

Regular City Council Meeting
Mountain Lake City Hall
Monday, April 6, 2026
5:45 p.m.
AGENDA

1. Meeting Called to Order *Additional information on agenda item is attached or at City Hall

2. Approval of Agenda and Consent Agenda
 - a. Bills: Checks # Update at Meeting -information isn't available yet
 - b. Payroll: Checks # Update at Meeting - information isn't available yet
 - c. Approve March 12 Utilities Commission Minutes (1-2)
 - d. Approve March 16 City Council Minutes (3-4)
 - e. Approve Resolution #4-26 Pow Wow Raffle (5)
 - f. Approve Resolution #5-26 DNR Grant Application (6)
 - g. Approve Pow Wow Street Closure Request (7)

3. Public – A total of ten (10) minutes is allotted for individuals to briefly discuss a topic of concern or provide comments to the Council.

4. City Administrator
 - a. Discussion/Action – Updated Personnel Policy*
 - b. Discussion/Action – Ordinance #5-26 Establishing a Local Lodging Tax (8-14)

5. Roundtable
 - a. Discussion – Commissions/Boards Update

6. Adjourn

Mountain Lake Utilities Commission Meeting
Mountain Lake City Hall
Thursday, March 12, 2026
7 AM

Members Present: Todd Johnson; Dean Janzen; Mark Langland; Sue Garloff; City Council Liaison Jeff Jack

Members Absent: David Savage

Staff Present: Michael Mueller; City Administrator; Jill Falk; Utility Office Manager; David Watkins; Electric Superintendent; Steve Peters; Lineman; Taylor Nesmoe; Water/Wastewater Foreman; Scott Pankratz; Water/Wastewater

Others Present:

Call to Order

The meeting was called to order at 7 AM.

Approval of Minutes and Bills

Motion by Janzen, seconded by Johnson, to approve February 26th Minutes and Check Numbers 24703 - 24719 (900E-911E). Motion carried.

Electric Department

With warmer temperatures, work on the power plant has resumed. The preparation for the building will begin soon. The transformer at the substation has been decommissioned. Once the crane arrives for the building work, it will also be used to load the transformer onto the truck for transport. Watkins also mentioned that this past weekend, a cabinet was hit near the car wash. Luckily, it did not cause any outages, but the cabinet did need replacement.

The conversation about the demand reading error continued. Mueller pointed out that any previous billing issue needed to be paid back in full. Regulations need to be set and kept the same for every customer. Unfortunately, billing issues do occur, and state statute recognizes this and allows for charges to be corrected up to one year prior. Communications errors will happen, and the meters will occasionally have errors. Now that the decimal point issue has been found, it will be easier to catch in the future. **The motion was made by Langland to collect the uncharged balances and refund the overcharged accounts, per the state statute.** The motion was then seconded by Janzen. The motion passed but was abstained by Garloff.

Water/Wastewater

Well #7 is back online; however, there are now communication issues with Well #6. There is a delay in the signal, which causes a delay in activating the well or shutting it off. Automatic Solutions will come with the correct radio to resolve this issue. Nesmoe stated that he spoke with Flexible Pipe at training in while in St. Cloud. As of now, they are still waiting for confirmation of the demo truck. Hopefully, it will be available soon for testing. Mueller advised that the paperwork has been sent to the state for the lead service lines.

Watkins mentioned that a sewer backup on Boxelder Drive occurred last week. It backed up on Twelfth Street, and they were able to use the Jetter to get through the blockage. Only one house was affected.

City Administrator

Mueller sent out an email regarding the prevailing wages that were charged by Barr and were included in the bid specs. At this point, over \$8,000 has been paid out in prevailing wages and will be paid back to the utilities. Journey will continue to check the subcontractors to ensure no additional prevailing wages will be paid out. Mueller also mentioned that the bid specs did not include a tax exemption, and sales tax was calculated. This will be an additional refund as well. This could help cover the \$240K in change orders from Qualus that should have been in the bid but were left out. There was a discussion as to allow just the one 10MWh Data Center or allowing two Data Centers at 5MWh each. This would be \$400,000 in additional revenue. If the east substation gets an upgraded transformer, that revenue could triple. Mueller will be meeting with ITC on Friday, March 13th.

