5050
E-Mail info@mnwiplay.com

Tower Park
Baudette, MN
D11972T

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10/19/2023
Quote #
104275-01-08

CONSULTANT: TIM NEWGARD

City of Baudette- Grant- Wahkeena - Tower Park - Install - D11972T

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Attn: Janice Nelson
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Phone: 218-766-0417
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Ship to Zip 56623

Quantity	Part #	Description	
1	INSTALL	Install - Installation of Play Equipment- Includes layout and digging for footings Includes disposal of packing material Includes install of geo-textile fabric Includes install of playcurb borders Includes install of EWF	
			Total \$36,194.05

Comments

Owner is responsible for providing a flat and level area with less than 1% grade change
Owner is responsible for removal of existing play structures and safety surfacing
Owner is responsible for removal of known sub-grade obstructions that would hinder digging of footings
Owner is responsible for excavation of new play area to required depth

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Quote #
104275-01-08

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City of Baudette- Grant- Wahkeena - Tower Park - Install - D11972T

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Installation: shall be by a Certified GameTime Installer. Customer shall be responsible for scheduling coordination and site preparation. Site should be level and permit installation equipment access. Purchaser shall be responsible for unknown conditions such as buried utilities, tree stumps, bedrock or any concealed materials or conditions that may result in additional labor or material costs.





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104275-01-08

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Project Scope:

Please note, installation is based on site being ready prior to our arrival to install play equipment as well as site conditions that have been conveyed to our organization by the owner/owner's representative and/or ideal conditions existing for a timely completion of your project as quoted. Unless addressed prior to the installation quote being issued or specifically mentioned herein, any issues that arise that impede the progress/completion of your project as quoted will result in additional charges.

Weather can change project scheduling in many ways. Take rain for an example. Day, or days, before rain... If weather forecasts show a high percentage chance for rain that will effect the site conditions, a postponement may be in order. Digging holes, laying certain surfacing materials, etc., are greatly affected by weather conditions and work may not begin/continue due to weather forecasts. There's the rain days themselves, which if heavy enough rainfall occurs, makes a site unworkable. Day, or days, after rain... Drying time will be needed after rain and the number of days needed will vary depending on amount of moisture received. One actual rain day may equal multiple delay days depending on work scheduled to be done.

+ INCLUSIONS +

- + One mobilization
- + Public utility locates only
- + Installation of equipment as outlined on quote #104275-01-09
- + Marking and digging of footings holes to accept direct embedment supports as needed
- + Unpacking of play equipment
- + Assembly of play equipment
- + Concrete for footings as needed
- + Pouring of concrete for footings
- + Engineered wood fiber (EWF) surfacing
- + Spreading of EWF
- + Geo-textile fabric
- + Playcurb borders
- + Construction tape/temporary bracing (as needed)
- + Standard insurance offerings
- + Standard warranty offerings
- + Standard industry accepted labor wages
- + Disposal of packing material

- EXCLUSIONS -

- Clear access path up to and into play area for installation equipment (minimum of 8-foot wide, includes but not limited to gates, walkways, driveways, etc.)
- Staging area for materials and installation equipment, trailers, etc.
- Unobstructed space for maneuvering installation equipment as well as performing work
- Security fencing of any type
- On site security personnel
- If fencing is in place (by others), ability to unlock fencing is to be provided to our office a minimum of one week prior to our start
- Private utility locates such as, but not limited to, irrigation, fiber optics, private lighting, etc.
- Accepting, unloading and storage of order(s)/shipment(s) prior to installation. Please note, orders can be packaged/shipped in large crates, pallets, etc., requiring heavy-duty equipment to unload.
- Sitework of any kind such as, but not limited to, grading (play area to have max slope of 1%), site restoration, drainage, etc.
- Removal of existing play equipment, border, safety surfacing, etc.
- Backfill and compaction of backfill after removal of existing items (for footing holes as an example) that leave voids in area (marking and digging of new footing holes based on workable site)
- Digging in compacted sub-surfaces, rock, hard pan, tree roots, unstable soil conditions, etc.
- Restoration of compacted sub-surfaces for playground surfacings such as, but not limited to, poured-in-place rubber, rubber tiles, artificial turf, etc.
- Digging/maneuvering in sand, pea gravel, mud, etc.
- Offsite removal of spoils from footing holes (can be stockpiled near play area for owner/owner's representative removal or spread within play area)





