

## CITY COUNCIL

7:00 P.M.

August 20, 2007

Present: Scott M. Johnson  
David Gustafson  
James P. Kelly  
Pat Kelley  
Steve Marolt

Tom Smith, City Administrator  
Wayne G. Johnson, City Attorney

Also attending: George Pope, Harold Koepp, Carol Youngberg, Elwood Youngberg, Bill Ylatupa, Josh Bergstad, Bob McCurdy, Peggi Potter, Chuck Potter, Gary Zinter, Forrest Johnson

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

CONSENT AGENDA – Motion J. Kelly, second Gustafson to approve the consent agenda item 3 (minutes of August 6 Council/Planning & Zoning Joint Meeting and August 6 regular Council meeting). THE MOTION CARRIED

### PETITIONS, REQUESTS, & COMMUNICATIONS

LETTER FROM T. PORTER, dated 8/9/07, submitting his resignation from the Airport Commission, effective immediately. Member Gustafson said Mr. Porter had this day agreed to withdraw his resignation. Member J. Kelly asked that Mr. Porter put this in writing. Council agreed to table the letter.

POSSIBLE ATV EVENT – Bill Ylatupa was present in regard to a group that wanted to break the current ATV world record of 1138 ATV machines in a single parade and was considering Silver Bay as a possible site for this during June 2008. The group was seeking permission from the city for this event. Council discussed possible locations for parking the vehicles within the city and additional facilities and city staff that might be needed.

Motion J. Kelly, second Marolt to approve the concept of a large ATV event in Silver Bay sometime in mid-June, 2008. THE MOTION CARRIED

DEPARTMENTS – CITY ATTORNEY – Atty. Johnson said he was preparing two new leases for Mary MacDonald and two existing businesses were considering leasing additional space.

### OLD BUSINESS

PROPOSED AMENDMENT TO CITY CODE RE: LODGING TAX – Council had copies of the 8/20/07 letter signed by 12 owners of the AmericInn listing the concerns and reasons the AmericInn does not support the proposed city lodging tax. Member J. Kelly said he

would not be against a lodging tax if it were fairly administered and if the city had letters from other communities that they were in support of the tax. Without those, he would reject establishing such a city tax, he said. Member P. Kelley spoke in favor of the tax and the benefits to the area businesses and communities. AmericInn owners Gary Zinter and Peggi Potter explained how the tax would impact their business and their own marketing efforts and expressed the concerns detailed in their letter including concerns about being one of only two businesses mandated to collect the tax, the lack of support from other area businesses, and concerns about the lack of specifics regarding how the money collected would be spent and who would make those decisions. Mayor Johnson agreed more details and structure were needed before a lodging tax could be considered.

Motion J. Kelly to reject proposed Resolution 2007-#24, Establishing a Lodging Tax. The motion failed for lack of a second.

Motion P. Kelley to adopt Resolution 2007-#24, Establishing a Lodging Tax. The motion failed for lack of a second.

Motion Gustafson, second Marolt to table the proposal to establish a lodging tax, to ask the tourism committee to come up with an expanded committee membership to include persons representing the lodging businesses in Silver Bay, and to secure a commitment of support for the tax from surrounding towns/townships and businesses. THE MOTION CARRIED. Member J. Kelly voted naye.

COMMITTEE MEMBERSHIP DISCUSSION – Member P. Kelly suggested the city reduce the number of council members on city commissions from two to one in order that more citizens could serve on the commissions. He also suggested compensating members in some small way for meeting attendance and mileage. Member J. Kelley said he did not support paying anyone and felt council membership should not be reduced since the city already had trouble filling openings on some commissions. Atty. Johnson said the City Code did not allow for compensation unless it was for expenses incurred. He said normally people served on commissions because they believed in the cause; providing a small compensation did not increase volunteerism.

## NEW BUSINESS

RESOLUTION 2007-#23, ADOPTION OF COMPREHENSIVE PLAN – A Public Hearing was held at 6:45 p.m. this day to consider adoption of the comprehensive plan. There was no public input.

Motion J. Kelly, second P. Kelley to adopt **Resolution 2007-#23, Adoption of 2007 comprehensive Plan.**

Roll call vote: Member Gustafson – aye  
Member P. Kelley – aye  
Mayor Johnson – aye

Member J. Kelley – aye  
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

LETTER FROM MR. DURESKY RE: RETIREMENT PROPOSAL & PERSONNEL COMMITTEE RECOMMENDATION – James Duresky, who will retire as utilities

superintendent March 1, 2008, has requested he receive an additional 15% of his banked sick leave (approximately 239 hours times \$27/hour) upon his retirement, based on his length of service to the city and accomplishments as superintendent. The personnel committee recommends granting this request. Mayor Johnson clarified this was an opportunity to recognize Mr. Duresky's service, but it would not set a precedent.

Motion Gustafson, second J. Kelly to accept the recommendation of the personnel committee to approve payment of an additional 15% of his sick leave bank to James Duresky upon his retirement on March 1, 2008, as utilities superintendent. THE MOTION CARRIED

REQUEST NEXT FY08 BUDGET WORK SESSION – The next Budget Work Session will be Thursday, August 23, 2007, at 1:00 p.m.

Mayor Gary Faust of St. Anthony Village, Minnesota, was present on behalf of the League of MN Cities to thank Council for supporting Council Member James Kelly's membership on the LMC Board of Directors. He complimented Member Kelly for his work on the Board and his support of small cities.

The meeting recessed at 8:06 p.m. The meeting reopened at 8:13 p.m.

UTILITIES SUPERINTENDENT POSITION - Mayor Johnson noted that Atty. Johnson had said the utilities superintendent position should be discussed in an open meeting. Mayor Johnson stated at the August 6 meeting, Council moved to advertise the position of superintendent outside of the city since Michael Miller had declined the city's offer of an appointment to that position. Mr. Miller has now, however, written a letter stating he has changed his mind and will accept the position. Mr. Smith clarified that the position has already been advertised as authorized by Council. Atty. Johnson clarified that Mr. Miller could now submit an application for this position as could any other qualified person.

Motion J. Kelly, second P. Kelley to continue the action previously approved by the City Council on August 6 to advertise for the position of superintendent of the utilities department. THE MOTION CARRIED

Motion J. Kelly, second P. Kelley to approve payment of \$81,100.29 unpaid claims and \$84,007.78 paid claims as presented. THE MOTION CARRIED

Motion Marolt, second P. Kelley to adjourn at 8:23 p.m. THE MOTION CARRIED

Minutes taken by Betty Oslund

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Scott M. Johnson, Mayor

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Tom Smith, City Administrator