

CITY COUNCIL

7:00 P.M.

August 4, 2008

Present: Scott M. Johnson
David Gustafson
Pat Kelley
Steven Marolt
Amber Dow

Lana Fralich, City Administrator
Gerald Morris, Asst. City Attorney

Also attending: Tom Clifford, Harold Koepp, Jack Swanson, Marie Frey, Forrest Johnson

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

CONSENT AGENDA – Motion Kelley, second Marolt to approve the Consent Agenda item 3 (minutes of July 21, 2008, Council Meeting) as presented. THE MOTION CARRIED Member Dow abstained.

PETITIONS, REQUESTS, & COMMUNICATIONS

County Commissioner Clifford was present to ask Council to become part of a committee to coordinate requests from area jurisdictions for improvements to Highway 61.

Motion Marolt, second Dow to appoint Council Member Kelley to the Highway 61 Corridor Committee and to appoint Council Members Gustafson and Marolt as 1st and 2nd alternates, respectively. THE MOTION CARRIED

LETTER FROM SONJA SMERUD – City Adm. Fralich is working with Ms. Smerud and will be contacting other city groups for assistance in securing pins for exchange.

ARDC 2009 BUDGET AND TAX LEVY – Mrs. Fralich will contact ARDC regarding the relatively high percentage of increase for Lake County.

SCHOOL TO THE WORKFORCE CONNECTION FORUM – The information will be given to the EDA.

MPCA INVITATION TO DECONSTRUCTION WORKSHOP – Motion Marolt, second Kelley to authorize Council Member Dow to attend the NE MN Building Deconstruction Workshop in Duluth, MN on August 13, 2008, with usual expenses paid. THE MOTION CARRIED

LMC MEETINGS – Motion Kelley, second Marolt to approve the attendance of the City Administrator and any member of the City Council to the fall regional League of MN Cities meeting on October 21 in Hibbing, MN, with usual expenses paid. THE MOTION CARRIED

Council discussed upcoming LMC conferences and meetings and whether or not it was essential to have representation at the summit on potential future changes to the LGA

formula. Member Kelley felt Council could work directly with the League of MN Cities rather than going to the meeting.

Motion Dow, second Gustafson to authorize the attendance of the City Administrator or any Council Member to the League of MN Cities LGA Summit on September 4 in Brainerd, MN, with usual expenses paid. THE MOTION CARRIED. Member Kelley voted naye.

WE ARE ALL ONE BICYCLE TOUR REQUEST FOR DONATION/SPONSORSHIP – Council declined to donate to the “We Are All One Bicycle Tour” since no money is included in the 2008 budget for this and the tour is not originating from Silver Bay or Beaver Bay.

LAKE COUNTY HUMAN SERVICES PRESENTATION – Motion Kelley, second Dow to authorize the City Administrator, any member of the City Council, and the Recreation Director and Asst. Recreation Director to attend the August 22 Lake County Human Services presentation in Two Harbors with usual expenses paid. THE MOTION CARRIED

LETTER FROM Z. & T. HARRISON RE: RE-UNION HALL DANCE JULY 12 – Mrs. Fralich responded to the complaints in the letter from the Harrisons and clarified the issues surrounding this dance held July 12 during the Rocky Taconite tournament. She stated the City had conducted itself professionally. The organizers had been informed that the liquor store had karaoke that weekend and that this would affect attendance at a dance. Employees of the liquor store were following standard city practices when they informed people they could not purchase drinks at the liquor store and take them over to a BYOB dance. In addition, the reduction in the rental fee was because of reduced cleaning costs and was not an acknowledgment of any City fault. It was noted the City had the latitude to make exceptions for events such as during the ATV event or Bay Days, when an area was fenced off and secured. Council had approved those events.

LETTER OF APPRECIATION (received July 25, 2008) from Tom Harris, 61 Burk, complementing members of the utilities department for their quick and courteous response and professionalism in assisting him with problems at his residence.

TWO HARBORS CHAMBER MEETING – Motion Kelley, second Marolt to authorize any member of the City Council to attend the Two Harbors Chamber luncheon with David Dill on August 21 in Two Harbors with usual expenses paid. THE MOTION CARRIED

LETTER OF RESIGNATION – Mary Bott has resigned as custodian for City Hall, effective September 30, 2008.

Motion Dow, second Marolt to accept the resignation of Mary Bott with much appreciation for her many years of work as custodian at City Hall and to authorize advertising for the position. THE MOTION CARRIED

A letter was received from the MN Rural Water Association thanking the city for its hospitality in sponsoring a training session recently.