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City of Baudette- Grant- Wahkeena - Tower Park - Install - D11972T

- Removal of temporary braces, caution/construction tape, etc. (Can be removed and disposed of after concrete has cured.)
- Bonding of any type
- Permits of any kind
- Prevailing, Davis Bacon, Union, or similar, wages
- Restroom facilities. Please provide access to restrooms whether within a building or portable style. Should use of site facilities not be available, additional charges will be required to bring on site temporary/portable restrooms. These temporary facilities will be removed once your project has been completed.
- Short term maintenance, check manufacturer's owner's manual recommendations for maintenance and always follow these written instructions. To help set up short (and ongoing) term maintenance, use the first twelve months to regularly check equipment (such as, but not limited to, tightening hardware, checking moving features, etc.). Twelve months allows use in all seasons and will provide a better understanding of what will be necessary for your ongoing maintenance. This short term schedule will be based on the amount of use the play equipment is getting as well as the type of play event that is being played on. Activities with movement have a more dynamic play which can lead to more maintenance due to the nature of the motion but also because these types of play events tend to be more popular. Static features may require less attention during the short term and ongoing maintenance as inspections will determine frequency of maintenance needed for these events. There may be a need for scheduled lower and higher frequency inspections.
- Ongoing maintenance, check manufacturer's owner's manual recommendations for maintenance and always follow these written instructions. After short term maintenance period is done and data is collected for that time period, an ongoing schedule should be implemented. The ongoing maintenance can change with age and greater use. There may be a need for scheduled lower and higher frequency inspections.

Should weekend work be necessary or non-standard hours be worked, please provide a site contact and the best telephone number to reach this person in case an urgent matter arises requiring immediate attention.

(Name) _____
(Cell) _____
(Other Telephone Number) _____

Wet Site Conditions: installation areas located near wetlands, where a high water table exists or in any environment that produces excessive moisture will require additional planning prior to installation of your project. Unless excessively wet conditions have been conveyed prior to installation quote and accounted for in some manner, your installation will not proceed. Ideal dry conditions need to be present to begin, and complete, your project as quoted.

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Order Information:

Bill To: _____ Ship To: _____
Company: _____ Project Name: _____
Attn: _____ Attn: _____
Address: _____ Address: _____
City, State, Zip: _____ City, State, Zip: _____
Contact: _____ Contact: _____
Tel: _____ Tel: _____
Fax: _____ Fax: _____





***** INVOICE *****

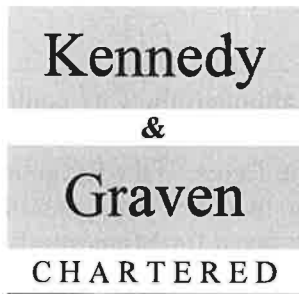
October 11, 2023

Bill To:
City of Baudette
106 West Main St.
Baudette, MN 56623

Ship to:

<u>QUANTITY</u>	<u>DESCRIPTION</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
1	GameTime equipment		\$81,341.00
1	Freight		\$1,645.45
1	Grant		-\$40,628.50

Total due: \$42,357.95



David T. Anderson
700 Fifth Street Towers
150 South Fifth Street
Minneapolis MN 55402
(612) 337-9274 telephone
(612) 337-9310 fax
danderson@kennedy-graven.com
<http://www.kennedy-graven.com>

MEMORANDUM

To: Baudette City Council
Tina Rennemo, City Clerk/Treasurer

From: David Anderson, City Attorney
Libby Kantner, Assistant City Attorney

Date: October 19, 2023

Re: Establishing a Local Lodging Tax

I. Introduction

The City of Baudette (the “City”) has requested information on the process to establish a local lodging tax within the City. For background information on the City’s previously established and repealed lodging tax, please see the March 30, 2023 memo titled “Local Lodging Tax History and Overview.”