Adjourn

The meeting was adjourned at 7:54 a.m.

ATTEST:

Jill Falk, Utilities Office Manager

**City of Mountain Lake
Regular City Council Meeting
Mountain Lake City Hall – 930 Third Ave
Monday, March 16, 2026
5:45 p.m.**

Members Present: Andrew Ysker, Jeff Jack, Mike Nelson, Darla Kruser

Members Absent: Bryan Bargaen

City Staff Present: Michael Mueller City Administrator; Louis Norell Police Chief; Owen Todd & Jordan Albrecht City Engineer

Others Present: Deanna Anderson, Doug Regehr, Rachel Yoder

Call to Order

The meeting was called to order by Mayor Nelson at 5:45 p.m.

Approval of Agenda & Consent Agenda

Motion by Kruser, seconded by Ysker to approve the agenda and consent agenda as presented.

Motion carried 4 – 0.

Bills: Checks # 29834-29866, 1741E-1758E

Payroll: Checks #69392 – 69429

Approve January 13 Library Board Minutes, Report & Expenditures

Approve February 17 EDA Board Minutes

Approve February 26 Utilities Commission Minutes

Approve March 2 City Council Minutes

Hire Carolina Gonzalez, Library Assistant, effective 2/23/26, Step 1

Public

No comment

Bolten & Menk

Owen Todd and Jordan Albrecht of Bolten & Menk, City Engineers, addressed the City Council regarding the Lead Service Line Replacement Project. They explained that the City of Mountain Lake is applying to the Minnesota Public Facilities Authority (MPFA) for a loan and/or grant through the Drinking Water Revolving Fund to support the replacement of all lead and galvanized service lines within the community. The estimated MPFA-financed portion of the project is \$1,000,000, or the final as-bid cost of the project. The entire project would be paid by MPFA, no cost to the homeowner or the city.

Motion by Kruser, seconded by Jack to approve Resolution #3-26 Application for Lead Service Line Replacement Project. Motion carried 4 – 0.

Police

Police Chief Louis Norell discussed staffing shortages resulting from Paid Family and Medical Leave, noting that this has made it difficult for other officers to schedule vacation time. Norell requested that LELS members be temporarily allowed to exceed their maximum vacation accrual without limitation during the year. This accommodation would expire at the end of the fiscal year on December 31, 2026. At that time, vacation accruals would be capped at 200 hours, with any excess hours required to be used or forfeited.

The City currently has a five-year contract with Axon for body cameras, which began in August 2024. The contract includes 2 TB of cloud storage, and the City is nearing that limit. Norell is exploring options to transition to an unlimited data plan, as well as pricing for a potential 10-year contract with Axon extending through April 2036.

Additionally, Axon offers a virtual reality (VR) training program that could be beneficial for officer training and for demonstrating real-life scenarios to the public during community events. The VR program would cost \$1,051.68 a year, with a total contract cost of \$3,943.80 over a 45-month term.

Motion by Kruser, seconded by Ysker to approve Chief Norell's requests to temporarily allow LELS members to exceed vacation accrual limits through December 31, 2026, to secure an Axon unlimited data plan and 10-year contract extension through April 2036, and to purchase Axon's virtual reality training program at a cost of \$3,943.80 over 45 months. Motion carried 4 – 0.

City Administrator

The owner of Uncle's B's Liquor is selling to his son; they filled out an application for a new liquor and cigarette license. Motion by Kruser, seconded by Ysker to approve Uncle B's 2026 Liquor and Cigarette License. Motion carried 4 – 0.

City Council discussed building code violations in the community.

Roundtable

An update was given to the council regarding board and commission meetings.

Adjourn

The meeting was adjourned at 6:45 p.m.

