

**MINUTES  
CITY OF SAINT PAUL  
COUNCIL MEETING  
November 2, 2023**

**I. CALL TO ORDER**

Mayor Mercurief called the meeting to order at 9:02AM.

**II. ROLL CALL**

Council members present were Jason Bourdukofsky, Raymond Melovidov, Joseph Kozloff, Heidi Mercurief, Daniel Porath, and Naomi Edenshaw.

**III. APPROVAL OF AGENDA**

CM Porath MOVED to approve. Seconded by CM Bourdukofsky.

Comment on relevance of Resolution 23-18, under Old Business, being on the Agenda, given the budget workshop and ability to execute. It was struck from the agenda. There were no further comments or questions.

Motion to approve the Agenda, with changes, was carried by Voice vote of 7 Ayes.

**IV. APPROVAL OF MINUTES**

CM Melovidov MOVED to approve the minutes for September 19, 2023, and October 10, 2023. Seconded by CM Edenshaw. There were no comments or questions.

Motion to approve was carried by Voice vote of 7 Ayes.

**V. PERSONS TO ADDRESS THE COUNCIL**

There was no one to address the council.

**VI. REPORTS**

**A. Mayor**

Mayor Mercurief expressed thanks for staff that have been working on the New Town sewer pump and grading the roads.

**B. City Manager**

Zavadil provided a written report and was available for questions. There were no questions.

**C. City Clerk**

Wegeleben provided a written report and was available for questions. There were no questions.

**D. Finance Director**

Mandregan provided a written report and was available for questions. There were no questions.

### **E. Grants/Project Specialist**

Sterbenz provided a written report and was absent to work on a grant deadline.

### **F. Department of Public Safety**

#### **1. Emergency Medical Services**

Nason provided a written report.

#### **2. Village Public Safety Officer**

No report provided.

## **VII. OLD BUSINESS**

Stuck from the Agenda.

## **VIII. NEW BUSINESS**

### **A. First Reading of Ordinance 23-05 - Revising and Amending Title 4 - Revenue and Finance, Chapter 4.25 - Sales Tax, 4.25.020 - Levy and collection of tax on alcohol, marijuana, and tobacco**

CM Edenshaw MOVED to approve. Seconded by CM Kozloff.

Zavadil provided local history on sin tax and its recent discussion at the community CEDS meeting. Any new tax must go to the public to vote after 3 readings and prior approval by the Council. The change to chapter 4.25 is the tax on the sale of alcohol, marijuana, and tobacco at an additional 5% to the 3.5% sales tax. Based on known sales, there is an estimated \$10,000 to \$50,000 in new tax revenue. As a second-class city, the City cannot dedicate tax revenue, it would go into the general fund and can be allocated through the budget process. CM Bourdukofsky mentioned taxes are paid when purchasing from the store and asked about the Tribe being tax exempt. The tax exemption process was briefly explained.

Point of Order called by Mayor Merculief.

There were no further comments or questions.

Motion to approve was carried by Roll Call vote with 7 Ayes.

### **B. First Reading of Ordinance 23-06 - Amending the City Code of Ordinances to revise and amend Chapter 4.25 Sales Tax deleting subsection (E) from Sales Tax Exemptions**

CM Edenshaw MOVED to approve. Seconded by CM Merculief.

The exemption on the sales of seafood by vessels 46 feet or less and smaller would be lifted and they would have to pay the 3.5% sales tax. The City pays \$86,000 a year on the small boat harbor. The estimated revenue would be \$40,000 to \$50,000. Zavadil provided some background on when the Ordinance was first addressed. Definition of conflict of interest, history of the tax, and utilization of the small boat harbor were briefly discussed.

Motion to approve was carried by Roll Call vote with 5 Ayes and CMs Melovidov and Porath Abstaining.

**C. First Reading of Ordinance 23-07 – Amending City Code of Ordinances by Adding Title 4 – Revenue and Finance, Chapter 4.35 – Rental Tax on Rental of Motor Vehicles**

CM Bourdukofsky MOVED to approve. Seconded by CM Edenshaw.

This would add an additional 8% tax to vehicle rentals. It is a new tax and would require three readings of council and a public vote. Estimated revenue would be \$2,500 to \$5,000. Tax exemption would apply to all tax-exempt entities. The council can make additional exemptions if desired. CM Bourdukofsky asked about possible taxes for those who bring seasonal vehicles to island; commenting that there are numerous dead vehicles around town. Zavadil said that would be a different process and would need to be researched if it'd be a tax or a fee. A hosting platform is an online service that rents to people, this additional tax would be built into those platforms.

Motion to approve was carried by Roll Call vote with 6 Ayes, with a No vote by CM Porath.

Break taken at 9:49AM. Back on record at 10:02AM.

**D. First Reading of Ordinance 23-08 - Amending City Code of Ordinances by Adding Title 4 – Revenue and Finance, Chapter 4.40 – Room Tax**

CM Bourdukofsky MOVED to approve. Seconded by CM Melovidov.

This additional 12% room tax does not apply to long-term rentals but for short-term occupancy of 30 days or less. Tax exemption would apply to all tax-exempt entities. Estimated revenue is \$20,000 to \$50,000. Discussion on a change in short-term definition from 30 days to 60.

Motion to approve was carried by Roll Call vote with 6 Ayes with a No vote by CM Porath.

**E. First Reading of Ordinance 23-09 - Amending the City Code of Ordinances by Adding Title 5 – Business Licenses and Regulations, Chapter 5.15 – Marijuana Regulations**

CM Mercurief MOVED to approve. Seconded by CM Edenshaw.

This would open the option for legal retail sales of marijuana products in Saint Paul; grow operation permitting would be a sperate process. They would have to meet all the State regulations. The City council would review applications for licensing and send any approved applications to the Alcohol & Marijuana Control Board. Any consequences are mostly monetary and the AMCB has enforcement if the City found a business in violation of ordinance. The City can clarify if there is onsite or no onsite consumption and can limit the number of licenses and locations. State has standard requirements that would have to be followed by any business.

Motion to approve was carried by Roll Call vote with 7 Ayes.

**IX. EXECUTIVE SESSION**

There was no Executive Session held.

**X. NEXT MEETING DATES/TIMES/AGENDA ITEMS**

**A. November 14, 2023, at 9:00 am**

**B. December 12, 2023, at 9:00 am**

**XI. ADJOURNMENT**

CM Porath MOVED to adjourn. Seconded by CM Edenshaw. The Motion was carried by Voice vote with 7 Ayes. The meeting adjourned at 10:42AM.

SUBMITTED BY:

APPROVED:

---

Aubrey Wegeleben, City Clerk

---

Date