II. Establishing a Lodging Tax

To establish a local lodging tax, the City Council must adopt an ordinance imposing a tax of up to 3% on the gross receipts received from lodging rentals in the City. Minnesota lodging tax law (the “Lodging Tax Statute”) defines lodging rentals as hotels, motels, rooming houses, tourist courts, or resorts where guests rent or lease space for a continuous 30 days or less.¹ The City may also choose to impose its lodging tax on camping receipts at a municipal campground, but not at private campgrounds.

We would be happy to prepare a draft lodging tax ordinance for the City. Like with any ordinance, the City should adhere to the posting and notice requirements articulated in Minnesota Statutes, section 415.19 prior to consideration and adoption. Additionally, prior to preparing and finalizing an ordinance, the City should determine what its goals are, primarily so that there is a sound plan for how to spend the proceeds in a manner authorized in the Lodging Tax Statute, as more specifically described in ection IV below.

¹ Minnesota Statutes, section 469.190, subd. 1.

III. Collecting a Lodging Tax

Generally, municipalities collect their own lodging taxes (the “Taxes”), although the City could choose to negotiate an agreement with the Minnesota Department of Revenue (the “Revenue Department”), pursuant to which the Revenue Department would collect the Taxes. If the Revenue Department collects the Taxes, they may retain the amount necessary to cover the costs of collection.² As of 2019, the Revenue Department only collected lodging taxes for Minneapolis, St. Paul, Rochester and Biwabik. When the Revenue Department collects the Taxes, they use the definition of “lodging” for state sales tax purposes, which is slightly broader than the definition in the Lodging Tax Statute.³ There is certainly some burden on City staff for collecting and administering the Taxes, although the extent of that burden generally depends on how those responsibilities are delegated.

IV. Use of Lodging Tax Revenues

95% of the gross proceeds from the Taxes must be used by the City to fund a local convention or tourism bureau for the purpose of marketing and promoting the City as a tourist and convention center destination.⁴ When considering whether an expense meets this definition, the City should consider whether the expense is *actually* marketing or promoting tourism and convention assets and whether the efforts are being directed towards *local* residents, or *non-local* residents. The remaining 5% may be used for “any authorized public purpose,” including, but not limited to, administrative costs related to collecting and spending the Taxes.

The City’s previous Taxes funded the Lake of the Woods Area Tourism Bureau (the “Tourism Bureau”), a non-profit created in May of 1990, whose board had representatives from both the City and Lake of the Woods County (the “County”). If the City reinstates a lodging tax, the City could choose to allocate the funds to the Tourism Bureau, or it could establish a new entity focused on marketing and promoting the City as a tourist and convention center destination. Any ordinance establishing a lodging tax should attempt to specify with as much detail as possible what the Taxes will be used for.

V. Special Legislation

If the City desires additional flexibility around the use of the lodging tax revenues or believes it is beneficial to increase the Taxes above the statutory maximum of 3%, the City could appeal to the State Legislature for special legislation. Many cities and counties have been successful in this regard, and have used lodging tax special legislation to fund important local projects, such as improvements to recreational facilities. Key to their success has been tying local capital improvements to successful tourism marketing.

This past legislative session, the County was successful in advocating for special legislation that specifically authorizes the use of lodging tax revenues (which are not collected within the City) to fund a new County Event and Visitors Bureau, as established by the Board of Commissioners of

² Minnesota Statutes, section 469.190, subd. 7.

³ Laws 2010, Chap. 389, art. 4, section 14.

⁴ Minnesota Statutes, section 469.190, subd. 3.

the County.⁵ Please know that our law firm does not provide lobbying services to our municipal clients.