ATTEST:

Michael Mueller, Administrator/Clerk

Resolution #4-26

RESOLUTION TO PERMIT GAMBLING

City of Mountain Lake, Minnesota

WHEREAS, an official of the City of Mountain Lake, Minnesota has received a Minnesota Lawful Gambling Application for an Exempt Permit submitted by the Mountain Lake Community Partners on March 19, 2026; and

WHEREAS, the City of Mountain Lake has no objection to the application, which would allow the Mountain Lake Community Partners to conduct a raffle at Mountain Lake City Park in Mountain Lake, Minnesota on Tuesday, June 23, 2026.

NOW THEREFORE, BE IT RESOLVED, that the City of Mountain Lake waives the 30-day waiting period and approves the application with no waiting period; and

BE IT FURTHER RESOLVED that the City of Mountain Lake recommends prompt approval of said application by the Minnesota Gambling Control Board.

Adopted this 6th day of April 2026.

Mike Nelson, Mayor

ATTEST:

Michael Mueller City Administrator/Clerk

**CITY OF MOUNTAIN LAKE, MN
RESOLUTION #5-26
DNR GRANT APPLICATION**

BE IT RESOLVED that the City of Mountain Lake act as legal sponsor for the project contained in the Outdoor Recreation Grant application to be submitted on 3/31/2026 and that Michael Mueller, City Administrator is hereby authorized to apply to the Department of Natural Resources for funding of this project on behalf of the City of Mountain Lake.

BE IT FURTHER RESOLVED that the applicant maintains an adequate Conflict of Interest Policy and, throughout the term of the contract, will monitor and report any actual or potential conflicts of interest to the State, upon discovery.

BE IT FURTHER RESOLVED that the City of Mountain Lake has the legal authority to apply for financial assistance, and it has the financial capability to meet the match requirement (if any) and ensure adequate construction, operation, maintenance and replacement of the proposed project for its design life.

BE IT FURTHER RESOLVED that the City of Mountain Lake has not incurred any development costs and has not entered into a written purchase agreement to acquire the property described in the Cost Breakdown section on this application.

BE IT FURTHER RESOLVED that the City of Mountain Lake has or will acquire fee title or permanent easement over all the land described in the boundary map or recreational site plan included in the application.

BE IT FURTHER RESOLVED that, upon approval of its application by the State, the City of Mountain Lake may enter into an agreement with the State for the above-referenced project, and that the City of Mountain Lake certifies that it will comply with all applicable laws and regulations as stated in the grant agreement including dedicating the park property for uses consistent with the funding grant program into perpetuity.

NOW, THEREFORE BE IT RESOLVED that MICHAEL MUELLER, CITY ADMINISTRATOR is hereby authorized to execute such agreements as necessary to implement the project on behalf of the applicant.

I CERTIFY THAT the above resolution was adopted by the City Council of the City of Mountain Lake on the 23rd of March, 2026.

SIGNED:

WITNESSED:

(Signature)

(Signature)

(Title) (Date)

(Title) (Date)

Mt. Lake Pow Wow Committee
 Pow Wow, 2026 Request for Street Closings:

June 21st

Pow Wow 3 on 3 Basketball Tournament

9th Street between 3rd Ave. and 4th Ave. and 4th Ave. from 9th Street to 10th Street 10:00 a.m.
 to 4:00 p.m.

Pow Wow Carnival

10th Street N. from 3rd Ave. to 4th Ave. and 9th Street to 11th Street
 1:00 p.m. on 18th to 9:00 a.m. on June 15th

June 21st

Kiddie Parade 3rd Avenue from 11th Street to 9th Street

5:15 p.m. to 6:00 p.m.

Antique Car Parade 3rd Avenue from 10th Street to 11th St.

6:00 p.m. to 8:00 p.m.

June 22nd

Pow Wow Grand Parade

3rd Avenue from Co. Hwy. 1 to corner of "Old Casey's"/Golf Course Road

5:00 p.m. to 9:00 p.m.

June 23rd

Pow Wow Kids Tractor Pull

10th Street from 3rd Ave. to 2nd Ave.

2:00 p.m. to 4:00 p.m.

Firemen's Water Fight

5:30 p.m. to ?