Information from Insurance Services Offices regarding the building code effectiveness rating schedule has also been received.

DEPARTMENTS – CITY ADMINISTRATOR

LIQUOR STORE PROJECT CHANGE ORDER #1 – A letter has been received from LHB Engineers stating the city will receive a credit of \$1779 on the final billing for the liquor store project. Atty. Morris will review final documents. NEXT AGENDA

RESOLUTION 2008-#32, AUTHORIZING POLICE OFFICER AS MEMBER OF PERA – The Public Employees Retirement Association has asked for changes in the City's Resolution to declare police officer Chad Streiff as a member of PERA.

Motion Gustafson, second Kelley to repeal Resolution 2008-#25 and to adopt **Resolution 2008-#32**, Declaring that Chad Streiff meets the Police and Fire membership requirements for membership in PERA.

Roll call vote: Member Gustafson – aye
Member Kelley – aye
Mayor Johnson - aye

Member Dow – aye
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

SECURITY ALARM SYSTEMS – Mrs. Fralich reported she had received two similar proposals for security systems within the city. Concern was raised regarding windows that were left open at MacDonald building which would render a minimum security system useless. Mayor Johnson suggested the police department, which drives by the area during the night, report any open windows to the City Administrator so that she can discuss this with the tenant responsible.

LAKE BANK SIGNATORY CHANGES – Motion Kelley, second Gustafson to remove Leondra Morris and add Veronica Duresky to the Lake Bank Corporate Authorization Resolution for bank signatories. THE MOTION CARRIED

A household hazardous waste collection will be held in the city on August 6.

SET DATE FOR TRUTH IN TAXATION MEETING AND CONTINUATION – Motion Kelley, second Marolt to set a Truth in Taxation Hearing for 6:00 p.m. December 1, 2008, and a continuation, if needed, for 6:00 p.m. December 15, 2008. THE MOTION CARRIED

SET BUDGET WORKSHOP MEETINGS – Motion Kelley, second Dow to set Council Budget Workshop Sessions for 6:00 p.m. August 13, 2008, and 6:00 p.m. August 21, 2008. THE MOTION CARRIED

RESOLUTION 2008-32, RENEWAL OF CABLE SERVICES FRANCHISE – Motion Marolt, second Kelley to adopt **Resolution 2008-#32, A Resolution for Renewal of Cable Services Franchise.**

Roll call vote: Member Gustafson – aye
Member Kelley – aye
Mayor Johnson - aye

Member Dow – aye
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

Motion Dow, second Kelley to authorize the City Administrator to publish the summary of City Code Section 1320A, Cable Services Franchise Renewal, which the City Council finds clearly informs the public generally of what is in the Ordinance. THE MOTION CARRIED

Cable Committee Chair Frey suggested that Beaver Bay be asked to pay a portion of the attorney's bill for work on the franchise renewal. She said the committee might request to utilize some of the franchise fee, depending upon the outcome of conversations with the high school principal.

ADMINISTRATIVE ASSISTANT POSITION – Motion Gustafson, second Dow to accept the recommendation of the Personnel Committee to hire Lisa Topp as Administrative Assistant at \$15 per hour, effective August 3, 2008, with the understanding that per the personnel policies she will receive 80% of that wage during the 6 month probation period. THE MOTION CARRIED

CITY ATTORNEY – MEMORANDUM OF UNDERSTANDING FROM MN/DOT RE: TRUCK STATION – Atty. Morris stated he had reviewed the Memo of Understanding received from the State for the proposed Truck Station and had encouraged someone from MN/DOT to attend the Council meeting to explain why the State wanted an MOA rather than a development agreement. Council felt they needed a great deal of information before considering any action on an agreement.

OLD BUSINESS – MARY MACDONALD BUILDING REHABILITATION – Mrs. Fralich reviewed cost estimates for the rehabilitation of MacDonald Building. She said she was working with the major tenant in regard to what they needed to operate within the building. Options for wider doorways in lieu of a loading dock and covering the gym floor in order to allow for storage of heavy containers were some of the things being discussed.

CLAIMS – Motion Kelley, second Gustafson to approve payment of \$133,903.10 paid claims and \$157,931.80 unpaid claims as presented. THE MOTION CARRIED

Motion Kelley, second Marolt to adjourn at 8:21 p.m. THE MOTION CARRIED

Scott M. Johnson, Mayor

Lana Fralich, City Administrator