

**MINUTES  
ECONOMIC DEVELOPMENT ADVISORY BOARD MEETING  
NOVEMBER 15, 2016**

The meeting was called to order at 6:00 p.m.

Present: Artner, Horak, Johnson, McCune, Scherman, Zinschlag; Town Board Liaison: Kermes; Clerk: Short; Attorney: Kelly.

Absent: Keleher with notice.

**INTRODUCE NEW MEMBER – HEIDI JOHNSON:** The members welcomed Heidi Johnson and introductions were made.

**APPROVAL OF NOVEMBER 15, 2016 AGENDA:** Artner moved approval of the agenda as submitted. McCune seconded. Ayes all.

**APPROVAL OF OCTOBER 11, 2016 MEETING MINUTES:** Zinschlag moved approval of the October 11, 2016 meeting minutes. Artner seconded. Ayes all.

**TOWN HALL DONATIONS – REVIEW WITH TOWN ATTORNEY:** The Town Attorney reported that any public purpose expenditure must be authorized by statute. According to the League of Minnesota Cities any unauthorized disbursement of public money may subject board members to personal liability. To be lawful a Town expenditure must satisfy the following: 1) **Public Purpose:** There must be a public purpose for the expenditure; 2) **Authority:** There must be specific or implied authority for the expenditure in state statute or Town ordinance; 3) **Procedure:** The Town Board must properly approve the expenditure. The Minnesota Constitution requires that public funds (taxes) must be used for public purposes. The public purpose is subject to interpretation and its meaning is constantly evolving. The Minnesota Supreme Court has interpreted public purpose when the activity meets the following standards: 1) Benefits the community as a body; 2) Is directly related to functions of government; 3) Does not have as its primary objective the benefit of a private interest. Donations to people, nonprofits, charities, or other groups are not permitted unless they are based upon specific statutory or legislative authorization. The activity of a donation must benefit the community as a body; the activity must directly relate to functions of government; and the activity does not have, as its *primary objective*, the benefit of a

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private interest. The Minnesota Supreme Court has recognized that an incidental benefit of the activity to a private interest does not *per se*, deprive the activity of its public nature, if the primary purpose of the act is public.

The Minnesota Supreme Court further clarified that activities that promote the following objectives *for the benefit of all the Town's residents* further a public purpose: 1) Public Health; 2) Safety; 3) General welfare; 4) Security; 5) Prosperity; 6) Contentment. These interests also represent the foundation of all legitimate Town Board actions. Board members are elected or appointed to govern by and for those interests acting as specialists on what best serves the local population. The Town Board's written determination of a valid public purpose based on reasonable findings of fact, along with the advice of the Town Attorney should not be underestimated.

The State of Minnesota's State Auditor's Office provided information on whether a Town can donate public funds. They state that while the causes may be worthwhile, towns need to be cautious when making any financial commitments involving public funds. In most circumstances, towns have no authority to give away public funds as donations. In order to spend public funds a town must have authority to do so as specifically stated in a statute, or may be implied as necessary to do what an express power authorizes. Based on general principles, donations to people, non-profits, charities, or other groups are not permitted unless they are based upon specific statutory authority. Before a town makes a contribution, it is important for that town to determine that it has specific authorization to make the expenditure. Following are examples of specific, statutorily-authorized appropriations: **Artistic Organizations:** A town may appropriate money to support artistic organizations. **Historical Causes:** A town may annually appropriate a specified amount to a county historical society so long as the society is affiliated with, and approved by, the Minnesota Historical Society. **Senior/Youth Centers.** A town may appropriate money to support facilities, programs, and services of a public or private, non-for-profit senior citizen center or youth center. **Public Recreation Programs:** Towns may spend funds to operate programs of public recreation, recreational facilities, and playgrounds. These programs may be conducted independently or with any nonprofit organization. **Promotion:** An urban town may appropriate up to \$50,000 annually to an incorporated development society or organization of this State, for promoting, advertising, improving, or developing the economic and agricultural resources of the urban town. **Employee Recognition:** Towns may spend funds to recognize volunteers, service efforts, and retiring town offices. **Community Celebrations:** Towns may spend funds to host or support a community celebration. The authority to purchase fireworks seems to be implied.

As an alternative to a donation, a town may enter into a contract with an organization to accomplish tasks that the town is authorized to perform by statute. The Minnesota Association of Townships has drafted a short form "Sample Contract for Services" that towns may use in these situations.

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Based on Town Attorney review of League of Minnesota Cities, State of Minnesota Auditor's Office, Minnesota Statutes, and the Town's TIF Attorney, the Town may be able to accomplish its objective in promoting the Town Hall as part of general welfare and historical prosperity. The old Town Hall from a historical background, coupled with the present, benefits the community as a body. The Town Hall on Town property has as its primary objective to promote the historical basis of past Town Boards and Town government. The bottom line is that a resolution incorporates the basic principles and said funds serves a public purpose and serves the residents. It should be noted that the Town owns the building, owns the site, maintains the site, pays for restoration and site improvements – all for the benefit of the community.

Comments included:

- The Town Hall is an attractive project due to its historical significance.
- Town Attorney advised to use "promotion" and not "fundraising".
- Could some of the money already donated be used to pay for printing and mailing of the promotion letter that Sara Hanson is recommending. Ask her to contract the donors to see their intent.
- Promote Township history, but keep costs in check.
- Should the promotional letter be sent to surrounding communities that were formerly part of the Township and who may use the site.
- Place advertising in the newspaper regarding promotional efforts
- Send a promotional letter to members of the WBLA Historical Society even if they live outside of the Township.
- Should we do a targeted mailing first (before Christmas) to see what kind of response to expect? Do the remainder of the mailing after the first of the year?
- In the spring, have an open house at the old Town Hall.
- Have a subcommittee of the EDAB look at the final draft of the letter. A quorum would not be needed. The subcommittee can make the determination and it would not have to go back to the EDA.

Scherman moved to recommend to the EDA, that the EDAB supports mailing a promotional campaign letter with the following objectives: 1) the Township encourages the WBLA Historical Society to determine if some of the funds already donated may be used for this effort; 2) the purpose of the letter is to promote the history of White Bear Township for the benefit of the public; 3) recognizing that the Town owns the building, owns the site, pay for costs of improvements to the building and the site and maintains the site; 4) to promote the public health, safety, general welfare, security, prosperity, and contentment of the Town residents, noting that the cost of the promotional mailing is estimated to be approximately \$3,000. McCune seconded. Ayes all.

**EVENTS AND COMMUNICATION DIRECTOR SERVICES:** The updated proposal from Deb Stender was reviewed. It was noted that the Marketing / Promotion of White Bear Township area was the part of the proposal that pertains to what the EDAB is interested in. Following are comments provided:

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- Have Deb Stender provide ideas for business recognition events for all Town businesses, both large and small.
- Provide a prioritized list of specific tasks that could be performed.
- The proposal does not include how many hours will be spent for the \$5,000 fee.
- Provide a History book to all businesses along with any business appreciation efforts.
- Every so often send a “one-page” communication to Town businesses.
- Have a business event to let Town businesses know about the Town and that it is here to assist them.
- Communication with the White Bear Press and local media to raise awareness.

It was the consensus to have Deb Stender come to the next EDAB meeting to review her proposal.

Zinschlag moved to recommend to the EDA that Deb Stender attend the next EDAB meeting to review her proposal. Johnson seconded. Ayes all.

Zinschlag moved to adjourn the meeting at 7:25 p.m. Artner seconded. Ayes all.

Respectfully Submitted,

William F. Short  
Clerk-Treasurer