

## CITY COUNCIL

7:00 P.M.

March 17, 2014

Present: Joanne Johnson  
Steven Marolt  
David Gustafson  
Carlene Perfetto  
Dustin Goutermont

Lana Fralich, City Administrator  
Pete Morris, City Attorney  
Scott Blood, Fire Relief Association  
Michael Bosl, KDV Auditors  
Kitty Mayo, North Shore Journal  
David Johnson

Mayor Johnson called the meeting to order at 7:00 p.m.

**Agenda** – State Youth Hockey Tournaments was added to communications and Heavy Equipment Trailer Purchase was removed from Administrator. Motion by Marolt, second Goutermont to approve the agenda as amended. MOTION CARRIED.

**Consent Agenda** – Motion by Marolt, second Perfetto to approve the minutes of the March 3, 2014 regular Council meeting. MOTION CARRIED.

**Public Audit Presentation** – Bosl presented the 2013 year-end audit of financial statement and communications letter prepared by KDV Auditors. The City received a clear and unqualified opinion from an independent auditor, which is the highest rating it can achieve. The Council reviewed the audit and thanked KDV and the City staff for their work on the audit.

### **Petitions, Requests and Communications**

**EMT Refresher Certificate** – The board reviewed an EMT refresher certificate for Don Thompson for successfully completing the course, and it was noted this is not in his job description, but that an EMT is a benefit to the City especially in the Parks and Recreation Department he works in.

**Fireworks Donations** – It was noted that the City is taking donations to add to the City contribution for the July 4<sup>th</sup> fireworks display.

**Day at the Capitol** – Mayor Johnson, Councilor Perfetto and Fralich reported on the Day at the Capitol event, and the following issues that were presented to the legislators; LCCMR Grant for the greenhouse project, funding for the public utilities projects, airport safe harbor designation, and obtaining a regional significance designation. They thanked Ron Dicklich, former Senator and Executive Director of RAMS, for his work in coordinating legislative meetings and leading the City team at the Capitol. They also thanked the local legislators, Senator Tom Bakk and Representative David Dill, for their support of our community.

**State Youth Hockey Tournaments** – The Council thanked the Parks and Rec. staff and the many volunteers who worked to host the Bantam B State Tournament at the arena. The Council congratulated the North Shore Girls 12-U hockey team for taking 3<sup>rd</sup> place in the State Tournament.

### **City Administrator**

**Amend Motion, January 7, 2013** – The auditors have suggested that the motion concerning the fire relief pension benefit, made on January 7, 2013, be amended to include the January 1, 2013 effective date as originally attended. Motion by Perfetto, second Goutermont to amend the motion to temporarily increase the Fire Relief Pension multiplier from \$1,100 to \$1,600 per year of active service, from January 1, 2013 to January 31, 2013. MOTION CARRIED.

**Resolution 2014-13** – The Parks and Recreation Board recommends purchasing a new sound system for the arena, and it was noted that donations have been secured from the M-Club, the Blue Line Club and Cliffs Natural Resources for this project. The Council reviewed two quotes for a sound system with the lowest bidder being \$19,525 by Endresen Sound Company. Motion by Perfetto, second Gustafson to adopt Resolution 2014-13 authorizing to enter in a contract with Endresen Sound Company for the purchase and installation of a public address system in the arena.

Member Perfetto – aye

Member Goutermont – aye

Member Gustafson – aye

Mayor Johnson – aye

Member Marolt – aye

RESOLUTION 2014-13 WAS ADOPTED. 5 aye, 0 nay

**FAA Entitlement Transfer** – The Council reviewed a request from the Cook County Airport to transfer \$150,000 of unused 2011 entitlement funds to their airport, for their runway extension project, and it was noted that the Public Works Commission recommends this transfer. Motion by Gustafson, second Marolt to transfer \$150,000 of 2011 airport entitlement funds to the Cook County Airport. MOTION CARRIED.

**City Attorney** – No other business was presented by the attorney.

OLD BUSINESS – No old business was presented.

### **NEW BUSINESS**

**Fire Relief Association Pension Multiplier** – The Council reviewed a memo from the Fire Relief Association requesting a change to the pension benefit from an equal amount to an annual adjustable amount as determined under MN Statute 424A.02, subd. 3. The pension multiplier would be based on the maximum lump sum benefit allowable rounded down to the nearest \$100 increment. The amount is calculated as of August 1<sup>st</sup> of each year when the State Maximum Benefit Worksheet (MBW) is completed and would go into effect immediately following Council approval. The annual adjustable amount is entirely dependent on current pension fund balances and no required contribution by the City. There was discussion about pension funding, investments and current assets. Motion by Gustafson, second Perfetto to approve the revised Fire Relief Pension Multiplier

calculation based upon the annual maximum lump sum benefit allowable, rounded down to the nearest \$100 increment as determined under MN Statutes and to change the current multiplier from \$1100 to \$1600 per year of active service, effective March 17, 2014 through July 31, 2014. Gustafson, Perfetto and Mayor Johnson voted aye, Goutermont and Marolt abstained. MOTION CARRIED.

**Claims** – Motion by Goutermont, second Gustafson to approve payment of \$54,571.39 paid claims and \$48,797.58 in unpaid claims. MOTION CARRIED.

The Council thanked the administrative staff, department heads, and all city staff for their work throughout the year that results in a clean audit. Motion by Perfetto, second Gustafson to formally thank Deputy Clerk Treasurer Cheryl Marolt for her work on preparing the required information for the audit. Gustafson, Perfetto, Goutermont and Mayor Johnson voted aye, Marolt abstained. MOTION CARRIED.

Motion by Marolt, second Goutermont to adjourn at 7:49 p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

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Joanne Johnson, Mayor

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Lana Fralich, City Administrator