VI. Task Force May Suggest Changes

Finally, it's worth pointing out that the 2023 Legislature established a Local Taxes Advisory Task Force (the "Task Force") whose membership includes the Commissioner of the Revenue Department, a representative from the League of Minnesota Cities, a representative from the Association of Minnesota Counties, and four members of the public. The Task Force is charged with, among other things, examining and determining objective evaluation criteria for lodging tax proposals seeking accommodations beyond the restrictions of the Lodging Tax Statute.⁶ Further, the Task Force was asked to recommend (i) the appropriate entity or entities to evaluate that criteria prior to legislation being heard in legislative committees, (ii) the appropriate process for enacting special laws authorizing new or modified local taxes, and (iii) any necessary changes to current law needed to implement their recommendations. The Task Force is conducting their work now, with opportunities for public comment on November 8, 2023 and December 20, 2023, with final recommendations anticipated January 3, 2024.⁷

Please do not hesitate to contact us if you have any additional questions or concerns regarding these issues.

⁵ Laws 2023, Chap. 64, art. 11, section 4.

⁶ Laws 2023, Chap. 64, art. 10, section 51.

⁷ [Local Taxes Advisory Task Force Website](#).

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MEMORANDUM

**To: Baudette City Council
Tina Rennemo, City Clerk/Treasurer**

From: David Anderson, City Attorney

Date: April 12, 2023

Re: Local Lodging Tax History and Overview

I. Introduction

Although both the City of Baudette (the “City”) and Lake of the Woods County (the “County”) began collecting a local lodging tax in 1989, only the County continues to impose such a tax. This memorandum is intended to (i) provide a historical overview and current status of lodging tax revenues that fund the Lake of the Woods Area Tourism Bureau; and (ii) clarify some additional questions and issues related to the Tourism Bureau and the lodging tax that is still being imposed by the County. The background and analysis of these issues is based on the historical information I was provided from City staff.

II. General Lodging Tax Authority in Minnesota

Since 1983, Minnesota law has authorized cities, townships, and counties to impose a local lodging tax within their taxing jurisdictions.¹ More specifically, cities and towns are authorized to impose a local lodging tax within their respective boundaries, and counties are authorized to impose a local lodging tax within any unorganized territories located within their respective boundaries.²

Under this general authority, a local lodging tax must not exceed three percent of gross receipts from the rental of lodging facilities.³ Additionally, five percent of the total lodging tax proceeds are to be used for administrative costs and the remaining 95 percent must be used to fund a local convention or visitor’s bureau for tourism and convention center promotion.⁴ In other words, the

¹ Minnesota Statutes, section 469.190.

² Minnesota Statutes, section 469.190, subd. 1 (cities and towns) and subd. 4 (counties).

³ Minnesota Statutes, section 469.190, subd. 1.

⁴ Minnesota Statutes, section 469.190, subd. 3.

intent of a local lodging tax is to promote local tourism and so most of the revenues collected must be used specifically for that purpose.

III. Background and Analysis

In 1989, the City and the County each desired to begin collecting a local lodging tax within their respective territories. Although the City and County were each authorized to do this unilaterally and without the involvement of the other, they chose to roll out their local lodging taxes in unison. As part of that process, the City and County desired to delegate administrative responsibilities to the County, and so they entered into a Joint Powers Agreement (the “JPA”) pursuant to Minnesota Statutes, section 469.190, subd. 6 for that purpose.

The JPA is a short document that is very limited in scope. In addition to delegating administrative, clerical, and bookkeeping functions related to the parties’ lodging taxes to the County, the JPA also provided that a tourism board “shall be formed” with representation from both parties. A joint tourism board was not formed by or through the JPA, but rather the language in the JPA merely required that a tourism board be established separately and outside of the four corners of the JPA.

Accordingly, in May of 1990, the Lake of the Woods Area Tourism Bureau (the “Tourism Bureau”) was formally established. The Tourism Bureau was formed as a Minnesota nonprofit corporation pursuant to Minnesota Statutes, chapter 317A and has operated in that form since its inception with funding provided by proceeds from both the City’s local lodging tax and the County’s local lodging tax.

Over the course of time, there were numerous questions and concerns raised about the Tourism Bureau’s financial transparency and adherence to Minnesota Statutes, chapter 13D (the “Open Meeting Law”). Although I cannot speak to the issue of financial transparency with the information before me, I can provide an opinion regarding the Tourism Board’s Open Meeting Law compliance.