June 22nd-23rd

3rd Ave from 9th Street -10th Street (All Day)

CITY OF MOUNTAIN LAKE, MN
ORDINANCE #5-26

AN ORDINANCE ESTABLISHING A LOCAL LODGING TAX IN THE CITY OF MOUNTAIN LAKE

The City Council of the City of Mountain Lake ordains as follows:

SECTION 1. PURPOSE

This ordinance is adopted pursuant to Minnesota Statutes §469.190 to authorize the City of Mountain Lake to impose a local lodging tax on the gross receipts from lodging within the city.

SECTION 6.11: LODGING TAX

Section 6.11

- | | |
|-----------------|---|
| Subdivision 1. | Definitions |
| Subdivision 2. | Imposition of tax |
| Subdivision 3. | Collections |
| Subdivision 4. | Exceptions and exemptions |
| Subdivision 5. | Advertising no tax |
| Subdivision 6. | Payment and returns |
| Subdivision 7. | Examination of return, adjustments, notices and demands |
| Subdivision 8. | Refunds |
| Subdivision 9. | Failure to file a return |
| Subdivision 10. | Penalties |
| Subdivision 11. | Administration of tax |
| Subdivision 12. | Examine records |
| Subdivision 13. | Violations |
| Subdivision 14. | Use of proceeds |
| Subdivision 15. | Appeals |
| Subdivision 16. | Effective date |

SUBVISION 1. DEFINITIONS

For the purpose of this section, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

LODGER. The person obtaining lodging from an operator.

LODGING. The furnishing, for a consideration, of lodging by a hotel, motel or rooming house, except where the lodging shall be for a continuous period of 30 days or more to the same lodgers. The furnishing of rooms owned or provided by religious, educational or non-profit organizations shall not constitute **LODGING** for purposes of this section.

OPERATOR. The person who is the proprietor of the lodging facility, whether in the capacity of owner, lessee, sublessee, licensee or any other capacity.

PERSON. Any individual, corporation, partnership, association, estate, receiver, trustee, executor, administrator, assignee, syndicate or other combination of individuals. Whenever the term **PERSON** is used in any provisions of this section prescribing and imposing a penalty, the term as applied to a corporation, association or partnership shall mean the officers or partners thereof as the case may be.

RENT. The total consideration valued in money charged for lodging whether paid in money or otherwise, but shall not include any charges for services rendered in connection with furnishing lodging other than the room charge itself.

SUBDIVISION 2. IMPOSITION OF TAX.

There is hereby imposed a tax of 3% of the rent charged by an operator for providing lodging to any persons. In computing the tax to be collected, amounts of tax less than \$0.01 shall be considered an additional cent. The tax shall be stated and charged separately and shall be collected by the operator from the lodger. The tax collected by the operator shall be a debt owed by the operator to the city and shall be extinguished only by payment to the city. In no case shall the tax imposed by this section upon an operator exceed the amount of tax which the operator is authorized and required by this section to collect from the lodger.

SUBDIVISION 3. COLLECTIONS.

Each operator shall collect the tax imposed by this section at the time the rent is paid. The tax collections shall be deemed to be held in trust by the operator for the city. The amount of tax shall be separately stated from the rent charged for the lodging and those persons paying the tax shall receive a receipt of payment from the operator.

SUBDIVISION 4. EXCEPTIONS AND EXEMPTIONS.

(A) No tax shall be imposed on rent paid by a lodger at any hotel, motel or rooming house where an enforceable written agreement is entered into at the time of sale (day one or before) if the stay will be 30 days or more. The agreement must include a termination clause that requires serving a notice of intention to terminate, by either party, at least 30 days before vacating, or a shorter period for violation of the lease conditions. The enforceable written agreement must also include a date and both parties' signatures.

(B) An exemption shall be granted to any person as to whom or whose occupancy it is beyond the power of the city to tax. No exemption shall be granted, except upon a claim therefor made at the time

the rent is collected and a claim shall be made in writing and under penalty of perjury on forms provided by the city. All claims shall be forwarded to the city when the returns and collections are submitted as required by this section.

SUBDIVISION 5. ADVERTISING NO TAX.

It is unlawful for any operator to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax, or any part thereof, will be assumed or absorbed by the operator, or that it will not be added to the rent or that, if added, it or any part thereof will be refunded.