Tourism or convention bureaus that are established as nonprofit corporations, which is somewhat common throughout Minnesota, are *not* subject to the Open Meeting Law. The Open Meeting Law establishes a list of bodies that are subject to its requirements, the vast majority of which are public entities.⁵ As noted above, although the Tourism Bureau was required to be created pursuant to the JPA, it was not actually created by the JPA or through a separate joint powers agreement between the City and the County, which is a significant distinction. Instead, the Tourism Bureau was created as a nonprofit corporation pursuant to Minnesota Statutes, chapter 317A. Had the Tourism Bureau been formed as a joint powers entity with its own joint board, something that is expressly authorized under Minnesota Statutes, section 471.59, it would indeed be subject to the Open Meeting Law. However, because the Tourism Bureau was instead established as a nonprofit corporation, it has never been subject to the requirements of the Open Meeting Law.

On December 31, 2020, following a period of growing concern related to the aforementioned issues, the Baudette City Council voted to dissolve the JPA.⁶ Approximately one year later, on

⁵ Minnesota Statutes, section 13D.01, subd. 1.

⁶ The JPA expressly provides that it may be terminated by either party by adopting a resolution and providing the other party with formal notice thereafter. That said, it appears that through subsequent communications, the City and

January 10, 2022, the Baudette City Council voted to formally repeal the City's ordinance establishing its local lodging tax.⁷ Accordingly, as of June 30, 2022, businesses located within the City's corporate boundaries are no longer subject to a local lodging tax.

The County, on the other hand, continues to impose a local lodging tax in unorganized territories located within Lake of the Woods County. As provided above, the County has a statutory right to impose said lodging tax notwithstanding the termination of the JPA. It appears that on October 13, 2020, the County adopted a new ordinance imposing a lodging tax within its unorganized territories after following the process required in state law. It is my understanding that 95% of the proceeds from the County's local lodging tax still go to the Tourism Bureau, which is also authorized under the statute regardless of whether the City continues to implement its local lodging tax. Additionally, I understand there have been efforts made by the County, the Tourism Bureau, or both, to lobby for special legislation that would allow the County's lodging tax to be increased from three to six percent of gross receipts from the rental of lodging facilities.⁸ I do not know whether such legislation is likely to pass, although similar special legislation has passed in relation to other communities.

IV. Conclusion

In light of the foregoing, and notwithstanding the County's decision to continue imposing its own lodging tax, the City is certainly free to continue its current practice of not imposing a local lodging tax within its corporate boundaries. That said, the City may also unilaterally choose to reinstate and administer its own local lodging tax via ordinance, as authorized under state law. If a local lodging tax is reinstated in Baudette, there is no requirement that the proceeds be provided to the Tourism Bureau. In other words, there is nothing precluding the City from establishing an entirely new tourism or convention bureau and funding its operation with the City's own lodging tax revenues, provided that all statutory requirements are otherwise adhered to.

Please do not hesitate to contact me if you have any additional questions or concerns regarding these issues.

County mutually agreed to terminate the JPA and there was never any question or issue raised about whether the City properly exercised its contractual right to terminate.

⁷ It appears that the City's lodging tax ordinance was repealed by formal motion, which is technically not the proper way to repeal an ordinance. Rather, an ordinance may only be repealed via a new ordinance. Although nobody is disputing that issue and the ordinance is no longer being enforced, I do suggest that to properly formalize the repeal, an ordinance be prepared and adopted by the council at a future meeting. This will not only provide clarity but will also allow the City to avoid any future argument that the ordinance was not properly repealed.

⁸ According to the Minnesota House Research Department, there are three main reasons that special lodging tax legislation is generally sought: (1) to increase a lodging tax above the statutory three percent maximum rate; (2) to modify the geographic area in which a lodging tax applies; and/or (3) to allow the revenue from the tax to be used for a purpose other than funding a tourism or convention bureau.

“

CEDA IS ONE OF THE BEST INVESTMENTS ANY CITY COULD MAKE. THEIR STAFF HAS THE KNOWLEDGE AND SKILLS NEEDED TO MAKE NAVIGATING THE WATERS OF ATTRACTING BUSINESSES TO OUR CITY COME TRUE! THEY WOULD BE AN ASSET TO ANY TOWN.

— MAYOR JIMMIE-JOHN KING,
CITY OF STEWARTVILLE, MN



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Our team works closely with cities, counties and organizations to understand their priorities and help them to strategically establish and actualize goals.

We also develop relationships with new and existing businesses to assist with any challenges in startup, operation and expansion.

CEDA's services are provided at or below cost.

Donations from our generous partners help to keep our services affordable for our communities and contracts.

COMMUNITY SUPPORT PROGRAM

As an alternative to difficulties of directly hiring staff, CEDA presents communities with the option to contract for a team of highly-skilled professionals!

CEDA's structure allows communities to be proactive about economic development by:

- **Providing a dedicated team member to serve on location in the community.**
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- **Collaboratively developing a yearly work plan to meet the goals of the community.**
- **Ensuring accountability with the standard 30-day-out clause included in every contract.**



OUR CEDA REPRESENTATIVE WAS INSTRUMENTAL IN THE CITY OF ORONOCO'S \$53,000 AWARD FROM THE DEPARTMENT OF NATURAL RESOURCES' OUTDOOR RECREATION GRANT FOR IMPROVEMENTS TO OUR CITY'S PARK. IF IT WASN'T FOR [CEDA'S] THOROUGH AND PROFESSIONAL WORK, I DON'T BELIEVE WE WOULD HAVE BEEN AWARDED THIS COMPETITIVE GRANT..."

- RYLAND EICHHORST, MAYOR,
CITY OF ORONOCO, MN



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CEDA launched its Expanded Marketing Program in 2016, which allows our communities to promote themselves in unprecedented ways:

- **Yearly regional bus tour.**
- **Access to a database of over 2,000 site selectors.**
- **Knowledge of best practices in economic development across the country.**
- **Increased access to local, state and national government officials.**
- **Memberships to several nationally recognized organizations.**
- **Proprietary data tool that allows trade area and market analysis for the areas we serve.**

GRANT WRITING

We have a team with diverse knowledge and experience that will improve your community's applications for grant dollars.

- **Over \$90 Million of private, state and federal grant dollars have been secured by staff since 1986.**

PLANNING

CEDA offers expertise in planning to help communities strategically focus on growth. Services include:

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2. Access to a database of over 2,000 site selectors.
3. Knowledge of best practices in economic development across the country.
4. Increased access to local, state and national government officials.
5. Memberships to several nationally recognized organizations.



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CEDA helps you be proactive about economic development by providing a dedicated team member to serve at your offices for the amount of time/week that works for you, your goals, and your budget. We will work with your staff, boards and local businesses to help you strategically grow. Each of the communities we serve is different, and we'll take the time to make sure we understand your priorities.



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We work directly with your new and existing businesses to provide expertise and resources to encourage their long-term success.

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Hiring CEDA allows your EDA Board to be more productive by taking away personnel worries. Your Board will be able to focus on strategy and decision-making rather than:



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2. Employee discipline
3. Benefits negotiation
4. Training of staff
5. Federal and State regulations
6. Errors and Omissions/liability

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CEDA has successfully authored over \$90 Million of private, state and federal grant applications since 1986.



We have team members with diverse knowledge and experience that will improve your community's applications for grant dollars.

COST EFFECTIVENESS

Hiring employees directly has associated expenses such as:

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2. Unemployment and workers' compensation insurance
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4. Equipment/technology such as laptops and software
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Three days per month	\$ 22,797 annually
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One day per week plus one additional day per month	\$ 36,485 annually
One day per week plus two additional days per month	\$ 43,075 annually
Two days per week	\$ 51,030 annually
Three days per week	\$ 69,120 annually
Four days per week	\$ 88,722 annually
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