Penalty, see § 6.99

SUBDIVISION 6. PAYMENT AND RETURNS.

(A) The taxes imposed by this section shall be paid by the operator to the city monthly no later than 25 days after the end of the month in which the taxes were collected. At the time of payment, the operator shall submit a return upon the forms and containing the information as the City Administrator may require. The operator may offset against the taxes payable, with respect to any reporting period, the amount of taxes imposed by this section previously paid as a result of any transaction the consideration for which became uncollectible during the reporting period, but only in proportion to the portion of the consideration which became uncollectible.

(B) The return shall contain the following minimum information:

- (1) The total amount of rent collected for lodging during the period covered by the return;
- (2) The amount of tax required to be collected and due for the period;
- (3) The signature of the person filing the return or that of an agent duly authorized in writing;
- (4) The period covered by the return; and
- (5) The amount of uncollectible rental charges subject to the lodging tax.

SUBDIVISION 7. EXAMINATION OF RETURN, ADJUSTMENTS, NOTICES AND DEMANDS.

The City Administrator shall, after return is filed, examine the same and make any investigation or examination of the records and accounts of the person making the return deemed necessary for determining its correctness. The tax computed on the basis of the examination shall be the tax to be paid.

If the tax due is found to be greater than that paid, the excess shall be paid to the city within ten days after receipt of a notice thereof. Notice of excess tax due shall be given either personally or sent by registered mail to the address shown on the return. If the tax paid is greater than the tax found to be due, the excess shall be refunded to the person who paid the tax to the city within ten days after determination of the refund.

SUBDIVISION 8. REFUNDS.

Any person may apply to the City Administrator for a refund of taxes paid for a prescribed period in excess of the amount legally due for that period; provided that, no application for refund shall be considered unless filed within one year after the tax was paid, or within one year from the filing of the return, whichever period is the longer. The City Administrator shall examine the claim and make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof by registered mail to the person at the address stated upon the return. If the claim is allowed in whole or in part, the City Administrator shall credit the amount of the allowance against any taxes due under this section from the claimant and the balance of the allowance, if any, shall be paid by the City Administrator to the claimant.

SUBDIVISION 9. FAILURE TO FILE A RETURN.

(A) If any operator required by this section to file a return fails to do so within the time prescribed, or makes an incorrect, false or fraudulent return, the operator shall, upon written notice and demand, file the return or corrected return within five days of receipt of the written notice and shall at the same time pay any tax due on the basis thereof. If the persons shall fail to file the return or corrected return, the City Administrator shall make a return or corrected return for the person from the knowledge and information as the City Administrator can obtain, and assess a tax on the basis thereof, which tax (less any payments theretofore made on account of the tax for the taxable period covered by the return) shall be paid within five days of the receipt of written notice and demand for the payment. Any return or assessment made by the City Administrator shall be prima facie correct and valid, and the person shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

(B) If any portion of a tax imposed by this section, including penalties thereon, is not paid within 30 days after it is required to be paid, the City Attorney may institute the legal action as may be necessary to recover the amount due plus interest, penalties, the costs and disbursements of any action, including reasonable attorney's fees.

(C) Upon a showing of good cause, the City Administrator may grant an operator one 30-day extension of time within which to file a return and make payment of taxes as required by this section;

provided that, interest during the period of extension shall be added to the taxes due at the rate of 10% per annum.

SUBDIVISION 10. PENALTIES.

(A) If any tax imposed by this section is not paid within the time specified for the payment of an extension thereof, there shall be added thereto a specific penalty equal to 10% of the amount remaining unpaid.

(B) In case of any failure to make and file a return within the time prescribed by this section, unless it is shown that the failure is not due to willful neglect, there shall be added to the tax, in addition to the 10% on the amount remaining unpaid if the failure is for not more than 30 days or fraction thereof during which failure continues, not exceeding 25% in the aggregate. If the penalty as computed does not exceed \$10, a minimum penalty of \$10 shall be assessed. The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount so added shall be collected in the same manner as the tax.

(C) If any person willfully fails to file any return or make any payment required by this section, or willfully files a false or fraudulent return, or willfully attempts in any manner to evade or defeat any tax or payment thereof, there shall also be imposed as a penalty an amount equal to 50% of any tax (less any amounts paid on the basis of the false or fraudulent return) found due for the period to which the return related. The penalty imposed by this section shall be collected as a part of the tax and shall be in addition to all other penalties provided by this section.

(D) The amount of tax not timely paid, together with any penalty provided by this section, shall bear interest at the rate of 8% per annum from the time the tax should have been paid until paid. Any interest and penalty shall be added to the tax and be collected as part thereof.

(E) All payments received shall be credited first to penalties, next to interest, and then to the tax due.

SUBDIVISION 11. ADMINISTRATION OF TAX.

The City Administrator shall administer and enforce the assessment and collection of the taxes imposed by this section. The City Administrator shall cause to be prepared blank forms for the returns and other documents required by this section and shall distribute the same throughout the city and furnish them on application. Failure to receive the returns shall not relieve any person from any obligation required of him or her under this section.

SUBDIVISION 12. EXAMINE RECORDS.

(A) The city may examine the books, papers and records of any operator in order to verify the accuracy of any return made, or if no return was made, to ascertain the tax as provided in this section.

(B) Every operator is directed to give to the city the means, facilities and opportunity for the examinations and investigations as are hereby authorized.

SUBDIVISION 13. VIOLATIONS.

It is unlawful for any person to willfully fail to make a return required by this section, or to fail to pay the tax after written demand for payment, or to fail to remit the taxes collected or any penalty or interest imposed by this section after written demand for the payment, or to refuse to permit the city to examine the books, records and papers under his or her control, or to willfully make any incomplete, false or fraudulent return.

Penalty, see § 6.99

SUBDIVISION 14. USE OF PROCEEDS.

Ninety-five percent of the proceeds obtained from the collection of taxes (including interest and penalties) pursuant to this section shall be used in accordance with M.S. § 469.190, as the same may be amended from time to time, to fund a local convention or tourism bureau establishment for the purpose of marketing and promoting the city as a tourist or convention center.

SUBDIVISION 15. APPEALS.

(A) Any operator aggrieved by any notice, order or determination made by the City Administrator under this section may file a petition for review of the notice, order or determination. The petition shall contain the name of the petitioner, the petitioner's address and the location of the lodging subject to the order, notice or determination.

(B) The petition shall be filed with the City Administrator within ten days after the notice, order or determination for which review is sought has been mailed.

(C) Upon receipt of the petition, the City Administrator, or his or her designee, shall set a date for a hearing and give the petitioner at least five days' prior written notice of the date, time and place of the hearing.

(D) At the hearing, the petitioner shall be given an opportunity to show cause why the notice, order or determination should be modified or withdrawn. The petitioner may be represented by counsel of petitioner's choosing at petitioner's own expense.

(E) The hearing shall be conducted by the City Administrator or his or her designee; provided, only that the person conducting the hearing shall not have participated in the drafting of the order, notice or determination for which review is sought.

(F) The person conducting the hearing shall make written findings of fact and conclusions based upon the applicable provisions of this section and the evidence presented. The person conducting the hearing may affirm, reverse or modify the notice, order or determination made by the City Administrator.

(G) Any decision rendered by the City Administrator pursuant hereto may be appealed to the Council. A petitioner seeking to appeal a decision must file a written notice of appeal with the City Administrator within ten days after the decision has been mailed to the petitioner. The matter will thereupon be placed on the Council agenda as soon as it is practical. The Council shall then review the findings of fact and conclusions to determine whether they were correct. Upon a determination by the Council that the findings and conclusions were incorrect, the Council may modify, reverse or affirm the decision of the City Administrator or his or her designee.

SUBDIVISION 16. EFFECTIVE DATE.

This ordinance shall be effective immediately upon passage and publication.

ADOPTED by the City Council of the City of Mountain Lake, Minnesota this 6th day of April, 2026.

Mike Nelson, Mayor

Attest:

Michael Mueller, City Administrator